AGF Systematic Global Infrastructure ETF

Fund Commentary

Q2 | 2026

Morningstar Category

Global Infrastructure Equity

Inception Date

February 12, 2018

Portfolio Managers

AGF Investments Inc.
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Market Overview

Global equities posted gains during the second quarter, supported primarily by earnings momentum and easing geopolitical concerns for much of the period. Positive corporate earnings surprises, particularly from companies benefiting from Artificial Intelligence (AI) related investment, helped drive markets higher while falling oil prices alleviated some inflation concerns.

The U.S. economy remained relatively resilient, supported by steady, albeit modestly slower consumer spending and continued expansion in the services sector. Purchasing Managers' Indices (PMIs), which provides an indication of economic activity, remained in expansionary territory throughout the quarter. Inflation, however, proved somewhat more persistent than anticipated, reflecting supply disruptions and elevated input costs, keeping the U.S. Federal Reserve (Fed) cautious and firmly data dependent. Meanwhile, labour market conditions remained stable, supporting economic activity without generating a significant resurgence in inflation pressures.

In Europe, growth remained subdued as weak industrial production and cautious corporate investment weighed on activity, while the European Central Bank raised interest rates to address renewed inflation pressures linked in part to higher energy prices. Japan continued to benefit from improving domestic demand and ongoing corporate governance reforms, although the Bank of Japan's rate increase highlighted its continued move away from ultra-accommodative monetary policy amid persistent currency pressures. Across Asia Pacific, China's outlook improved modestly, supported by targeted policy measures and stronger export activity, though domestic demand remained uneven. Toward quarter-end, easing tensions in the Middle East contributed to a sharp decline in crude oil and several other commodity prices, providing relief to major commodity-importing economies such as Europe, Japan and India.

Global equities, represented by the MSCI All Country World Index, generated positive returns over the quarter, while Real assets, represented by the S&P Goldman Sachs Commodity Index declined. Energy was the weakest performing sector within real assets, with crude oil prices reversing sharply towards the end of the period. The prospect of a U.S.–Iran peace agreement alleviated concerns over any further supply disruptions from the Middle East. Precious metals also delivered negative returns, as prices of gold, silver, and platinum retreated amid a stronger US dollar and fading safe-haven demand as investors rotated out of defensive sectors.

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Fund Overview | June 30, 2026

Annualized Performance in CAD, Net of Fees	3 Mo.	1 Yr.	3 Yr.	5 Yr.	10 Yr.	PSD+
AGF Systematic Global Infrastructure ETF^	3.6%	23.4%	18.2%	12.4%	-	10.4%
Benchmark*	1.5%	17.1%	15.2%	10.5%	-	9.6%

Source: AGF Investments. One cannot invest directly in an index. **Past performance is not indicative of future results.** ^Effective January 27, 2023, AGF Investments LLC is a subadvisor to AGF Systematic Global Infrastructure ETF. *Dow Jones Brookfield Infrastructure Net Index. MER: 0.45%, as of March 31, 2026. +Performance Start Date (PSD): February 12, 2018.

The Dow Jones Brookfield Infrastructure Net Index, the benchmark, was positive through the second quarter of 2026. AGF Systematic Global Infrastructure ETF (QIF) outperformed its benchmark.

From a factor/style perspective, being overweight in Beta and Momentum added the most value to the Fund. Being overweight in Mid-Capitalization exposure and underweight in Variability detracted the most value from the Fund.

From a country perspective, being underweight in the United States and overweight in Spain added the most value to the Fund. Being underweight in Canada and the United Kingdom detracted the most value from the Fund.

From a sector perspective, an overweight allocation to Industrials and Utilities added the most value to the Fund. Being underweight in Energy and overweight in Information Technology detracted value from the Fund.

Being out-of-benchmark exposure in Quanta Services Inc. added value to the Fund. Headquartered in Houston, U.S.A., Quanta Services provides design, installation and maintenance services for infrastructure in electric power, renewable energy, and utility industries. The company's stock rose over the quarter due to a strong first quarter earnings report and higher-than-expected guidance for 2026, driven by the accelerating demand for grid modernization and AI-driven data centers. The $1 billion stock repurchase program, also contributed to investor optimism.

Being out-of-benchmark exposure in in Constellation Energy Corp. detracted value from the Fund. Headquartered in Baltimore, Maryland, Constellation Energy is the largest producer of emissions-free energy and the largest nuclear energy company in the United States. The stock's decline was driven by regulatory uncertainty surrounding data center energy contracts and significant selling pressure from share lockup expirations. This led to the announcement of a lower-than-expected full-year earnings guidance. The block trade of Constellation shares by institutional shareholders also weighed down the stock price.

Throughout the quarter, QIF decreased exposure to Europe and UK, while increasing exposure to North America.

Throughout the quarter, QIF decreased exposure to RWE AG and National Grid, while increasing exposure to Sempra and Italgas Spa Union Pacific.

Market Outlook

The portfolio manager invests in real assets with the aim of delivering steady, risk-adjusted returns across market cycles. A top-down assessment of macroeconomic conditions, policy trends and market dynamics guides tactical allocation across sectors such as energy, infrastructure, real estate, materials and utilities, enhancing diversification and helping to maintain a measure of inflation resilience. This is combined with a disciplined bottom-up approach to security selection and the use of risk management tools to balance growth, income and volatility, while tactically adjusting exposures as market conditions evolve.

Currently, underlying fundamentals suggest global economic growth is improving into the second half of the year. Industrial manufacturing has rebounded, infrastructure spending remains supportive, and data centre investment continues to drive economic activity. Equity markets have also benefited from strong earnings, particularly in technology, AI investment and companies with durable growth drivers. That said, after strong market returns and fuller valuations, the portfolio manager expects volatility to remain elevated. Overall, the outlook remains constructive, but inflation and pressure on lower-income consumers, rising global deficits, geopolitical uncertainty and ongoing supply-chain risks remain.

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