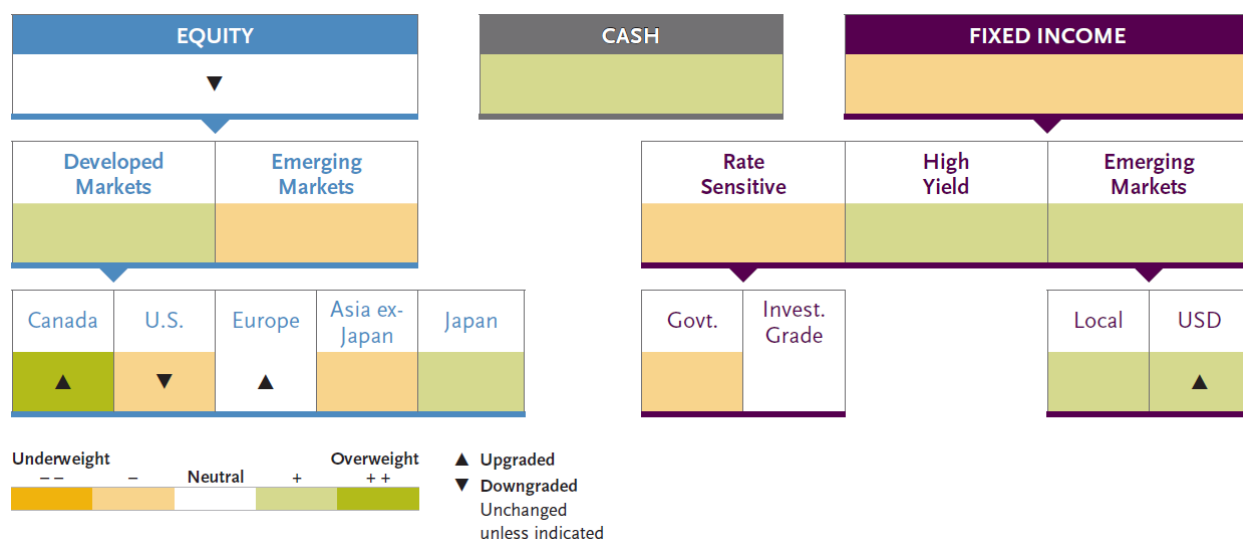


OnCourse AGF Elements Global Portfolio Q3 2017 Report

July 2017

AGF ASSET ALLOCATION COMMITTEE RECOMMENDATIONS

AGF Elements Portfolios were rebalanced on July 24, 2017. The following diagram represents the views of AGF's Asset Allocation Committee which influences the underweight and overweight positioning of the Portfolios.



REBALANCE RATIONALE

Fixed Income

- Overall fixed income allocation remains underweight on prospects of higher interest rates. Strengthening global economies could further pressure bond returns
- Emerging market debt is preferred within the asset class as the economic backdrop continues to improve
- High yield bonds remain favourable with higher coupon income and reasonable fundamentals, though valuations are near cycle-highs
- Interest rate sensitive bonds remain underweight, as these bonds are most susceptible if interest rates move higher

Cash

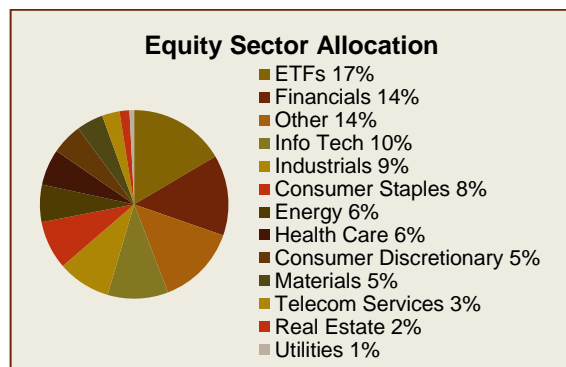
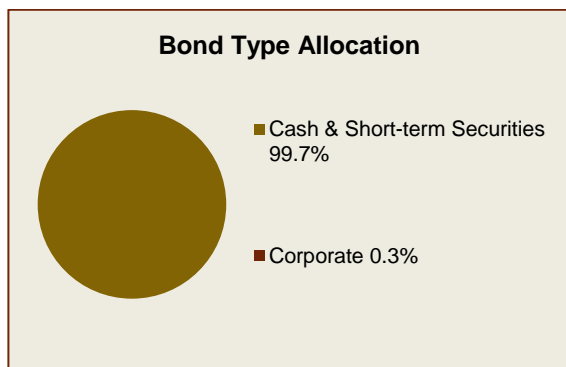
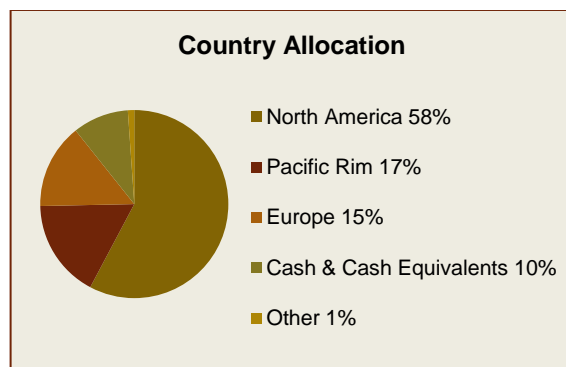
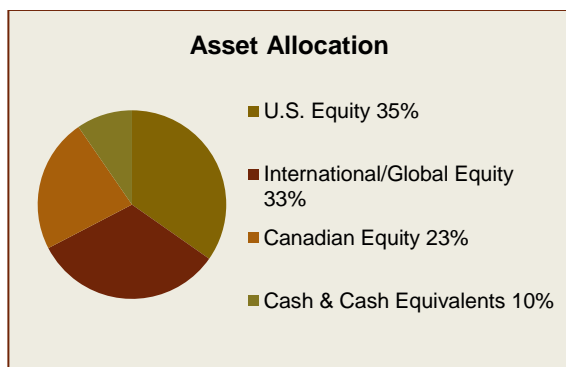
An overweight to cash remains, with further allocation added in the quarter reflecting the Committee's cautious outlook

Equities

- Equities remain preferred relative to fixed income, though in light of near-term risks, exposure to equities has been reduced to a neutral allocation
- Developed markets remain preferred over emerging markets in the near-term
- Within developed markets, a preference for Canadian equities has increased from the prior quarter
- The U.S. has been downgraded in the near-term, mostly due to stretched valuations and slowing growth
- Europe has been upgraded to a neutral view. Political risks have softened, though valuations still appear stretched
- Exposure to Asia Pacific (ex-Japan) remains underweight over the near-term
- Japan remains a modest overweight with attractive valuations and supportive central bank policy

Percent Target Allocations	Neutral Allocation	Previous Quarter	Current Quarter	Change
Canadian Equities	-	4	8	+4
AGF Canadian Stock Fund		2	2	-
AGF Canadian Small Cap Fund		2	2	-
QuantShares Enhanced Core Canadian Equity		-	4	+4
International/Global Equities	100	75	71	-4
AGF American Growth Fund (Series S)		15	8	-7
AGF U.S. Risk Managed Fund (Series S)		8	6	-2
AGF Asian Growth Class		2	2	-
AGF EAFE Equity Fund		3	3	-
AGF Global Equity Fund ¹		24	24	-
AGF Global Dividend Fund		10	10	-
AGF Emerging Markets Fund		3	3	-
AGF European Equity Fund (Series S)		4	4	-
QuantShares Enhanced Core US Equity		3	5	+2
QuantShares Enhanced Core International		2	4	+2
QuantShares Enhanced Core Emerging Markets		1	2	+1
Specialty Funds	-	21	21	-
AGF Global Resources Class		3	3	-
AGF Tactical Fund (Series S)		18	18	-

CURRENT ALLOCATIONS (as of July 27, 2017)



QUARTER REVIEW – Q2 2017

Fund Performance

- For the quarter ended June 30, 2017, the AGF Elements Global Portfolio returned 0.9%, while the MSCI All Country World Index returned 1.7%.
- The Portfolio's benchmark asset mix is 100% equities. Relative to the benchmark, the Portfolio maintained an overweight to Canadian equities. This detracted from returns, as Canadian equities generally lagged global equities, though this was partially offset by outperformance of the underlying Canadian equity funds. Exposure to resource-related equities also detracted during the period.
- The performance of the underlying funds within the Portfolio was mixed during the quarter, as AGF Global Equity Fund, AGF American Growth Fund and AGF Canadian Small Cap Fund outperformed their respective benchmarks. The other underlying funds lagged their respective benchmarks.

Performance as of June 30, 2017	PSD	3mo	6mo	1-Yr	3-Yr	5-Yr	10-Yr	Since PSD
AGF Elements Global Portfolio (Series J)	2011-12-14	1.0%	5.5%	13.6%	8.4%	11.3%	-	10.9%
AGF Canadian Small Cap Fund	2003-06-16	1.2%	3.9%	11.8%	1.6%	7.5%	1.3%	8.0%
AGF Canadian Stock Fund	2001-07-09	-1.8%	0.4%	11.7%	-0.7%	5.6%	0.4%	4.1%
AGF American Growth Fund (Series S)	2009-01-26	2.5%	9.5%	20.5%	14.4%	17.5%	7.8%	8.7%
AGF U.S. Risk Managed Fund (Series S)	2009-01-26	0.1%	5.1%	14.9%	14.5%	17.4%	-	13.3%
AGF Asian Growth Class	1991-10-16	5.6%	17.2%	22.0%	8.5%	9.7%	3.2%	4.4%
AGF EAFE Equity Fund	2007-08-27	2.8%	7.3%	11.9%	4.1%	7.7%	-	0.4%
AGF Global Equity Fund ¹	2003-06-16	1.8%	6.6%	15.1%	10.6%	14.6%	5.1%	7.6%
AGF Global Dividend Fund	2007-08-22	0.9%	5.0%	9.5%	10.4%	13.5%	-	6.9%
AGF Emerging Markets Fund	2003-06-16	3.3%	13.2%	18.2%	4.9%	4.4%	3.5%	11.0%
AGF Global Resources Class	2000-04-27	-11.6%	-19.0%	-10.5%	-17.7%	-5.8%	-3.2%	5.8%
AGF Tactical Fund (Series S)	2015-01-15	0.30%	3.3%	11.8%	-	-	-	5.5%
AGF European Equity Fund (Series S)	2001-12-17	2.8%	8.6%	21.1%	-2.7%	9.7%	-4.2%	1.7%
QuantShares Enhanced Core Cdn Eq ETF	30/01/2017	0.4%	-	-	-	-	-	1.9%
QuantShares Enhanced Cr Emer Mkts Eq ETF	30/01/2017	2.4%	-	-	-	-	-	7.8%
QuantShares Enhanced Core Intl Eq ETF	30/01/2017	4.2%	-	-	-	-	-	11.5%
QuantShares Enhanced Core US Equity ETF	30/01/2017	0.3%	-	-	-	-	-	5.0%

¹ On April 18, 2008, the Fund changed its investment objective to provide long-term capital growth and invest primarily in shares of companies around the world. The Fund may invest up to 25% of its assets in companies in emerging markets.

For more information, please contact your financial representative.

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