

Fund Commentary

Q2 | 2026

Morningstar Category

Global Equity

Inception Date

May 17, 1995 (Series MF)
January 14, 2000 (Series F)

Portfolio Managers

AGF Investments Inc.
Stephen Way, SVP and Head of Global & Emerging Markets
Equities

Market Overview

Global equities posted gains in the second quarter of 2026, primarily driven by earnings related momentum and geopolitical stabilization throughout most of the quarter. The corporate earnings surprise, especially from artificial intelligence (AI)-related companies, drove momentum in April, while declining oil prices in May tempered fears of rising inflation. June saw a mild pullback in momentum due to higher yields and certain macroeconomic headwinds.

The U.S. economy continued to exhibit relative resilience, supported by steady—though slightly softer—consumer spending and ongoing expansion in the services sector. The Purchasing Managers' Index which provide indications of whether an economy is expanding or slowing remained modestly above the neutral. However, inflation appeared more persistent than previously expected, reflecting higher commodity prices and supply disruptions, which kept the U.S. Federal Reserve firmly data-dependent and cautious. Labour markets stayed stable, supporting consumption without reigniting strong price pressures.

Outside the U.S., the economic backdrop was mixed, with resilient pockets of growth offset by tighter policy, uneven industrial activity and commodity-related volatility. In Europe, growth remained constrained by weak industrial output and cautious corporate investment, while the European Central Bank raised interest rates to contain renewed inflation pressures linked to part to higher energy prices. Japan remained relatively resilient, supported by domestic demand and corporate reform momentum, although the Bank Of Japan's rate increase underscored a continued shift away from ultra-accommodative policy as currency pressures persisted. Across Asia Pacific, China's outlook improved modestly, helped by targeted policy support and stronger export momentum, but domestic demand remained uneven. Toward the end of the quarter, the de-escalation of Middle East tensions contributed to a sharp pullback in crude oil and several commodity prices, easing pressure on major importers such as Europe, Japan and India.

Global equities, represented by the MSCI All Country World Index generated positive returns, led by Information Technology, and Industrials, due to higher capital expenditure and infrastructure themes gaining popularity. Financials advanced on stable credit conditions and policy clarity. Energy was the biggest laggard, as oil prices corrected sharply on indications that progress was being made in resolving the conflict with Iran. Small caps outperformed large caps; growth outpaced value on technology leadership. Equal-weighted indices lagged cap-weighted benchmarks, indicating narrow breadth.

Fund Overview | June 30, 2026

Annualized Performance in CAD, Net of Fees	3 Mo.	1 Yr.	3 Yr.	5 Yr.	10 Yr.	PSD ⁺
AGF Global Equity Class - Series MF [^]	8.8%	23.6%	16.9%	10.5%	9.0%	6.1%
AGF Global Equity Class - Series F [^]	9.1%	25.0%	18.3%	11.8%	10.4%	6.8%
Benchmark*	17.3%	29.3%	23.0%	14.5%	14.4%	8.9%

Source: AGF Investments. One cannot invest directly in an index. **Past performance is not indicative of future results.** [^]AGF Global Value Class and AGF International Stock Class merged into AGF Global Equity Class on May 20, 2016. Effective July 5, 2023, AGF Global Equity Class is closed to new investors. The fund will remain available to existing investors, including those with systematic investment plans. *MSCI All Country World Index. Series MF MER: 2.36%, Series F MER: 1.16%, as of March 31, 2026. *Performance Start Date (PSD): May 18, 1995 (Series MF); February 4, 2000 (Series F). Benchmark PSD reflects the PSD of Series MF.

AGF Global Equity Class underperformed the MSCI All Country World Index benchmark during the quarter.

Sector allocation was a detractor and security selection overall was a detractor from performance during the period.

From a sector allocation perspective, an underweight to Consumer Discretionary was the biggest contributor to performance, followed by an underweight to Utilities. On the other hand, an underweight to Information Technology was the largest detractor, followed by an overweight to Consumer Staples.

Security selection in the Communication Services and Consumer Staples sectors were the top contributors to performance, whereas security selection in the Consumer Discretionary and Financials were the top detractors from performance.

From a country perspective, exposure to South Korea was the biggest contributor to performance, followed by exposure to France. On the other hand, exposure to the United States was the largest detractor, followed by exposure to Hong Kong.

In terms of individual holdings, the top contributors to performance were Samsung Electronics Co Ltd, Keyence Corp and Alphabet Inc, while the top detractors were Northrop Grumman Corp, Accenture Plc and Exxon Mobil Corp.

Samsung Electronics advanced after reporting record quarterly revenue and profit, driven by booming AI memory demand and strong hyperscaler data-center investment. Shares of Keyence also rose after they reported double-digit sales and profit growth, supported by strong overseas demand and expansion in factory automation. Alphabet also advanced after strong quarterly results, with accelerating Google Cloud growth and an improved outlook for its AI-related investments.

Northrop Grumman had a difficult quarter despite solid earnings and a record backlog, as supply-chain risks and rising investment needs for its B 21 production expansion weighed on sentiment. Shares of Accenture also fell as softer bookings and concerns over U.S. government spending overshadowed solid revenue growth and AI-related demand. Exxon Mobil shares declined, after they reported a fall in profits, while disruptions in the Middle East heightened concerns over production and oil shipments.

Market Outlook

The portfolio manager remains focused on high-quality businesses whose sustainable growth potential is underappreciated by markets. Security selection emphasizes businesses with strong cash flow generation, durable competitive advantages, and a demonstrated commitment to returning excess capital to shareholders. The Fund is overweight Financials, Industrials and Consumer Staples and underweight technology. The portfolio manager believes the opportunity set for value stocks is improving and this could prove supportive for the Fund given its value bias.

Currently, underlying fundamentals suggest global economic growth is improving into the second half of the year. Industrial manufacturing has rebounded, infrastructure spending remains supportive, and data centre investment continues to drive economic activity. In the U.S., the labour market may be softening, but it is not failing and consumer spending remains supported by the wealth effect and resilient higher-income households. Global equity markets have also benefited from strong earnings, particularly in technology, AI investment and companies with durable growth drivers. That said, after strong market returns and fuller valuations, the portfolio manager expects volatility to remain elevated. Overall, the outlook remains constructive, but inflation and pressure on lower-income consumers, rising global deficits, geopolitical uncertainty and ongoing supply-chain risks remain.

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.

The commentaries contained herein are provided as a general source of information based on information available as of June 30, 2026. It is not intended to address the needs, circumstances, and objectives of any specific investor. The content of this commentary is not to be used or construed as investment advice, as an offer to buy or sell any securities, and is not intended to suggest taking or refraining from any course of action. Every effort has been made to ensure accuracy in these commentaries at the time of publication, however, accuracy cannot be guaranteed. Market conditions may change and AGF Investments Inc. accepts no responsibility for individual investment decisions arising from the use or reliance on the information contained herein.

This document may contain forward-looking information that reflects our current expectations or forecasts of future events. Forward-looking information is inherently subject to, among other things, risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed herein.

Holdings are subject to change and do not represent all of the securities purchased, sold or recommended for the portfolio. It should not be assumed that investments in the securities identified were or will be profitable and should not be considered an endorsement or recommendation by AGF Investments.

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)

All World Tax Advantage Group is a mutual fund corporation that currently offers approximately 20 different classes of securities. In addition to fund diversification by investment style, geography and market capitalization, a key benefit of investing in any of the classes within the group is the possibility of sharing incurred expenses (and losses) of the combined structure, potentially offsetting income earnings to minimize chance of a dividend declaration. For a more detailed explanation, please see AGF.com/disclaimers.

© 2026 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

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. (AGFI), AGF Investments LLC (AGFUS) and AGF International Advisors Company Limited (AGFIA). 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 and/or product is registered or authorized to provide such services. AGF Investments Inc. is a wholly-owned subsidiary of AGF Management Limited and conducts the management and advisory of mutual funds in Canada.

This report may not be reproduced (in whole or in part), transmitted or made available to any other person without the prior written permission of AGF Investments Inc.

® ™ The “AGF” logo and all associated trademarks are registered trademarks or trademarks of AGF Management Limited and used under licence.

Published: August 13, 2026.