AGF Global Growth Balanced Fund

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Fund Commentary — **Second Quarter 2026**

Fund Facts

Fund category:
Global Balanced

Benchmark Index:
70% MSCI All Country World Index / 30% Bloomberg Global Aggregate Bond Index

Date of inception:
June 14, 1988 (Series MF)
January 14, 2000 (Series F)

Investment style:
Asset Allocation Approach

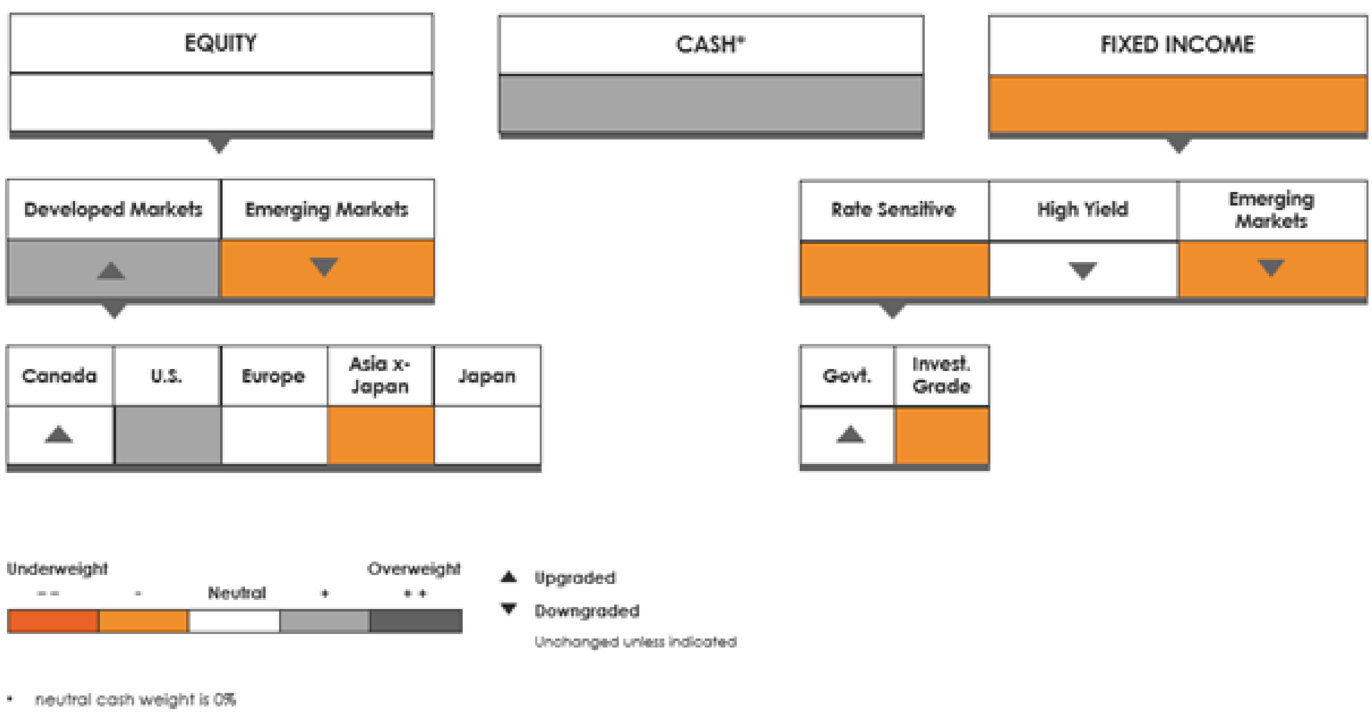
Portfolio Manager
AGF Investments Inc.
AGF Asset Allocation Committee

AGF Asset Allocation Committee

The AGF Asset Allocation Committee is comprised of experienced investment professionals, specializing in various areas of the global bond and equity markets. Members provide insight into risks and opportunities, shaping the outlook of their respective asset class, which leads to an optimized asset allocation view. This top-down view guides the allocations for AGF Global Growth Balanced Fund.

AGF Asset Allocation Committee Recommendations

AGF Global Growth Balanced Fund was rebalanced on April 10, 2026. The following diagram represents the views of AGF's Asset Allocation Committee, which influences the underweight and overweight positioning of the Fund.



* Neutral cash weight is 0%

Source: AGF Investments as of March 31, 2026

#AGF Emerging Markets Balanced Fund merged into AGF Global Growth Balanced Fund on May 15, 2020. The merger may have material effect on the performance of the fund.

Rebalance Rationale

Equity

- Global equities were maintained at neutral overall, amid concerns about higher inflation and slower growth stemming from heightened geopolitical tensions in the Middle East, as well as the potential for adverse revisions to earnings growth prospects
- Within equities, developed markets (DM) were upgraded to overweight, while emerging markets (EM) were downgraded to underweight
- U.S. equity market prospects remain constructive, supported by healthy earnings growth and the potential for increased capital investment and deregulation. However, equity markets may need to digest ongoing government policy uncertainty, challenging labour conditions, strained supply chains, and higher input costs linked to geopolitical developments
- Canada's economy remains vulnerable to poor housing affordability, an indebted consumer, and sensitivity to U.S. policy changes. The scope for additional monetary stimulus is diminishing, although this is partly offset by increased fiscal spending and selective deregulation in areas such as interprovincial trade. We believe an improved backdrop for the resource sector is partly offset by the recent outperformance of energy stocks, which may dampen future upside
- Europe continues to be affected by elevated geopolitical tensions, with developments involving Iran compounding disruptions from the ongoing conflict in Ukraine and subdued earnings growth relative to the rest of the world. At the same time, U.S. policy changes have also spurred rearmament and infrastructure spending initiatives in Europe, contributing to improved growth expectations; however, energy supply disruptions are likely to weigh on corporate and consumer confidence while putting upward pressure on inflation
- Earlier improvements in global economic growth have been offset by recent geopolitical developments and may pose headwinds for emerging markets, given their greater dependence on Middle Eastern hydrocarbons and the impact of a stronger U.S. dollar (USD)
- Japan's inflation remains elevated relative to historical norms, reinforcing expectations of further policy normalization by the Bank of Japan (BOJ), while economic forecasts continue to point to tepid growth, with fiscal stimulus helping to underpin activity. Geopolitical tensions are likely to weigh on the growth outlook through 2026

Fixed Income

- Inflation has diverged across regions but has generally declined. While recent geopolitical conflicts have the potential to renew inflationary pressures, much of the anticipated decline in central bank rates has been priced out, modestly improving the risk-reward trade-off for high-quality bonds
- Slowing employment growth in the U.S. provides some support for bonds, as does a potential reduction in the pace of economic growth due to the energy price shock, while we believe Canadian bond yields appear to have less room to fall given their lower starting levels and the more advanced stage of the Bank of Canada's easing cycle
- U.S. credit spreads have widened year-to-date, with high-yield spreads increasing more than investment-grade spreads. Nevertheless, spreads remain historically low, limiting the potential gains from spread compression
- The outlook for high-yield bonds was lowered to neutral, as returns are expected to be driven predominantly by coupon income rather than price appreciation due to spread compression
- Emerging market bonds were lowered to underweight, as the Middle East conflict and associated energy shock are likely to affect EM inflation disproportionately. While they offer higher yields and diversification benefits, they remain exposed to global shocks, heightened geopolitical uncertainty, and currency depreciation

Cash

- Cash remains overweight, as it continues to provide a buffer against volatility. Although cash yields have declined as policy rates have moved lower, they still offer modest income with low risk, as well as optionality for future investment opportunities

Benchmark Asset Mix	Equities	Fixed Income
	70%	30%

The allocations are done on a look through basis whereby the portfolio characteristics of the securities held in the Underlying Funds are aggregated.

Rebalancing Asset Mix Changes

Rebalance Target Allocations	Q1 2026	Q2 2026	Change
AGF Global Select Fund	60%	59%	-1%
AGF Total Return Bond Fund[1]	26%	27%	1%
AGF Global Dividend Fund	10%	10%	-
AGF US Market Neutral Anti-Beta CAD-Hedged ETF[2]	2%	2%	-
Cash	2%	2%	-

Source: AGF Investments as of April 10, 2026

[1] AGF Global Bond Fund merged into AGF Total Return Bond Fund on May 15, 2020. The merger may have material effect on the performance of the fund. Effective April 30, 2025, AGF Investments LLC is a subadvisor to AGF Total Return Bond Fund.

[2] On January 28, 2022, AGF US Market Neutral Anti-Beta CAD-Hedged ETF (QBTL) investment objectives changed from a passive index-tracking strategy to an active, rules-based approach that seeks to provide a consistent negative beta exposure to the U.S. equity market. Performance prior to this date would have been different had the current investment objectives been in effect.

Fund Performance

Annualized performance in CAD, net of fees	3 mo.	1 yr.	3 yr.	5 yr.	10 yr.
AGF Global Growth Balanced Fund (Series MF)	10.6	10.9	15.5	8.2	7.9
AGF Global Growth Balanced Fund (Series F)	11.0	12.6	17.3	9.8	9.4
70% MSCI All Country World Index / 30% Bloomberg Global Aggregate Bond Index	12.8	21.5	17.7	10.5	10.5

Source: AGF Investments as of June 30, 2026. **Past performance is not indicative of future results.** One cannot invest directly in an index. MER as of March 31, 2026: 2.59% (Series MF) and 1.06% (Series F). 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.

[3] On November 1, 2018, the Fund's benchmark changed to a blended index of 70% MSCI All Country World Index / 30% Bloomberg Global Aggregate Bond Index. The benchmark change was applied from that date forward.

- For the quarter ended June 30, 2026, AGF Global Growth Balanced Fund (Series MF) returned 10.6%, while the blended benchmark returned 12.8%. The blended benchmark is composed of 70% MSCI All Country World Index/30% Bloomberg Global Aggregate Bond Index.
- The Fund's benchmark asset mix is 30% fixed income and 70% equities. Relative to the benchmark, the Fund maintained a near neutral exposure to equities, an underweight to fixed income and an overweight to cash. The AGF Asset Allocation Committee favoured equities over fixed income during the second quarter.
- The Fund underperformed the blended benchmark due to both allocation and selection decisions. From a fixed income standpoint, the Portfolio's selection of AGF Total Return Bond Fund detracted from performance.
- Within equities, the Portfolio's selection of AGF Global Dividend Fund detracted from overall performance, while selection of AGF Global Select Fund contributed to relative results.
- From an absolute return perspective, AGF Market Neutral Anti-Beta CAD-Hedged ETF detracted the most, followed by Kensington Private Equity Fund Class , AGF Global Select Fund was a significant contributor during the quarter.
- The Fund maintained a small exposure to cash and alternative funds during the quarter, which detracted from overall performance.

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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 and/or unit value and reinvestment of all dividends and/or distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed; their values change frequently, and past performance may not be repeated.

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