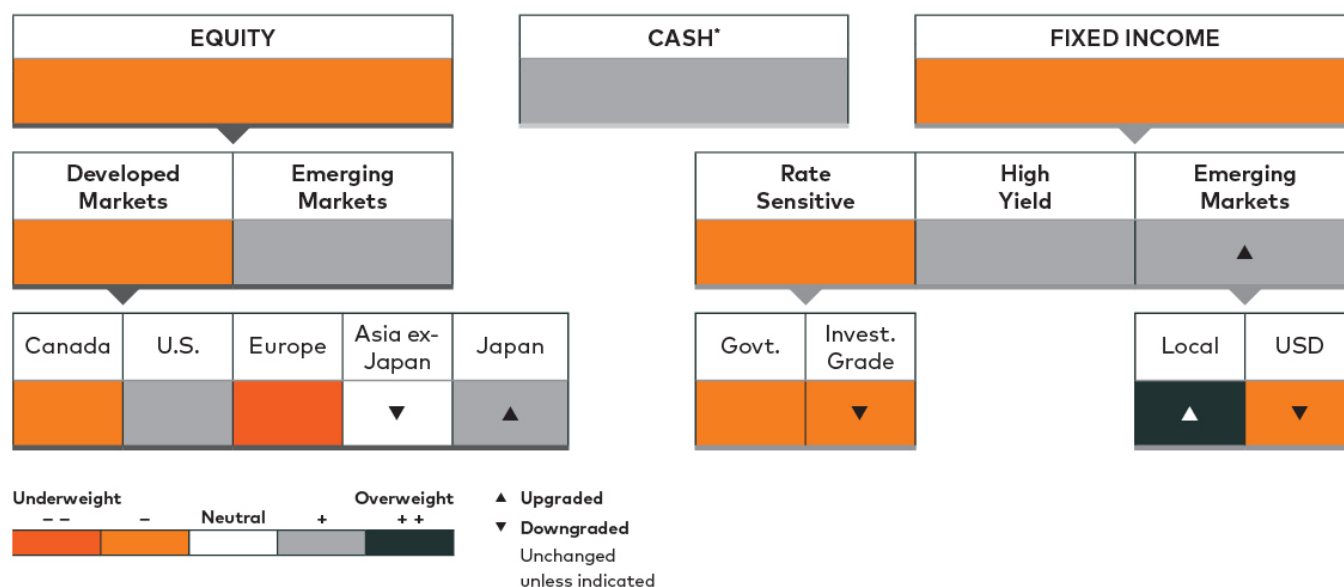


AGF ASSET ALLOCATION COMMITTEE RECOMMENDATIONS

AGF Elements Portfolios were rebalanced on July 19, 2019. The following diagram represents the views of AGF's Asset Allocation Committee which influences the underweight and overweight positioning of the Portfolios.

Q3-2019 market outlook – portfolio applications



* neutral weight at 0%

REBALANCE RATIONALE

Fixed Income

- The moderate underweight to fixed income is maintained
- Rate sensitive bonds are modestly underweight with a preference for investment grade bonds over government bonds
- Easier monetary policy is positive for high yield bonds
- Local denominated emerging market debt is favoured over U.S. dollar denominated debt

Cash

- The allocation to cash is maintained to soften the impact of market volatility

Equities

- Equities are underweight, though select markets offer near-term upside
- Emerging markets should benefit from China stimulus and U.S. dollar weakness
- Canadian equities appear undervalued, however sentiment towards key sectors remains poor
- U.S. fundamentals are constructive and easier financial conditions could incite a relief rally
- Reasonable valuations in Europe are overshadowed by political and economic risks
- Asia Pacific markets (ex-Japan) are supported by China stimulus, but more attractive opportunities are found elsewhere
- Political stability and accommodative policy are positive for Japanese equities

REBALANCING ACTIONS:

Percent Target Allocations	Neutral Allocation	Previous Quarter	Current Quarter	Change
Canadian Equities	8	10	11	+1
AGF Canadian Small Cap Fund		2	2	-
AGFIQ Dividend Income Fund ¹		5	6	+1
AGFIQ Enhanced Core Canadian Equity		3	3	-
International/Global Equities	72	53	54	+1
AGF American Growth Fund ²		9	9	-
AGF Asian Growth Class/Fund		3	3	-
AGF Global Equity Fund ³		8	8	-
AGF Global Dividend Fund		4	4	-
AGF Emerging Markets Fund		5	6	+1
AGF European Equity Fund		3	3	-
AGF Global Sustainable Growth Equity Fund		4	4	-
AGFIQ Enhanced Core US Equity ETF		7	7	-
AGFIQ Enhanced Core International ETF		2	2	-
AGFIQ Enhanced Core Emerging Markets ETF		2	2	-
AGFIQ Enhanced Global Infrastructure ETF		3	3	-
AGFIQ Enhanced Global ESG Factors ETF		3	3	-
Specialty Funds	-	13	11	-2
AGF Global Real Assets Fund/Class ⁴		3	3	-
AGF Tactical Fund		10	8	-2
Canadian Fixed Income	-	6	6	-
AGF Fixed Income Plus Fund ⁵		6	6	-
Global Fixed Income	20	18	18	-
AGF Global Bond Fund		9	9	-
AGF Total Return Bond Fund		4	4	-
AGF High Yield Bond Fund ⁶		2	2	-
AGF Emerging Markets Bond Fund		1	1	-
AGFIQ Enhanced Global Multi Sector Bond ETF		2	2	-

¹ AGF Canadian Growth Equity Fund (formerly AGF Canadian Stock Fund) was merged into AGFIQ Dividend Income Fund (formerly AGF Dividend Income Fund) on May 17, 2019.

Harmony Canadian Equity Pool was merged into AGFIQ Dividend Income Fund (formerly AGF Dividend Income Fund) on June 28, 2019.

² Harmony U.S. Equity Pool was merged into AGF American Growth Fund on June 28, 2019.

³ Harmony Overseas Equity Pool was merged into AGF Global Equity Fund on June 28, 2019.

⁴ AGF Precious Metals Fund was renamed AGF Global Real Assets Fund effective April 18, 2019.

On April 18, 2019, the Fund's investment objective was changed to offer increased flexibility to allocate the Fund's capital to real assets beyond those companies operating in the precious metals and natural resources sectors. Performance prior to this date would have been different had the current objective been in effect.

AGF Global Resources Class was renamed AGF Global Real Assets Class effective April 18, 2019.

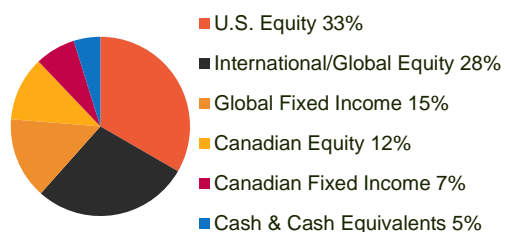
On April 18, 2019, the Fund's investment objective was changed to offer increased flexibility to allocate the Fund's capital to real assets beyond those companies operating in the precious metals and natural resources sectors. Performance prior to this date would have been different had the current objective been in effect.

⁵ Harmony Canadian Fixed Income Pool was merged into AGF Fixed Income Plus Fund on June 28, 2019.

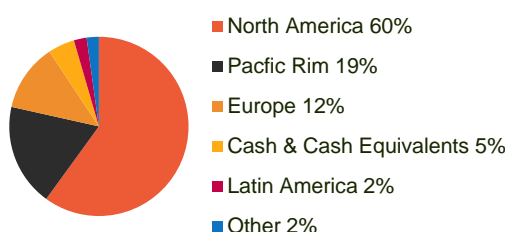
⁶ On April 19, 2012, the Fund's investment objective was changed to provide greater flexibility to invest in high-yield bonds issued or guaranteed by corporations around the world.

CURRENT ALLOCATIONS (as of July 24, 2019)

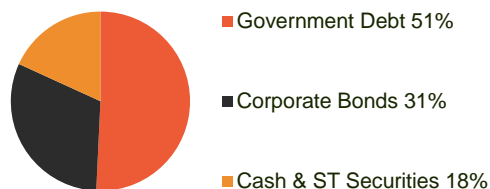
Asset Allocation



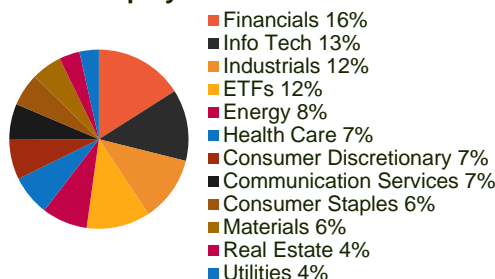
Country Allocation



Bond Type Allocation



Equity Sector Allocation



QUARTER REVIEW – Q2 2019

Fund Performance

- For the quarter ended June 30, 2019, the AGF Elements Growth Portfolio⁷ returned 1.0%, while the blended benchmark returned 1.7%. The blended benchmark is composed of 72% MSCI All Country World Index/20% Barclays Capital Global Aggregate Bond Index/8% S&P/TSX Composite Index.
- The Portfolio's benchmark asset mix is 20% fixed income and 80% equities. Relative to the benchmark, the Portfolio maintained a moderate overweight to fixed income and cash in favour of equities. This positioning reflected the AGF Asset Allocation Committee's cautiousness due to elevated political risks and slowing global economic growth, with neutral results. Exposure to developed market investment-grade bonds insulated against intra-quarter volatility, though equity markets generally outperformed fixed income and cash over the full period.
- During the quarter, a portion of the cash weight was re-deployed to global developed and emerging markets equities, as well as energy- and materials-related stocks. Canadian equity exposure, however, was moderately reduced to the neutral benchmark weight. The rebalancing actions taken generally contributed to returns, as equities in general outperformed cash, though the reduction to Canadian equities had a negative effect on Portfolio performance.
- Performance of the Portfolio's underlying fund was mixed. Several equity funds outperformed their respective benchmarks, however all fixed income funds underperformed. AGF American Growth Fund and AGF Fixed Income Plus accounted for the majority of the Portfolio's quarterly return, while AGF Global Real Asset Class recorded the strongest absolute returns during the period.

⁷ Harmony Growth Plus Portfolio was merged into AGF Elements Growth Portfolio on June 28, 2019. Harmony Growth Portfolio was merged into AGF Elements Growth Portfolio on June 28, 2019.

Performance (Net of fees) as of June 30, 2019	PSD	3mo	6mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Since PSD
AGF Elements Growth Portfolio	11/25/2005	1.0%	9.3%	9.3%	0.2%	6.0%	5.4%	6.4%	4.5%
AGF American Growth Class	04/18/1957	1.6%	10.3%	10.3%	-1.2%	13.4%	12.6%	13.4%	8.7%
AGF Asian Growth Class	10/31/1991	-3.7%	7.1%	7.1%	-4.0%	8.7%	6.1%	6.2%	4.2%
AGF Canadian Small Cap	02/15/1996	0.0%	11.0%	11.0%	-9.4%	0.8%	-0.8%	5.4%	6.4%
AGF Emerging Markets	03/11/1994	-1.8%	8.5%	8.5%	2.5%	8.2%	4.3%	5.4%	10.0%
AGF Emerging Markets Bond	11/02/2010	1.1%	2.5%	2.5%	5.3%	2.8%	3.9%	0.0%	3.9%
AGF European Equity Class	04/11/1994	1.6%	8.4%	8.4%	-4.8%	5.3%	-2.3%	0.9%	1.3%
AGF Fixed Income Plus	11/30/1998	2.2%	5.9%	5.9%	5.9%	1.6%	2.1%	3.5%	4.1%
AGF Global Bond Series MF	06/15/2010	1.3%	2.8%	2.8%	4.1%	1.1%	3.0%	0.0%	3.8%
AGF Global Dividend	08/09/2007	1.5%	10.8%	10.8%	5.3%	6.2%	8.1%	9.9%	6.5%
AGF Global Equity	11/28/1994	0.7%	11.1%	11.1%	1.7%	6.5%	7.3%	9.5%	7.0%
AGF Global Real Assets Class	04/19/2000	4.4%	15.4%	15.4%	-14.7%	-3.6%	-11.0%	-2.4%	5.2%
AGF Global Real Assets Fund	09/27/1993	-3.1%	-0.3%	-0.3%	-6.1%	-12.4%	-3.6%	-2.1%	5.2%
AGF Global Sustainable Growth Equity	12/31/1991	2.7%	15.7%	15.7%	6.2%	9.9%	6.5%	7.7%	6.2%
AGF High Yield Bond	02/08/1994	1.9%	6.8%	6.8%	4.7%	4.5%	2.4%	4.7%	5.0%
AGF Total Return Bond	06/15/1994	1.2%	3.1%	3.1%	3.2%	2.7%	2.5%	4.6%	5.6%
AGFiQ Dividend Income	04/14/2003	1.0%	13.2%	13.2%	4.5%	6.9%	3.9%	6.8%	8.3%
AGFiQ Enhanced Core Canadian Equity ETF	01/30/2017	3.0%	15.1%	15.1%	4.3%	-	-	-	5.1%
AGFiQ Enhanced Core Emerging Mkts Eq ETF	01/30/2017	-2.1%	4.0%	4.0%	-2.8%	-	-	-	6.5%
AGFiQ Enhanced Core International Eq ETF	01/30/2017	-0.8%	5.6%	5.6%	-0.6%	-	-	-	7.3%
AGFiQ Enhanced Core US Equity ETF	01/30/2017	1.0%	12.2%	12.2%	8.4%	-	-	-	10.4%
AGFiQ Enhanced Global ESG Factors ETF	02/12/2018	2.1%	10.2%	10.2%	3.0%	-	-	-	6.7%
AGFiQ Enhanced Global Infrastructure ETF	02/12/2018	0.5%	14.4%	14.4%	14.1%	-	-	-	15.1%

Source: AGF Investment Operations as at June 30,, 2019

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 55% S&P/TSX Composite Index / 25% MSCI All Country World Index / 20% Barclays Capital Global Aggregate Bond Index to a blended index of 8% S&P/TSX Composite Index / 72% MSCI All Country World Index / 20% Barclays Capital Global Aggregate Bond Index. The benchmark change was applied from this date forward.

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