

Advisory Practices Brochure

Item 1: Cover Page

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This brochure provides information about the qualifications and business practices of AGF Investments America Inc. ("AGFA"). If you have any questions about its contents, please contact us at 617-742-3290. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC"), by any state securities authority, The Ontario Securities Commission in Canada or any other securities authority or regulator.

AGFA is registered as an investment adviser with the SEC. Registration does not imply any level of skill or training.

Oral and written communications, including this brochure, from an investment adviser provide you with information which enables you to determine whether to hire or retain that or any other investment adviser.

Additional information about AGFA also is available on the SEC'S website at www.adviserinfo.sec.gov.



Item 2: Summary of Material Changes

Amendments to Form ADV Part 2A and 2B, Disclosure Brochures:

There have been no material changes to AGF Investments America Inc.'s Brochure and Brochure Supplement since its last amendment in February 2020.

Important Note about this Brochure

This Brochure is not:

- **An offer or agreement to provide advisory services to any person;**
- **An offer to sell interests (or a solicitation of an offer to purchase interests) in any private investment fund or other pooled investment vehicle ("Fund"); or**
- **A complete discussion of the features, risks or conflicts associated with any Fund or any advisory service offered by AGFA**

As required by the Investment Advisers Act of 1940, as amended ("Advisers Act"), AGFA provides this Brochure to current and prospective clients and may also, in its discretion, provide this Brochure to current or prospective investors in a Fund, together with other relevant documents, such as the Fund's prospectus, offering memorandum or private placement memorandum as well as governing documents ("Fund Documents"), prior to, or in connection with, such persons' investment in the Fund. Additionally, this Brochure is available through the SEC's Investment Adviser Public Disclosure website.

Although this publicly available Brochure describes investment advisory services and products of AGFA, persons who receive this Brochure (whether or not from AGFA) should be aware that it is designed solely to provide information about AGFA as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure may differ from information provided in relevant Fund Documents. More complete information about each Fund is included in its Fund Documents, certain of which may be provided to current and eligible prospective investors only by AGFA or by persons authorized to communicate with current or potential eligible investors by or on behalf of AGFA. To the extent that there is any conflict between discussions herein and similar or related discussions in any Fund Documents, such Fund Documents shall govern and control.

No offer or solicitation for an investment in a Fund advised by will be made by AGFA before the delivery of relevant Fund Documents to potential investors who should read the Fund Documents carefully and consult with their tax, legal and financial advisors before making any investment decision.

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Item 4: Advisory Business

Firm Overview

AGF Investments America Inc. (“AGFA”) was organized in Toronto under the laws of Ontario, Canada in 2007 to provide investment advisory services to US institutions. AGFA is a wholly owned subsidiary of AGF Management Limited, an independently controlled firm, with publicly traded non-voting shares listed on the Toronto Stock Exchange. Founded in 1957, AGF Management Limited is a premier Canadian-based investment solutions firm with more than 60 years in the business, providing industry leading investment management services through our core business: AGF Investments. With more than one million investors and over CAD\$38.8 billion in assets under management, AGF Management Limited serves clients that span the globe with offices and subsidiaries in Canada, the United States, Europe and Asia.

With clients and personnel located around the world, we service our clients through a number of affiliated entities, each licensed to offer its particular services and business functions in various jurisdictions. While legally distinct and regulated by multiple regulators across various jurisdictions, we operate as a global business, referred to as AGF Investments.

In order to meet the needs of our clients, AGFA engages one or more affiliates and their personnel in the provision of services to our clients pursuant to written agreements (including dual employee and participating affiliate arrangements) among AGFA and its affiliates and pursuant to which AGFA supervises the activities of affiliate personnel on behalf of our clients (“Affiliate Resource Arrangements”). For example, our portfolio managers are also portfolio managers of another affiliated adviser licensed and operating in Canada. Research and trading teams used by AGFA are employed by the same Canadian affiliate, AGF Investments Inc. AGFA may also engage affiliates to sub advise certain mandates on behalf of AGFA. We also delegate certain client liaison, portfolio accounting and reporting and client servicing to AGF Investments Inc.

Our parent company operates a shared services model, whereby the provision of legal, compliance, human resources, internal audit, and other similar services are provided to all AGF subsidiaries globally, including AGFA. All services provided by affiliated entities are done via Affiliate Resource Arrangements and comply with applicable laws and regulations of each entity and jurisdiction. All individuals who provide services to AGFA are subject to AGFA’s Code of Business Conduct, Ethics and Personal Trading and are bound by AGFA’s policies and compliance manual and each individual annually acknowledges and certifies agreement to comply therewith.

Our Services

AGFA offers discretionary investment management services for a fee to institutional clients which may include separately managed accounts, mutual funds sponsored by unaffiliated entities and investment vehicles sponsored by us or our affiliates, AGFA may also provide investment advisory services to defined-contribution pension plans under the Employee Retirement Income Security Act (“ERISA”).

Our services are available directly to prospective advisory clients, each negotiating an investment management agreement with us, which incorporates specific investment guidelines and restrictions mutually agreed upon in consultation with the portfolio managers. As a result, separately managed accounts may be customized to meet a client’s specific requirements, and which may be updated from time to time as renegotiated with clients as circumstances warrant. Client guidelines and restrictions typically impose limitations on security types, issuers and percentage allocations to pre-established investment mandates offered by AGFA to its clients.

AGFA emphasizes broad diversification in its managed accounts and offers several specialized mandates and risk profiles. Prospective clients, in addition to negotiating guidelines and restrictions, may also wish to consider liquidity levels, underlying holdings transparency as well as any potential tax attributes that may be associated with certain investments and structures in which those mandates may be offered by AGFA (considering client-specific circumstances and needs in identifying the most suitable vehicle and mandate).

Our Investment Process

Each investment mandate has associated with it investment processes the portfolio managers adhere to in the selection of investment opportunities suitable for the mandate. Those processes are dependent on the portfolio manager, their team of investment professionals and the nature of the investment mandate. Each process incorporates various techniques designed to manage inherent risks associated with the mandate while maximizing returns considering the investment horizon associated with the mandate.

Often the investment process involves significant independent research performed by the investment teams supporting the portfolio manager. Research activities are varied and incorporate direct meetings with management of securities issuers, the extensive review information sourced from industry, market, financial and issuer filing records and data. Investment teams may use publicly available publications and information as well as attend investment conferences made available to them by broker dealers with whom AGFA or affiliates have business relationships. Internal research may be supplemented from unsolicited information provided from

broker dealers who send AGFA information because of brokerage relationships with AGFA or affiliates. Our proprietary research is not available for sale or distribution and generally we do not provide clients or prospects with our research, though we may discuss specific approaches or, in respect of clients, may share insights from our research in discussing investment activity in a client account.

The Investment teams may, from time to time, meet with prospective clients to demonstrate the breadth and depth of our research activities and capabilities and may comment on investments in a mandate or provide market commentary associated with a mandate as part of the business development process.

Portfolio managers and their teams make investment decisions for the accounts they manage based on the evaluation of investment opportunities and client specific investment guidelines and restrictions. As a result, securities being traded in individual accounts with similar mandates may differ and potentially be in opposing situations. This permits the investment professionals, however, to meet the investment objectives of a diverse client base interested in a particular mandate or strategy and promotes accountability of the investment professionals for investment performance. Refer to Side-by-Side Management for additional information.

Item 5: Our Fees and Compensation

Firm Overview

In general, our fees are based on a percentage of the value of assets under management, as determined in good faith by AGFA or the client's administrator (as negotiated). We retain discretion over the fees we charge, subject to applicable law, and our fees for a particular investment strategy or mandate may differ based on investment vehicle and across affiliated entities. Fees are generally negotiable in light of special circumstances of clients, including but not limited to, specific servicing or reporting requirements, asset levels, or other factors, in our sole discretion. In certain circumstances we may continue to offer to a client the lowest available fee for a particular investment mandate and for comparable services. Fees for pooled vehicles, including registered investment companies, are described in the Fund's prospectus.

Fee structures may vary across and within investment mandates based on the specific circumstances of the client. Additionally, we may offer or make available capacity maximums in a particular investment mandate, in aggregate and/or per client, that may impact fee structures and/or negotiations.

In all cases, our management fees do not include fees charged by clients' custodians, administrators and other expenses charged to or deducted from the assets of the client's account. Additionally, client accounts will incur brokerage costs

associated with the buying and selling of securities in the account. Refer to Item 12 Brokerage Practices for more information.

Management fees differ by investment mandate and structure (e.g., pooled vehicle versus segregated account), however the standard minimum account size for a segregated account is \$25 million. Our posted rates for selected mandates are as follows:

Emerging Markets

<i>Segregated</i>		
AUM		Rate
First	\$25,000,000	80bps
Next	\$25,000,000	80 bps
Next	\$25,000,000	75 bps
Next	\$25,000,000	70 bps
Next	\$100,000,000	65 bps
Over	\$200,000,000	60 bps

Global Sustainable Growth

<i>Segregated</i>		
AUM		Rate
First	\$25,000,000	65 bps
Next	\$25,000,000	60 bps
Next	\$25,000,000	55 bps
Next	\$25,000,000	50 bps
Next	\$100,000,000	45 bps
Over	\$200,000,000	40 bps

Global Core

<i>Segregated</i>		
AUM		Rate
First	\$25,000,000	65 bps
Next	\$25,000,000	60 bps
Next	\$25,000,000	55 bps
Next	\$25,000,000	50 bps
Next	\$100,000,000	45 bps
Over	\$200,000,000	40 bps

US Large Cap Growth Equity

<i>Segregated</i>		
AUM		Rate
First	\$25,000,000	60 bps
Next	\$25,000,000	55 bps
Next	\$25,000,000	50 bps
Next	\$25,000,000	45 bps
Next	\$100,000,000	42 bps
Over	\$200,000,000	40 bps

Calculation and Payment of Fees

AGFA's fees are calculated and paid in accordance with the terms of the relevant investment advisory agreement and/or other governing documents (e.g., a Fund's prospectus) applicable to the account.

While particular fee billing arrangements may vary, as a general matter:

1. Management fees are calculated and paid quarterly, in arrears, with the amount of such fee being the agreed upon percentage of the aggregate market value of all assets under management within the relevant Institutional Account(s) (including allocations to cash) on the relevant valuation day; and
2. Incentive fees and allocations are calculated and paid annually, with the amount of such compensation being an agreed upon percentage of the increase in the aggregate market value of the Institutional Account during the measurement period.

Clients may request that fees owed to AGFA be deducted directly from the client's custodial account. In such cases, AGFA takes steps to assure itself that the qualified custodian sends periodic account statements directly to the client, no less frequently than quarterly, showing the amount of funds and each security and all transactions, including fees paid to AGFA, unless alternative arrangements have been made to assure compliance with Rule 206(4)-2 under the Advisers Act ("Custody Rule"). Refer to Item 15 Custody for more information.

AGFA's fees are calculated based on the market value and/or performance of the assets in the accounts it manages. As a result, to the extent that AGFA values a security higher than its current market value (or where such market values are unreliable), AGFA may benefit by receiving a management fee or incentive allocation that is increased by the impact, if any, of such valuation discrepancy.

Accounts may, at any time or from time to time, invest in assets that are illiquid, thinly traded or otherwise difficult to value, depending on the investment mandate. AGFA mitigates any conflicts and the potential for material pricing discrepancies, ensuring assets are valued in good faith and as accurately as reasonably practicable.

In general, assets are valued through the use of an unrelated third-party pricing service provider in accordance with the AGFA Valuation Policy. Where securities may not be readily priced by the third-party service provider, AGFA defers to its Valuation Committee to value the securities. The AGFA Valuation Policy, used by the Independent Valuation Committee and offered to all AGFA clients, outlines a detailed valuation methodology and process which AGFA believes, due to its

mechanical and consistent application, results in balanced and fair values of the securities. Reconciliations between AGFA records and those of the client's custodian or designated service provider are performed routinely. Differences are resolved in accordance with client specific requirements and in accordance with governing documents for the portfolio. Valuation practices may differ for certain clients based on contractual agreements and applicable law.

Investment management agreements between AGFA and its clients remain in full force and effect until terminated pursuant to the terms of the relevant agreement. Such agreements may require that written notice be provided by the terminating party and, in some cases, may specify a particular notice period. In the event of termination prior to the end of a billing period, the client will pay only that portion of the fee earned by AGFA prior to termination. To the extent that fees are paid in arrears, clients will be charged, pro rata, up to the date of termination; if a client and AGFA agree that fees will be paid in advance, AGFA will provide a pro rata refund to a client who terminates prior to the end of an already-billed period.

Generally, performance fees, if any, will be calculated and assessed on intra-period terminations or withdrawals as though the period ended on the date thereof.

Uninvested cash balances

In some cases, a client account may hold cash pending investment, in anticipation of withdrawals or for investment and/or for defensive, hedging or collateral purposes, depending on the circumstances at the time. In the event that AGFA believes, in its sole judgment, that there is not sufficiently good value in securities suitable for investment in accordance with the client's investment objectives, strategies and restrictions, all or a substantial portion of the Account's capital may be held in cash, cash equivalents or other short term instruments including, without limitation, money market funds. Additionally, uninvested cash balances in the client's custodial account may be swept into money market funds that may be sponsored by the client's custodian or broker-dealer. When money market funds are used for cash management purposes, the client may, in effect, pay two advisory fees with respect to the portion of the account allocated to cash (the money market fund's fees and expenses and that portion of AGFA's fees attributable to such assets) as well as other expenses, previously described.

Item 6: Performance-Based Fees and Side-by-Side Management

To the extent incentive or performance based fees are negotiated, AGF will charge such fees in compliance with Rule 205-3 under the Investment Advisers Act of 1940,

as amended (“Advisers Act”), unless that rule is inapplicable by reason of Section 205(b) of the Advisers Act or interpretive positions of the U.S. Securities and Exchange Commission or its staff.

An incentive may be created to favor accounts with performance-based fees in the allocation of investment opportunities or in the selection of investments with greater inherent risks that may contribute significantly to strong performance in the account.

AGFA may manage client accounts having differing fee arrangements but with substantially similar investment styles, or accounts that may otherwise compete for investment opportunities or have differing abilities to engage in short sales or similar investment strategies with differing fee arrangements, any of which may create an incentive to favor certain accounts over others that may be less lucrative.

AGFA has adopted policies and procedures with respect to, among other things, the allocation of investment and trading opportunities, which AGFA believes are reasonably designed to mitigate these and other conflicts associated with “side-by-side” management. AGFA may restrict, limit or reduce the amount of an account’s investment in a security where holdings in such security by an account, or across accounts in the aggregate, exceed a certain ownership threshold or would otherwise result in significant cost to, or administrative burden on AGFA. In these situations, AGFA may also determine not to engage in an investment for an account, even where such investment would be beneficial to the account. For example, such limitations exist if a position or transaction could require a filing or a license or other regulatory or corporate consent, which could, among other things, result in additional cost and disclosure obligations for, or impose regulatory restrictions on, AGFA or on another account, or may result in regulatory or other restrictions, including those under the recast European Union’s Markets in Financial Instruments Directive (Directive 2014/65/EU) along with its accompanying regulation, the Markets in Financial Instruments Regulation (“MiFID”) (Regulation 600/2014/EU), which are collectively known as “MiFID II.”

When AGFA allocates investment opportunities, it takes into account the factors noted above, as applicable, and as a result, some or all of the eligible accounts may not receive a pro rata allocation, or any allocation.

Refer to Item 12 Brokerage Practices for additional information.

Item 7: Types of Clients

AGFA provides advisory services to a wide array of clients that may include:

- Corporate clients, including not-for-profit and tax-exempt organizations;
- State, municipal or other governmental organizations;

- Investment companies registered with the US Securities and Exchange Commission
- Pension, employee savings plans, profit sharing plans and Taft-Hartley pension funds;
- Collective Investment Funds;
- Collective investment vehicles and other pooled investment vehicles; and
- Corporate and other types of institutional clients seeking discretionary asset management services.

We generally require clients to have a minimum account size of \$25million to receive discretionary investment management services, though we may from time to time waive the minimum or impose higher minimums for certain investment mandates based on client specific circumstances and the totality of the relationship and services provided. The ability to waive or modify our minimums will give rise to situations where clients with similar investment mandates are offered different minimums to establish the account.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

. Portfolio managers, in managing portfolios consistent with their fiduciary obligations, make investment decisions in the best interests of clients. Decisions are made primarily with a view to the best positive economic outcome for a client's account. If a client requests specific security or similar restrictions, we will require a specific list of restricted securities to be provided and maintained by our client.

AGFA's investment activities involve a significant degree of risk of loss that you should be prepared to bear. This section contains a discussion of the primary risks associated with our investment activities. However, it is not possible to identify all of the risks associated with investing, and the particular risks applicable to a client will depend on the nature of the client, its investment strategy or strategies and the types of investments held by the client.

While AGFA seeks to manage the client assets so that risks are appropriate to the return potential for the strategy or mandate, it is often not possible or desirable to fully mitigate risks. Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved.

You should be aware that mandates may be limited to certain types of investments and are not diversified by asset type. AGFA's management is generally not intended to provide a complete investment program for a client (or, with respect to a fund, investor) and AGFA expects that the assets it manages do not represent all of the

client's (or, with respect to a fund, an investor's) assets. You are responsible for appropriately diversifying your assets to guard against the risk of loss.

There are inherent risks associated with investing in capital markets. There is no assurance that portfolio objectives, including specific performance objectives, will be achieved. Risks vary based on the investment mandate, strategy, restrictions, and the nature of securities held in a portfolio. The risk of loss in an account is a risk - clients should be prepared to bear.

Individual portfolio managers employ differing methods of security analysis and selection based on the investment mandates and strategies they are individually responsible for. Those approaches differ on an array of factors including but not limited to, market capitalization ranges, issuer and/or sector concentration, geographic considerations, cash flows and liquidity needs, benchmarks, and other similar factors. Even within an investment mandate, customization to meet client specific requirements and situations (e.g., cash flows and account guidelines) may result in differing approaches. Individual portfolio managers will make different investment decisions for different clients which may be based on objective criteria (e.g., industry, capitalization and other market metrics) and based on subjective professional judgment about the suitability of an investment for either the mandate generally or for a specific account.

In general, the primary methods employed by AGFA portfolio managers involve fundamental analysis, the analysis and study of individual company, market and industry data, based on information obtained from companies, either obtained from public sources or from meetings with management of the companies, and market and industry data obtained from various research sources. Objective criteria, determined by individual portfolio managers, is used as a filter to identify investment opportunities and portfolio managers then use their professional judgment in deciding when and what to buy or sell from a mandate and from individual client accounts.

The material risks involved and considered as a result of our primary methods of analysis include:

- Counterparty risk;
- Credit risk;
- Depositary receipts risk;
- Derivatives risk;
- Emerging markets risk;
- Equity risk;
- ETF industry sector risk;
- Foreign currency risk;
- Foreign market risk; and
- Liquidity risk;

- Political uncertainty risk;
- Repurchase and reverse repurchase agreements risk;
- Sustainable investing risk; and
- U.S. Government securities risk.

Counterparty risk

Certain accounts may enter into derivatives with one or more counterparties. In entering into a derivative, the strategy will be fully exposed to the credit risk associated with the counterparty. Clients will have no recourse or rights against the assets of the counterparty or any affiliate thereof in respect of the derivatives or arising out of the derivatives or in respect of any payments due to security holders.

Credit risk

Credit risk is the risk that an issuer of a bond or other fixed income security won't be able to pay interest or repay the principal when it's due. Credit risk is generally lowest among issuers that have a high credit rating from an independent credit rating agency. It is generally highest among issuers that have a low credit rating or no credit rating. Debt securities issued by companies or governments in emerging markets often have higher credit risk (lower rated debt), while debt securities issued by well-established companies or by governments of developed countries tend to have lower credit risk (higher rated debt). The prices of securities with a low rating or no rating tend to fluctuate more than securities with higher ratings. They usually offer higher interest rates, which may help to compensate for the higher credit risk.

Depository receipts risk

In some cases, rather than directly holding securities of non-U.S. companies, the strategy may hold these securities through a depository security and receipt (an "ADR" – American Depositary Receipt, a "GDR" – Global Depositary Receipt, or an "EDR" – European Depositary Receipt). A depository receipt is issued by a bank or trust company to evidence its ownership of securities of a non-local corporation. Investments in depository receipts expose the strategy to the same risks as if the strategy invested in the underlying security directly and exposes the strategy to additional risks. The currency of a depository receipt may be different than the currency of the non-local corporation to which it relates. The value of a depository receipt will not be equal to the value of the underlying non-local securities to which the depository receipt relates as a result of a number of factors. These factors include the fees and expenses associated with holding a depository receipt, the currency exchange relating to the conversion of foreign dividends and other foreign cash distributions into local currencies, and tax considerations such as withholding tax and different tax rates between the jurisdictions.

Derivatives risk

A derivative is a contract between two parties. The value of the contract is based on or derived from an underlying asset, such as a stock, a market index, a currency, a commodity, or a basket of securities. It's not a direct investment in the underlying asset itself. While derivatives can be useful for hedging against losses, making indirect investments and gaining exposure to financial markets and other assets, they have certain risks:

- There's no guarantee that hedging will be effective.
- There's no guarantee a market will exist for some derivatives. This could prevent the strategy from making a profit or limiting its losses.
- Exchanges can impose trading limits that could prevent us from carrying out the derivative contract.
- The price of a derivative may not accurately reflect the value of the underlying asset.
- The other party to a derivative contract may not be able to honour its obligations under the contract.
- If money has been deposited with a derivatives dealer and the dealer goes bankrupt, the strategy may lose its investment.
- Derivatives don't prevent changes in the market value of the investments in a strategy's portfolio or prevent losses if the market value of the investments falls.
- Some exchange traded derivatives may lack liquidity when we try to complete the derivative contract.

Emerging markets risk

The value of investments in emerging markets may fluctuate more than those in developed markets. In emerging market countries, securities markets may be less liquid, less diverse and may provide less transparency, making it more difficult to buy and sell securities. Also, some emerging markets economies may face political or other non-economic events that may have an impact on the normal functioning of the securities markets. Investments in emerging market economies also subject the strategy to risks relating to: (i) less social, political and economic stability; (ii) the small current size of the markets for such securities and the currently low or nonexistent volume of trading, which result in a lack of liquidity and in greater price volatility; (iii) certain national policies which may restrict investment opportunities, including restrictions on investment in issuers or industries deemed sensitive to national interests; (iv) foreign taxation; (v) the absence of developed structures governing private or foreign investment or allowing for judicial redress for injury to private property; (vi) lower levels of government regulation and less extensive accounting, financial and other reporting requirements; (vii) high rates of inflation for prolonged periods; and (viii) particular sensitivity to global economic conditions. Sovereign debt of emerging countries may be in default or present a greater risk of default. The same risks exist and may be greater in frontier markets.

Equity risk

The prices of individual equity securities can rise and fall with the fortunes of the companies that issue them or with general stock market conditions. Changes in the price of individual equity securities held by a strategy will affect such strategy's price.

ETF industry sector risk

Some of the strategies may invest in ETFs that provide exposure to securities involving industry sector risks. Investing in one specific sector of the stock market entails greater risk (and potential reward) than investing in all sectors of the stock market. If a sector declines or falls out of favor, the share values of most or all of the companies in that sector may generally fall faster than the market as a whole. The opposite may also true.

An industry can be significantly affected by, amongst other things, supply and demand, speculation, events relating to international political and economic developments, energy conservation, environmental issues, increased competition from other providers of services, commodity prices, regulation by various government authorities, government regulation of rates charged to customers, service interruption due to environmental, operational or other mishaps, the imposition of special tariffs and changes in tax laws, regulatory policies and accounting standards, and general changes in market sentiment. Moreover, it is possible that other developments, such as increasingly strict environmental and safety laws and regulations and enforcement policies thereunder and claims for damages to property or persons resulting from operations, could result in substantial costs and liabilities, delays or an inability to complete projects or the abandonment of projects.

Exposure to equity securities that have exposure to commodity markets may entail greater volatility than traditional securities. The value of securities exposed to commodity markets may be affected by commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes and tariffs.

The extent of these factors cannot be accurately predicted and will change from time to time, but a combination of these factors may result in issuers not receiving an adequate return on invested capital. Many industries are very competitive and involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome

Foreign currency risk

Some of the strategies intend to invest in foreign securities using foreign currency. Changes in the value of the base currency compared to foreign currencies will therefore affect the value, in base currency, of any foreign securities or foreign currencies in those strategies. In particular, securities that are priced in foreign currencies can lose value when the base currency rises against the foreign currency and can gain value when the base currency weakens against the foreign currency. Foreign governments may impose currency exchange restrictions, which could limit a Strategy's ability to buy and sell certain foreign investments and could reduce the value of the foreign securities such Strategy holds.

Foreign market risk

Foreign investments involve additional risks because financial markets outside the U.S. may be less liquid and companies may be less regulated and have lower standards of accounting and financial reporting. There may not be an established stock market or legal system that adequately protects the rights of investors. Foreign investments can also be affected by social, political, or economic instability. Foreign governments may impose investment restrictions. In general, securities issued by companies in more developed markets, such as the U.S., Canada, and Western Europe, have lower foreign market risk. Securities issued in emerging or developing markets, such as Southeast Asia or Latin America, tend to have a higher foreign market risk.

The strategies may trade in futures, forward and option contracts on exchanges located outside Canada and outside the United States where the regulations of Canadian or U.S. commodity futures regulators do not apply. Some foreign exchanges, in contrast to Canadian or U.S. exchanges, are “principals’ markets” in which performance with respect to a contract is the responsibility only of the individual member with whom the trader has entered into a contract and not of the exchange or clearinghouse, if any. In the case of trading on such foreign exchanges, the strategies will be subject to the risk of the inability of, or refusal by, the counterparty, to perform with respect to such contracts. The strategies also may not have the same access to certain trades as do various other participants in foreign markets. Due to the absence of a clearinghouse system on certain foreign markets, such markets are significantly more susceptible to disruptions than on U.S. exchanges.

Liquidity risk

Investors often describe the speed and ease with which an asset can be sold and converted into cash as its liquidity. Most of the investments utilized by a strategy can usually be sold promptly at a fair price and therefore can be described as relatively liquid. But a strategy may also hold investments that are illiquid, which means they can’t be sold quickly or easily. Some investments are illiquid because of legal restrictions, the nature of the investment itself, settlement terms, or for other reasons. Sometimes, there may simply be a shortage of buyers. A strategy that has trouble selling an investment can lose value or incur extra costs. In addition, illiquid investments may be more difficult to value accurately and may experience larger price changes. This can cause greater fluctuations in the strategy’s value.

The Emerging Markets Strategy invests in equities which are subject to market volatility and loss. The Emerging Markets Strategy invest in foreign securities and foreign depositary receipts which carry the associated risk of economic and political instability, market liquidity, currency volatility and differences in accounting standards. The Emerging Markets Strategy invests in emerging markets securities which are more likely to experience turmoil or rapid changes in market or economic conditions than developed countries.

Various investment strategies are employed across our investment mandates based on the objectives and strategies of the clients. Segregated accounts with similar mandates, investment guidelines and strategies are managed similarly (subject to client specific investment restrictions). Where clients are not able to hold securities in specific markets directly and expect market exposure consistent with an investment mandate we offer, AGFA may use derivatives to generate returns consistent with such exposure. Derivatives and other techniques (e.g., options, swaps, PNotes, ADRs and GDRs) may be used to “hedge” risks associated with specific investments in a client’s portfolio. The use of such techniques may cause the portfolio to incur a loss as a result of market volatility, liquidity constraints, counterparty exposures and other such factors.

Political Uncertainty Risk

US markets, as well as non-US markets in which clients may invest in the future or to which clients or borrowers are exposed, may experience political uncertainty and/or change that subject investments to heightened risks. These heightened risks may include: greater than normal fluctuations in currency exchange rates; increased risk of default (by both government and private issuers); greater social, economic, and political instability (including the risk of war or terrorist activity); greater governmental involvement in the economy; less governmental supervision and regulation of the securities markets and market participants; controls or restrictions on foreign investment, capital controls and limitations on repatriation of invested capital and on the ability to exchange currencies; inability to purchase and sell investments or otherwise settle security or derivative transactions (i.e., a market freeze); unavailability of currency hedging techniques; and slower clearance.

During times of political uncertainty, the global securities, derivatives and currency markets often become more volatile. There also may be a lower level of monitoring and regulation of markets while a country is experiencing political uncertainty, and the activities of investors in such markets and enforcement of existing regulations may become more limited.

Markets experiencing political uncertainty may have substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates may have negative effects on such countries’ economies and securities markets.

MiFID II took effect on January 3, 2018. MiFID II is a wide-ranging piece of legislation that affects financial market structure, trading and clearing obligations, product governance and investor protections. While MiFID and a majority of the so-called “Level 2” measures are directly applicable across the EU as EU regulations, the revised MiFID directive must be “transposed” into national law by Member States. The transposition process can open the door to the act of so-called “gold-plating”, where individual Member States and their national competent authorities

(“NCAs”) introduce requirements over and above those of the European text and apply MiFID II to market participants that may not otherwise be subject to MiFID II, including U.S. asset managers. NCAs in certain jurisdictions may propose a number of regulatory measures and/or regulatory positions that may be unclear in scope and application (absent further guidance) and/or the effect of such restrictions on AGFA’s ability to implement an account’s investment objective. It is also impossible to predict the unintended consequences of MiFID II on the operation and performance of AGFA or an account, which may be indirectly impacted by changes in market structure and/or regulatory interpretation.

There can be no assurance that political changes will not cause a client to suffer a loss of any or all its investments.

Repurchase and reverse repurchase agreements risk

Through a repurchase agreement, the strategy sells a security at one price and agrees to buy it back from the buyer at a fixed price on a specified date. Repurchase agreements involve certain risks. In entering into repurchase agreements, the strategy is subject to the risk that the purchaser may not fulfill its obligations in a timely manner or at all, and therefore the strategy might suffer a loss to the extent that the strategy is holding cash in an amount that is less than the value of the sold securities at the relevant time. Additionally, the strategy may suffer delays and incur costs or losses in exercising its rights under the agreement.

Through a reverse repurchase agreement, the strategy buys securities for cash from a counterparty at a price set at the date of purchase and at the same time agrees to resell the same securities for cash to the counterparty at a price (usually higher) at a later date. Reverse repurchase agreements involve certain risks. The strategy is subject to the risk that the counterparty may not fulfill its obligation to repurchase the securities in a timely manner or at all, and therefore the strategy might suffer a loss to the extent that the strategy is holding securities which are trading at a price lower than the agreed repurchase price. Further, if the trading price decreases below the price at which the strategy initially bought the security, the strategy will suffer a loss. Additionally, the strategy may suffer delays and incur costs or losses in exercising its rights under the agreement. Because reverse repurchase agreements may be the practical equivalent of borrowing funds, they constitute a form of leverage. Leverage generally has the effect of increasing volatility of the strategy because leveraging tends to exaggerate any increase or decrease in the strategy’s net asset value

U.S. Government securities risk

U.S. Government securities issued directly by the U.S. Government are guaranteed by the U.S. Treasury. U.S. Government securities may include U.S. Treasury bills,

Treasury Inflation-Protected Securities, notes and bonds, and are guaranteed only as to the timely payment of interest and principal when held to maturity. The market prices for such securities are not guaranteed and will fluctuate. Although U.S. Treasury obligations are backed by the full faith and credit of the U.S. Government, such securities are nonetheless subject to credit risk (the risk that the U.S. Government may be, or be perceived to be, unable or unwilling to honor its financial obligations, such as making payments).

Item 9: Disciplinary Information

There is no pending litigation, regulatory matters, litigation matters or other such matters concerning AGFA. Certain affiliated entities may be involved in other legal, regulatory or litigation matters concerning their respective business activities that have no direct or indirect material adverse consequence or impact to AGFA, its operations or the ongoing ability for AGFA to provide its services.

Item 10: Other Financial Activities and Affiliations

Affiliate Resource Arrangements. AGF Investments operates its management business through multiple affiliates, including SEC registrants, non-US registrants and firms registered with both the SEC and a non-US regulatory authority and some which are not required to register. As noted above, AGFA may share resources, including personnel such as portfolio managers, analysts and traders, with other AGFI entities. AGFA may use affiliate resources for portfolio management, analysis, execution/trading as well as support services like marketing or client service, through a variety of legal arrangements, including but not limited to, sub-advisory arrangements, delegations, participating affiliate arrangements or shared service agreements. Similarly, personnel of AGFA may perform similar services for or on behalf of its affiliates. Affiliates may be compensated for such services.

As a general matter, and particularly with respect to participating affiliate arrangements, when affiliated personnel perform services for or on behalf of AGFA or its clients, AGFA supervises the provision of such services and personnel performing such services are considered to be associated persons of AGFA. Depending on the nature of their role, such persons may be subject to AGFA's Code of Ethics ("Code"), which is described in more detail in Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, below and other relevant AGFA policies and procedures. In some cases, portfolio managers and other personnel of an affiliate may be "dual hatted" with AGFA. Such persons are considered supervised persons of AGFA and are subject to the Code and to other relevant AGFA policies and procedures.

Personnel of affiliated entities who perform services for AGFA through an Affiliate Resource Arrangement face a potential conflict of interest in allocating their time and

services among AGFA and its affiliates. AGFA's compliance procedures seek to mitigate this conflict and to assure that investment decisions made by such personnel are consistent with the interests of our clients.

AGFA is a subsidiary of AGF Management Limited, an independently controlled firm, with publicly traded non-voting shares listed on the Toronto Stock Exchange. Founded in 1957, AGF Management Limited is a premier Canadian-based investment solutions firm with more than 60 years in the business, providing industry leading investment management services through our core business: AGF Investments. AGF Investments offers professional investment management services globally through a collection of licensed subsidiaries located in the United States, Europe, Asia and Canada. AGF Investments Inc. ("AGFII"), our Canadian affiliate, is registered across Canada with the various provincial securities commissions and in Europe with certain European financial regulatory authorities. Generally, AGFA's portfolio managers are also portfolio managers of AGFII. AGFA may also utilize other portfolio managers of AGF affiliates. For example, AGFA may utilize the quantitative investment strategies offered by affiliates of AGF Investments LLC.

AGFII, in addition to portfolio management related services, also provides certain operational services to AGFA and to other AGFA affiliates. Those services may include portfolio valuation services, portfolio accounting services, client servicing and reporting, marketing services and other similar services. AGFII may outsource certain operational services. Our parent company, AGF Management Limited, provides all entities with certain corporate services, including Legal, Compliance, Human Resources, Internal Audit, Taxation and Corporate Finance.

Item 11: Code of Business Conduct, Ethics and Personal Trading

AGFA has adopted a code of business conduct and ethics ("AGFA Code") for all Supervised Persons, which include all employees of affiliates who are involved in the provision of services to AGFA and/or AGFA clients through Affiliate Resource Arrangements of the firm describing its high standard of business conduct and fiduciary duty to its clients. The AGFA Code of Business Conduct, Ethics and Personal Trading is available upon request. The AGFA Code includes, among other items, specific provisions relating to:

- the confidentiality of client information,
- insider trading and self-dealing prohibitions,
- gifts and entertainment practices,
- political contributions, and
- personal trading requirements and practices.

All Supervised Persons at AGFA must acknowledge receipt and agree to abide by the AGFA Code upon becoming a Supervised Person and at least annually thereafter.

The AGFA Code places restrictions on the receipt of gifts and entertainment opportunities, ensuring any such participation is for legitimate business purposes and neither so frequent nor of such value that could be perceived to improperly influence the recipient and/or potentially be in conflict with the interests of AGFA clients. Routine and regular disclosures are made by all Supervised Persons and reviewed by the compliance department to ensure compliance with the AGFA Code. Results are presented by the compliance department at each meeting of the AGF Investment Governance Committee.

All AGFA employees, Supervised Persons, their families and dependents and individuals living with them are considered 'access persons' for the purposes of complying with the requirements concerning personal trading activities. Personal trades for all 'access persons' must be approved prior to execution, unless specifically exempted from these requirements in the AGFA Code. Trades exempted from the requirement to obtain prior approval are nevertheless disclosed monthly by 'access persons', including investments, ETFs in mutual funds strategies AGFA and any of its affiliates manage.

The preclearance process is intended to ensure that clients always have the initial opportunity to trade in investment opportunities. 'Access persons' are restricted from trading where a client account traded in the same security in an approximate time of the security being traded in client accounts, and where a portfolio manager sees the potential to trade in client accounts, subject to certain exemptions. Additionally, a minimum 30 day hold period on investments is expected. Individuals who are also 'access persons' of any AGFA affiliate must also obtain preclearance in respect of activities in the relevant affiliated entity. All 'access persons' of AGFA and of all affiliates disclose monthly all personal trades executed in the month, certifying completeness and accuracy of their disclosure. Personal brokerage statements, received directly by AGFA and its affiliates from the broker dealers, are reconciled monthly to the monthly disclosure forms submitted by 'access persons'. Any discrepancies, including non-receipt of brokerage statements directly from the executing brokers, are escalated as violations requiring immediate action and are reported to senior management, the Chief Compliance Officer and to the board of directors of AGFA and/or the relevant affiliated entity. Consequences are commensurate with the offence and may include a change of employment or dismissal. Employees of AGFA may also be subject to the codes of ethics of its registered investment company clients, including AGF Investments Trust.

Political contributions made for the purpose of obtaining or retaining business with government entities are prohibited. AGFA employees and supervised persons must

obtain prior approval to make a political contribution and must comply with the AGFA Code.

AGFA does not act as a broker for client accounts nor does it use any affiliated broker/dealers to execute client trades. AGFA does not invest for its own account, except in the case of incubating a new mandate with the intent of perfecting the strategy in anticipating its eventual inclusion in product offerings to clients. AGFA or an affiliate may potentially provide seed capital in connection with the launch of a new sponsored product, which is typically utilized to constitute the vehicle and is short term in nature. AGFA personnel may invest in funds advised by AGFA or its affiliates and each is subject to relevant personal trading policies and procedures. AGFA personnel may also act as a broker when performing services for affiliates of AGFA as part of the firm's product distribution strategy (e.g. offer U.S. Funds to certain institutional clients in the U.S. market).

Item 12: Brokerage Practices

Firm Overview

All trade orders submitted by AGFA portfolio managers for AGFA clients are sent to the AGFII trading desk for placement with executing broker dealers. AGFA portfolio managers, their teams and AGFII traders have responsibility for the selection of brokers and the overall trade execution in accordance with the AGFA Best Execution and Broker Selection Policy. In accordance with our Allocation Policy, when there are open orders in the same security for more than one client account, the AGFII trading desk will aggregate the orders, placing a single block order with one or more executing broker dealers. In the event there exist open orders at AGFII in the same security being traded by AGFA, the AGFII trading desk will direct the AGFA block and AGFII block to the same executing brokers to ensure the same average trading price across all clients of AGFA and AGFII participating in the order. In considering whether to aggregate orders, the traders consider liquidity, market conditions and volume, the speed and ability to execute a complete order, and other factors, such as compliance with the laws of a foreign jurisdiction, including MiFID II. In limited circumstances similar orders may not be aggregated, which may include client restrictions and/or client broker selection requirements, or the use program/automated trades to rebalance or liquidate a client portfolio.

Partially filled orders are allocated pro rata amongst participating accounts based on the order size, rounding to the nearest board lot. Where filled through multiple executions, we allocate where possible at the average execution price and commission. AGFA believes pro rata allocation treats clients fairly and equitably, recognizing that a mathematical approach does not always lead to equitable results in any or each particular instance.

From time to time, the different investment mandates and strategies may cause us to execute trades for one client that differ from, or conflict with, trades being executed for another client. For example, one portfolio manager may be buying a particular security and another manager selling the same security. In all circumstances we seek to obtain best execution on all orders, which incorporates but is not limited to best price. One client may appear to receive a more favorable price, for example, than the other competing client. In the event AGFA has orders to buy and sell the same security at the same time and on the same terms, direct trading (e.g., cross trading) may be considered by the AGFII trading desk. Cross trades provide a benefit to clients in the form of reduced transaction costs, however not all clients may be permitted to engage in direct trades. Cross trading, to the extent permitted by law and clients, will only be considered in the rare circumstances that all conditions and expectations perfectly align if it is in the interests of all the clients involved. AGFA forwards all cross- trading activity to an executing broker dealer to independently ticket and price the trade in the market. Nominal brokerages charges are typically charged by executing brokers to complete the transaction.

Trade Error Policy

At the time of discovering a trade error, AGFA will always seek to remedy such trade errors to ensure clients are made whole (as if the error never took place).

Losses in clients' accounts caused by trade errors will, as immediately as practical, be remedied. Gains in clients' accounts caused by trade errors will accrue to the clients, regardless of the fact that AGFA corrects the trade error.

The Chief Investment Officer and each of AGFA's Internal Audit and Compliance departments (referred to collectively as the "Oversight Team") shall be promptly notified of trade errors and actions taken by the Trading Desk to resolve the error and ensure all affected clients are made whole.

The Oversight Team is responsible for reviewing and ensuring appropriate actions were taken, as soon as reasonably and practically possible, to appropriately and adequately resolve the situation in the clients' best interests.

Broker Selection, Best Execution and Use of brokerage commissions

AGFA and AGFII portfolio managers execute a detailed semi-annual broker vote process evaluating broker performance on a defined set of criteria which is then reviewed in the context of ensuring AGFA adheres to best execution principles. Criteria include the ability to execute unique/difficult or complex transactions, access to particular markets, anonymity, access to management of issuers of securities, counterparty relationships, speed and liquidity, sophistication and technology, and access to permitted research and market information to assist in the investment decision making process. The list of brokers is broad, and any broker may appear

on the list, excluding any affiliated broker or a broker that AGFA has determined should not be included on the list. The results of the vote and portfolio manager comments per broker are made available to the AGFII trading desk, as each trader has discretion to decide which brokers to use in executing specific transactions (unless otherwise directed by the portfolio manager or client). The AGF Investment Governance Committee reviews the results and compares vote results with actual brokerage activity.

Brokers typically provide a bundle of services, including research and brokerage products or services (“Soft Dollar Items”), in addition to the execution of transactions. Soft Dollar Items provided by brokers who bundle their services include but are not limited to written research material not otherwise available for purchase, access to management of companies whose securities AGFA may be interested in, access to professionals (e.g., industry or market experts) and other such services used by portfolio managers in compiling their research to assist in the investment decision making process.

In allocating brokerage the AGFII traders may review the selection of brokers based on both an assessment of the broker’s ability to provide quality execution and a belief that any Soft Dollar Items provided by the broker, without solicitation, may benefit AGFA’s clients. Because it is often not possible to place, with precision, a dollar value on the quality executions or on certain Soft Dollar Items receives from brokers effecting transactions in portfolio securities, AGFA may pay commissions in respect of certain portfolio transactions in an amount or at a rate that exceeds the commission another broker might have charged for effecting a similar transaction when AGFA determines, in good faith, that such amounts are reasonable in relation to the value of the Soft Dollar Items or superior qualitative executions provided by those brokers, viewed either in terms of a particular transaction or its overall duty to clients. The receipt of Soft Dollar Items also benefits AGFA by, among other things, allowing portfolio managers, at no direct cost to:

- (1) supplement its own research, analysis, and execution facilities,
- (2) receive the views and information from other professionals, and
- (3) gain access to persons having special expertise on certain companies, industries, economic areas, and market factors.

This may relieve AGFA of expenses that it might otherwise bear in obtaining comparable information or research items on its own.

AGFA’s soft dollar policy requires portfolio managers that obtain Soft Dollar Items must ensure, based on their opinion and experience, that:

- (1) the Soft Dollar Items benefit client;
- (2) Soft Dollar Items are obtained with the intention to add value to investment or trading decisions; and

- (3) the amount of brokerage paid is reasonable in relation to the value of the soft dollar items received.

AGFA does not enter into formal arrangements that would permit AGFA to direct a portion of client brokerage commissions to pay for specific research. AGFA uses brokerage services to obtain Soft Dollar Items consistent with the “safe harbor” (Section 28 (e) of the U.S. Securities Exchange Act of 1934, as amended). In the case of proprietary or “bundled” research, AGFA will determine a value for such services and will maintain a record of such value in aggregate and will record the research materials received, where value, in the opinion of the portfolio managers, has been added to client accounts. The AGF Investment Governance Committee periodically reviews the services provided by these brokers to verify that AGFA obtains effective trade execution and that Soft Dollar Items obtained from client brokerage are used in conformance with applicable regulations.

Soft Dollar Items obtained are not always used, in whole or in part, for the specific account that generated brokerage from which the items were obtained. AGFA does not typically allocate the relative costs or benefits with precision among client accounts because it believes that in the aggregate the Soft Dollar Items received benefit clients by assisting portfolio managers in fulfilling their overall duty. To the extent that AGFA aggregates orders, brokerage commissions attributable to one or more accounts may be allocated to brokers who provide Soft Dollar Items (such as statistical data or research) used by AGFA in managing other accounts, and vice versa. For this reason, commissions paid in one account may, in effect, subsidize Soft Dollar Items that benefited another account. Additionally, consistent with the safe harbor, AGFA may use Soft Dollars generated by trades for one type of account (e.g., equity) to acquire Soft Dollar Items which may benefit other types of accounts (e.g., fixed income).

AGFA may use brokerage to pay for a portion of certain “mixed use” items (i.e., items which provide both eligible and non-eligible benefits or encompass multiple functionalities some of which are not eligible for the safe harbor). Although the allocation is not always precise, AGFA makes a good faith effort to allocate payment for such items appropriately by paying cash for that portion of the cost of the Soft Dollar Item which is attributable to a use or functionality which is not eligible under the safe harbor.

Regulations outside of the United States (including MiFID II) that apply to some accounts may subject AGFA and AGFII to additional requirements, restrictions or prohibitions on paying for research and brokerage with the client commission dollars generated by account transactions. To the extent these accounts’ orders are aggregated with the orders of clients whose commissions pay for research, the non-research paying clients may realize the price and execution benefits of the aggregated order while benefiting from the research acquired by AGFA and/or AGFII.

AGFA may also aggregate orders for clients that permit client commission arrangements with clients that do not permit such arrangements. In these cases, AGFA aggregates the orders to obtain best execution and does not seek a research credit for the portion of the trade that is executed for clients that do not permit such arrangements. As noted above, such circumstances may result in the non-research paying clients (including those covered by MiFID II) realizing the price and execution benefits of the aggregated order while benefiting from the research acquired by AGFA or AGFII.

Each client in such an aggregated order shall, however, pay or receive the same average price for the purchase or sale of the underlying security and pay the same amount for execution. Clients whose commissions pay for research and who participate in aggregated orders with clients that do not pay for research through commission sharing arrangements may pay higher effective transaction costs than non-research paying clients participating in the same transaction.

Notwithstanding the foregoing, there may be circumstances where AGFA and/or AGFII may be required to execute transactions on a “step-out” or “trade-away” basis to the extent necessary to achieve best execution in compliance with applicable law.

Client directed brokerage

Some clients request that AGFA place orders for their account with specific brokers that provide services to that client. Our policies for ensuring fair allocation of investment opportunities and practices to seek best execution necessitate the ability to either aggregate orders or select brokers based on our criteria. Consequently, AGFA will only agree to client directed brokerage arrangements on a ‘best efforts’ basis to the extent it is consistent with our policies and procedures to seek best execution and is operationally possible in the specific circumstances, depending on the securities being traded. In extremely rare circumstances AGFA may use ‘step-out trading’ in order to redirect a client’s trades to another broker. Generally, speaking, executing brokers discourage such practices due to operational constraints and certain settlement risks. Generally, AGFA discourages client directed brokerage.

Item 13: Review of Accounts

Portfolio managers are responsible for ensuring investments are suitable for client accounts based on the investment mandate and specific client guidelines and restrictions. The portfolio managers all report to the Chief Investment Officer (“CIO”), who is responsible for monitoring the ongoing performance of the portfolio managers. The CIO reviews performance quarterly using detailed portfolio attribution analysis provided by AGFII’s portfolio analytics team and the reporting team (independent of the portfolio manager team). The CIO is also a member of the

AGF Investment Governance Committee (“IG Committee”), which on a quarterly basis also reviews the portfolio manager’s activities in aggregate and on an account-by-account basis. The materials reviewed by the IG Committee include, but are not limited to, third party generated best execution reports that provide detailed analysis on best execution and top/bottom performing transactions; detailed brokerage analysis on an account basis, broker vote results and actual commissions directed and portfolio monitoring reports that analyze the results of daily portfolio reviews for compliance with the investment mandate, regulatory requirements and client specific investment guidelines and restrictions.

The quarterly investment reports provided to all clients are independently reviewed by the compliance department and includes market commentaries, portfolio attribution information about the account, current positioning commentary from the portfolio manager and the statement of portfolio holdings and transactions for the period. Additionally, depending on services negotiated by clients with AGFA, clients may have access to portfolio managers, associate portfolio managers and/or portfolio specialists to discuss investment performance, trends and themes impacting their account. Some clients have also negotiated a fixed timetable to perform in-depth due diligence reviews of the performance of AGFA in providing its services to the client.

Item 14: Client Referrals and Other Compensation

AGFA sources new business through the use of industry consultants, who specialize in the search of investment managers for their clients, the use of third party investment management data providers to include AGFA investment mandates and performance data in databases they maintain for prospective clients to search for investment managers, as well as through the direct submission of responses to request for proposals from potential clients. The use of third-party databases, and in some cases consultants, may result in fees being paid by AGFA to participate. These fees are not directly charged to any AGFA client accounts.

In the case of consultants, AGFA will provide them with information concerning our investment mandates, the investment process used by the portfolio managers, our firm’s policies and procedures as it relates to the provision of discretionary investment management services, and other related information. When consultants perform searches for their clients, they may direct a request for proposal to AGFA in connection with those searches. As a result, AGFA may invite consultants to its offices to perform due diligence reviews of our operations and of the investment process used by our portfolio managers. Additionally, the consultants may host conferences, which AGFA pays fees to attend and to participate in the opportunity to discuss a variety of topics associated with the industry and the provision of service to existing and prospective clients.

Item 15: Custody

All our clients have engaged their own third-party custodians to hold the assets we manage on their behalf. AGFA's authority is limited to the provision of investment instructions (buy and sell securities) in connection with the custodial account. AGFA does not have authority to obtain possession of any assets in the client's account nor to pay for any expenses associated with the client's account. We maintain an authorized traders list, provided to clients and their custodians, that identifies those individuals who are authorized to provide investment instructions on the client's account.

AGFA receives custodial reports from the client's custodian and regularly reconciles its records to those of the custodian to ensure completeness and accuracy. Reconciliations are performed by AGFII's operations department (or a designated third party), a department independent from AGFII traders, the settlements desk and all portfolio managers and their teams. This provides assistance in the mitigation of risks associated with the safeguarding of client assets. In addition to custodial reports clients receive from their custodians, clients also receive detailed portfolio transaction and positions reports from AGFA quarterly and, where separately negotiated, on a monthly basis. Clients are encouraged to review these reports and compare them with custodial records as an additional control measure.

Item 16: Investment Discretion

Firm Overview

AGFA clients all enter into written agreements with AGFA detailing the services to be provided, the authority and discretion AGFA is given in respect of the managing the assets and the client's specific investment policy statement, guidelines and restrictions (referred to as the client IPS).

The client IPS is incorporated into the investment management agreement and allows clients to detail their specific investment objectives, guidelines, and any specific restrictions. For any client that is a registered investment company, the client IPS is set forth in the in the client's prospectus and statement of additional information. Monitoring of compliance with the client IPS is conducted by the compliance department on a 'live' daily basis using the trade order management system utilized by the portfolio managers and traders to manage client accounts and record trade orders and fills. The effectiveness of such monitoring is dependent on the quality of data uploaded into the system, which from time to time may not be complete, accurate or available from the service providers used to source and maintain the data. Some restrictions may be exceeded or compromised as a result

of events beyond the control of AGFA and its portfolio managers. Examples of these instances may include, but are not limited to; corporate actions, changes in credit ratings of counterparties, market liquidity events, corporate share buybacks, and other similar events. The compliance department will work with the portfolio manager to take necessary steps of remediating the restriction as quickly as commercially reasonable. To the extent restrictions are not able to be monitored using the trade order management system; other departments perform manual procedures to monitor compliance, which are subject to periodic reviews by our parent company's internal audit department.

In addition to the client IPS, the compliance department also uses the trade order management system to monitor other restrictions and guidelines imposed either by the portfolio manager in respect of the mandate or by certain regulatory and/or market requirements. For example, the aggregate ownership of classes of equity securities are monitored for restrictions placed on ownership either for reporting purposes or for local market regulatory restrictions. Additionally, where a client is itself subject to regulatory restrictions that impose limits on control or ownership, AGFA also uses the trade order management system to monitor these limits.

Item 17: Voting Client Securities

Typically, our clients give us discretion to vote proxies on securities held in their accounts. Our ability to vote proxies depends on the client's custodian delivering the proxies in proper form and in a timely manner to us or our agent.

AGFA votes proxies in the best interests of our clients' as shareholders and in a manner that we believe maximizes the economic value of their holdings. Our proxy voting guidelines set forth general guidelines for voting proxies however, portfolio managers retain discretion to vote proxies on a case-by-case basis taking into account all relevant circumstances applicable to each client. AGFA utilizes proxy voting guidelines that are administered by our third-party service provider, Institutional Shareholder Services, Inc. ("ISS"). Our proxy voting guidelines provide the portfolio manager for the client account the authority to decide the final vote, or in some circumstances the portfolio manager may determine that it is in the client's best interest to refrain from voting proxies, absent a material conflict of interest. AGFA will consider information received from the issuer when relevant and informative to the respective proxy matter as well as from ISS and other sources as relevant to the respective portfolio manager. The vote entered on a client's behalf with respect to a particular proposal may differ between clients based on the client specific circumstances and expectations connected with voting proxies.

It is possible, on occasion, that AGFA or one of our affiliates will have a business relationship with an issuer whose securities are held in a client account. Additionally, it is possible that relevant personnel or their close relatives (e.g., spouse or child) are directors or officers of an issuer whose securities are held in a client account. As a result, we have adopted and implemented policies and procedures that we believe are reasonably designed to manage the conflicts created by those business and personal relationships. These procedures allow for the identification of such 'conflicted securities' and ensure that any proxy ballots for them are redirected to an independent committee of individuals who are responsible for determining an appropriate course of action ("AGFA Proxy Committee").

When required, the AGFA Proxy Committee will first determine whether there exists an item on the ballot that presents a conflict of interest. For example, the election of directors where one proposed individual is related to relevant personnel. In the event of a conflict, the AGFA Proxy Committee will determine whether it may resolve business conflicts by voting as recommended by a third-party voting service, notifying the client and seeking instruction or permitting the client to vote or take action which will allow the best interest of the clients. Identifying potential conflicts arising from personal relationship is a self-reporting process, consequently if the apparent conflict is not raised by someone within the firm; it may not be identified and reviewed by the AGFA Proxy Committee.

Clients may obtain a copy of the Proxy Voting Policies and Guidelines at the start of the relationship or any time thereafter upon request, as well as information on how their securities were voted or as outlined in the investment management agreement.

Conflict of Interest Matters

While certain situations of conflict have been covered throughout this document (e.g., personal trading practices, fair allocation of investment opportunities, side-by-side management, broker selection, proxy voting practices and securities valuation practices), conflicts of interest may arise beyond these ordinary course of business situations. Certain conflicts cannot be avoided or AGFA has chosen not to avoid them as there may be an adverse impact to processes implemented designed to ensure the best interests of clients are placed ahead of those of AGFA and its Supervised Persons and employees. Instead, AGFA has implemented practices designed to identify and manage such conflicts so as to fulfill our obligations to clients, including our fiduciary obligations.

AGFA acknowledges that certain conflicts may arise directly from client relationships. For example, certain clients may be able to influence or affect AGFA's operations and practices by virtue of the size of assets under management or by virtue of the client's reputation and status in a particular industry or market. AGFA's practices involve the requirement to comply with all policies and procedures

consistently and effectively to meet their objectives. Our parent company's Internal Audit and Compliance departments each conduct routine reviews, audits, and assessments of the effectiveness of internal controls, the degree of compliance with internal controls and the overall effectiveness in the design of controls to meet stated control objectives. Reports are issued to management and to the board of directors of AGFA, AGFII and of our parent, AGF Management Limited. Additionally, many back office operations and governance processes have been outsourced to our affiliate AGFII, which itself is subject to an independent internal control audit for the purposes of generating an annual Canadian Standards Assurance Engagement (CSAE 3416) (akin to a U.S. SAS 70 report), a copy of which may be made available to our clients upon request.

The AGF Investment Governance Committee, in addition to monitoring performance related activities of the portfolio managers in connection with client accounts, also reviews quarterly firm compliance with key conflicts of interest policies, including but not limited to, gifts & entertainment matters, political contributions, complaints activity and non-compliance matters by AGFA Supervised Persons (e.g., gifts & entertainment review, certification activities, self-disclosure activities, etc.). AGFA is committed to treating you with respect and consideration. Providing the highest level of service is our commitment to you. However, from time to time there may be a misunderstanding, something may have gone wrong or you may feel you have been treated unfairly. In such a circumstance AGFA will act diligently in an effort to resolve the problem quickly. Complaints may be directed to your AGFA representative, AGFA compliance or any member of AGFA senior management.

Item 18: Financial Information

AGFA does not solicit prepayment of client fees. Furthermore, there are no financial conditions that are reasonably likely to impair AGFA's ability to meet any of its contractual commitments to its clients.