AGF | Investments

Fund Commentary

Q2 | 2026

Morningstar Category	Inception Date	Portfolio Managers
Emerging Markets Equity	April 18, 2008 (Series MF) April 18, 2008 (Series F)	**AGF Investments Inc.** **Regina Chi**, VP & Portfolio Manager

Market Overview

Emerging markets (EM) equities delivered positive but uneven returns in second quarter of 2026, supported by resilient earnings momentum and sustained artificial intelligence (AI)-driven demand for data centers, semiconductors and related hardware. Gains were led by South Korea and Taiwan, while improving geopolitical conditions provided an additional tailwind. Persistent trade frictions, uneven domestic demand and commodity volatility created periodic headwinds.

Economic growth in South Korea advanced by 1.8% in the first quarter, marking the strongest growth since 2021. Inflation rate accelerated to 3.2% in June, prompting the Bank of Korea to keep interest rates steady. Similarly in Taiwan, rates remained unchanged after inflation went over 2% for the first time in a year in May. The country's economic growth continued to expand albeit at a slower pace than in the previous quarter. China's macroeconomic backdrop remained stable but mixed with growth supported by export demand and manufacturing resilience while domestic consumption is lackluster, and residential real estate is mired in weakness. Real Gross Domestic Product growth for the first quarter stood at 5.0% year-on-year. The People's Bank of China kept the one-year Loan Prime Rate unchanged for the 11th consecutive month, while relying on targeted liquidity injections to support credit conditions. After a difficult start to the year, India's equity market rallied in the second quarter due to a combination of improving domestic fundamentals, better earnings momentum, resilient local liquidity and relief from lower energy prices as the conflict with Iran de-escalated.

Korean equities rallied, leading regional performance on the back of robust semiconductor demand. Taiwanese equities rallied strongly as AI-related technology continued to benefit from strong demand and tight supply. Chinese equities fell, driven by continued weakness in the property sector as well as domestic consumption. Saudi Arabian equities declined during the quarter while parts of emerging Europe lagged, reflecting weaker earnings momentum and limited exposure to the AI investment cycle.

Overall, EM equities outperformed developed markets over the quarter, as strong returns from mega caps in East Asia helped the region. Information Technology and Industrials were the best performing sectors, supported by demand for semiconductors, and capital expenditure cycles. Conversely, Consumer Discretionary and Energy lagged, reflecting softer consumer spending trends and pressure from commodity-price volatility and supply uncertainty. Large cap stocks outperformed small caps amid a preference for earnings visibility.

5742909

Fund Overview | June 30, 2026

Annualized Performance in CAD, Net of Fees	3 Mo.	1 Yr.	3 Yr.	5 Yr.	10 Yr.	PSD+
AGF Emerging Markets Class - Series MF^	28.2%	56.2%	23.1%	8.1%	8.1%	5.1%
AGF Emerging Markets Class - Series F^	28.6%	58.0%	24.5%	9.4%	9.4%	6.2%
Benchmark*	26.6%	50.2%	26.5%	10.6%	11.6%	6.8%

Source: AGF Investments. One cannot invest directly in an index. **Past performance is not indicative of future results.** ^AGF China Focus Class merged into AGF Emerging Market Class on May 22, 2026. AGF Asian Growth Class merged into AGF Emerging Markets Class on May 15, 2020.? The mergers may have a material effect on the performance of the fund. Effective July 5, 2023, AGF Emerging Markets Class?is closed to new investors. The fund will remain available to existing investors, including those with systematic investment plans. *MSCI Emerging Markets Index. Series MF MER: 2.75%, Series F MER: 1.58%, as of March 31, 2026. +Performance Start Date (PSD): April 28, 2008 (Series MF); May 8, 2008 (Series F). Benchmark PSD reflects the PSD of Series MF.

AGF Emerging Markets Class outperformed the MSCI Emerging Markets Index benchmark during the quarter.

Sector allocation and security selection contributed to performance during the quarter. From a sector allocation perspective, an underweight to Consumer Discretionary was the biggest contributor to performance, followed by an overweight to Information Technology. On the other hand, an overweight to Industrials was the largest detractor, followed by an underweight to Financials.

Security selection in the Information Technology and Energy 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 China was the biggest contributor to performance, followed by exposure to South Korea. On the other hand, despite extremely strong absolute returns relative to the benchmark Taiwan was the largest detractor. The Fund's exposure to Peru was the next largest detractor.

In terms of individual holdings, the top contributors to performance were Samsung Electronics Co Ltd, Shengyi Technology Co Ltd and ASE Technology Holding Co Ltd, while the top detractors were Mediatek Inc, AL Rajhi Bank and KT&G Corp.

Samsung Electronics advanced after reporting record quarterly revenue and profit, driven by booming AI memory demand and strong hyperscaler data-center investment. Shengyi Technology shares rose as booming AI server demand fueled triple-digit profit growth and strengthened prospects for high-end laminate materials. Shares of ASE Technology climbed after record revenues from their advanced-packaging line of business, stronger AI-related demand, and an upwardly revised outlook for the rest of the year.

Shares of MediaTek rose over 180% during the quarter on as it is helping Alphabet Inc. create application-specific integrated circuits. The Fund's underweight to MediaTek made it the largest detractor relative to the benchmark. Al Rajhi Bank also slid during the quarter despite double digit profit growth and raised guidance, as broader market caution outweighed strong fundamentals. Shares of KT&G declined as investors took profits after the company reported positive earnings growth. Domestic cigarette-market weakness also weighed on investor sentiment.

5742909

Market Outlook

The portfolio manager follows a concentrated, high-conviction, bottom-up approach, targeting companies with durable competitive advantages, accelerating sales and earnings, and positive revision momentum, supported by disciplined risk management and a focus on the trajectory of value creation. Currently, EMs appear to be in the early stages of a structural growth cycle, led by North Asia and the AI-driven compute buildout, where demand remains robust but supply constrained, while select markets less exposed to technology could benefit as suppliers of critical raw materials and energy inputs, resulting in a more bifurcated landscape across regions and sectors.

The macroeconomic backdrop has remained resilient, though growth has been uneven across regions. While energy disruptions and geopolitical fragmentation have continued to create uncertainty, inflation remains moderate in economies less sensitive to energy prices. Within EMs, countries supported by strong domestic demand may be better positioned to sustain economic growth, while exports could provide an important additional boost. We expect global capital expenditure cycles to continue supporting corporate earnings, even as policy uncertainty and commodity-related risks contribute to periodic volatility. Against this backdrop, we believe EM equities offer attractive long-term investment opportunities, underpinned by structural growth drivers.

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.

AGF Emerging Markets Class invests directly in units of AGF Emerging Markets Fund (the 'Underlying Fund'). The holdings represent the holdings of the Underlying Fund.

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)

All World Tax Advantage Group is a mutual fund corporation that currently offers approximately 20 different classes of securities. In addition to fund diversification by investment style, geography and market capitalization, a key benefit of investing in any of the classes within the group is the possibility of sharing incurred expenses (and losses) of the combined structure, potentially offsetting income earnings to minimize chance of a dividend declaration. For a more detailed explanation, please see AGF.com/disclaimers.

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 13, 2026.