AGF Canadian Growth Equity Class

Fund Commentary

Q2 | 2026

Morningstar Category	Inception Date	Portfolio Managers
Canadian Equity	October 22, 1964 (Series MF) January 14, 2000 (Series F)	**AGF Investments Inc.** **Mike Archibald**, Portfolio Manager **Auritro Kundu**, Portfolio Manager

Market Overview

Canadian equities posted modestly positive returns over the second quarter of 2026, with the S&P/TSX Composite Index advancing as steady gains in April gave way to greater volatility in May and June amid Middle East tensions and swings in energy prices. The domestic backdrop was notably weak: Canada's economy contracted for the second consecutive quarter through March, while inflation accelerated through the period, with headline Consumer Price Inflation (CPI) rising from roughly 1.8% in February to 3.2% by May — a multi-year high. Even as labour-market conditions cooled, the Bank of Canada held its policy rate steady at 2.25% throughout the quarter, reinforcing a neutral-to-hawkish stance, and the Canadian dollar softened, with USD/CAD rising about 2.3% over the quarter.

Resource dynamics — Canada's outsized index exposure — were the principal drag on the market. Crude prices fell sharply, with West Texas Intermediate down roughly 31% as the quarter's geopolitical risk premium faded into quarter-end, pressuring energy producers, while the materials complex was the weakest area of the index as mining names, including gold producers, retreated after earlier strength.

At the sector level, Financials led the index by a wide margin, supported by resilient net interest income and stable credit conditions across the banks, while Health Care and the more domestically-oriented consumer areas also contributed. Materials was the weakest sector as miners fell, followed by Communication Services and Energy, the latter pressured by lower oil prices. Growth outpaced value over the quarter, and the broad, large-cap-led composite modestly outperformed smaller-capitalization names.

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Fund Overview | June 30, 2026

Annualized Performance in CAD, Net of Fees	3 Mo.	1 Yr.	3 Yr.	5 Yr.	10 Yr.	PSD⁺
AGF Canadian Growth Equity Class - Series MF^	7.6%	27.8%	19.4%	10.5%	6.6%	8.2%
AGF Canadian Growth Equity Class - Series F^	7.9%	29.3%	20.8%	11.8%	7.9%	5.4%
Benchmark*	7.0%	32.9%	23.5%	14.9%	11.3%	-

Source: AGF Investments. One cannot invest directly in an index. **Past performance is not indicative of future results.** ^AGF Canada Class merged into AGF Canadian Growth Equity Class on May 20, 2016. Effective July 5, 2023, AGF Canadian Growth Equity Class is closed to new investors. The fund will remain available to existing investors, including those with systematic investment plans. *S&P/TSX Composite Index. On June 1, 2020, the Fund's benchmark changed to 100% S&P/TSX Composite Index. Series MF MER: 2.74%, Series F MER: 1.58%, as of March 31, 2026. ⁺Performance Start Date (PSD): April 30, 1965 (Series MF); January 20, 2000 (Series F). The performance start date benchmark return is not available as the Index was created later than the performance start date of the Fund.

For the quarter ended June 30, 2026, the Canadian Growth Equity Class (the Fund) (Series MF) outperformed the benchmark, the S&P/TSX Composite Index.

Sector allocation contributed to performance while security selection detracted during the period.

From a sector allocation perspective, an underweight to Materials was the biggest contributor to performance, followed by an underweight to Energy. On the other hand, an underweight to Financials was the largest detractor, followed by an overweight to Consumer Discretionary.

Security selection in the Industrials and Materials sectors were the top contributors to performance, whereas security selection in the Information Technology and Energy sectors were the top detractors from performance.

The Fund's cash position, which averaged 4.1% during the quarter, detracted modestly from relative performance.

In terms of individual holdings, the top contributors to performance were Royal Bank of Canada, Hammond Power Solutions Inc. and Materion Corp., while the top detractors were Suncor Energy Inc., Groupe Dynamite Inc. and Kinross Gold Corp.

Royal Bank of Canada advanced alongside broad strength in the Canadian banks, supported by resilient net interest income and stable credit conditions. Hammond Power Solutions rose on a strong quarterly result and an expanding backlog tied to data-centre and electrification demand, while Materion contributed on the strength of its electronic-materials business and improved profitability.

Among detractors, Suncor Energy weighed on performance as softer earnings and energy-market uncertainty tempered sentiment, Groupe Dynamite retreated on profit-taking despite robust sales growth and raised guidance, and Kinross Gold declined as gold prices pulled back over the quarter.

Market Outlook

The Fund invests primarily in Canadian companies with above-average, sustainable earnings growth. The strategy follows a disciplined, growth-oriented approach within a market shaped by its concentration in financials, energy and materials: the Portfolio Manager focuses on businesses with strong earnings momentum and seeks to identify emerging leaders across both resource and non-resource sectors. Bottom-up security selection drives the portfolio, set against a read of Bank of Canada policy, the domestic economy and commodity dynamics that materially influence Canadian equity returns. The Manager favours quality management teams and balance sheets capable of compounding through commodity and rate cycles. The approach is deliberately agile — emphasizing earnings momentum, managing the concentration risk inherent in the Canadian index, and selectively adding to high-conviction holdings during pullbacks rather than reacting to short-term swings in sentiment or commodity prices.

Positioning favours earnings resilience over index-driven concentration. The Fund remains underweight the three dominant sectors — Financials, Materials and Energy — reflecting caution on domestic banks amid a softer economy and housing drag, and on commodity producers given volatile oil and gold. It is overweight Utilities, Industrials and select consumer names geared to structural demand such as electrification and data-centre build-out.

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Series F securities can be purchased under the simplified prospectus only through a registered dealer who has obtained consent of AGF to offer Series F securities.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in share or unit value and reinvestment of all dividends or distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

MER as of March 31, 2026. AGFI may, in its discretion, temporarily waive some or all of the expenses of the Fund, which will result in a reduction in the MER. AGFI may cease to offer any such waiver at any time without notice.

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