AGF Global Sustainable Balanced Class

Fund Commentary

Q2 | 2026

Morningstar Category	Inception Date	Portfolio Managers
Global Equity Balanced	August 13, 2007 (Series MF) August 13, 2007 (Series F)	**AGF Investments Inc.** **Martin Grosskopf**, VP & Portfolio Manager

Market Overview

Global equities posted gains in the second quarter of 2026, primarily driven by earnings related momentum especially from artificial intelligence (AI)-related companies, and geopolitical stabilization throughout most of the quarter.

The U.S. economy continued to exhibit relative resilience, supported by steady consumer spending and ongoing expansion in the services sector. The Purchasing Managers' Indices 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.

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.

There was growing tension between accelerating energy demand and long-term decarbonization goals during the quarter. Climate and sustainability regulation, particularly in Europe, shifted toward simplification and reduced compliance burdens, while renewable energy and battery storage continued to expand due to improving economics and energy-security needs. At the same time, rapid AI data center growth emerged as a major sustainability challenge, increasing pressure on electricity grids and creating risks of higher fossil-fuel use, energy costs, and emissions unless matched by significant investment in clean power, storage, and grid infrastructure. Adaptation is becoming more urgent and expensive, as severe heat, water stress and wildfire risk are already disrupting infrastructure, housing, agriculture, livestock and public services, forcing cities, utilities and financial institutions to treat physical climate risk as a near-term capital allocation issue not a future sustainability theme.

The MSCI World Sustainable Development Index rose during the quarter, but underperformed global equities.

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 Sustainable Balanced Class - Series MF^	7.0%	13.5%	8.1%	2.1%	3.0%	1.5%
AGF Global Sustainable Balanced Class - Series F^	7.3%	14.8%	9.3%	3.2%	4.3%	2.7%
Benchmark*	10.5%	17.1%	15.2%	9.4%	8.1%	6.8%

Source: AGF Investments. One cannot invest directly in an index. **Past performance is not indicative of future results.** ^Effective July 5, 2023, AGF Global Sustainable Balanced Class ('the Fund') is closed to new investors. The fund will remain available to existing investors, including those with systematic investment plans. On April 30, 2021 the Fund's investment objective was changed to provide long-term growth of capital by investing primarily in units of AGF Global Sustainable Balanced Fund. Performance prior to this date would have been different had the current objective been in effect. Effective August 9, 2021, AGF Investments LLC is a subadvisor to AGF Global Sustainable Balanced Class. *65% MSCI World Net Index/ 35% Bloomberg Global Aggregate Bond (CAD-Hedged) Index. On June 1, 2016, AGF Global Sustainable Balanced Class benchmark changed to a blended index of 50% FTSE Canada Universe Bond Index / 25% Bloomberg U.S. Corporate High-Yield Index (local) / 10% S&P/TSX Composite Index / 15% MSCI All Country World Total Return Index (local). Then on November 1, 2018, the benchmark changed to a blended index of 50% FTSE Canada Universe Bond Index / 25% Bloomberg U.S. Corporate High-Yield Index (local) / 10% S&P/TSX Composite Index / 15% MSCI All World Country Index (local). Then on September 1, 2019, the benchmark changed to a blended index of 50% Bloomberg Canadian Aggregate Bond Index / 25% Bloomberg U.S. Corporate High-Yield Index (local) / 10% S&P/TSX Composite Index / 15% MSCI All World Country Index (local). Then on April 30, 2021, the benchmark changed to a blended index of 65% MSCI World Index / 35% Bloomberg Global Aggregate Bond (CAD-hedged) Index. In all cases, the benchmark changes were applied from that date forward. Series MF MER: 2.31%, Series F MER: 1.21%, as of March 31, 2026. +Performance Start Date (PSD): August 27, 2007 (Series MF); August 27, 2007 (Series F). Benchmark PSD reflects the PSD of Series MF.

For the quarter ended June 30, 2026, AGF Global Sustainable Balanced Class (series MF) underperformed its blended benchmark of 65% MSCI World Net Index / 35% Bloomberg Global Aggregate Bond (CAD Hedged) Index, on a net-of-fees basis.

Global equities significantly outperformed global bonds over the period. Allocation contribution, which reflects the effectiveness of asset-class positioning, was an overall detractor from performance over the period, while selection contribution, which measures the impact of underlying fund selection, was also an overall detractor from performance.

In the equity portfolio, security selection in the Industrials and Energy sectors were the top contributors to performance, whereas security selection in the Information Technology and Consumer Discretionary sectors were the top detractors from performance.

In the fixed income portfolio, an overweight allocation and security selection in Corporate Bonds was the top contributors to performance, whereas an overweight allocation to cash and security selection in Government-related Bonds were the top detractors from performance.

Market Outlook

The investment team takes a rigorous, disciplined thematic approach, directing capital toward companies whose products and services contribute to positive, measurable outcomes for society and the environment while never losing sight of long-term financial performance. The conviction that capital can play a constructive role in addressing the world's most pressing sustainability challenges guides the Fund's positioning across four key pillars - and currently is most heavily weighted toward the energy transition.

We believe that explosive growth in AI data centers, electric vehicle adoption, greater climate-control needs, and the return of heavy manufacturing are the new drivers of long-term electricity demand, storage and grid modernization, while redefining power-system economics. Sustainability opportunities could be in electrification, grid resilience, and climate-resilient infrastructure.

As climate risks and energy costs intensify, investment in sustainability could increasingly be viewed as essential rather than discretionary. Despite near-term setbacks, the secular growth trajectory for the energy transition remains in place, offering compelling opportunities for investors.

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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Published: August 5, 2026.