

State Street Global Advisors

Process makes the difference

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 strives to be the premier global asset manager that clients trust for investment insight, solutions and results. Backed by the State Street organization, SSGA makes continual investments in their asset management and client service platform to ensure they remain client-focused and solutions-driven.

SSGA has the ability to combine a disciplined, precise investment process with a global investment platform that provides clients with 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, as well as across the risk spectrum, including index, enhanced and active (both quantitative and fundamental). As a result, global clients have entrusted SSGA with more than \$2.96 trillion** to manage on their behalf.

The Investment Solutions Group (ISG) of SSGA – which is responsible for managing more than \$200 billion in global asset allocation mandates – uses a multi-factor, in-depth analysis to calculate long-term forecasts of more than 50 different asset classes. These forecasts, combined with continuous monitoring of market conditions, enable ISG to create allocations appropriate for different risk environments.

A disciplined investment process

AGF Flex Asset Allocation Fund's investment process combines strategic, dynamic and tactical asset allocation approaches to manage the multi-asset strategy. The process is shaped around identifying risk environments, adjusting the asset allocation based on long-term return objectives and responding to the prevailing market environment. For example, during periods of volatility, the portfolio will hold more defensive and less risky assets. In more benign market regimes, the portfolio holds more growth assets. With this approach, the investment portfolio is seeking to be in the right market at the right time with an eye on the present market and to what is emerging on the horizon.

| | 1 | 2 | 3 | 4 |
|-----------|---|---|---|--|
| Step | Strategic | Dynamic | Tactical | Implementation |
| Objective | Identify and categorize assets Design appropriate portfolio of assets for each market environment/regime | Identify market regime Generate timely and meaningful shifts in portfolios | Incorporating ISG's Tactical Asset Allocation (TAA) analysis and positioning Input from ISG's Politics and Policy team | The positions determined in the portfolio construction phase are relayed to AGF, the portfolio manager, for effecting allocation changes |
| Delivers | Well-designed strategic mix for each environment | Confidence in making meaningful moves | Near-term added value | Portfolio aimed at providing favourable returns with a focus on capital preservation and risk management |

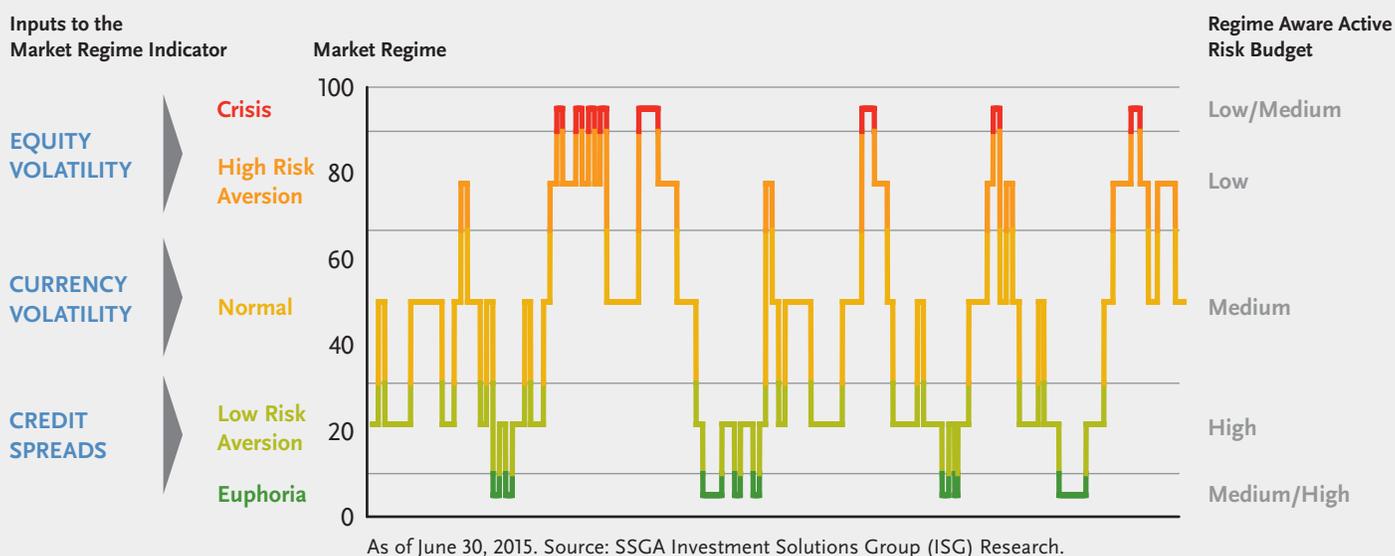
Market Regime Indicator

AGF Flex Asset Allocation Fund makes use of SSGA's proprietary Market Regime Indicator (MRI) and investment process. The MRI uses forward-looking signals of market sentiment across equity, bond and currency markets to assess the likely performance of asset classes.

HOW IT WORKS

- MRI assessment scores identify one of five potential Market Regimes
- The prevailing Market Regime sentiment signal drives the dynamic asset allocation
- Measures beyond sentiment are incorporated so that asset allocations can be finely tuned
- To gain exposure in the most cost-efficient and nimble way, ETFs are used as the Fund's underlying building blocks

Blending innovation with expertise



By design, the MRI signal varies between 0% and 100%. This is further refined to give five analytically distinct regimes within the market cycle:

1. **Crisis** (an MRI level close to 100%) – corresponds to extreme risk aversion ('Fear/Panic')
2. **High Risk Aversion** (an MRI level above the average) – represents a moderate aversion towards risk-taking and risky assets
3. **Normal** (an MRI level that oscillates around the mean) – usually characterised by a neutral market sentiment
4. **Low Risk Aversion** (an MRI level below the average) – moderate appetite towards risk-taking and risky assets
5. **Euphoria** (an MRI level close to 0%) – extreme risk appetite ('Greed/Complacency')

Put experience and know-how on your side. Contact your Financial Advisor for more details and visit AGF.com/FlexAA.

We strongly recommend consulting with your professional advisor prior to making any investment decision.

* 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.

** Source: State Street Global Advisors. AUM reflects approx. \$33.4B (as of June 30, 2015) with respect to which State Street Global Markets, LLC (SSGM) serves as marketing agent; SSGM and State Street Global Advisors are affiliated.

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