

AGF Technology and Innovation Strategy



Strategy Commentary

Third Quarter 2025

Strategy Facts

Strategy category:

Global Equity

Benchmark Index:

MSCI World Net Index

Date of inception:

February 2021

Investment style:

Global all-cap growth

Strategy Managers

AGF Investments
Aurito Kundu, Portfolio Manager
Mike Archibald, Portfolio Manager

Market Overview

The third quarter of 2025 marked a period of recovery for global equities and featured several pivotal monetary policy decisions. While central bank actions and geopolitical developments influenced investor sentiment, U.S. equities advanced over the quarter with several major benchmark indexes reaching record highs. The rally was largely supported by the ongoing Artificial Intelligence (AI) boom and the growing expectations of monetary easing.

In July, the U.S. finalized new trade agreements with several key partners, and President Trump's flagship fiscal package dubbed the One Big Beautiful Bill (OB BB), was officially approved. Technology stocks led market gains through the quarter, supported by optimism surrounding AI, stronger-than-expected corporate earnings and the resumption of chip exports to China. Weaker-than-anticipated employment data further fueled expectations for a potential rate cut despite persistent inflation. By August, progress in trade negotiations, a rebound in manufacturing activity and a second-quarter GDP growth rate of 3.8% bolstered overall business confidence. In September, the U.S. Federal Reserve (Fed) adopted a more accommodative policy stance, as Chair Jerome Powell announced a 25-basis-point rate cut aimed at supporting a softening labor market, signaling that employment concerns had begun to outweigh lingering inflationary pressures. The Fed also projected the potential for two additional rate cuts in 2025. Following the announcement, mortgage applications rose as homeowners sought to capitalize on lower borrowing costs, while housing starts declined. Toward the end of the quarter, technology stocks experienced a modest pullback amid renewed concerns about a potential AI-driven market bubble.

European equities advanced over the quarter but lagged their U.S. counterparts. Investor sentiment improved following progress on the U.S.–EU trade agreement and stronger-than-expected corporate earnings results. The European Central Bank paused its easing cycle and held its main refinancing rate steady at 2.15% as inflation remained within the target range. Meanwhile, Chinese equities outperformed U.S. equities and other developed markets, supported by advances in AI, renewed foreign inflows, momentum around the “anti-involution” trade, and progress in U.S.–China trade negotiations.

Within U.S. equities, Communication Services, Information Technology, and Consumer Discretionary sectors

outperformed, supported by robust corporate earnings and continued advancements in AI and automation. Consumer Staples and Health Care lagged, weighed down by policy changes, persistent inflation and fears of an economic slowdown. Additionally, small cap stocks outperformed large caps, while growth stocks led value stocks.

Strategy Overview

During the quarter, AGF Technology & Innovation Strategy outperformed the benchmark, the MSCI World Net Index.

Security selection in Industrials, Information Technology and Financials contributed the most to performance. This was partially offset by security selection in Communication Services, Real Estate and Health Care which detracted from performance.

From a geographic perspective, the Strategy's allocations to the United States, Taiwan and Germany contributed to performance, while the allocations to Japan, China and the Netherlands detracted from performance.

In terms of individual holdings, the top contributors to performance were Kratos Defense & Security Solutions Inc., Robinhood Markets Inc. and Tesla Inc., while the top detractors were Netflix Inc., Axon Enterprise Inc. and CrowdStrike Holdings Inc.

Outlook

Global equities continued to advance over the quarter, driven by resilient corporate earnings, easing inflationary pressures, and increasing investor confidence for a shift toward more accommodative monetary policy. While the U.S. economy has shown signs of moderation, underlying fundamentals remain solid, supporting a constructive outlook. Ongoing fiscal stimulus from the OB BB initiative and deregulation measures under the Trump administration continue to provide meaningful support to growth. Key provisions such as immediate expensing for manufacturing equipment and structures are set to accelerate capital investment, with capex still well below historical peaks, leaving ample room for expansion. Geopolitical risks have eased with ceasefires in key regions and progress in trade negotiations, though tariffs remain a watchpoint. Market leadership remains anchored in innovation and technology, yet participation is broadening as cyclical sectors and select international markets contribute more meaningfully to returns. Within this backdrop, the strategy remains positioned around innovation and macro alignment, targeting opportunities in AI-led

productivity, digital infrastructure, housing recovery, and resilient consumer demand, supporting sustained equity leadership into 2026.

AGF Technology & Innovation Strategy Annualized Returns – Period Ending September 30, 2025

	3 Months	YTD	1 Year	2 Year	3 Year	5 Year	7 Year	10 Year	SPSD ¹
AGF Technology & Innovation Composite (Gross)	12.8%	30.4%	37.4%	37.5%	32.5%	-	-	-	12.0%
AGF Technology & Innovation Composite (Net)	12.6%	29.7%	36.5%	36.6%	31.6%	-	-	-	11.3%
MSCI World Net Index*	7.3%	17.4%	17.2%	27.3%	26.0%	-	-	-	14.0%
Gross Excess Return	5.5%	13.0%	20.2%	10.3%	6.5%	-	-	-	-2.0%
Net Excess Return	5.3%	12.3%	19.2%	9.3%	5.6%	-	-	-	-2.7%

Source: AGF Investments as at September 30, 2025. **Past performance is not indicative of future results.** Strategy performance is based on the AGF Technology & Innovation Strategy GIPS-compliant report. Performance is in U.S. dollars (US\$) and displays gross returns and net-of-fee returns. Net-of-fee returns are calculated by deducting the maximum institutional fee charged from the gross-of-fee return. One cannot invest directly in an index.

Strategy performance is based on the GIPS AGF Technology & Innovation Strategy Composite. The performance presented is gross and net of fees; rates of return for greater than one year have been annualized. Net-of-fees returns are calculated by deducting the maximum institutional fee charged from the gross-of-fee return. Actual fees may vary depending upon the fee schedule and size.

Past performance is not indicative of future performance. The value of investments and the income from them can fall as well as rise. Investments denominated in foreign currencies are subject to fluctuations in exchange rates, which may have an adverse effect on the value of the investments, sale proceeds, and on dividend or interest income. Investors may not necessarily recoup the full value of their original investment. Investors should be aware that forward looking statements and forecasts may not be realized.

The information contained herein was provided by AGF Investments as at September 30, 2025 and intends to provide you with information related to AGF Technology & Innovation Strategy at a point in time. It is not intended to be investment advice applicable to any specific circumstances and should not be construed as investment advice. Market conditions may change, impacting the composition of a portfolio. AGF Investments assumes no responsibility for any investment decisions made based on the information provided herein.

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Performance shown is based on the AGF Technology & Innovation Strategy Composite. The model is a non-discretionary product of AGF Investments LLC available to institutional clients with separately managed account programs. Institutional clients currently subscribe to the model and implement the mandate at their discretion for their clients based on their clients' individual suitability requirements. AGF Investments LLC does not manage the accounts of these institutional clients. Past performance is not necessarily indicative of future results. Investors are expected to obtain professional investment advice.

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. It should not be assumed that an investment in the strategy will be profitable or that the strategy will be able to meet its investment objective.

Past performance is not indicative of future performance. The value of investments and the income from them can fall as well as rise. Investments denominated in foreign currencies are subject to fluctuations in exchange rates, which may have an adverse effect on the value of the investments, sale proceeds, and on dividend or interest income. Investors may not necessarily recoup the full value of their original investment. Investors should be aware that forward looking statements and forecasts may not be realized.

An Investment in the AGF Technology & Innovation Strategy is subject to risks including but not limited to: **Technology Risk:** The success of companies that capitalize on major emerging themes often depends on the development and adoption of new technologies. There is a risk that these technologies may not perform as expected or may become obsolete. **Market Risk:** The value of investments in emerging trends and breakthrough innovation can fluctuate due to market conditions, economic events, and political events, potentially leading to losses. **Sector Concentration Risk:** Technology and Innovation strategies are subject to concentration risk, investments may be limited to certain sectors, which can increase volatility and risk. **Economic and Political Risk:** Changes in economic conditions, political events, or international developments can impact the performance of companies involved in development of and advancement of breakthrough innovation. **Regulatory Risk:** Changes in government policies, regulations, and incentives related to technology and breakthrough innovation can significantly impact the performance of these investments. **Currency Risk:** Fluctuations in exchange rates can affect the value of international investments.

It should not be assumed that an investment in the strategy will be profitable or that the strategy will be able to meet its investment objective.

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AGF Technology & Innovation GIPS Composite Report (USD) – January 1, 2024 – December 31, 2024

Year	Gross of Fee Composite Return (%)	Net of Fee Composite Return (%)	Benchmark Return (%)	Number of Portfolios	Internal Dispersion (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Composite AUM (USD\$ mil)	Firm AUM (USD\$ mil)*
2021*	11.31	10.66	23.18	1	N/A	N/A	N/A	0.35	26,706
2022	-32.91	-33.39	-18.84	1	N/A	N/A	N/A	0.24	23,091
2023	32.32	31.42	25.95	1	N/A	N/A	N/A	0.31	24,659
2024	30.78	29.89	23.45	1	N/A	20.92	16.89	0.41	26,367

Compliance Statement

AGF Investments claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. AGF Investments has been independently verified for the periods January 1, 2006 - December 31, 2024.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firmwide basis.

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Firm Description

AGF Investments is comprised of various subsidiaries of AGF Management Limited, a Canadian Reporting issuer, who manage and advise on a variety of investment solutions for clients globally.

As of December 31, 2024, the subsidiaries included in AGF Investments are AGF Investments Inc. (AGFI), AGF Investments America Inc. (AGFA), AGF Investments LLC (AGFUS) and AGF International Advisors Company Limited (AGFIA). 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.

Composite Description

The AGF Technology & Innovation Strategy Composite includes all portfolios that invest primarily in shares of companies that capitalize on emerging trends and breakthrough innovation.

The AGF Technology & Health Care Innovation Strategy Composite has been renamed to AGF Technology & Innovation Strategy Composite, effective July 1, 2024. This change reflects a shift in the investment objective to allow for broader sector exposure. The investment strategy remains unchanged.

Composite Creation Date and Inception Date

The composite was created in February 2021. The composite's inception was in February 2021.

Benchmark Description

The benchmark is MSCI World Net Index. Prior to July 1, 2024, the benchmark was 50% MSCI All Country World Index (ACWI) Information Technology Index/50% MSCI ACWI Health Care Index. The MSCI ACWI Information Technology Index, the MSCI ACWI Health Care Index, and the MSCI World Net Index are free-float weighted equity indices.

Currency

Valuations and returns are computed and stated in U.S. Dollars.

Minimum Portfolio Size

There is no minimum portfolio size required for inclusion into the composite.

Calculation Methodology

Results reflect the reinvestment of dividends, income and other earnings.

Gross-of-fees returns are presented before management expenses and custodial fees, but after all trading expenses and withholding taxes.

Net of fees returns are calculated by deducting the maximum institutional fee charged from the gross of fee return.

Composite returns are calculated using asset-weighted returns by weighing the individual account returns using beginning-of-period values.

Internal Dispersion Measure

Internal dispersion is calculated using the asset-weighted standard deviation of all accounts included in the composite for the entire year; it is not presented for periods less than one year or when there were five or fewer portfolios in the composite for the entire year as this is not considered meaningful.

Three-year Annualized Ex-post Standard Deviation

The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The standard deviation is presented once the composite has three full calendar years of performance. Gross returns are used to calculate risk measures.

Fee Schedule

The maximum management fee for the Strategy is 0.70% per annum.

Additional Information

The portfolios in this composite are valued at systematic adjusted fair value.

Policies for fair value and systematic adjusted fair value portfolios, calculating performance, preparing compliant presentations, and a complete list and description of firm composites are available upon request at GIPS@AGF.com.

Past performance does not guarantee future results.