Beyond the Noise: AGFs New CIO John Porter Talks Investing with Conviction

Speaker Key:

DP	David Pett, Content Editor & Producer, Inside Perspectives: An AGF Podcast Series
JC	John Christofilos, Chief Trading Officer, AGF Investments
JP	John Porter, Chief Investment Officer, AGF Investments

Time Code	Speaker	Text
00:00:00	DP	Welcome to AGF Inside Perspectives. All right, John. Good to see you, man.
00:00:07	JC	It's been a while.
00:00:08	DP	Yes. I think we need to talk about the World Cup.
00:00:11	JC	We should.
00:00:11	DP	Because from my perspective, it's been the best World Cup of all.
00:00:16	JC	And you're an expert in World Cup history, are you not, David?
00:00:19	DP	That's right. I'm such a soccer fan that, yes, coming from me.
00:00:23	JC	I think it's been terrific. I was fortunate enough to watch two games live, and the atmosphere in Toronto, where the first game was, was spectacular. The stadium was way better than I thought it was going to be. The pitch. That's also known as the field. The pitch, David, was immaculate, green, beautiful, and the fervour. And we can talk a little bit more about correlations between soccer and hockey in a moment or two, but it was fantastic.
00:00:48		Then I went to New York for a conference and was fortunate enough to go to a game in New York. And again, the amount of foreigners that have come in. The amount of money being spent in the economies is bound to help economies going forward, too. So, it's been good. It's been a good tournament. Lots of goals, lots of suspense, a lot more fun than I thought it was going to be. Let's say that.
00:01:06	DP	Yes, and we're down to, I think, the final eight as we record. Well, not quite the final eight.
00:01:12	JC	Close.

Time Code	Speaker	Text
00:01:12	DP	But almost there. Predictions. Who's going to win this?
00:01:16	JC	France.
00:01:17	DP	Yes, I got to go with that too.
00:01:19	JC	They look pretty good.
00:01:19	DP	Yes.
00:01:20	JC	I watched them in one of the games, and they play a beautiful game. They're really good at what they do. Very structured and very deliberate. And when they attack, they attack. They look really good.
00:01:30	DP	And I should say, I do want England to win. I'm going to put that on the record, but I'm just not sure they have enough. And Norway, I don't know, there's something about Norway. Like them, too. I like their uniforms.
00:01:41	JC	The jerseys are nice.
00:01:42	DP	And I like the row thing.
00:01:43	JC	Yes.
00:01:44	DP	The row thing is cool.
00:01:45	JC	The row thing is good.
00:01:46	DP	Yes. Okay, enough of that. Let's introduce our guest and get into the conversation today. So, with us today is John Porter, AGF's freshly minted chief investment officer. So, without further ado, let's get into it.
00:02:08		All right, John. Welcome. Thanks for joining us today.
00:02:11	JP	It's fantastic to be here. Great to be here with both of you.
00:02:15	DP	Before, I said we want to get into markets and we're going to do all that great stuff, but we know you're a sports fan. I'm sure you've been watching the World Cup. We just had a nice little chat, John and I, and just curious to what you think about the festivities that we've seen over the last few weeks.
00:02:30	JP	The festivities have been far more exciting than I ever could have imagined. I have to admit, I'm not a big soccer guy, not a big soccer fan, but these games have been must-watch TV. It's been hard to turn my eye away from. I don't really have any strong rooting interest, but just the sport, the excitement, the level of competition is just drawn me in.

Time Code	Speaker	Text
00:02:56	JC	It really has. And, John, you said you're not really a soccer fan, but one thing that I think our audience will love to hear is that you're a hockey guy. We've had a number of discussions since you started with us. First of all, welcome to the podcast. Welcome to AGF, and welcome to Canada. But we've talked a lot about hockey. Maybe a little bit of history on where you got that passion for the game of hockey. As you well know, Canadians are pretty passionate about the sport, and I think our audience would love to hear that.
00:03:21	JP	Yes, I feel so fortunate to have been introduced to the sport at a very young age. It's an interesting story. I grew up in Michigan. My dad had never been on skates. He wasn't a hockey guy. But we lived next to a guy. He was one of these beer league hockey players. Loved hockey. He actually introduced me to the sport when I was very young, four, five, six years old, something like that. And I just took to it right away and have been a passionate hockey fan ever since.
00:03:49		Played it myself, only through high school, not at any competitive levels. But was fortunate to pass down the passion to my kids. They continue to play, and I have so much fun watching them play and watching professional hockey as well.
00:04:03	JC	And I will say to our audience, not only passionate about the game, but extremely knowledgeable about the game. When we've had our discussions about certain players and strategies and this and that, it's been refreshing for me to be able to speak to somebody other than any Toronto Maple Leaf fans that are out there about the sport. Speaking of the Toronto Maple Leafs, maybe you want to tell our audience who your favourite hockey club is?
00:04:24	JP	Oh, it's absolutely the Detroit Red Wings. They are the best.
00:04:28	JC	It's why we hired. There you go.
00:04:30	DP	That's right. I'm a Red Wing fan myself. So, yes, is John a big Red Wing fan? And my dad is a Red Wing fan, too. Partly because I grew up playing for the Toronto Red Wings. So, I think maybe there's a little connection from my dad. So, you just equated that with the Detroit Red Wings. We can probably get into the Leo Carlson offer sheet at another time. But let's get into markets and investing. That's what we're here to do.
00:04:54		John, I think people will be pretty curious to know, as a starter, your philosophy, generally, about investing. So, I'd like to maybe position the questions a little along those lines first, and then we can get into maybe more of a second half forecast, if you will.

Time Code	Speaker	Text
00:05:12		First question for you from me. And John's going to weigh in with his own questions as well. When you think about good asset management, what are the characteristics of that for you?
00:05:22	JP	That's a great starting point. I think you have to start with courage of your convictions. Great investment outcomes, great risk-adjusted returns for our clients come from making bold, differentiated decisions. And that's not easy to do, but it is a prerequisite to be a world-class asset manager, which absolutely is our aspiration.
00:05:44		At the same time, you need to balance those courage of convictions with the flexibility to admit when you're wrong. And so that's the tightrope that I think every world-class investor is constantly walking, which is having strong, differentiated views but the openness to recognising that you could be wrong at any point in time.
00:06:02	DP	Sure. And it strikes me that we've been talking about sports here, but there's a lot of talk of that balance between that mental fortitude that athletes have and just that physical skill set that they have. So, from an investing standpoint, you need to have some skills, and you need to have done your learning and be educated in terms of what you're trying to do. But there's that fortitude that comes with it as well, right, John?
00:06:27	JP	I think that's very well said, David. And the way I would put it is, in the investments game, there aren't physical tools per se, but there's analytical tools. And so, there's the intellectual rigour of having a consistent, repeatable investment process, doing that thoroughly and thoughtfully on a consistent basis, but the mental fortitude part ends up being the real difference maker.
00:06:52		In this case, I call it the behavioural alpha, which is watching markets, understanding markets, but not letting them drive your decisions too much. You can't ignore them, but you can't get caught up in the emotion of the markets. They're volatile. They go up, they go down, they're confusing, they're confounding, and if you react too much to them, you leak a lot of alpha.
00:07:18		If you can manage your emotions, have that behavioural alpha, take advantage of the market volatility, that's when you can really start to add some differentiated outcomes for clients.
00:07:29	JC	John, is that the same as, and we've heard this saying many times, benchmark hugging? So, a lot of asset managers will just hug the benchmark and go along with what the benchmark is doing. That doesn't sound like conviction to me. That sounds more like just being mediocre and just being an average investor. Your thoughts on not being a benchmark hugger and having that

Time Code	Speaker	Text
		conviction that you talked about, which is the passion, which is the secret sauce, I think, in successful asset management.
00:07:58	JP	Yes. The way I would describe it is investors need to be benchmark-aware. And from a risk allocation standpoint, you're not necessarily going to have a fully active bet for or against every single security in a benchmark. But if you don't take those stands in certain places in your portfolio, you're not going to differentiate yourself from either your peers or the benchmark. And that's obviously what we're being paid for by our clients.
00:08:27		And so, I think it's important to have the thoughtful risk allocation of recognising where, at the security level, the industry level, the asset class level, you've got a differentiated view with conviction and then reflect that conviction in how you construct the portfolio.
00:08:42	DP	John, I want to go back to something you just mentioned, and it's really about staying the course and not getting caught by what's going on around you. People talk about the noise. Is there something in particular that investors sometimes lose sight? Especially, we live in this 24/7 news cycle. It feels constant. I guess we're part of that doing this podcast a little bit.
00:09:12		I'm just wondering how much more difficult has that become in this day and age, as opposed to perhaps when you first started your career?
00:09:21	JP	If I go back to when I first started 30 years ago, I needed to wait until an hour or so after when the market closed to see how my portfolio had performed that day.
00:09:32		It doesn't seem like that long to wait, but compared to now, where I have a second-by-second update of every portfolio at AGF and really anywhere else that I want to compare and contrast us with, that's such a different dynamic. Having that immediate feedback of, at 10:15, I'm outperforming by seven basis points today. At 10:45, oh, no, now I'm behind by 12 basis points. What happened?
00:09:56		At the end of the day, you might end up 50 basis points or down 50 basis points, where you've got this roller coaster within the day. That you now have visibility that you didn't when I started in the industry 30 years ago, which doesn't seem like that long ago, but it was a different day and age. And I do think that that is also reflected in the daily news cycle that you're talking about. With all these 24 by seven business channels, there is a non-stop deluge of what is purported to be news, but I would argue in most cases, is absolutely noise.
00:10:30		Very little of the headlines that we see on the ticker at any given minute, hour, or day have any kind of lasting impact on markets.

Time Code	Speaker	Text
		But in the moment, they seem like the most important thing. But in most cases, it's noise that you cannot afford to get distracted by, but it's easy to get drawn into because they're impacting markets in that very short term.
00:10:53	JC	David, I'll translate that as well into the trading game. What I do all day, every day.
00:10:56	DP	Absolutely, yes, please do. Yes.
00:10:58	JC	If I have a buy order on the trading desk from one of our portfolio managers, and that stock is up six or 7%, the feel is, oh, God, I need to jump in and buy this thing. It's up six or seven. The right thing to do is not to jump in and buy it at six or 7%. You wait. Do your homework before you actually jump in, and more times than not, that stock will come back in. It's noise in the market, especially on the open and the close when there's a huge amount of volume. A lot of that volume is algorithmic volume. It's not really tradable or accessible volume. And you need to stay away from those sorts of times.
00:11:29		Portfolio managers think that way. Trading desk thinks the exact same way. We don't need to buy just because the stock is up, or we don't need to sell it because it's down two or 3%. We need to have patience, discipline, and find the right price.
00:11:40	JP	Yes. I would just build on what John said. Those are great points. It comes back to one of the key elements of being a great investor is managing your emotions. And we're fortunate. We compete in an amazing industry. The asset management industry is a phenomenal industry. It's a highly competitive industry. There's lots of fantastic competitors that we're working against each day. We may be trading against them.
00:12:05		You wouldn't be human if you didn't start to wonder if you were missing out on something, because a stock's up that you don't own or a stock's down that you do own. And you're like, what do they know that I don't know? And that's the emotion that you need to regulate. You can't ignore what markets are doing because there's information in there, but you also can't let it dictate your reaction at the same time. It's back to that tightrope.
00:12:29	DP	And that tightrope. And maybe another way to think about this. Weighing. Obviously, long-term opportunities is what we're trying. We're investing for the long term and weighing those against, clearly, some short-term risks that might be out there and trying to figure out, okay, how do you reconcile this a little bit? Make sense?
00:12:44	JP	Absolutely. Yes. It does make sense. And this is where each individual investor has their own unique process. It's one of the things

		I love about this industry. There isn't any one best way to invest. There's a lot of wonderful ways to invest. You can be a fundamental investor. You can be a quantitative investor. You can do macro work. You can do micro work. Growth, value, large cap, small cap, multi-asset, asset-class-specific. Lots of ways to be successful.
00:13:12		And so, you need to stay true to the approach that works for you. And for some investors, they need to pay an awful lot of attention to the very short-term data points, because they're trying to incrementally reposition the portfolio one week to the next. Other investors are completely ignoring the week-to-week, sometime month-to-month, movements in the markets. And just saying, I know what I want to own three years from now, and I'm going to own it today and just check back in three years and see how I've done.
00:13:40		Both ways can be very successful. You just need to find one that works for you and be consistent and rigorous about applying it.
00:13:48	DP	Now, you're a growth investor by heart, John, and you spent a good part of your career as a portfolio manager. Now as CIO, I'm just wondering, having worn both hats, do you think differently about markets now than you did as a portfolio manager? Or is there some bleed there? I'm guessing there's more of a holistic viewpoint, maybe now.
00:14:14	JP	I think that's the right answer. It's the different perspective. Being in the seat as a portfolio manager, focused on growth, as you said, gives me a certain perspective on the market. But now, as CIO, working with world-class investors that are growth and value, equity and fixed income, and multi-asset, gives me a much broader perspective of the market.
00:14:38	DP	John, on that.
00:14:39	JC	The other John.
00:14:41	DP	The other John. Yes. So, yes, I'm surrounded by Johns. So, Jonathan Prias is our audio-visual guy in the background here too, and so I've got three of you against one. This should be a song about these are the Johns I know. But there isn't. John, just to follow up on that.
00:14:56	JC	Why don't we do this before you go?
00:14:58	DP	Yes.
00:14:58	JC	John P. John C.
00:15:00	DP	John C. There you go. Okay.
00:15:02	JC	That's the way we communicate.
00:15:03	DP	So, John C. Okay, so John C. Just to follow up on that in terms of that approach. From a trader standpoint, how does it all blend

		together? Because on the investment management floor, we've got traders, and we've got a CIO, we've got portfolio managers, we've got analysts. How does that all come together?
00:15:20	JC	Yes. Well, a couple of things. First, regardless, if an order comes to the desk and it's from a value portfolio manager or a growth portfolio manager, we don't manage the order any differently. Again, very disciplined with the process to get things done, finding the right price to do it. So, for me, an order is an order is an order, and we'll manage it the best way we can to get the best possible price for our value portfolio manager or our growth portfolio manager.
00:15:46		The interaction on the floor is really important. So, David, the trading desk sits in the middle of the floor. In and around us, the first level, is all our analysts, and then the portfolio managers on the outside. That camaraderie, that collaboration, has to be as vibrant as possible.
00:16:03		So, I share a lot of information out to the floor. They take what they want to take and not take other stuff. But sharing of information, I think, is important, from my perspective. It allows me to get a better understanding of how some of our analysts and our portfolio managers are thinking. Many times, they'll come and ask me about a block that just went up, or an idea. I sent out an email or whatever the case may be.
00:16:24		Collaboration, from my perspective, is vital. I came from the sell side. As you well know, I spent 20 years on the sell side, and I try to run the desk a little bit with a sell-side slant, which means that we want to share as much information out to our group as we possibly can. Some stuff they take in, some stuff they don't take in. But again, that's not going to stop us from sharing information and having discussions on the floor, trying to collaborate to find the best possible price for what we're trying to buy or sell.
00:16:50	JP	Yes. And I would just add. One of the most appealing things to me about AGF, and one of the biggest reasons why I came here, is the culture of collaboration. I think John embodies that as much as anyone does. But if I step back and think about what world-class investment organisations need to do to be successful going forward, there is no such thing as too much collaboration.
00:17:13		This world has become so complex, so dynamic, that if you're not openly sharing information between the trading desk and the rest of the investment team, between the fixed income investors and equity investors, and on and on and on, then you have no chance of being successful. And that's something that this organisation just oozes, a desire to collaborate. It's so exciting to me, because I think it's critical to be a world-class asset manager of the future.
00:17:38	JC	Yes. And the other thing I'll add to John's point is, even then out to the clients, I think as an organisation we do a better job than all other asset managers communicating with our end clients, whether it's

		through newsletters, whether it's through talking engagements at the branch, or in larger presentations. I think we share information that they're not getting every single day from their respective organisations, because they don't have asset management organisations inside their businesses. We do a terrific job. Whether it's one-on-one, one-to-many, we do better than most.
00:18:09	DP	Okay, let's spend a few minutes. We are halfway through 2026, an arbitrary time of year to talk about an outlook, but people do it and so let's do it. Let's talk about the second half and what we might expect. So, John, just some thoughts on perhaps headwinds, tailwinds that investors are facing.
00:18:30	JP	Yes, I think the tailwind is pretty simple. It's corporate earnings. Corporate earnings for the first half of this year have been absolutely spectacular, about as good of a six-month period as I can remember in my 30-year career. And by all indications, that's going to continue in the second half of the year. And so that's an incredible tailwind for markets.
00:18:50		Inflation is clearly the concern right now. We've seen a spike in inflation earlier this year around the war. I believe that we're going to see signs of inflation likely peaking soon. And if that happens, if that concern starts to abate, then I think that really opens up the opportunities for equity markets, in particular, to continue to be strong in the second half of the year. But that's the canary in the coal mine that I'm really watching closely is those inflation headlines.
00:19:20	JC	John, what do you think of the midterms? Not politically driven, but from a market's perspective, are we going to see some additional volatility leading into October, November, and maybe some thoughts around the midterm? Because historically, October is never a great month in the equity markets. So, my expectation is we will see some volatility. But will we see any additional volatility because of the midterm?
00:19:42	JP	It's possible. I think it's very difficult to forecast when, where, and why there will be volatility. But the midterms are certainly going to cause some of those headlines we discussed earlier. I think that they will likely pass quickly and not have a long-lasting impact on the market.
00:20:02		By all accounts, we're likely to see a divided government in the United States post the election. And history would say that's a good thing because they don't get a lot done when they're fighting with one another. And that's better for the broad economy, sadly, that they remove themselves from the equation a bit. So I don't think it's going to be a substantive issue at the macro level.
00:20:27		There's also always going to be individual stocks and sectors that are impacted by election outcomes. But at the broad, diversified index level, I don't think it's a key issue to worry about.

00:20:39	DP	And then, John, you mentioned earnings growth obviously being really the key to what we've seen this year, and it's overcome some of the headwinds, geopolitical risks, that we've experienced. When you survey the global marketplace, are there opportunities that you see from that earnings growth, better or worse in the US versus Europe or Asia? Any thoughts on that?
00:21:04	JP	Look, it's hard to bet against the US. The trends in the US, from a broad economic growth perspective and the associated corporate earnings, have been second to none. But I do think the odds are, if the growth persists, that you're going to start to see a bit of a broadening out of the trends.
00:21:20		I think the first place to watch for a broadening out is down in cap within the United States. I think you're starting to see some signs of resilience in the companies and resilience in earnings growth on the smaller-cap companies in the US, so I think that's going to be exciting.
00:21:36		A little bit of a sceptic of a European recovery, but stocks are priced very inexpensively there, and some would say for a good reason. I think that's an area to monitor. If you were to see an earnings improvement in the European equity markets, the stocks are priced in a way that there could be some solid returns available there.
00:21:58	DP	On that valuation front, we've had a few conversations on that. You have an interesting perspective on valuation, in that it's maybe more of a timing issue than it is a concern. If that is. But maybe you can describe that. And it's in the guise of earnings growth being really the real driver here.
00:22:17	JP	Yes. I had the good fortune early in my career to work closely with Peter Lynch. And he didn't invent the saying, but he was one of the strong advocates for the belief that stock prices follow earnings. And it was something I was taught very early in my career, and I've never forgotten that lesson. And so that is the most important driver.
00:22:37		The flip side of that is talking about valuation. At risk of knowing this podcast is going to be out there in the ether and available to be replayed at any time, valuation is not an important critical variable in analysing markets most of the time.
00:22:55		At the tails, at the extremes, there's points in time where you need to pay strong heed to valuation. But most of the time, 80 or 90% of the time, the market's within a reasonable valuation range. To make short-term investment decisions driven by valuation is missing the forest for the trees, as far as I'm concerned.
00:23:16		And I think we're in one of those periods of time. Look, the market's not cheap right now. The S&P is trading somewhere around 19, 20 times earnings, depending on what numbers you use. That's not cheap. But the kind of earnings growth that we're getting is very high,

		very strong for that valuation. Inflation is concerning but potentially subsiding. So, I don't think using valuation as a reason to avoid particularly US equities is a thoughtful decision right now.
00:23:46	JC	John, we talked a couple times about market structure. And when you started in the industry, when I started in the industry, the composition of the volumes that hit the market were significantly different than they are today. Don't need specific numbers. Maybe some thoughts on what it was like and what it is today, because it is drastically different. And we think about volumes in the market structure differently today than we did 30 years ago.
00:24:11	JP	Oh, I think it's one of the biggest changes in our career timeline, John. When I started in the industry 30 years ago, the traditional long-only asset managers, firms like AGF, were 80 or 90% of the volume on the major stock exchanges. Now, some stats would show that traditional asset managers are only 10% of the volume.
00:24:32		And now you've seen us replaced by hedge funds and many other fast-money vehicles, and it's definitely changed the information flow in how you should interpret stock prices on a given day.
00:24:47		30 years ago, if a stock was going down, it was probably because a fundamental, long-only investor had decided to sell it. And as a fellow long-only investor, I probably wanted to really think about what that other investor may be seeing in the stock, leading them to decide to sell the position.
00:25:05		Today, with the fast-money traders, who frequently are turning majority of their portfolios over in 24 or 48 hours, they're looking at the world in such a different way than I do. They're playing a different game than we're trying to play at. I think it's harder for me, as a long-term-orientated investor, to interpret the daily price moves.
00:25:26	DP	Okay. I think that might be a good place to end today's conversation. What do you think, John?
00:25:31	JC	I think so. I think there's a soccer game that we got to go catch on TV here.
00:25:35	DP	There might be. Yes.
00:25:37	JC	Yes.
00:25:38	DP	Okay, so we'll end it there. John Porter, thanks very much for being here. I'm sure we'll have you back.
00:25:43	JP	Great to be here.
00:25:44	DP	I know we'll have you back. And John C, always good to see you. And until next time, everybody.
00:25:58		Thanks, everyone, for listening. For a full transcript of today's episode, visit agf.com/podcast. And don't forget to subscribe to hear

		more from us at Apple Podcasts, Spotify, Stitcher, Podcast Addict and Pocket Casts.
00:26:13		This episode of Inside Perspectives was recorded on July 7th, 2026, at AGF's offices in Toronto, Ontario, Canada.
00:26:23		This podcast is designed to provide you with general information related to the capital markets and economic environment and is for informational purposes only. It is not intended to be relied upon as a forecast, research, or investment advice and is not a recommendation, offer, or solicitation to buy or sell any securities, advisory services, or investment strategy. The views and opinions expressed in this communication are based on information available as at the publication date and are subject to change.
00:26:45		The information is derived from sources deemed by AGF Investments to be reliable, which may not be complete or exhaustive, and no representations or warranties, either express or implied, are made regarding the accuracy or completeness of the information contained herein. Reliance upon information in this material is at the sole discretion of the listener. Market conditions and economic circumstances may change, and AGF Investments accepts no responsibility for individual investment decisions arising from the use of or reliance on the information contained herein.
00:27:12		This material may contain estimates, forward-looking statements or forecasts, which are subject to risks and uncertainties that may cause actual results to differ materially from those contemplated. Any statement about a company is not an endorsement or recommendation to buy or sell any security. Any discussion of performance is historical or speculative and is not indicative of nor does it guarantee future results.
00:27:32		AGF Investments is a group of wholly owned subsidiaries of AGF Management Limited, a Canadian reporting issuer. The subsidiaries included in AGF investments are AGF Investments, Inc., AGF Investments LLC, and AGF International Advisors Company Limited. AGFI is registered as a portfolio manager across Canadian securities commissions. AGFUS is a registered investment advisor with the US Securities Exchange Commission. AGFIA is regulated by the Central Bank of Ireland and registered with the Australian Securities and Investments Commission.
00:28:01		The term AGF Investments may refer to one or more of these subsidiaries, or to all of them jointly. This term is used for convenience and does not precisely describe any of the separate companies, each of which manages its own affairs. AGF Investments entities only provide investment advisory services or offers investment funds in the jurisdiction where such firm, individuals and/or product is registered or authorised to provide such services.

		Investment advisory services for US persons are provided by AGFUS.
00:28:28		The AGF logo and all associated trademarks are registered trademarks or trademarks of AGF Management Limited and used under licence.