AGF Global Equity Fund

AGF | Investments

Fund Commentary

Q2 | 2026

Morningstar Category

Global Equity

Inception Date

November 28, 1994 (Series MF)
June 27, 2001 (Series F)

Portfolio Managers

AGF Investments Inc.
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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 Fund - Series MF^	9.1%	23.8%	17.1%	10.5%	9.0%	7.9%
AGF Global Equity Fund - Series F^	9.5%	25.6%	18.7%	12.1%	10.5%	9.3%
Benchmark*	17.3%	29.3%	23.0%	14.5%	14.4%	10.2%

Source: AGF Investments. One cannot invest directly in an index. **Past performance is not indicative of future results.** ^Harmony Overseas Equity Pool merged into AGF Global Equity Fund on June 28, 2019. AGF Global Value Fund merged into AGF Global Equity Fund on May 20, 2016. The merger may have material effect on the performance of the fund. *MSCI All Country World Index. Series MF MER: 2.53%, Series F MER: 1.12%, as of March 31, 2026. +Performance Start Date (PSD): June 16, 2003 (Series MF); June 16, 2003 (Series F). Benchmark PSD reflects the PSD of Series MF.

AGF Global Equity Fund 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 positive 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 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.

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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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