AGF U.S. Large Cap Growth Equity

AGF

As of August 31, 2024

Investment Philosophy

The team's objective is to capture leading growth companies in every investment cycle. Every stock the team holds is a buy each day, or it is sold.

The team uses an opportunistic bottom-up approach with front-end quantitative screens that seek to identify high-quality growth companies that aim to successfully generate sustainable above-average growth for revenues, earnings, and cash flow.

Investment Process Overview

Investment Process

We employ a bottom-up stock selection process based on in-depth fundamental research. Our process begins with an investment universe of over 1900 securities consisting of U.S. companies with a market capitalization greater than US$2 billion.

Idea generation may involve, but is not limited to, a quantitative screen. A good investment idea for the portfolio can also originate from management meetings (e.g. asking management teams who are their suppliers or competitors), attending industry conferences, or from sell-side generated research. A good idea, however, must screen well on our proprietary quantitative framework which prioritizes revenue growth, but also examines other growth metrics such as earnings growth, positive revisions, and rising cash flow. Growth measures are viewed from both an absolute and relative basis, as well as a historical perspective in conjunction with an examination of sustainability into the foreseeable future.

Research models and external databases are utilized to determine these characteristics for each company. The qualitative analysis continues to narrow the investable universe to 200+ companies through on-going, targeted research. This analysis identifies strong companies with leading product or service innovations, strong management and industry leaders in attractive markets. Company valuations are constantly monitored on both an absolute and relative basis compared to a peer group and the market, and valuation is also considered on a relative basis considering the long-term growth expectations. The rigorous bottom-up research process aims to ensure each candidate for inclusion exhibits strong fundamentals.

The catalyst identification process further reduces the universe to 100+ companies, singling out potential purchase candidates. Factors scrutinized at this stage include market share trends, research and development (R&D), free cash flow generation and profitability. These factors are included in evaluating a company's ability to grow at above average rates. Innovation and the allocation of spending to R&D are closely monitored, as is the productivity of this spending. Our resulting high-conviction portfolio consists of 30-50 companies that exhibit strong growth characteristics.

Quick Facts

Investment Style
Growth

Investment Approach
Fundamental, Bottom up

Inception Date
June 28, 1957

Benchmark
S&P 500 Index

Investment Team

Tony Genua , SVP & Portfolio Manager

Mike Archibald , CFA®, CMT, CAIA, VP & Portfolio Manager

Auritro Kundu , MBA, Portfolio Manager

Additional investment resources

Canada: 48

United States: 4

Ireland: 1

The AGF U.S. Large Cap Growth Equity Strategy is not an ESG or SRI strategy, however, in evaluating and researching securities within the framework of the strategy, ESG factors are one of many considered.
^Inception date is of the Composite for the AGF U.S. Large Cap Growth Equity strategy.

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AGF U.S. Large Cap Growth Equity

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As of August 31, 2024

Annualized Performance (%) - USD

	Gross	Net [θ]	Benchmark *	Active (Gross)	Active (Net)
3 mo.	7.7	7.6	7.4	0.3	0.2
YTD	22.9	22.5	19.5	3.4	2.9
1 year	31.7	30.9	27.1	4.5	3.7
2 year	20.4	19.6	21.4	-1.1	-1.8
3 year	11.2	10.5	9.4	1.8	1.2
4 year	16.3	15.6	14.5	1.9	1.2
5 year	20.6	19.9	15.9	4.7	4.0
7 year	17.3	16.6	14.5	2.8	2.1
10 year	15.2	14.5	13.0	2.2	1.5
SPSD[1]	12.7	11.9	10.6	2.1	1.4

Top 10 Holdings (% of total assets)

Total Holdings: **0**

Company Name	Country	Sector	Weight^
NVIDIA Corp.	United States	Info. Tech.	8.4
Amazon.com Inc.	United States	Cons. Disc.	6.5
Eli Lilly and Co.	United States	Health Care	6.0
Intuitive Surgical Inc.	United States	Health Care	4.4
Booz Allen Hamilton Holding Corp.	United States	Industrials	4.4
Boston Scientific Corp.	United States	Health Care	4.4
Ameriprise Financial Inc.	United States	Financials	4.3
Raymond James Financial Inc.	United States	Financials	3.9
Iron Mountain Inc. REIT	United States	Real Estate	3.9
ServiceNow Inc.	United States	Info. Tech.	3.7
Total			**49.9**

Calendar Year Performance (%) - USD

	Gross	Net [θ]	Benchmark *	Active (Gross)	Active (Net)
2023	20.7	20.0	26.3	-5.6	-6.3
2022	-13.4	-14.0	-18.1	4.7	4.1
2021	24.6	23.9	28.7	-4.1	-4.8
2020	49.7	48.9	18.4	31.3	30.5
2019	20.7	19.9	31.5	-10.7	-11.6
2018	-2.7	-3.4	-4.4	1.7	1.0
2017	27.6	26.7	21.8	5.8	4.9
2016	7.5	6.7	12.0	-4.5	-5.2
2015	6.1	5.4	1.4	4.7	4.0
2014	5.9	5.2	13.7	-7.8	-8.5

Portfolio Characteristics

	Portfolio ^	Benchmark *
Revenue Growth - Year-over-Year for Last Quarter	12.1%	7.0%
Revenue Growth - 3 Years	11.7%	9.1%
Revenue Growth - 4 Quarters	10.9%	6.7%
Earnings Growth 2023 2024`	45.6%	21.6%
Earnings Growth 2024 2025`	14.0%	12.0%
Estimated Long Term Growth Rate	13.9%	11.5%
Price to Cash Flow	24.3	20.6
Price to Earnings	36.7	29.1
Forward Price to Earnings	25.3	22.9
Price to Earnings Growth	1.9	2.0
Dividend Yield	0.6%	1.2%
Dividend Payout Ratio	16.9%	27.8%

Sector Allocation (%) [2]

	Portfolio ^	Benchmark *	Active
Info. Tech.	24.0	31.0	-7.0
Industrials	18.7	8.5	10.2
Health Care	17.9	12.2	5.7
Financials	15.9	13.3	2.6
Cons. Disc.	9.4	9.7	-0.2
Real Estate	4.2	2.4	1.8
Energy	3.8	3.5	0.3
Utilities	3.7	2.4	1.3
Comm. Serv.	2.3	8.8	-6.4
Cons. Staples	-	6.0	-6.0
Materials	-	2.2	-2.2

Risk Characteristics (3 year annualized) - USD

	Portfolio ^	Benchmark *
Beta	1.1	1.0
Information Ratio	0.3	-
Sharpe Ratio	0.5	0.5
Standard Deviation	19.2%	17.6%
Tracking Error	6.4%	-

Market Cap Allocation - USD

	Portfolio ^	Benchmark *
More than $200 billion	24.9	53.6
$15 to 200 billion	68.7	44.5
$5 to 15 billion	6.4	1.9
Less than $5 billion	0.0	0.0
Weighted Average Market Cap (billions)	511.2	910.3

^AGF U.S. Large Cap Growth Equity Strategy; θPortfolio (net of max. institutional fee) *S&P 500 Index. [1]SPSD June 28, 1957 - The Since Performance Start Date benchmark return is not available as the S&P 500 Index total return was created in 1988, later than the 1957 performance start date of the Strategy.
Performance and risk is based on AGF U.S. Large Cap Growth Equity composite. `Earnings Growth values are using earnings before interest, taxes, depreciation and amortization (EBITDA). Strategy characteristics are based on the AGF U.S. Large Cap Growth Equity (fee paying) representative account. This information is additional to the GIPS-compliant presentation found at the end of the document. Past performance is not indicative of future results. [2]Does not include cash position of 7.70%.
Source: AGF Investments, as at August 31, 2024. This report is not complete without disclaimer.

Disclaimer

All information is in U.S. dollars. Strategy performance is based on the GIPS AGF U.S. Large Cap Growth Equity Composite. The performance presented is gross and net of fees; rates of return for greater than one year have been annualized. AGF Investments uses Canadian dollar gross of fees returns and converts them on a monthly basis using spot rates sourced from Bloomberg. 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 portfolio size. Past performance is not indicative of future results. The AGF U.S. Large Cap Growth Equity Strategy portfolio characteristics in this presentation are based on a single (fee paying) representative account for the strategy within the composite.

The gross performance presented by AGFA is before deducting investment advisory fees but is net of transaction costs. Client returns will be reduced by advisory fees and other expenses. The client is referred to Part II of AGFA's Form ADV for a full disclosure of the fee schedule. As fees are deducted quarterly, the compounding effect will be to increase the impact of the fee by an amount directly related to the gross account performance. For example, on an account with a 0.5% fee, and gross performance of 20% over one year, the compounding effect of the fee will result in performance of approximately 19.4%. A $10,000 initial investment would grow to approximately $14,256 gross of fees, versus $14,000 net of fees, over a two year period.

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 affect 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 realised.

Effective October 31, 2016, the calculation methodology for holdings based portfolio characteristics with the exception of weighted average market cap and active share has changed to a weighted ranking methodology, considered by AGF Investments as a better reflection of the relevant attributes. The new methodology, applied prospectively, applies a ranking to each security, uses the percentage market value weight of the security in the portfolio/benchmark and determines a median of extracted securities to arrive at the portfolio/benchmark characteristic (by summing the weight of securities which have a rank to calculate a rank for the portfolio/benchmark and extracting securities with the same portfolio rank).

The information contained herein is intended to provide you with information related to the AGF U.S. Large Cap Growth Equity Strategy at a point in time. It is not intended to be investment advice applicable to any specific circumstance and should not be construed as investment advice. Market conditions may change impacting the composition of a portfolio. AGF Investments America Inc. assumes no responsibility for any investment decisions made based on the information provided herein.

References to specific securities are presented to illustrate the application of our investment philosophy only and are not to be considered recommendations by AGF Investments America Inc. The specific securities identified and described in this presentation do not represent all of the securities purchased, sold or recommended for the portfolio, and it should not be assumed that investments in the securities identified were or will be profitable.

The AGF U.S. Large Cap Growth Equity Strategy is available to institutional clients via various channels. Clients accessing the strategy through a Separately Managed Account (SMA) platform will experience performance results that differ from results produced by AGF Investments America Inc.'s discretionary management of the strategy based on a number of factors, including but not limited to fees charged, implementation of the strategy by the SMA provider and investment restrictions applicable to each client's account. AGF Investments America Inc. does not have investment authority over client accounts accessing the strategy through a SMA platform.

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AGFA engages one or more affiliates and their personnel in the provision of services under written agreements (including dual employee) among AGFA and its affiliates and under which AGFA supervises the activities of affiliate personnel on behalf of its clients ("Affiliate Resource Arrangements").

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AGF Investments

AGF U.S. Large-Cap Growth Equity Composite (USD)

January 1, 2014 - December 31, 2023

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)
2014	5.90	5.17	13.69	6	0.18	12.63	8.98	2,083.57	24,571
2015	6.11	5.37	1.38	6	0.04	12.22	10.47	1,902.91	18,957
2016	7.47	6.72	11.96	8	0.28	13.62	10.59	2,066.04	20,143
2017	27.60	26.73	21.83	7	0.15	12.13	9.92	2,452.75	23,063
2018	-2.68	-3.36	-4.38	5	N/A	14.60	10.80	1,933.53	20,178
2019	20.71	19.88	31.46	6	N/A	13.80	11.94	2,350.49	23,185
2020	49.69	48.86	18.39	4	N/A	19.23	18.53	2,692.73	24,066
2021	24.61	23.90	28.71	4	N/A	16.56	17.17	3,610.86	26,706
2022	-13.45	-13.97	-18.11	4	N/A	21.17	20.87	3,413.11	23,091
2023	20.71	20.00	26.29	4	N/A	18.74	17.29	4,201.09	24,659

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, 2023.

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 firm-wide basis. The AGF U.S. Large-Cap Growth Equity Composite has had a performance examination for the periods January 1, 2009 to December 31, 2023. The verification and performance examination reports are available upon request.

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Firm Description

Founded in 1957, AGF Management Limited (AGF) is an independent and globally diverse asset management firm. Our companies deliver excellence in investing in the public and private markets through three business lines: AGF Investments, AGF Capital Partners and AGF Private Wealth.

AGF brings a disciplined approach, focused on incorporating sound, responsible and sustainable corporate practices. The firm's collective investment expertise, driven by its fundamental, quantitative and private investing capabilities, extends globally to a wide range of clients, from financial advisors and their clients to high-net worth and institutional investors including pension plans, corporate plans, sovereign wealth funds, endowments and foundations.

Headquartered in Toronto, Canada, AGF has investment operations and client servicing teams on the ground in North America and Europe. AGF serves more than 800,000 investors. AGF trades on the Toronto Stock Exchange under the symbol AGF.B.

*AGF Investments represents AGF's group of companies who manage and advise on a variety of investment solutions managed by its fundamental and quantitative investing teams. AGF Investments Inc. is a wholly-owned subsidiary of AGF Management Limited and conducts the management and advisory of mutual funds in Canada.

Benchmark Description

The benchmark is the S&P 500 Index. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks. The index is designed to measure performance of the U.S. economy through changes in the aggregate market value of 500 stocks representing all major industries.

Composite Description

The U.S. Large-Cap Growth Equity Composite's mandate is to invest primarily in equity securities of established U.S. companies.

Composite Creation Date and Inception Date

The composite was created in January 2011. The composite's inception was in December 2005.

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 0.60% 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.