



AGF INVESTMENTS



What are you doing after work?\*

# AGF U.S. Sector Class<sup>1</sup>

## Top 10 Frequently Asked Questions

### Why would I invest in AGF U.S. Sector Class?<sup>2</sup>

AGF U.S. Sector Class is an innovative solution that looks at risk from the investor's perspective. The aim of the Fund is to participate when markets are in recovery and advancing upward (i.e., in bull market periods) and minimize downside when there is a correction or a prolonged bear market period. By attempting to minimize market drawdowns (the downside of markets from a 'peak' to bottom 'trough'), gains are captured and setbacks minimized. This can result in a better starting point once the market cycle picks up again.

### How can this Fund complement my investment portfolio?

The objective of AGF U.S. Sector Class is to minimize market setbacks by reducing exposure to at-risk sectors in periods of volatility or bear markets and then redeploying those monies back into equities as markets show signs of recovery.

Its focus on U.S. equity market participation can provide diversification benefits and can complement Canadian, global and emerging market funds. It can also complement fixed-income based solutions.

### What does the Fund invest in?

The Fund invests primarily in nine\* Select Sector SPDR exchange-traded funds (ETFs), which represent the primary sectors of the S&P 500 Index. To avoid exposure to declining sectors, it may revert, in part or in whole, to cash equivalents.

\* 'Technology' Select Sector SPDR ETF encapsulates both the Information Technology and Telecommunication Services sectors.

### What is the Fund's main objective?

The objective of the Fund is to not only participate in advancing U.S. equity markets, namely the S&P 500 Index, but also provide a measure of risk management when sector volatility heightens and when markets are in decline. Through its selective sector weighting and ability to move to cash equivalents, the Fund aims to minimize the degree of setback to account value during declining markets.

### What is the Fund's risk rating?

The Fund's risk rating is low to medium, making the Fund appropriate for consideration by investors who are risk averse.

### What are some of the benefits of the Fund?

AGF U.S. Sector Class affords full participation in the equity market of the United States, the world's largest economy and a major trading partner of Canada.

The Fund's degree of sector coverage can vary across the full market cycle as sector opportunities rise and ebb. Its active management and selective sector weighting can help lower the risk of being overly exposed at inopportune times.

The Fund's ability to introduce cash equivalency weighting but still remain fully diversified means investors don't need to redeem to wait out market turbulence.

As part of AGF's All World Tax Advantage Group (AWTAG), investors can switch in to AGF U.S. Sector Class from another fund within AWTAG without triggering any immediate tax consequences.

### What is the appropriate investment horizon for investing in this Fund?<sup>2</sup>

As an equity investment, the Fund is more appropriate as a long-term investment, which is usually defined as 5-10+ years.

### Is it appropriate for registered plans and TFSAs?

Definitely. By attempting to minimize the degree of market setbacks by moving to cash to defend your gains, the Fund may be of special interest to those investors nearing retirement. Retiring just as markets have corrected can be psychologically upsetting since drawdowns can impact net worth.

### Should I be buying this Fund as a retirement solution?<sup>2</sup>

AGF U.S. Sector Class is appropriate as a core U.S. equity solution for both the accumulation and draw upon phase of investing. Although the Fund does not typically distribute income, investors can set up a Systematic Withdrawal Plan (SWP). To maximize compound growth potential, it is advisable to set the percentage amount of the SWP to allow for further growth without undue depletion, unless the intent is to exhaust the account over a set period.

### Is now a good time to be investing in this Fund?<sup>2</sup>

With its upside market participation and downside risk management, any time can be the right time to invest in AGF U.S. Sector Class. Though the U.S. equity markets are setting new highs, point of entry is still conducive to benefiting from U.S. recovery and expansion potential. The Fund's ability to change weightings as the multi-factor model deems appropriate means investors are always investing in holdings equipped to benefit from unfolding market opportunities.

**For more insight on the Fund's process and portfolio advisors, visit [AGF.com/USSector](http://AGF.com/USSector).**

<sup>1</sup> The Fund was renamed from AGF U.S. AlphaSector Class, effective August 31, 2015. Highstreet Asset Management Inc. and FFCM, LLC added as portfolio advisors to AGF U.S. Sector Class, effective August 31, 2015.

<sup>2</sup> We strongly recommend consulting with your professional advisor prior to making any investment decision.

The information contained herein is intended to provide you with general information related to investment alternatives and strategies and is not intended to be comprehensive investment advice applicable to the circumstances of a specific investor. We strongly recommend consulting with a professional advisor prior to making investment decisions. This document is intended for advisors to support the assessment of investment suitability for investors. Investors are expected to consult their advisor to determine suitability for their investment objectives and portfolio.

The All World Tax Advantage Group is a mutual fund corporation that currently offers approximately 20 different classes of securities. Investing in any of the classes within the group offers the following potential benefits and features: deferral of capital gains tax on transfers between classes, potential capital tax savings for corporate investors and fund diversification by investment style, geography and market capitalization. For a more detailed explanation, please see [AGF.com/disclaimers](http://AGF.com/disclaimers).

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

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