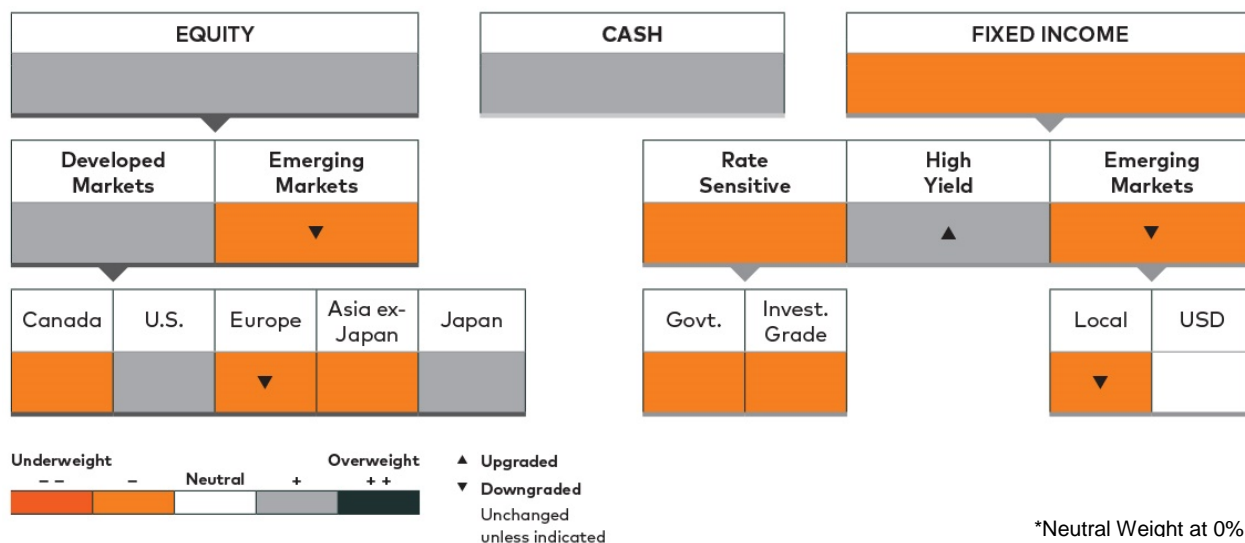


OnCourse AGF Elements Global Portfolio Q3 2018 Report

August 2018

AGF ASSET ALLOCATION COMMITTEE RECOMMENDATIONS

AGF Elements Portfolios were rebalanced on July 13, 2018. The following diagram represents the views of AGF's Asset Allocation Committee which influences the underweight and overweight positioning of the Portfolios.



REBALANCE RATIONALE

Fixed Income

- Fixed income remains underweight as tightening of central bank policy and strengthening global economies may pressure yields
- Interest rate sensitive bonds are moderately underweight with government issued debt favoured over corporate bonds
- High yield bonds are most preferred over the near-term as credit quality remains stable
- Emerging market debt faces trade headwinds, particularly local denominated debt, and therefore has been reduced to an underweight position

Cash

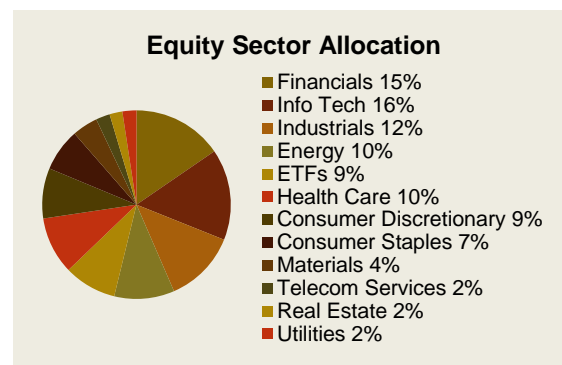
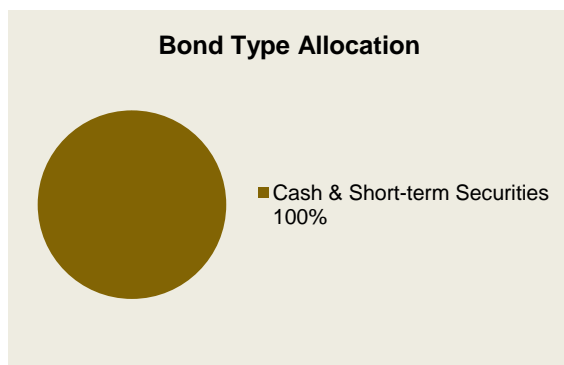
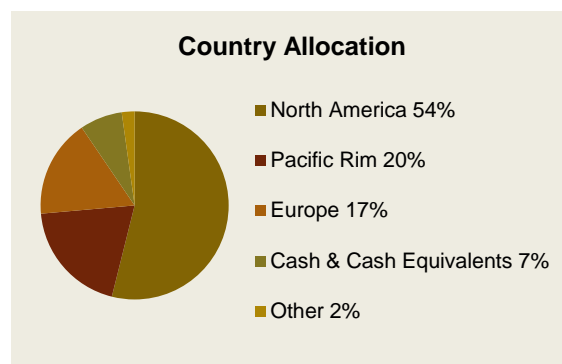
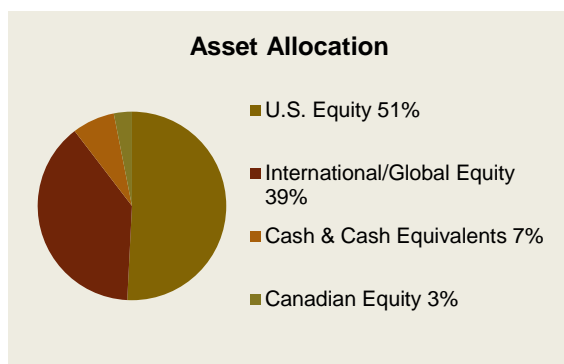
- A modest allocation to cash remains in anticipation of expected volatility

Equities

- Equities are overweight as global growth remains supportive late into the current cycle
- Developed markets are preferred over emerging markets as trade risks remain elevated
- Rising energy prices should assist the Canadian market, though it remains vulnerable to ongoing trade negotiations
- U.S. markets are overweight, supported by global economic growth and fiscal stimulus
- Heightened political risks and trade uncertainties in Europe lead to an underweight position
- Asia Pacific (ex-Japan) sensitivity towards worsening trade relations suggests a moderate underweight
- Japan is most preferred with accommodative policy and sustained improvement in economic conditions supportive of market growth

Percent Target Allocations	Neutral Allocation	Previous Quarter	Current Quarter	Change
International/Global Equities	100	83	83	-
AGF American Growth Fund		16	16	-
AGF U.S. Risk Managed Fund		0	0	-
AGF Asian Growth Class		2	2	-
AGF Global Equity Fund ¹		22	18	-4
AGF Global Dividend Fund		6	5	-1
AGF Emerging Markets Fund		5	4	-1
AGF European Equity Fund		5	5	-
AGF Global Sustainable Growth Equity		5	5	-
AGFIQ Enhanced Core US Equity		11	12	+1
AGFIQ Enhanced Core International		5	6	+1
AGFIQ Enhanced Core Emerging Markets		2	2	-
AGFIQ Enhanced Global Infrastructure		2	4	+2
AGFIQ Enhanced Global ESG Factors		2	4	+2
Specialty Funds	-	17	17	-
AGF Global Resources Class		3	3	-
AGF Tactical Income Fund ²		14	14	-

CURRENT ALLOCATIONS (as of July 17, 2018)



QUARTER REVIEW – Q2 2018

Fund Performance

- For the quarter ended June 30, 2018, the AGF Elements Global Portfolio returned 0.6%, while the MSCI All Country World Index returned 2.8%.
- The Portfolio's benchmark asset mix is 100% equities. During the quarter, allocation to U.S. and global developed market equities were reallocated to increase exposure to the infrastructure industry and ESG factors. The Portfolio's modest exposure to Canadian equities contributed to performance, as Canadian equities outperformed most other developed markets due in part to rising energy prices.
- Performance of the underlying funds was mixed during the quarter. AGF American Growth Class, AGF Asian Growth Class and AGF Emerging Markets Fund outperformed their respective benchmarks, while all other equity funds underperformed.

Performance as of June 30, 2018	PSD	3mo	6mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Since PSD
AGF Elements Global Portfolio - Series J	2011-12-14	0.6%	2.5%	2.5%	7.9%	7.0%	10.6%	-	10.4%
AGF Elements Global Portfolio - MF Series	2005-11-25	0.6%	2.5%	2.5%	7.9%	7.0%	10.5%	4.8%	4.5%
AGF American Growth Fund	04/18/1957	6.2%	15.2%	15.2%	22.4%	14.7%	19.0%	11.0%	8.9%
AGF Asian Growth Class	10/31/1991	-3.0%	-0.5%	-0.5%	9.5%	4.6%	9.8%	5.5%	4.6%
AGF Emerging Markets Fund	03/11/1994	-5.3%	-0.9%	-0.9%	4.4%	4.7%	5.0%	4.2%	10.5%
AGF European Equity Class	04/11/1994	-2.3%	-1.2%	-1.2%	1.3%	-0.7%	5.6%	-0.8%	1.7%
AGF Global Dividend Fund	08/09/2007	-0.7%	0.0%	0.0%	3.9%	6.5%	11.2%	8.1%	6.6%
AGF Global Equity Fund ¹	11/28/1994	-2.8%	-1.9%	-1.9%	3.2%	6.5%	11.1%	6.9%	7.3%
AGF Global Resources Class	04/19/2000	10.0%	4.7%	4.7%	17.3%	-2.5%	-2.1%	-3.6%	6.4%
AGF Global Sustainable Growth Equity Fund	12/31/1991	0.4%	2.5%	2.5%	8.9%	7.7%	9.6%	1.6%	6.2%
AGFiQ Enhanced Core Emerging Markets Equity ETF	01/30/2017	-2.7%	1.7%	1.7%	11.1%	-	-	-	13.6%
AGFiQ Enhanced Core International Equity ETF	01/30/2017	0.9%	2.8%	2.8%	6.8%	-	-	-	13.2%
AGFiQ Enhanced Core US Equity ETF	01/30/2017	4.6%	4.7%	4.7%	11.6%	-	-	-	11.9%
AGF Tactical Income Fund ²	01/15/2015	3.1%	2.9%	2.9%	9.6%	7.1%	-	-	6.6%

Source: AGF Investment Operations as at June 30, 2018. C\$, net of fees.

¹ On April 18, 2008, the Fund changed its investment objective to provide long-term capital growth and invest primarily in shares of companies around the world. The Fund may invest up to 25% of its assets in companies in emerging markets.

² On May 1, 2012, the Fund's benchmark changed from a blended index of 75% S&P/TSX Composite Index / 25%

For more information, please contact your financial representative.

For more information regarding the underlying funds, please refer to AGF.com/Funds.

For up-to-date information, visit AGF.com/Elements.

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On January 1, 2015, the Portfolio's benchmark changed from a blended index of 40% S&P/TSX Composite Index / 20% MSCI All Country World Index / 15% FTSE TMX Canada Universe Bond Index / 25% Barclays Capital Global Aggregate Bond Index to a blended index of 15% S&P/TSX Composite Index / 45% MSCI All Country World Index / 10% FTSE TMX Canada Universe Bond Index / 30% Barclays Capital Global Aggregate Bond Index. The benchmark change was applied from this date forward.

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