

# AGF Diversified Income Fund - Series I

This document contains key information you should know about AGF Diversified Income Fund. You can find more detailed information in the fund's simplified prospectus. Ask your representative for a copy, or contact AGF Investments Inc. at 1-800-268-8583 or tiger@AGF.com, or visit www.AGF.com.

**Before you invest in any fund, you should consider how the fund would work with your other investments and your tolerance for risk.**

Subject to obtaining securityholder approval, AGF is proposing, effective on or about October 1, 2018, to pay certain operating expenses relating to registrar and transfer agency services of this series and, in return, the fund will pay AGF a fixed annual administration fee. A meeting to obtain securityholder approval for this proposal will be held on or about June 14, 2018.

## Quick facts

<b>FUND CODES:</b>	CAD: AGF6004	<b>FUND MANAGER:</b>	AGF Investments Inc.
<b>DATE SERIES STARTED: (SERIES I)</b>	October 18, 2016	<b>PORTFOLIO MANAGER:</b>	AGF Investments Inc.
<b>TOTAL VALUE ON FEBRUARY 28, 2018:</b>	\$189.4 million	<b>DISTRIBUTIONS:</b>	Monthly, plus annually in December. Distributions are reinvested unless, in certain cases, you choose cash.
<b>MANAGEMENT EXPENSE RATIO (MER):</b>	0.00%	<b>MINIMUM INVESTMENT:</b>	As agreed upon by you and AGF

## What does the fund invest in?

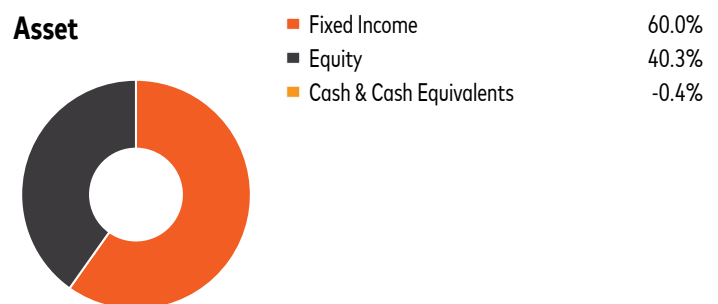
The Fund's objective is to achieve a high level of current income and long-term growth of capital by investing primarily in a diversified portfolio of income, dividend and distribution paying Canadian securities including common shares, income trusts and other types of equity and fixed income securities. Up to 49% of the Fund's assets may be invested in foreign securities.

The charts below give you a snapshot of the fund's investments on February 28, 2018. The fund's investments will change.

### Top 10 Investments (February 28, 2018)

1. Government of United States of America Inflation Index Linked 0.125% January 15, 2023	5.1%
2. Government of Canada 5.00% June 1, 2037	5.1%
3. Government of United States of America 2.25% November 15, 2024	4.5%
4. Government of Canada 4.00% June 1, 2041	3.0%
5. Government of United States of America 4.50% February 15, 2036	3.0%
6. TELUS Corp. 5.15% November 26, 2043	1.3%
7. Export-Import Bank of Korea 1.927% February 24, 2020	1.0%
8. Canada Housing Trust 2.40% December 15, 2022	1.0%
9. Just Energy Group Inc. 6.50% July 29, 2019	1.0%
10. Fairfax Financial Holdings Ltd. 4.70% December 16, 2026	1.0%
<b>Total percentage of top 10 investments.</b>	<b>26.1%</b>
<b>Total number of investments</b>	<b>188</b>

### Investment Mix (February 28, 2018)



### How risky is it?

The value of the fund can go down as well as up. You could lose money.

One way to gauge risk is to look at how much a fund's returns change over time. This is called "volatility".

In general, funds with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. Funds with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

### Risk rating

AGF Investments Inc. has rated the volatility of this fund as **low to medium**.

This rating is based on how much the fund's returns have changed from year to year. It doesn't tell you how volatile the fund will be in the future. The rating can change over time. A fund with a low risk rating can still lose money.



For more information about the risk rating and specific risks that can affect the fund's returns, see the Risk section of the fund's simplified prospectus.

### No guarantees

Like most mutual funds, this fund doesn't have any guarantees. You may not get back the amount of money you invest.

### How has the fund performed?

This section tells you how Series I units of the fund have performed since inception. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

#### Year-by-year returns

The year-by-year returns are not available for Series I units of the fund as it has not been distributed to the public under a simplified prospectus for a full calendar year. The range of returns and change from year to year can help you assess how risky the fund has been in the past. It does not tell you how the fund will perform in the future.

#### Best and worst 3-month returns

This information is not available for Series I units of the fund as it has not been distributed to the public under a simplified prospectus for a full calendar year.

#### Average Return

The average return is not available for Series I units of the fund as it has not been distributed to the public under a simplified prospectus for 12 consecutive months.

### Who is this fund for?

- you are an income-oriented investor
- you're investing for the medium to long-term
- you tolerate low to medium risk
- you wish to receive a monthly distribution

### A word about tax

In general, you'll have to pay income tax on any money you make on a fund. How much you pay depends on the tax laws where you live and whether or not you hold the fund in a registered plan, such as a Registered Retirement Savings Plan or a Tax-Free Savings Account.

Keep in mind that if you hold your fund in a non-registered account, generally, fund distributions are included in your taxable income, whether you get them in cash or have them reinvested.

### How much does it cost?

The following tables show the fees and expenses you could pay to buy, own and sell Series I units of the fund. The fees and expenses - including any commissions - can vary among series of a fund and among funds. Higher commissions can influence representatives to recommend one investment over another. Ask about other funds and investments that may be suitable for you at a lower cost.

#### 1. Sales charges

No sales charges are applicable for this series of the fund. Series I units are intended for institutional investors who enter into an agreement with AGF Investments Inc. whereby a negotiated management fee is agreed to.

## How much does it cost? cont'd

### 2. Fund expenses

You do not pay these expenses directly. They affect you because they reduce the fund's return. As of September 30, 2017, the series' expenses were 0.03% of its value. This equals \$0.30 for every \$1,000 invested.

	Annual rate (as a % of the fund's value)
<b>Management expense ratio (MER)</b> This is the total of the fund's management fee (which includes the trailing commission), operating expenses and the fund's proportionate share of the MER, if applicable, of any underlying fund(s). AGF Investments Inc. waived some or all of the fund's expenses. If it had not done so, the MER would have been higher.	0.00%
<b>Trading expense ratio (TER)</b> These are the fund's trading costs.	0.03%
<b>Fund expenses</b>	<b>0.03%</b>

#### More about the trailing commission

No trailing commission will be paid.

### 3. Other fees

You may have to pay other fees when you buy, hold, sell or switch securities of the fund.

Fee	What you pay
<b>Short-term or frequent trading fee</b>	Up to 2% of the value of securities you sell or switch within 30 calendar days of purchase, or whether there have been multiple redemptions or switches made within 15 calendar days of purchase. These fees go to the fund.
<b>Management fee</b>	You will be charged a management fee directly by us. The maximum management fee to be charged is 1.25%. Management fee discounts may apply in certain circumstances; for more information, speak with your representative.

## What if I change my mind?

Under securities law in some provinces and territories, you have the right to:

- withdraw from an agreement to buy mutual fund units within two business days after you receive a simplified prospectus or Fund Facts document, or
- cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, annual information form, Fund Facts document or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

## For more information

Contact AGF Investments Inc. or your representative for a copy of the fund's simplified prospectus and other disclosure documents. These documents and the Fund Facts make up the fund's legal documents.

#### AGF Investments Inc.

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To learn more about investing in mutual funds, see the brochure **Understanding mutual funds**, which is available on the website of the Canadian Securities Administrators at [www.securities-administrators.ca](http://www.securities-administrators.ca).