AGF INVESTMENTS

AGF
What are you doing after work?®

AGF Flex Asset Allocation Fund

Top 10 Frequently Asked Questions

1 What differentiates this Fund from other investments?

AGF Flex Asset Allocation Fund balances investors' needs for long-term capital growth with downside capital protection. The Fund's dynamically managed multi-asset strategy with an outcome-oriented strategy is designed to deliver favourable returns, on average, across a full market cycle. The Fund's asset allocation and weightings are recommended by State Street Global Advisors*, a leader in multi-asset class risk-managed asset-allocation strategies.

2 Why add an outcome-oriented strategy to your portfolio?

AGF Flex Asset Allocation Fund uses a flexible approach seeking to provide favourable returns, on average, over a full market cycle regardless of market conditions. The Fund aims to do so by dynamically allocating across a broad range of globally diversified investments.

3 Who is State Street Global Advisors?

State Street Global Advisors (SSGA) is the asset management business of State Street Corporation, one of the world's leading providers of financial services to institutional investors. SSGA has the ability to combine a disciplined, precise investment process with a global investment platform that provides clients access to every major asset class, capitalization range and style. SSGA engineers investment strategies across equity, fixed income, currency, alternatives, solutions, real estate and absolute return, and across the risk spectrum, including index, enhanced and active (both quantitative and fundamental).

State Street Global Advisors, Ltd. (SSGA Canada), the Canadian office of State Street Global Advisors (SSGA), was established in 1991, with offices in Montreal and Toronto. SSGA Canada ranks as one of the major investment managers in Canada. Their Canadian clients have entrusted them with more than $45.17 billion of assets while their global clients have entrusted them with more than $3.12 trillion to manage on their behalf.[1] They have a diverse client base that includes defined benefit and defined contribution pension funds, insurance companies, official institutions, foundations, charities, local authorities, family offices and intermediaries.

4 Why is asset allocation – and specifically active asset allocation – so important?

Savvy investors are discovering what institutional investors have known for some time: asset allocation can be a stronger determinant of investment results than stock selection. In fact, your portfolio's asset allocation can be the biggest driver of returns over the long term.[2]

5 Isn't asset allocation something I can do on my own?

A professionally managed portfolio, with a built-in dynamic assessment of where opportunity and risk lie, can provide investors with exposure to the broadest market segments – encompassing a wide range of asset classes, market capitalizations, styles and sectors. Historically, advanced asset allocation strategies have been difficult for many individual investors to implement due to the time and expertise required. And static allocations, particularly to risky assets, can leave investors vulnerable to market volatility, including sell-offs.

6 Why invest in multiple asset classes?

As mentioned above, the right asset mix can contribute to overall return. Different types of investments can offer low-to-negative correlations to each other, meaning they don't always move in concert. This divergence can be a good thing, especially if one asset class and/or market is declining while others are advancing. Typically, the more different two asset classes are – by type and/or by geography – the lower the correlation.

7 How often does the Fund change up its asset allocation weights and what does it invest in?

The Investment Solutions Group (ISG) of SSGA – which is responsible for managing more than $167 billion in global asset allocation mandates – uses a multi-factor, in-depth analysis to calculate long-term forecasts of more than 60 different asset classes. These forecasts, combined with continuous monitoring of market conditions, enable ISG to create allocations appropriate to different risk environments.

AGF Flex Asset Allocation Fund's reallocation signals mean that the Fund's asset allocation can be rebalanced as markets demand to capture opportunities for growth while seeking to minimize downside risks. The Fund invests primarily in global equities, fixed income, commodities, property and infrastructure through Exchange Traded Funds (ETFs).

8 How do ETFs enable the Fund to access opportunities and diversify?

AGF Flex Asset Allocation Fund uses a diverse line-up of ETFs from multiple providers. ETFs can provide cost-effective diversification and the ability to change portfolio positioning quickly and efficiently. They are a fast and responsive vehicle for moving in and out of identified opportunities. By virtue of being index investments, ETFs provide broad exposure to a particular market segment.

9 Why is risk management so important?

Diversification alone can not protect against losses. Static allocations can leave investors vulnerable to market volatility and many investors found that their diversified, largely static, balanced portfolios failed to sufficiently protect them in challenging markets like 2008. AGF Flex Asset Allocation Fund's dynamically managed multi-asset strategy is designed to deliver favourable returns on average across an entire market cycle.

10 How do I know if AGF Flex Asset Allocation Fund is right for me?

When investing, it is always important to consult a professional financial advisor, who can assess if the Fund fits in with your investment goals, time horizon and risk profile. AGF Flex Asset Allocation Fund is ranked as low-to-medium risk, which may be within your risk tolerance. Its dynamic built-in asset allocation is designed to participate on market upside, while its constant risk management can help mitigate downside risk.

For more information, contact your Financial Advisor and visit AGF.com/FlexAA.

[1] AUM reflects approximately $30.5B (as of December 31, 2015) with respect to which State Street Global Markets, LLC (SSGM) serves as marketing agent; SSGM and State Street Global Advisors are affiliated. [2] Brinson, G.P., L.R. Hood, and G.L. Beebower, "Determinants of Portfolio Performance II, an Update," Financial Analyst Journal, May–June 1991.

* State Street Global Advisors, Ltd. (SSGA Canada) acts solely as a portfolio advisor to the Fund. A portfolio advisor provides the Fund with investment research and recommendations. They do not make investment decisions on behalf of the Fund.

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