AGF Global Convertible Bond Fund

AGF | Investments

Fund Commentary

Q2 | 2026

Morningstar Category	Inception Date	Portfolio Managers
High Yield Fixed Income	December 18, 2014 (Series MF) December 18, 2014 (Series F)	**AGF Investments Inc.** **David Stonehouse**, Head of North American & Specialty Investments & 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 and continues to hold above the U.S. Federal Reserve's (Fed) 2% target rate. The Fed held its federal funds rate steady in the 3.50% to 3.75% range but signaled a commitment to price stability 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 by 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.

The Bank of Japan raised its policy rate by 25 bps to a 31-year high of 1% in June, to manage persistent energy cost pressures on production and employment. Emerging market (EM) returns were strongly positive across asset classes over the quarter, supported by higher real yields and improving policy frameworks. South Korea and Taiwan benefited from their positioning in artificial intelligence (AI)-driven value chain trade, while Brazil, Mexico and Argentina benefitted from the trade in commodities and near-shoring of supply chains.

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.

5790788

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 Convertible Bond Fund - Series MF	13.4%	27.6%	16.1%	6.2%	9.0%	7.6%
AGF Global Convertible Bond Fund - Series F	13.7%	28.9%	17.3%	7.2%	9.9%	8.4%
Benchmark*	15.9%	30.3%	18.1%	7.1%	10.9%	9.5%

Source: AGF Investments. One cannot invest directly in an index. **Past performance is not indicative of future results.** *Bloomberg Global Convertibles Index. Effective December 1, 2016, AGF Global Convertible Bond Fund ('the Fund') benchmark (Bloomberg Global Convertibles Index) is presented in U.S.-dollar terms. This change, from Canadian- to U.S.-dollar performance, has been applied retroactively to the Fund's performance start date. U.S.-dollar performance is more reflective of the client experience given the currency exposure and hedging policies of the fund. Series MF MER: 1.92%, Series F MER: 0.89%, as of March 31, 2026. +Performance Start Date (PSD): January 8, 2015 (Series MF); January 12, 2015 (Series F). Benchmark PSD reflects the PSD of Series MF.

For the quarter ended June 30, 2026, AGF Global Convertible Bond Fund underperformed the Bloomberg Global Convertibles Composite Index. Category allocation was a contributor and security selection was also a contributor to performance during the period.

The Fund's largest category contribution came from an out-of-benchmark allocation to Equity, resulting from past conversion events. The Fund's largest category detraction came from an overweight allocation to Cash.

Within Sectors, security selection was a contributor. Security selection effects in Technology and Consumer non-Cyclicals were the largest contributors, but were partially offset by negative effects in Financial Institutions and Transportation.

From a regional standpoint, an overweight allocation to Western Europe and Asia Pacific was a contributor, as well as the security selection within North America. On the other hand, security selection in Western Europe detracted from performance.

Market Outlook

The Fund Manager remains selective with a disciplined strategy focused on quality issuers of convertible bonds with strong fundamentals and capable of supporting debt servicing, along with a focus on tactical delta management and sector positioning. The asset class's relatively low duration profile and positive correlation with equity markets could provide meaningful hedging benefits in a rising yield environment, while taking advantage of global growth trends.

Global convertible bonds continue to offer an attractive investment case, as global Central Banks' policies are likely to diverge as they begin to shift towards more hawkish messaging. Additionally, issuance trends have remained strong, showcasing relative strength in the category. We can expect interest rates in Canada and the U.S. to be dependent on economic growth through the second half of the year, considering the central banks' willingness to look through higher inflationary pressures and their higher-for-longer stance. The fund manager remains constructive on the asset class, but has de-risked the portfolio in expectation of a pullback in the coming months, as markets digest new geopolitical risks and their impact on global growth.

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 Convertibles 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 Global Convertible Bond Fund. Bloomberg does not guarantee the timeliness, accurateness, or completeness, of any data or information relating to AGF Global Convertible Bond Fund.

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.

Published: August 11, 2026.