

AGF Multi-Asset Balanced Income Portfolio

Fund Commentary

Q2 | 2026

Morningstar Category

Global Neutral Balanced

Inception Date

April 19, 2012 (Series MF)
April 19, 2012 (Series F)

Portfolio Managers

AGF Investments Inc.
David Stonehouse, Head of North American & Specialty Investments & Portfolio Manager
Stephen Duench, VP & Portfolio Manager
Tom Nakamura, VP, Head of Fixed Income & Currencies & Portfolio Manager

Market Overview

The global economy was characterized by divergent growth trajectories during the reporting period, driven by the geopolitical conflict in the Middle East and energy price shocks. In the United States, the first-quarter Gross Domestic Product growth rate rose to 2.1%, while the labour market remained broadly stable and the unemployment rate declined slightly to 4.2% in June. Headline inflation rose to 4.2% in May on higher energy prices. The U.S. Federal Reserve (Fed) held its federal funds rate steady in the 3.50% to 3.75% range and indicated a more hawkish tilt. The Eurozone economy shrank by 0.1% in the first quarter, however, the European Central Bank prioritized sticky inflation, lifting its policy rate by 25 basis points to 2.4% in June. Canadian economic growth stalled in the first calendar quarter of 2026, but early data is projecting a rebound in the second quarter. The Bank of Canada held its interest rate steady at 2.25% to balance recessionary risks against elevated energy costs.

Global equities, represented by the MSCI All Country World Index generated gains in the second quarter, primarily driven by earnings related momentum and geopolitical stabilization. Information Technology and Industrials led the market, driven by earnings visibility, higher capital expenditures and popularity of infrastructure themes. Financials advanced on stable credit conditions and policy clarity. Energy was the biggest laggard, as oil prices corrected sharply on indications of a potential resolution of the U.S.-Iran conflict. Small caps outperformed large caps amid earnings certainty; growth outpaced value on technology leadership. Equal-weighted indices lagged cap-weighted benchmarks, indicating narrow breadth.

Global bond markets delivered positive returns during the period, primarily due to a combination of lower yields in select economies, and strong corporate credit fundamentals resulting in tightening credit spreads. U.S. Treasury yields faced upward pressure from higher inflation and tighter monetary policies from select major central banks. Within fixed income markets, credit sectors outperformed sovereign bonds, due to compression of credit spreads, rising yields along with resilient corporate fundamentals, and the negative impact of record government borrowing on sovereign debt. Global investment-grade (IG) underperformed high-yield (HY) corporate bonds, on a relative basis, as a risk on environment favoured higher beta categories. Additionally, floating-rate loans, which was the second highest performing category, generated positive returns by capturing higher coupon income amid rising Treasury yields, completely insulated from interest rate risk.

Fund Overview | June 30, 2026

Annualized Performance in CAD, Net of Fees	3 Mo.	1 Yr.	3 Yr.	5 Yr.	10 Yr.	PSD*
AGF Multi-Asset Balanced Income Portfolio - Series MF^	4.1%	9.2%	9.3%	5.4%	5.1%	5.7%
AGF Multi-Asset Balanced Income Portfolio - Series F^	4.4%	10.5%	10.6%	6.6%	6.3%	7.0%
Benchmark*	7.8%	18.9%	16.0%	9.4%	9.0%	9.3%

Source: AGF Investments. One cannot invest directly in an index. **Past performance is not indicative of future results.** ^Effective September 30, 2025, AGF Equity Income Fund was renamed to AGF Multi-Asset Balanced Income Portfolio. *25% S&P/TSX Composite Index / 25% BBG Canada Aggregate Index / 25% MSCI All Country World Index / 25% BBG Global High Yield Index. On November 1, 2018, AGF Multi-Asset Balanced Income Portfolio benchmark changed to a blended index of 25% S&P/TSX Composite Index / 25% FTSE Canada Universe Index / 25% MSCI All Country World Index / 25% Bloomberg Global High Yield Index. Then on September 1, 2019, the benchmark changed to a blended index of 25% S&P/TSX Composite Index / 25% Bloomberg Canadian Aggregate Bond Index / 25% MSCI All Country World Index / 25% Bloomberg Global High Yield Index. In both cases, the benchmark changes were applied from that date forward. Series MF MER: 2.24%, Series F MER: 1.06%, as of March 31, 2026. *Performance Start Date (PSD): May 8, 2012 (Series MF); June 27, 2012 (Series F). Benchmark PSD reflects the PSD of Series MF.

For the quarter ended June 30, 2026, AGF Multi-Asset Balanced Income Portfolio underperformed its blended benchmark on a net-of-fees basis. 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. Selection of AGF Fixed Income Plus Fund, AGF Credit Opportunities Fund and AGF Systematic Global Infrastructure ETF were the top contributors to performance, whereas AGF Global Dividend Fund and AGF Total Return Bond Fund were the main detractors from performance.

Market Outlook

Our equity positioning continues to be anchored in sectors and asset classes benefiting from infrastructure spending and durable growth drivers, which are driving capital investment across technology and AI investments. Equity markets remain focused on headline risks, including inflation pressures, geopolitical uncertainty, and rising global deficits. Opportunities remain compelling in Financials, Industrials and Consumer Staples due to strong cash flows and the fund's value bias.

Elevated yields relative to historical norms continue to offer an attractive return profile. Corporate debt allocation continues to reinforce investor confidence, supported by financial discipline, transparency, and reliable income and attractive relative value across investment-grade and select high-yield sectors.

Global corporate debt continues to offer an attractive investment case, as Central Banks begin to shift towards more hawkish messaging despite recent volatility. Global government bond yields are close to decade highs, presenting potential opportunities for income and downside protection. Global monetary policy is likely to become less accommodative in 2026 owing to the sustained inflation pressures, alongside strength in the labour market and higher-than-expected economic growth. The Fund Manager remains vigilant of the impact of rising sovereign debt along with the potential for further escalation of geopolitical tensions.

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.

"Bloomberg®" and Bloomberg Global High Yield Index and Bloomberg Canadian Aggregate Bond Index are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by AGF Management Limited and its subsidiaries. Bloomberg is not affiliated with AGF Management Limited or its subsidiaries, and Bloomberg does not approve, endorse, review or recommend AGF Multi-Asset Balanced Income Portfolio. Bloomberg does not guarantee the timeliness, accurateness, or completeness, of any data or information relating to AGF Multi-Asset Balanced Income Portfolio. All rights in the FTSE Canada Universe Index (the "Index") vest in FTSE International Limited ("FTSE"). "FTSE®" is a trade mark of the London Stock Exchange Group of companies and is used by FTSE under license. AGF Multi-Asset Balanced Income Portfolio has been developed solely by AGF Investments Inc. The Index is calculated by FTSE or its agent. FTSE and its licensors are not connected to and do not sponsor, advise, recommend, endorse or promote AGF Multi-Asset Balanced Income Portfolio and do not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Index or (b) investment in or operation of AGF Multi-Asset Balanced Income Portfolio. FTSE makes no claim, prediction, warranty or representation either as to the results to be obtained from AGF Multi-Asset Balanced Income Portfolio or the suitability of the Index for the purpose to which it is being put by AGF Investments Inc. 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)

© 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 11, 2026.