

AGF's Corporate Class Structure— A more tax-efficient way to invest

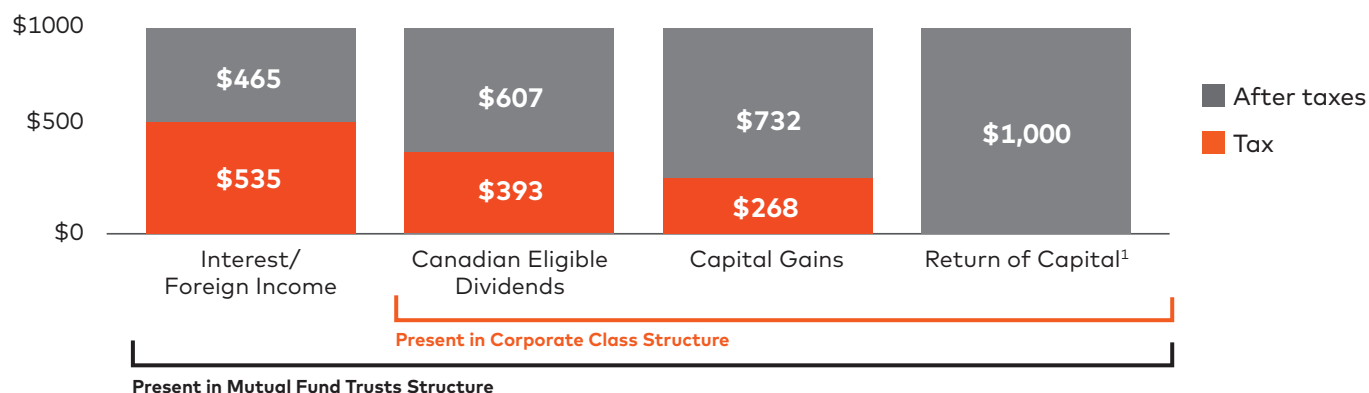
Choosing the right mutual fund is an important decision, based on a number of different criteria. However, how often is the structure of a mutual fund considered?

If you are investing outside of a registered plan, such as outside a RRSP, you may want to consider an investment in one of the funds offered under AGF's mutual fund corporation, AGF All World Tax Advantage Group Limited ("AWTAG").

Tax Smart Investing Through AGF's Corporate Class Structure

A mutual fund trust will make distributions to its investors that could include interest and foreign income which are the least favourable from a tax perspective. A Corporate Class Structure does not distribute interest or foreign income to its investors and is able to offset income or gains earned within the Corporate Class Structure against expenses from anywhere within the mutual fund corporation. The AGF Corporate Class Structure is able to further offset any remaining income or gains against available loss carryforwards of the mutual fund corporation. While AGF's Corporate Class structure is managed to minimize the occurrence of taxable distributions, payments of Canadian dividend and capital gains distributions are expected periodically.

How different distribution types are taxed in the hands of investors

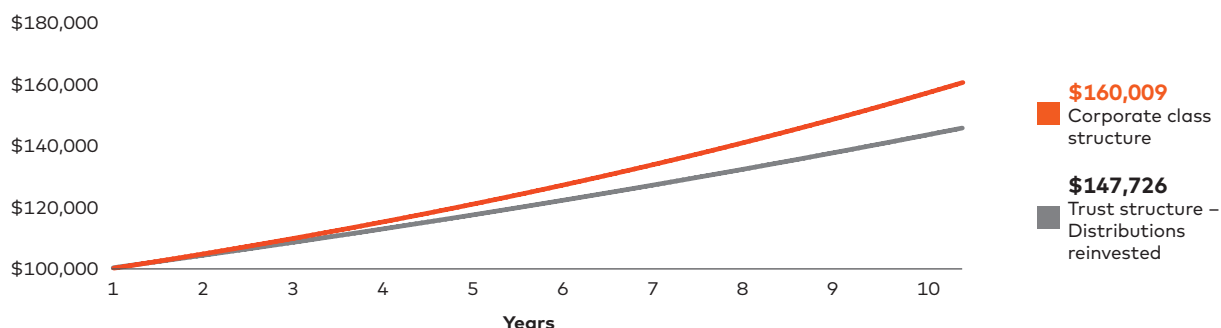


Assumption: Based on a \$1,000 distribution and assumes marginal tax rates for Ontario: 53.53% Income, 26.76% Capital Gains, 39.34% Eligible Dividends, respectively.

¹Return of Capital (RoC) distributions may result in a higher capital gain on dispositions in the future. RoC distributions are only available until the capital attributable to the relevant series is exhausted. If an investor's adjusted cost base (ACB) falls below zero, the investor will have to pay capital gains tax on the amount below zero. The targeted annual rate of Series T and V shares is 8% and 5% respectively. AGF may change this targeted annual rate at any time. The targeted annual distribution is based on a fund's previous year-end net asset value.

AGF's Corporate Class Structure – Tax-efficient Growth

An investment in AWTAG's Corporate Class structure has the potential to grow your investments, tax-deferred, without receiving taxable dividends. This tax deferred growth is illustrated below¹:



Source: AGF Portfolio Operations, AGF Tax. Based on a \$100,000 investment over 10 years. This scenario is used to illustrate the effects of compound growth on a trust vs corporate class structure similar to that offered by AGF only, and is not intended to reflect actual or expected returns.

Assumptions for tax-deferred growth chart: An initial investment of \$100,000, with a 6% annualized total return compounded monthly: 33.16% represented by interest & foreign income, 10.90% represented by Canadian eligible dividends, 30.95% represented by capital gains and the remaining 24.99% represented by unrealized capital gains. The corporation is not paying out a taxable distribution and has sufficient combined expenses and loss carryforwards pooled from the Corporate Class structure available to offset its income. The trust does not have any available loss carryforwards to offset its income, so the trust must distribute all income. This trust distribution is reinvested and taxed at the top Ontario marginal personal tax rate for various types of income: interest/foreign income: 53.53%; eligible dividends: 39.34%; capital gains: 26.76%. In the scenario of the trust, the investor is redeeming units in order to fund the taxes incurred on the distributions. Capital gains will arise on redemptions of those units. In both scenarios, the investments are liquidated at the end of 10 years, with a portion of the proceeds used to cover any taxes owing as a result of capital gains incurred from the redemption.

How Does it Work?

Mutual Fund Trust

Mutual Fund Trusts are structured as individual entities, meaning any expenses or loss carryforwards generated are only available for that fund to use.



AGF Corporate Class Structure

Corporate Class Mutual Funds however, are "classes" of a mutual fund corporation, allowing loss carryforwards and expenses to be pooled and used with respect to any "class" or fund within the corporation.



Legend:



Trust Funds



Corporate Class Funds



Expense



Capital Losses

		Series MF			Series T			Series V			F	FV	Q	W
	Currency	FE	DSC	LL	FE	DSC	LL	FE	DSC	LL	NL	NL	NL	NL
Fixed Income														
AGF Short-Term Income Class	CA	223	923	272							865			
	US	523	623	622							765			
AGF Fixed Income Plus Class	CA	4090	4190	4290							5035		1249	1416
AGF Total Return Bond Class	CA	4089	4189	4289				3038	3138	3238	5034	2513	1248	1420
Canadian Equity														
AGF Canadian Growth Equity Class ¹	CA	204	934	278							853			
	US	4087	4187	4287										
North America Equity														
AGFiQ North American Dividend Income Class ²	CA	4207	4307	4407	2102	2202	2302	3011	3111	3211	5004	2501	1241	1430
	US	4208	4308	4408							5104			
U.S. Equity														
AGF American Growth Class	CA	201	931	275	2100	2200	2300	3009	3109	3209	854	2504	1225	1423
	US	531	631	626							754			
AGFiQ U.S. Sector Class	CA	4081	4181	4281							5030		1236	1402
	US	4082	4182	4282							5130			
Global Equity														
AGF European Equity Class	CA	811	812	268	2106	2206	2306	3015	3115	3215	855	2505		
	US	711	712	664							755			
AGF Global Dividend Class	CA	4088	4188	4288				3033	3133	3233	5033	2506	1247	1415
AGF Global Equity Class	CA	260	960	286	2107	2207	2307	3016	3116	3216	878	2508	1214	1405
	US	560	660	636							758			
Emerging Market Equity														
AGF China Focus Class	CA	801	802	267							867			
	US	701	702	663							767			
AGF Emerging Markets Class	CA	4211	4311	4411							5006		1229	1436
	US	4212	4312	4412							5106			
Specialty Equity														
AGF Global Real Assets Class ³	CA	263	963	288							814			
	US	463	563	610							714			
Balanced														
AGF Global Sustainable Balanced Class ⁴	CA	9863	9860	9867							8060		1233	1444
Managed Solutions														
AGF Elements Yield Portfolio Class	CA	4080	4180	4280				3030	3130	3230	5029	2517	1235	1414
AGF Elements Conservative Portfolio Class	CA	4017	4018	4019				3034	3134	3234	5008	2520	1224	1411
AGF Elements Balanced Portfolio Class	CA	4020	4021	4022	2104	2204	2304	3013	3113	3213	5009	2519	1222	1410
AGF Elements Growth Portfolio Class	CA	4023	4024	4025	2105	2205	2305	3014	3114	3214	5010	2522	1219	1413
AGF Elements Global Portfolio Class ⁵	CA	4026	4027	4028							5011		1217	1412

1. On April 19, 2012, the Fund's investment objective was changed to provide greater flexibility to invest in stocks of all market capitalizations.
2. AGF Canadian Large Cap Dividend Class was renamed AGFiQ North American Dividend Income Class on April 30, 2021.
3. On April 18, 2019, the Fund's investment objective was changed to offer increased flexibility to allocate the Fund's capital to real assets beyond those companies operating in the precious metals and natural resources sectors. Performance prior to this date would have been different had the current objective been in effect.
4. AGF Diversified Income Class was renamed AGF Global Sustainable Balanced Class on April 30, 2021. On April 30, 2021 the Fund's investment objective was changed to provide long-term growth of capital by investing primarily in units of AGF Global Sustainable Balanced Fund (formerly named AGF Diversified Income Fund). Effective May 1, 2021, AGF reduced the MF Series management fee from 2.35% to 1.90%.
5. On April 17, 2014, the Fund's investment objective was changed to provide superior long-term returns by investing primarily in equity mutual funds from around the globe.

Who has the Potential to Benefit?

- ☐ Investors with a non-registered investment account
- ☐ Business owners with an investment account generating income
- ☐ Investors who regularly max out their RRSP and/or TFSA



Speak with your financial advisor today to find out if corporate class mutual funds are right for you. Visit [AGF.com](https://www.agf.com) for more information.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

The AGF All World Tax Advantage Group Limited is a mutual fund corporation that currently offers approximately 20 different funds offered as separate classes of securities. In addition to diversification by investment style, geography and market capitalization, a key benefit of investing in any of the classes within the group corporation is the possibility of sharing incurred expenses (and losses) of the combined structure potentially offsetting income earnings to minimize chance of a dividend declaration. For a more detailed explanation, please see [AGF.com/disclaimers](https://www.agf.com/disclaimers).

In order to invest in and maintain participation in the AGF Gold Label program (Series Q and/or W), a minimum of \$100,000 in Series Q and/or W per fund (in each account) or \$250,000 in household assets in Series Q and/or W is required. Management fees (for Series Q and W) as well as service fees (for Series Q only) within the AGF Gold Label program will be taken out directly from client accounts. For AGF Gold Label clients, AGF pays the operating expenses, custody and other administration-related costs (except brokerage commissions, counterparty fees, IRC fees or other extraordinary items). Tier level discounts apply only to the dollar amount(s) grouped in each particular tier.

The targeted annual distribution is based on the Fund's or Portfolio's previous year-end net asset value and is subject to change. Monthly distributions on Series T and Series V shares may generally be a return of capital so long as there is sufficient capital at tributable to the relevant series. Your adjusted cost base will be reduced by the amount of any returns of capital. If your adjusted cost base falls below zero, you will have to pay capital gains tax on the amount below zero.

For more information regarding the underlying funds, please refer to [AGF.com/Funds](https://www.agf.com/Funds). For up-to-date information, visit [AGF.com/Elements](https://www.agf.com/Elements).

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