



MEDIA RELEASE

AGF and Instar Launch New Alternative Investment Offering for Institutional Investors

Veteran infrastructure investment professional Gregory Smith to lead new joint venture company

Toronto | January 22, 2014 - AGF Management Limited (AGFML) and Instar Group Inc. (Instar) today announced the launch of InstarAGF Asset Management Inc., a new joint venture that will provide global institutional investors with access to infrastructure investment opportunities. Based in Toronto and led by Gregory Smith, a pioneer in the infrastructure investment community, the new company will invest in and manage a range of alternative asset funds, with primary focus on infrastructure assets.

AGF will be an active shareholder in the joint venture, providing a range of operational services, working capital, and seed capital investment.

“AGF is delighted to be working with Greg Smith in this important new venture,” said Blake C. Goldring, Chairman and Chief Executive Officer, AGF Management Limited. “Allocations to alternatives have been steadily increasing, and private infrastructure assets remain especially attractive to institutional investors with long-dated liabilities. This new investment capability bolsters our current product offering and will leverage our global distribution footprint,” added Goldring.

Greg Smith, a 20-year veteran in the investment, operations, acquisition, and financing of public and private infrastructure, real estate, power, and utility businesses, will lead the company. “The global market for alternative investment opportunities is expanding rapidly and we have found an ideal partner in AGF,” said Gregory J. Smith, President and Chief Executive Officer, Instar Group Incorporated. “AGF has extensive resources to support the operating needs of this business, and their investment will allow us to focus on securing and managing a portfolio of high quality infrastructure assets,” added Smith.

“The joint venture with Instar is a prudent investment of our capital that will provide AGF with a strong return while enhancing and expanding our investment capabilities,” said Robert J. Bogart, Executive Vice-President and Chief Financial Officer, AGF Management Limited. “InstarAGF is an important first step in the execution of our alternative investment strategy,” added Bogart.



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ABOUT AGF MANAGEMENT LIMITED

AGF Management Limited is one of Canada's premier independent investment management firms with offices across Canada and subsidiaries around the world. AGF's products include a diversified family of award-winning mutual funds, mutual fund wrap programs and pooled funds. AGF also manages assets on behalf of institutional investors including pension plans, foundations and endowments as well as for private clients. With over \$34 billion in total assets under management, AGF serves more than one million investors. AGF trades on the Toronto Stock Exchange under the symbol AGF.B.

ABOUT INSTAR GROUP INC.

Instar is an independent alternative asset management firm founded by Gregory J. Smith. The firm seeks to build a robust, mid-market infrastructure and private equity investment platform with global capabilities to invest mezzanine and equity capital in infrastructure companies and projects across the spectrum of infrastructure sectors, including renewable energy.

Gregory J. Smith

As President and Chief Executive Officer of Instar Group Limited, Gregory J. Smith brings more than 20 years of unparalleled experience in the investment, operation, acquisition, and financing of public and private infrastructure, real estate, power, and utility businesses.

Prior to founding the Instar, Gregory was Managing Partner of Brookfield Financial's Global Infrastructure Advisory Group. Gregory was also the President of Macquarie Capital Funds Canada Ltd. where he was responsible for the establishment, growth and operations of Macquarie's unlisted and listed funds business in Canada along with the active management of Macquarie's Canadian assets owned by off-shore funds. During this time, he also served as President and Chief Executive Officer of Macquarie Power & Infrastructure Income Fund, and as a Director and Chief Executive Officer of Macquarie Essential Assets Partnership, a private fund. Prior to Macquarie, Gregory was Managing Director and Co-Head of RBC Capital Partners - Mezzanine Fund and a Managing Director at Deloitte & Touche Corporate Finance. Gregory is currently the Chair and past President of Canada's Venture Capital & Private Equity Association. Gregory currently sits on the advisory boards of Lighthouse Equity Partners, a private equity provider, and Avrio Capital, a food and agriculture sector focused private equity fund.

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MEDIA RELEASE

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This release includes forward-looking statements. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as 'expects,' 'anticipates,' 'intends,' 'plans,' 'believes' or negative versions thereof and similar expressions, or future or conditional verbs such as 'may,' 'will,' 'should,' 'would' and 'could.' Forward-looking statements are based on certain factors and assumptions, including expected growth, results of operations, economic factors, business prospects, business performance and opportunities. While the company considers these factors and assumptions to be reasonable based on information currently available, they may prove to be incorrect. Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied by forward-looking statements due to, but not limited to, important risk factors such as level of assets under management, volume of sales and redemptions of investment products, performance of investment funds and of investment managers and advisors, competitive fee levels for investment management products and administration, and competitive dealer compensation levels and cost efficiency in our investment management operations, as well as interest and foreign-exchange rates, taxation, changes in government regulations, unexpected judicial or regulatory proceedings, and the company's ability to complete strategic transactions and integrate acquisitions. The company cautions that the foregoing list is not exhaustive. The reader is cautioned to consider these and other factors carefully and not place undue reliance on forward-looking statements. Forward-looking statements are given only as at the date of this release and other than specifically required by applicable laws, the company is under no obligation (and expressly disclaims any such obligation) to update or alter the forward-looking statements, whether as a result of new information, future events or otherwise. Additional risks and uncertainties can be found in our MD&A for the fiscal year ended November 30, 2012 under the headings "Caution Regarding Forward-Looking Statements" and "Risk Factors and Management of Risk" and in our other filings with Canadian securities regulatory authorities.