



**Global Equity Fund (AGF)**  
**Manulife AGF Global Equity Fund**  
**AGF Investments Inc.**

**December 31, 2016**

<b>Lead manager(s):</b>	Stephen Way	<b>Investment style:</b>	Core
<b>Investment objective:</b>	To provide long-term capital growth by investing primarily in shares of companies around the world.		
<b>Last meeting date:</b>	December 2015	<b>Next estimated meeting date:</b>	Q4 2016
<b>Current rating:</b>	<b>IN GOOD STANDING</b>		

**Annual fund performance (%)**

	2012	2013	2014	2015	2016	5 yrs
<b>Global Equity Fund (AGF)</b>	N/A	N/A	12.02	22.00	7.42	N/A
MSCI All Country World Index - AGF Global Equity Class	N/A	N/A	14.52	16.86	5.43	N/A
Value added (+) / lost (-)	N/A	N/A	-2.51	5.14	1.99	N/A
Quartile ranking <sup>(1)</sup>	N/A	N/A	3rd	1st	1st	N/A

**Short-term performance analysis**

- The Fund outperformed its benchmark significantly in 2016, ranking in the first quartile relative to its peers.
- By country, performance detractions stemmed from an overweight to Japan, however, security selection more than mitigated country allocation results led by selection in the U.S, and South Korea.
- From a sector perspective, both security selection and sector allocation added value. Selection in Consumer Staples and Industrials added value. Sector allocation added value broadly and remains an outcome of security selection.
- The manager believes that country selection is important as is having a well-diversified portfolios in high-quality companies in an environment of volatility. Management remains constructive on global equities in 2017 given a supportive backdrop of increasing fiscal stimulus and generally accommodative central bank policies.
- The investment manager sees uncertainty surrounding the proposed economic policies of the incoming U.S. President and feels that currencies could also remain volatile, particularly if U.S. dollar strength persists.
- Based on MSCI All-Country World Index value equities outperformed growth equities over the 2016 period. Given the fund's core investment style the Fund's holdings generally have characteristics that are not dominated by value or growth style exclusively.

**Long-term performance analysis**

- Since added to the platform the Fund performed solidly ahead of its benchmark and is second quartile versus its category of global peers.
- The Fund has outperformed its benchmark across all listed time periods, benefitting from security selection.
- Over the three year period of listed returns, stock selection has added value within Financials, Energy and Industrials sectors
- Based on MSCI All-Country World Index growth equities outperformed value equities over the last three years period. Given the fund's core investment style the Fund's holdings generally have characteristics that are not dominated by value or growth style exclusively.

## Significant corporate events

### Corporate

- In June 2014, Kevin McCreadie was appointed President and CIO of AGF Investments Inc.

### Fund specific

- There were no significant Fund specific events over the last three years.

## IMS commentary

- The fund manager focuses on allocation and corporate economic profit (Economic value-added) growth to drive long-term returns while controlling risk. The Fund follows a conservative growth philosophy and combines a top-down country allocation perspective with bottom-up fundamental research. A proprietary country, company and control process is used to evaluate the global universe.
- Based on our due diligence, we are confident that the manager has remained within the stated investment philosophy and style.
- The Fund has added relative value over the longer term and ranks in the higher quartiles. Outperformance has been mostly due to positive security selection, the manager's stated primary source of added value.

### Conclusion:

- Due to the fact that 1) the Fund has outperformed its benchmark over the long term, all the while remaining within its stated investment philosophy and style, 2) outperformance has primarily been a factor of positive stock selection and 3) the Fund ranks longer-term in the higher quartiles, IMS continues to rate this Fund In Good Standing.

<sup>(1)</sup> The source of benchmark returns are utilizing the Bank of Canada end of day for currency exchange. This change may result in minor differences from otherwise listed benchmark returns.

<sup>(2)</sup> Quartile rankings are based on the underlying fund's returns

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