Navigating a narrow market environment

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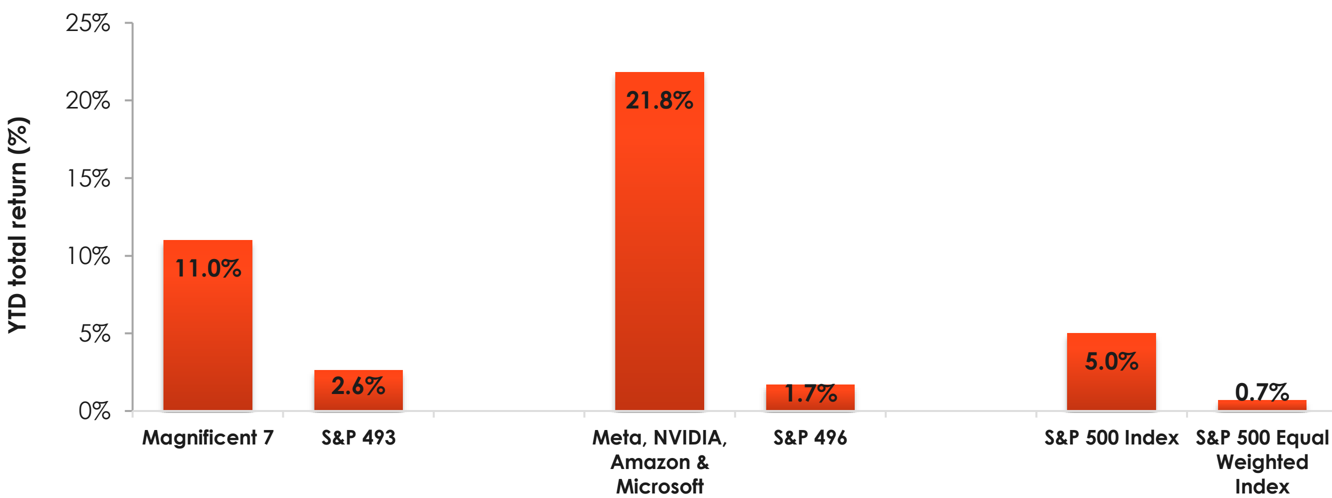
Six of the 'Magnificent 7' stocks have reported Q4 2023 results, and all but Tesla exceeded consensus sales estimates. The group has outperformed this year, returning 11.0% to February 14, 2024, contributing approximately 54% to the S&P 500 Index's return of 5.0%. This compares to the return of 2.6% for the rest of the S&P 493. If one includes only the four of seven companies that have meaningfully contributed to the cap-weighted S&P 500 Index this year: Microsoft Corp., Amazon.com Inc., NVIDIA Corp., and Meta Platforms Inc., the results are even more disparate. These four stocks have returned 21.8% YTD*, contributing 65% of the return of the S&P 500 Index, while the S&P496 has returned a meagre 1.7%. This is not far off last year's 60% contribution to the S&P500 Index return of 26.3%, as the Magnificent 7 returned 86.7% compared to 5.0% for the S&P493.

S&P 500 Index YTD* returns have again been dominated by a select few stocks



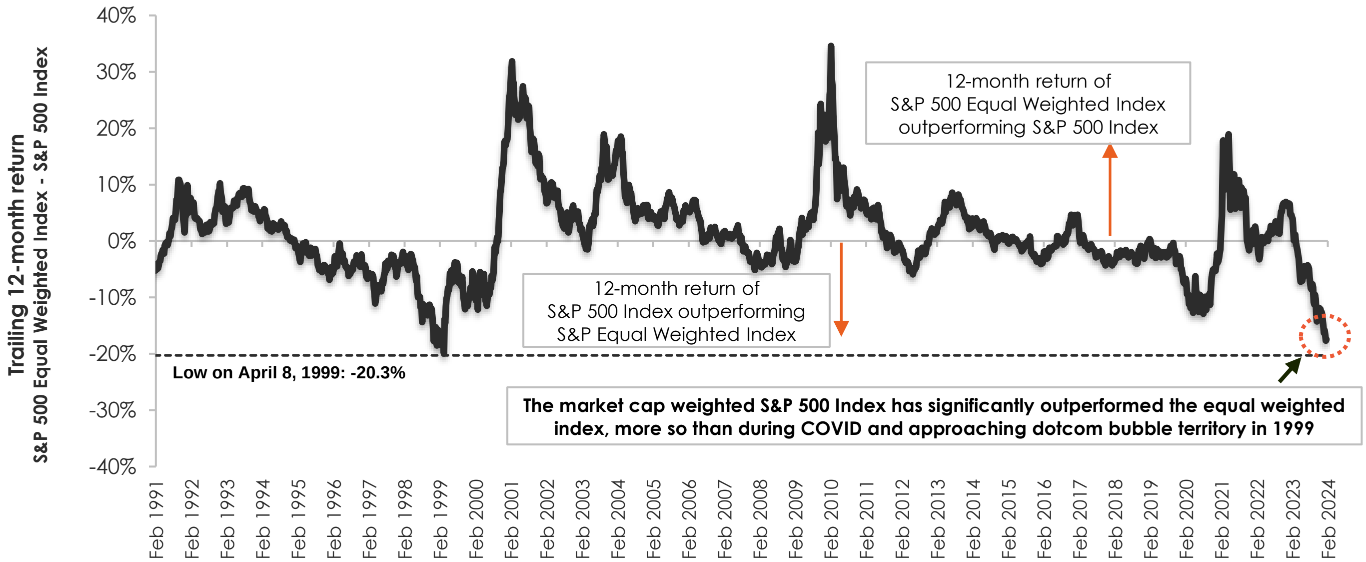
Source: Bloomberg. * YTD returns to February 14, 2024. Returns in U.S. dollars. One cannot invest directly in an index. **Past performance is not necessarily a guide to future performance.** Magnificent 7 stocks include Apple Inc., Meta Platforms Inc., NVIDIA Corp., Amazon.com Inc., Microsoft Corp., Tesla Inc., and Alphabet Inc.

The outsized impact of these large-cap stocks on the market cap weighted S&P 500 Index continues to diverge from the average stock's performance. Below is a chart of the trailing 12-month spread between the S&P 500 Index and the S&P 500 Equal Weight Index, representing the average stock in the index. The divergence between the two indices has grown to the widest since the dot-com bubble in 1999.

Bubble territory

Trailing 12-month return: S&P 500 Equal Weighted Index – S&P 500 Index

Could it be time for the average stock to outperform, leading to greater market breadth?



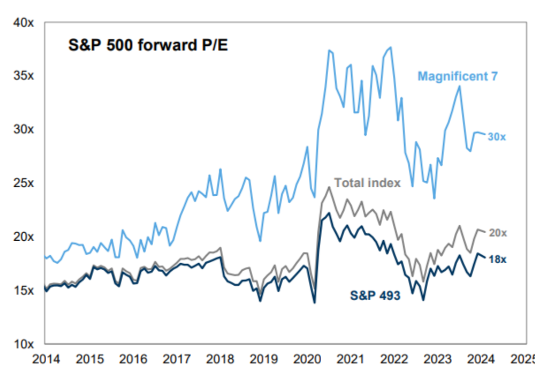
Bloomberg, AGF Investments Inc. February 6, 2024. Returns in U.S. dollars. One cannot invest directly in an index.

Past performance is not necessarily a guide to future performance.

Why we only hold Microsoft Inc. of the Magnificent 7 in AGF Global Dividend Fund

Since the Fund holds dividend-paying equities, Alphabet Inc., Amazon.com Inc., and Tesla Inc. do not pay dividends and are therefore not eligible for portfolio inclusion. Until recently, Meta Platforms Inc. did not pay a dividend either. However, on February 1, 2024, the company announced its first-ever quarterly dividend.

Many of the Magnificent 7 are trading at a premium relative to the S&P 500 Index and their own history. For example, Apple trades at a lofty valuation, and we won't overpay for growth. This decision is rooted in our disciplined investment process. For portfolio inclusion, once a stock has passed our stock screen and fundamental research, we seek at least 15% upside on a stock. We prefer to achieve this upside from both multiple expansion and earnings growth (plus the dividend). Having these two drivers has historically contributed to a more consistent and less volatile return experience for our investors. Instead, if we were to pay a premium multiple, we would need to rely primarily on earnings growth (unless the multiple continues to re-rate higher) to achieve our price target. While this is possible, we would prefer to use two levers, not one, to achieve our price target. Therefore, we would prefer to purchase a more attractively valued stock to have a greater chance of reaching our price target while having a more favourable risk-return profile for our investors.



Source: Goldman Sachs, February 2, 2024.One cannot invest directly in an index.

We expect breadth will improve

U.S. equity markets have performed similarly to the dynamic that dominated periods of 2023—extending broad, large-cap index rallies on thin leadership. We believe that the thin leadership and crowding in only a handful of stocks is not a long-term strategy and offers an unfavourable risk reward at this juncture, with substantial asymmetric downside risk potential in the months ahead. As such, we expect market breadth to broaden this year, leading the way for a broader set of stocks and sectors to outperform.

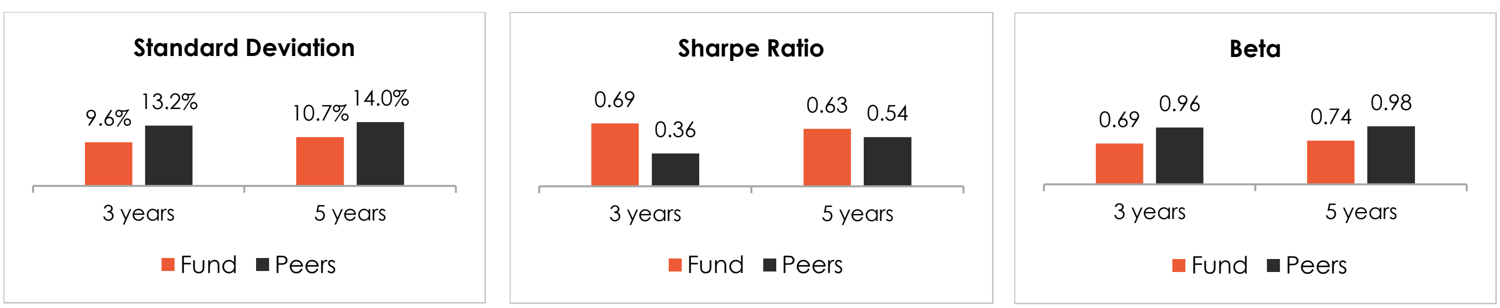
2023 was undoubtedly a challenging year for many active managers, including AGF Global Dividend Fund. The Fund was in 4th quartile vs. its Morningstar peer group; indeed, it is nothing we are proud of. However, we expect the Fund will underperform in narrow markets like in 2023 and in periods characterized by low-quality companies that significantly outperform, similar to the stock market recovery in 2009, following the Global Financial Crisis. We are long-term investors, so one quarter, or sometimes even one year, is often too short-term for our investment philosophy and investment thesis on some of our stocks to unfold. We tend to hold stocks for 3-5 years and some for much longer. A look at our longer-term performance highlights a more consistent return profile. So, despite weaker performance in 2023 and solid performance in 2022, where we exhibited strong downside protection, we tend to maintain above-median Morningstar performance relative to peers over a longer time horizon.

AGF Global Dividend Fund: Lower standard deviation, beta, higher Sharpe ratio than peers

Central to our investment approach is our rigorous security selection process, focusing on high-quality companies, and meticulous approach to portfolio construction. We dedicate considerable resources to ensuring optimal diversification, both across and within countries and sectors and at the stock level, by ensuring individual stocks have low correlation with each other.

This disciplined approach has historically yielded consistent results, as evidenced by our portfolio's lower beta and higher Sharpe ratio compared to industry peers. Notably, our 3- and 5-year downside capture ratio is 66.3% and 76.2%, respectively. These figures underscore the Fund's strong downside protection and our unwavering dedication to managing risk effectively to deliver consistent results for our valued investors.

AGF Global Dividend Fund – lower historical standard deviation, beta and higher Sharpe ratio vs. peers[1]



Source: AGF Investments Inc., January 31, 2024. **Past performance is not indicative of future results.**

AGF Global Dividend Fund – Performance update

The Magnificent 7, excluding Microsoft (which is held as an active overweight in the AGF Global Dividend Fund), have weighed on the Fund's performance relative to the benchmark. For the one-month, year-to-date,

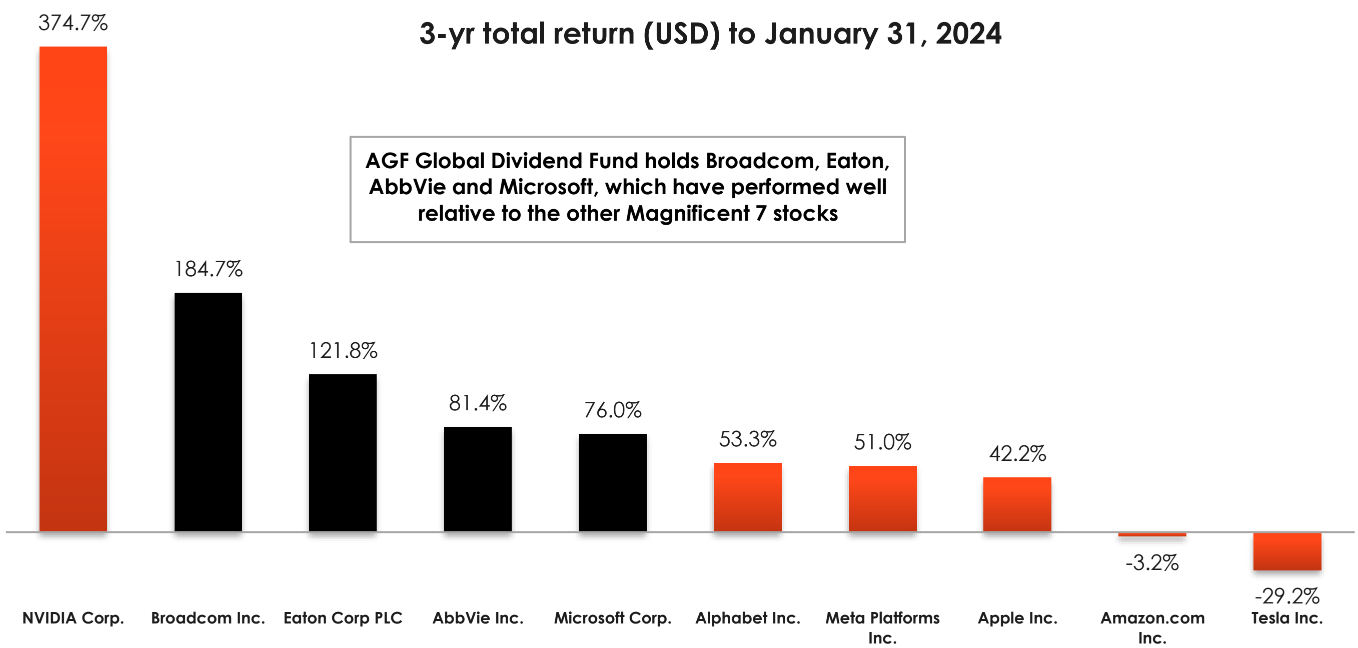
[1] AGF Global Dividend Fund peers represented by Morningstar Global Equity category.

and five-year periods ending January 31, 2024, the combined influence of these six holdings accounted for the entirety of the underperformance observed in each of these periods compared to the MSCI All Country World Index, calculated on a gross-of-fee basis.

Nevertheless, the Fund has demonstrated solid performance compared to its peers. This resilience is credited mainly to our stock selection, which has bolstered Fund performance over various time frames, including year-to-date and 1-, 3-, and 5-year periods to January 31, 2024. Particularly noteworthy are three stocks consistently ranked among the top 5 performers during these intervals: Broadcom Inc., Eaton Corp PLC, and AbbVie Inc.

Below, we discuss why we like each of these stocks and examine the main detractors of Fund performance.

AGF Global Dividend Fund's top contributors include Broadcom, Eaton, AbbVie and Microsoft



Source: Bloomberg, January 31, 2024. Returns in U.S. dollars. Broadcom Inc., Eaton Corp. PLC, AbbVie Inc. and Microsoft Corp. were AGF Global Dividend Fund holdings as of January 31, 2024. **Past performance is not indicative of future results.**

Three top contributors to Fund performance YTD and over the last 1, 3, and 5 years

Broadcom Inc.

Broadcom is the Fund's top-performing stock over almost all periods. It is also among the top contributors to the benchmark's performance over the last several years, alongside the Magnificent 7. As an Artificial Intelligence (AI) beneficiary, Broadcom is a prominent player in the semiconductor industry with a diverse product portfolio catering to wired infrastructure, wireless communications, enterprise storage, and industrial applications. Broadcom's share price has been mainly driven by its exposure to AI, particularly in custom chips (ASICs) for compute offload. The surge in AI-related sales, crossing a US$6 billion annual run rate in Q4 2023, significantly offset cyclical headwinds in enterprise server and storage areas. The strategic acquisition of VMWare was also a key driver, with synergies achieved two years ahead of schedule, contributing to an inline Q4 2023 with sales up 4% year-over-year.

We maintain a positive outlook on Broadcom. The company remains well-positioned to capitalize on the growing AI data center opportunity, expecting continued acceleration in AI-related sales. The acquisition of

VMWare also enhances Broadcom's infrastructure software portfolio, which we believe provides a strong foothold in the private, public, hybrid and multi-cloud space. This move is expected to insulate the company from the semi-cyclicality of its traditional business. With a robust business model, strategic acquisitions, and exposure to key industry trends, we believe Broadcom remains an attractive investment, further supported by its increased dividend. While the company's 12-month trailing dividend yield is only 1.7%, it continues to grow at a 5-year compound average growth rate (CAGR) of 19.3% as Broadcom returns capital to shareholders through dividends and share buybacks.

Eaton Corp. PLC

Eaton Corp PLC is a diversified industrial manufacturer that provides customers with reliable and sustainable power management solutions. Eaton provides customers with a wide range of products, including Uninterrupted Power Supply (UPS), surge and power distribution, electrical circuit protection and power management solutions for Electric Vehicles (EV) and EV charging. Eaton stands at the forefront of several product lines and boasts a robust distribution network, contributing to its strong market position, particularly in the U.S.

Eaton's ability to tap into secular drivers such as electrification, data centres, climate policy, and U.S. reshoring provides a long tailwind of structural growth for the company. We believe Eaton's localized supply chain advantage over its competitors makes it well-suited to capitalize on these initiatives. Additionally, Eaton's portfolio offers diversified exposure to various industrial sectors, including data centres, commercial and institutional, residential, industrial, machinery, and utilities.

We anticipate that Eaton will continue to improve margins through operational efficiencies, centralized functions, and operating leverage. With the company's long-term secular drivers and the potential for increased earnings and valuation upside, we believe that Eaton can sustain a structurally higher growth rate. Combining strong top-line growth and improving margins is anticipated to improve Eaton's Cash Flow Return on Investment (CFROI). Eaton's 12-month trailing dividend yield is 1.3% (as of January 31, 2023), and has grown its dividend at a 5-yr compound annual growth rate (CAGR) of 5.4%.

AbbVie Inc.

Drug company AbbVie Inc. has been another top-performing stock over most periods during the last five years. AbbVie has strategically expanded its drug pipeline to mitigate challenges posed by biosimilar competition, particularly for its flagship drug, Humira, which lost its exclusivity last year. AbbVie boasts a robust drug pipeline, with ongoing expansion opportunities for its immunology blockbusters, Rinvoq and Skyrizi. Furthermore, its core portfolio, including Botox and Vraylar, has demonstrated promising progress. Notably, we perceive the Allergan portfolio, encompassing Aesthetics and Neuroscience, as undervalued, presenting additional potential upside for the stock.

The company's most recent fourth-quarter 2023 results and management's optimistic commentary on the fiscal year 2024 and long-term outlook reinforce the view of AbbVie's continued outperformance. The outlook for Skyrizi and Rinvoq indicates sustained high single-digit total company growth beyond 2024, supported by the potential of assets within the Neuroscience portfolio, including migraine treatments. Strong commercial and portfolio execution within the Immunology franchise have also been key drivers of revenue growth, particularly amid the competitive landscape for Humira.

AbbVie's recent transactions include the acquisition of ImmunoGen, the maker of ovarian cancer treatment drug Elahere, and Cerevel Therapeutics, with its robust neuroscience pipeline of multiple clinical-stage and preclinical candidates with potential across several diseases, including schizophrenia, Parkinson's disease (PD), and mood disorders, are poised to further enhance and diversify AbbVie's portfolio, particularly in Oncology and Neuroscience. The ongoing recovery in the Aesthetics franchise adds to the company's growth narrative.

Three top detractors YTD and over the last 1, 3, and 5 years

Three of the top detractors from Fund performance for the YTD and 1-year periods to January 31, 2024, were not holding NVIDIA Corp., Meta Platforms Inc., and Amazon.com Inc. relative to the benchmark. Over the 3- and 5-year period, Apple Inc., and NVIDIA Corp. were top detractors from performance, as previously discussed.

Hong Kong-based insurer AIA Group Ltd. has been another detractor to performance over 3- and 5-year periods. AIA Group Ltd. is the largest, independent, publicly listed, pan-Asian life insurance group. The company was founded in Shanghai in 1919. It underwrites life, accident, and health insurance and offers retirement planning, wealth management, and savings contracts. AIA Group is the leading life insurer across Asia ex-Japan, based on agency operations. Foreign selling pressure amid a slow economic recovery in China has continued to weigh on the stock.

Given that AIA is a recognized brand in an area experiencing increased insurance penetration due to rising income levels, we believe the company has a favourable secular growth profile. We foresee the potential for further margin expansion driven by additional scale and a continued shift towards higher-margin technical insurance products. The company has a solid, best-in-class balance sheet and is a clear differentiator relative to many of its peers. We continue to have high conviction in the stock. We believe the company's fundamentals are solid and anticipate the stock could re-rate once confidence in China returns.

AGF Global Dividend Fund – annualized returns as of January 31, 2024

CAD, net of fee returns, %	1 mth	3 mths	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	PSD*
AGF Global Dividend Fund – Series F	1.8	8.9	10.3	9.0	8.5	8.8	10.1	7.8
AGF Global Dividend Fund – Series MF	1.7	8.6	9.0	7.8	7.3	7.5	8.9	6.5
Morningstar Global Equity Category	1.8	11.4	14.5	7.7	10.7	10.8	12.2	
Percentile Ranking – Series F	54	80	54	16	55	37	32	-
Percentile Ranking – Series MF	58	84	65	31	74	61	64	-
Total number of funds in the Global Equity Category	2,050	2,015	1,920	1,609	1,422	689	367	-

Source: AGF Investments Inc. as of January 31, 2024. **Performance Start Date: August 22, 2007. "Global Equity Category" as per Morningstar. Morningstar Quartile Rankings are calculated as of January 31, 2024, and subject to change monthly. The rankings are calculated from a fund's total return percentile rank against others in its applicable Morningstar category for the 1-month, 3-month, 1-, 3-, 5-, 10-, and 15-year periods. Percentile ranks always range from 1 (best) to 100 (worst), with all intermediate values spread evenly over that range. For greater detail see http://www.morningstar.ca. One cannot invest directly in an index. **Past performance is not indicative of future results.** MERs: Series MF: 2.38%, Series F: 1.21%, as of September 30, 2023.

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