



Deconstructing Global Investing:
Generating Alpha

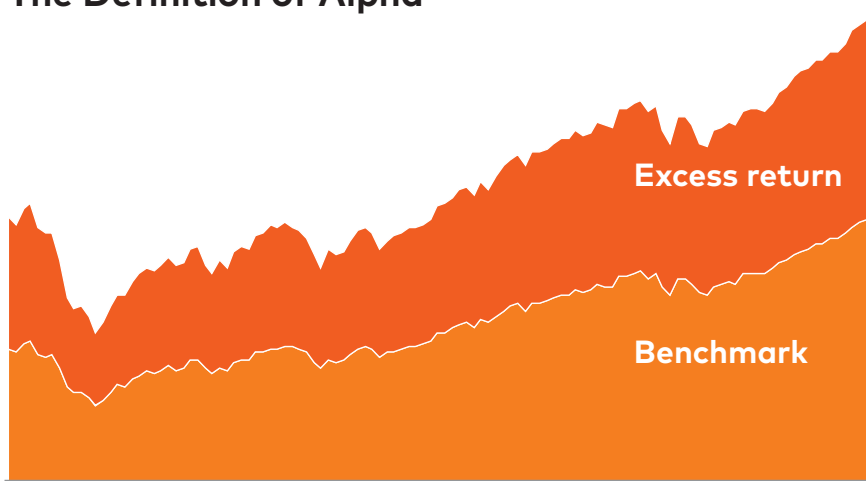




What is Alpha and Why Does it Matter?

Adding further exposure to different investment styles and market segments can boost returns while reducing risk through additional diversification.

1 The Definition of Alpha



The **excess return** of a fund relative to a risk-free investment; also defined as the added value of an investment manager.

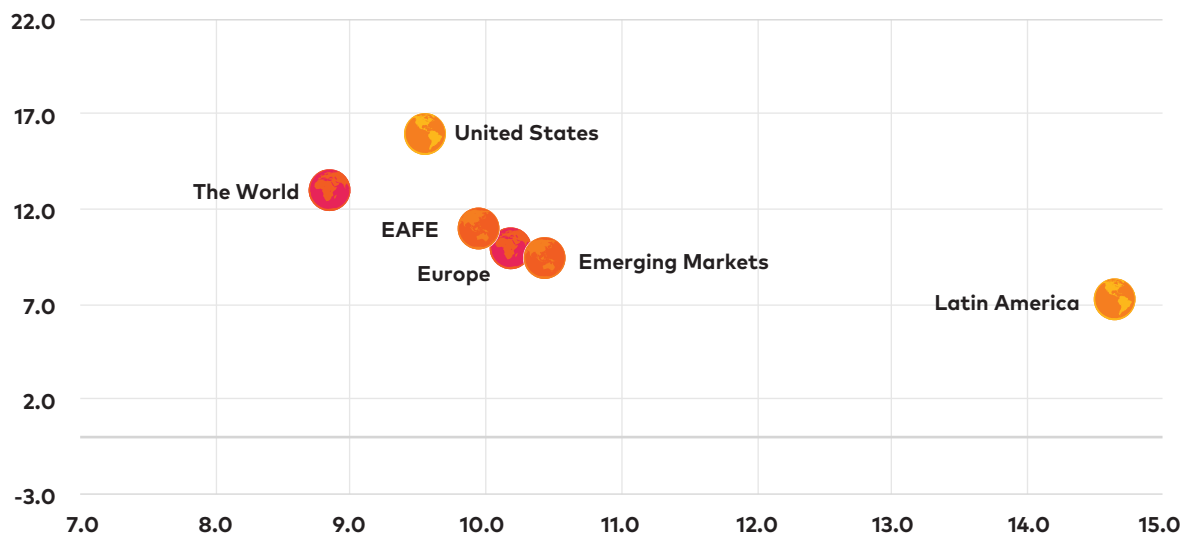
Alpha can take many forms, from cap size to style differences to regional exposure. Knowing where and how to add it is important to any investment strategy.

For illustrative purposes not representative of fund or benchmark performance.

2 Alpha Doesn't Mean Just Adding U.S.

Though exposure to the U.S. market can provide diversification for Canadian investors, it isn't specifically beneficial for adding alpha. Investors need to further diversify by adding different investment styles (i.e. value), regions and company sizes in order to add sufficient alpha. Further, exposure to smaller emerging market companies offer an additional source of alpha.

5-Year Risk/Return – Global Equities¹

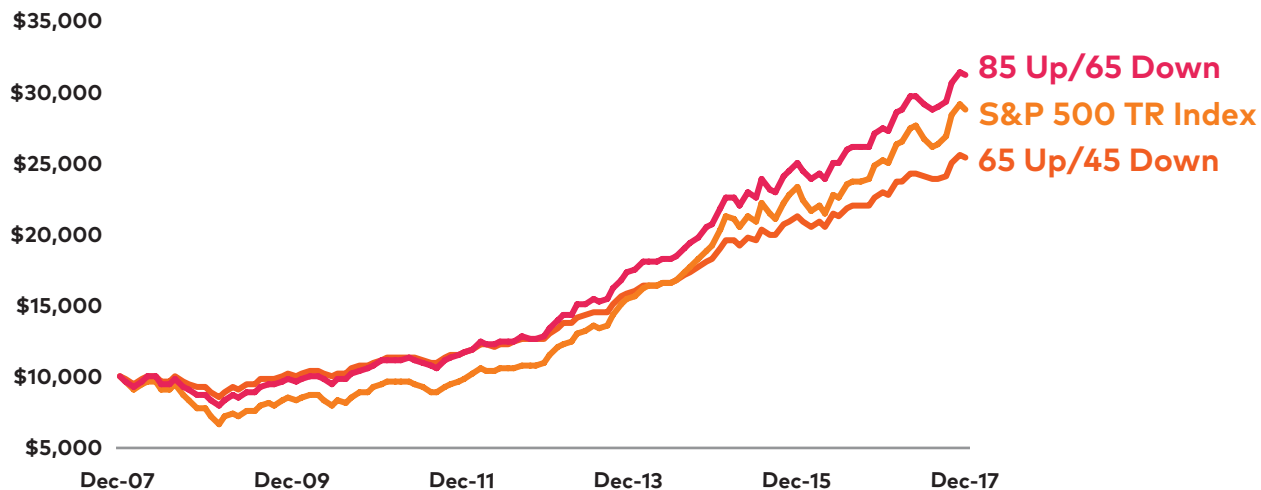


¹ The Risk/Return illustration is based on a five year period from March 2013 to March 2018. Past performance is not indicative of future results. One cannot directly invest in an index. Source: Morningstar Research Inc. as at March 31, 2018.

3 Beating the Index Doesn't Always Result in Excess Returns

The right mix between upside capture and downside protection has the potential to provide a greater chance of long-term outperformance relative to an index.

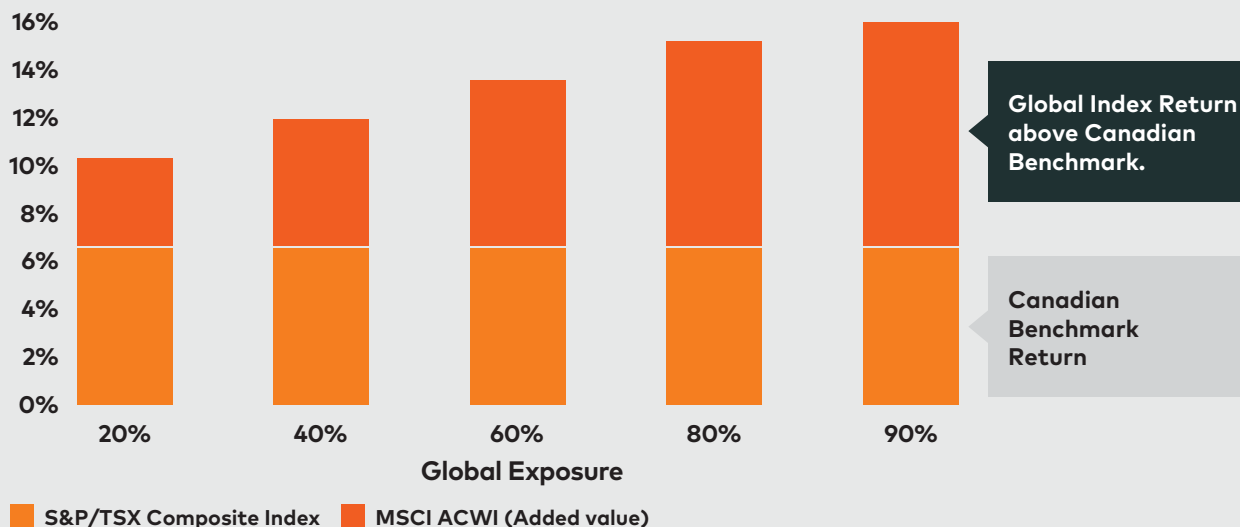
Upside and Downside Capture Scenarios



Source: AGF Investment Operations, as of December 31, 2017. The S&P 500 TR Index (CAD) was used in order to model the two outcomes based on different up/down capture scenarios of the index's monthly returns. For illustrative purposes, not to be construed as an allocation recommendation. Past performance is not indicative of future results. One cannot directly invest in an index.

4 Adding Value Through Global Exposure

5-year Return Comparison Added Value of Global Exposure



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
Growth Style Exposure AGF Global Select Fund	CAD	795	695	258	808	-	-
	USD	495	595	620	708	-	-
AGF American Growth Class*	CAD	201	931	275	854	1225	1423
	USD	531	631	626	754	-	-
Regional Exposure AGF Emerging Markets Class*	CAD	4211	4311	4411	5006	1229	-
	USD	4212	4312	4412	5106	-	-
AGF Emerging Markets Fund	CAD	791	691	254	806	1228	-
	USD	491	591	618	706	-	-
AGFiQ Enhanced Core Emerging Markets Equity ETF (QEM)*	CAD	-	-	-	-	-	-
AGFiQ Enhanced Core International Equity ETF (QIE)*	CAD	-	-	-	-	-	-



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