

Portfolio Strategies for Global Investing:

# Building a Diversified Core





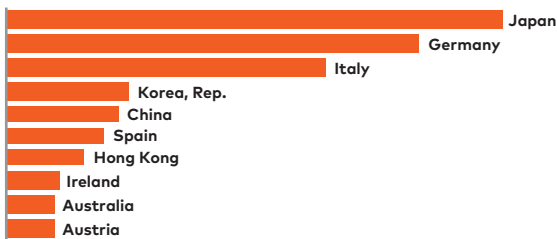
# Building a Diversified Global Core

Gaining a deeper understanding of how maintaining a good country allocation framework and exposure to regional companies is necessary to defend against the ebb and flow of globalization.

## 1 Global Foreign Investment Flow

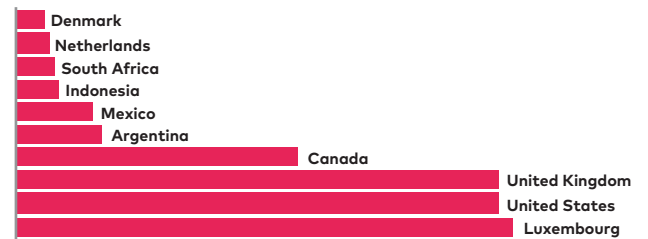
When we look at where foreign investment dollars are going, we see not only a few expected areas but also many surprises.

### Top 10 Countries – Inflows



When we look at where investment dollars are leaving, some notable countries emerge.

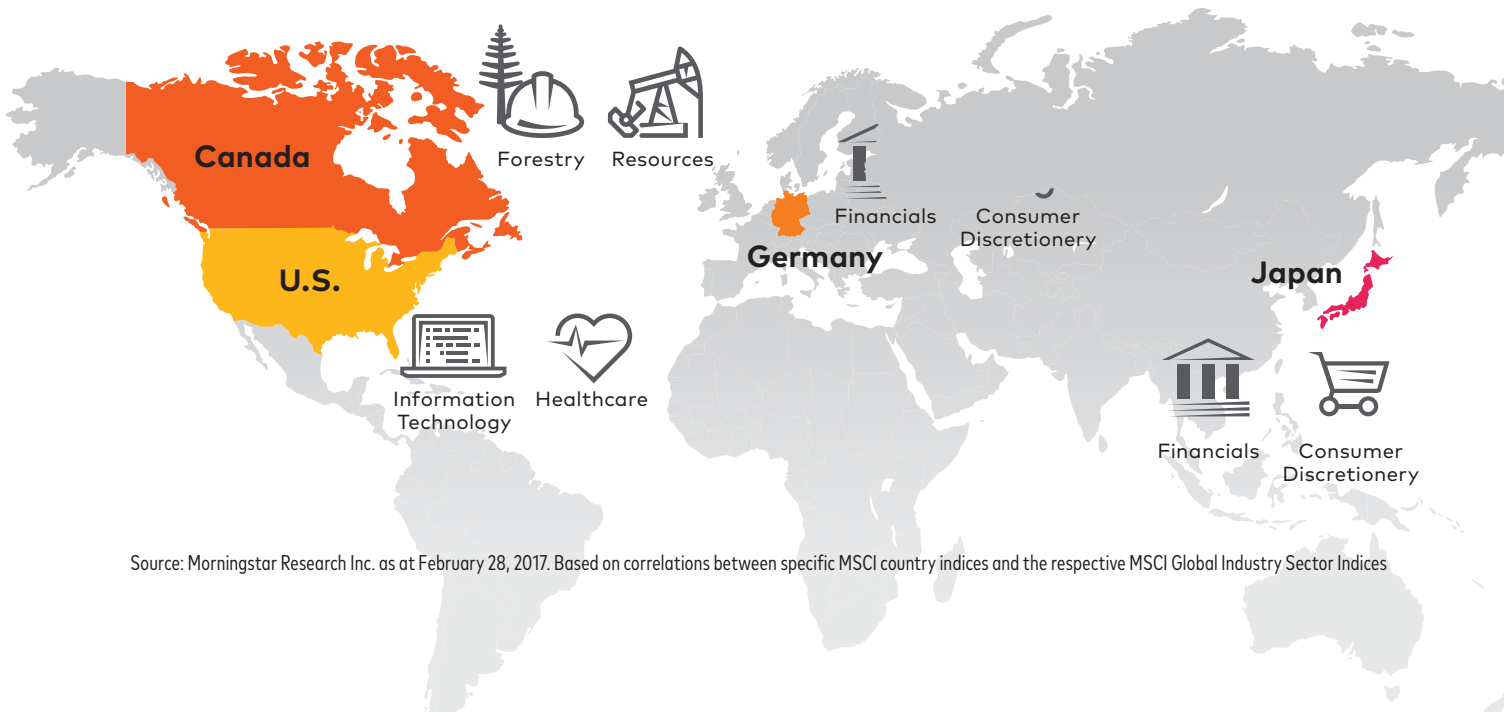
### Bottom 10 Countries – Outflows



Source: International Monetary Fund, based on US dollars, as at December 31, 2016.

## 2 Country Exposure Does Not Always Mean Diversification

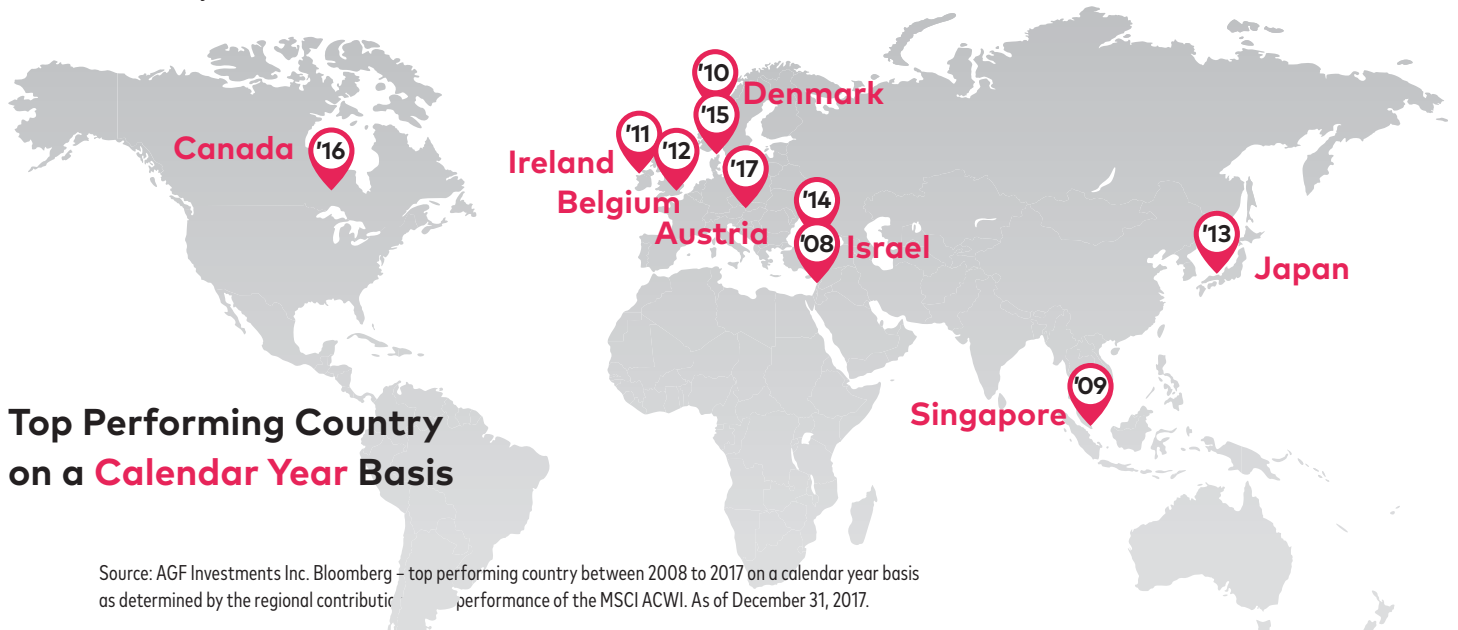
Allocation to specific countries does not always provide investors with sufficient diversification. If we look at the correlation of developed countries to global industry sectors we see a pattern emerge.



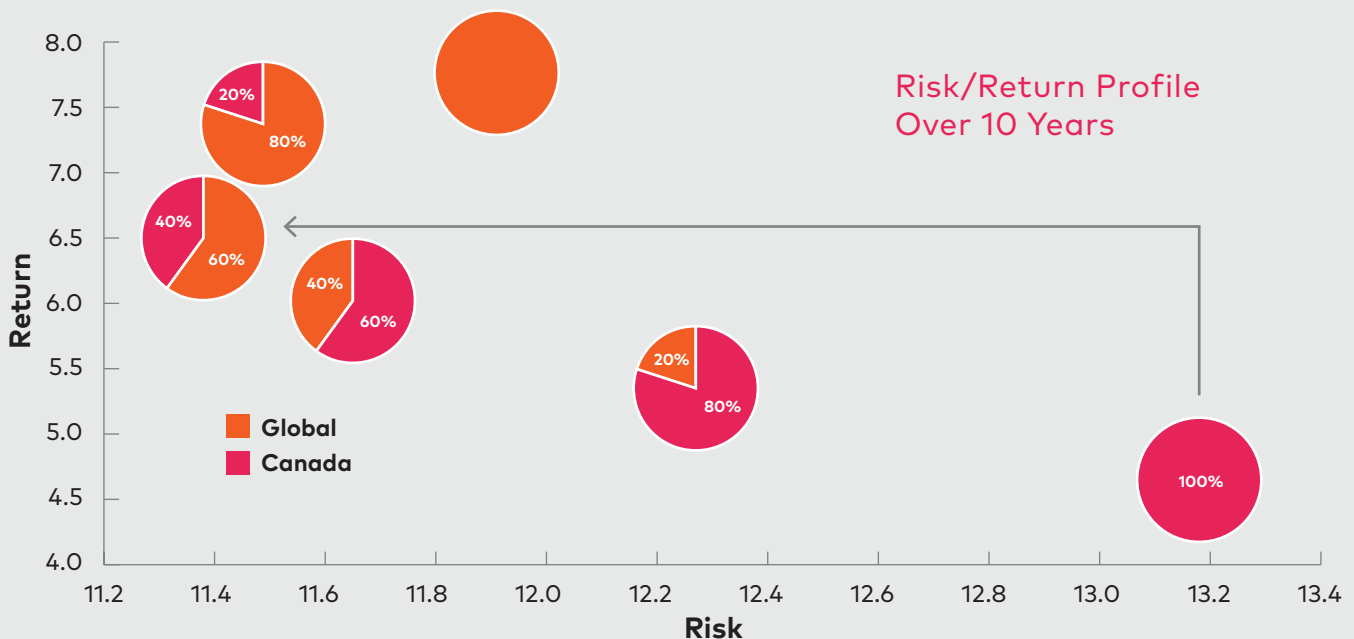
Source: Morningstar Research Inc. as at February 28, 2017. Based on correlations between specific MSCI country indices and the respective MSCI Global Industry Sector Indices

### 3 Individual Country Performance can Vary

Having the foresight to determine which country will provide the best potential for returns is difficult, so having a long-term focus and broad diversification across both regions and countries can help insulate a portfolio from major market shifts.



### 4 The Benefits of Having More Global in your Portfolio



Source: Morningstar Research Inc. as at December 31, 2017, Global represented by MSCI ACWI, Canada represented by S&P/TSX Composite Index

## AGF Global Solutions

	Series						
	Currency	FE	DSC	LL	SF	Q	W
<b>Broad Global Solutions</b> AGF Global Equity Class*	CAD	260	960	286	878	1214	1405
	USD	560	660	636	758	–	–
AGF Global Equity Fund	CAD	303	304	233	895	1213	1406
	USD	652	651	630	640	–	–
AGF Global Dividend Class*	CAD	4088	4188	4288	5033	1247	1415
AGF Global Dividend Fund	CAD	4000	4001	4002	5000	1212	1404
	USD	4100	4101	4102	5100	–	–
<b>Targeted Exposure</b> AGF Global Sustainable Growth Equity Fund	CAD	9623	9626	137	6250	1250	1417
	AGFiQ Enhanced Global ESG Factors ETF (QEF)*	CAD	–	–	–	–	–
<b>Individual Core Components</b> AGFiQ U.S. Sector Class <sup>1*</sup>	CAD	4081	4181	4281	5030	1236	1402
	USD	4082	4182	4282	5130	–	–
AGFiQ Enhanced Core International Equity ETF (QIE) <sup>†</sup>	CAD	–	–	–	–	–	–
AGFiQ Enhanced Core US Equity ETF (QUS) <sup>†</sup>	CAD	–	–	–	–	–	–
<b>Managed Solutions</b> AGF Elements Global Portfolio	CAD	446	448	449	400	1216	1427
	AGF Elements Global Portfolio Class*	CAD	4026	4027	4028	5011	1217
AGF Global Strategic Balanced Fund <sup>2</sup>	CAD	784	684	253	822	1251	1424
	USD	484	584	617	882	–	–
AGFiQ Global Equity Rotation ETF (QGL) <sup>†</sup>	CAD	–	–	–	–	–	–



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<sup>1</sup>On April 26, 2018 AGF U.S. Sector Class was renamed AGFiQ U.S. Sector Class. <sup>2</sup>On April 26, 2018 AGF Global Balanced Fund was renamed AGF Global Strategic Balanced Fund.

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<sup>†</sup>AGFiQ ETFs are ETFs offered by AGF Investments Inc. and managed by Highstreet Asset Management Inc. AGFiQ ETFs are listed and traded on organized Canadian exchanges and may only be bought and sold through licensed dealers.

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Publication date: May 1, 2018