

Strategy Facts

Strategy category: Global Equity	Benchmark Index: MSCI All Country World Index	Date of inception: May 1995	Investment style: Core	Strategy Managers AGF Investments America Inc. Stephen Way, CFA
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Market Overview

Global equities were volatile and underperformed in the fourth quarter of 2024 due to selloffs in December, despite gains in October and November. Investors priced in the Chinese economic slowdown, conflicts in the Middle East and escalating oil prices. The U.S. Federal Reserve's (Fed's) hawkish stance in December and year-end profit-seeking exacerbated the decline. However, the U.S., Taiwan and a few other equity markets registered positive returns due to large cap and growth stocks out-performing.

The U.S. economic growth rose to 3.1% quarter-on-quarter in the third quarter of 2024, driven by accelerated personal spending on goods and services, fixed investments and government expenditure. Consumer price inflation rose to 2.7% in November from 2.6% in October due mainly to food and transportation prices. The manufacturing sector continued to contract during the quarter but at a slower rate. The unemployment rate in the country also rose from 4.1% in October to 4.2% in November. In response, the Fed lowered interest rates by 50 bps, through two cuts of 25 bps each in November and December, bringing key lending rates to the range of 4.25%-4.5%.

European equities were volatile during the quarter, underperforming global and emerging market equities. They were weighed down by several factors, including geopolitical uncertainties, growing inflation and a lacklustre growth outlook. Consequentially, low investor confidence slowed the flow of investment funds from Europe to the U.S. The European Central Bank initiated two rate cuts of 25 bps over the quarter. In Canada, the Bank of Canada cut interest rates by 50 bps twice over the quarter, bolstered by stable inflation and rising unemployment. Consequentially manufacturing activity expanded over the quarter in Canada. Canadian equities registered modest gains over the quarter, driven by the Information Technology and Financials sectors.

Japanese equities also registered modest gains, driven by rising exports and improved earnings outlook due to a weak Yen. Food and energy prices spurred inflation to 2.9% by November while unemployment remained stable at 2.5%. The contraction in manufacturing slowed while the expansion in the services sector continued in

the fourth quarter. Chinese equities declined over the quarter due to the proposed trade tariffs on Chinese exports and lack of action on stimulus measures. Taiwan's equities outperformed, benefitting from increased demand for Artificial Intelligence (AI)-related equipment.

Strategy Overview

AGF Global Equity Strategy underperformed the MSCI All Country World Index during the quarter. The Information Technology sector was the biggest detractor owing to stock choices and an underweight allocation to the sector. Security selection in Consumer Discretionary detracted. Security selection in Financials also detracted, which was partially offset by an overweight allocation to the sector. This was partially offset by stock selection in Health Care, which contributed the most. An underweight allocation and security selection in Materials also contributed to performance, as did security selection in Communication Services.

From a country perspective, the United States was the biggest detractor from overall performance, followed by Japan and the United Kingdom. On the other hand, France was the biggest contributor, followed by Taiwan and Switzerland.

In terms of individual holdings, the top contributors to performance during the quarter were Alphabet Inc., JPMorgan Chase & Co. and Williams Companies Inc., while some of the top detractors were WH Smith PLC, Keyence Corp. and Samsung Electronics Co. Ltd.

Alphabet is a holding company that operates through Google Services, Google Cloud and other services and is headquartered in the United States. The company's stock value gained following the announcement of a breakthrough in its quantum computing chip, Willow. The chip has possible applications in pharmaceuticals, finance, etc.

Samsung Electronics, headquartered in South Korea manufactures and retails consumer electronics, mobile communications and, also operates in the information technology sector. The company's stock lagged after registering lower-than-expected third quarter profits and reporting a significant drop in the profits of its semiconductor business.

Outlook

We remain optimistic about global equities, driven by a strong U.S. economy, fueled by consumer spending and GDP growth. While economic growth slows from 2023's highs, we expect continued positive momentum, supporting U.S. equities and potentially global leadership. However, we believe tariffs pose a market risk that could affect global economic growth and equity performance in the year ahead.

While U.S. markets exhibit resilience, global economic and geopolitical changes weigh on investor sentiments. Lower taxes and reduced regulations expected in a

Trump regime could catalyze increased economic activity, while the proposed import tariffs could potentially reignite inflationary pressures globally.

We believe the long-term outlook for the U.S. equity markets remains positive, underpinned by positive earnings growth and secular innovative trends including generative artificial intelligence, health and wellness, and reshoring. European markets face concerns with manufacturing contraction and falling new orders. Geopolitical tensions and global conflicts may add inflationary pressures, impacting economic growth and markets. While volatility is expected, we see corrections as potential buying opportunities.

AGF Global Equity Strategy Annualized Returns – Period Ending December 31, 2024

	YTD	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
AGF Global Equity Composite (Gross)	13.6%	13.6%	12.6%	5.4%	8.0%	8.2%	11.1%	7.0%	8.9%	9.1%	8.3%
AGF Global Equity Composite (Net)	12.8%	12.8%	11.8%	4.7%	7.3%	7.5%	10.4%	6.3%	8.2%	8.4%	7.5%
MSCI All Country World Index	18.0%	18.0%	20.4%	5.9%	9.1%	10.6%	13.2%	9.7%	11.5%	11.2%	9.8%
Gross Excess Return	-4.5%	-4.5%	-7.8%	-0.5%	-1.0%	-2.3%	-2.1%	-2.7%	-2.6%	-2.0%	-1.5%
Net Excess Return	-5.2%	-5.2%	-8.6%	-1.2%	-1.8%	-3.1%	-2.9%	-3.4%	-3.3%	-2.8%	-2.3%

Source: AGF Investments as at December 31, 2024. Past performance is not indicative of future results. Performance is based on AGF Global Equity composite, the GIPS-compliant presentation found at the end of the document. Performance is in U.S. dollars (US\$) and displays gross returns and net-of-fee returns. Net-of-fees 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 Global 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 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 realised.

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AGF Global Equity Composite 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	1.89	1.13	4.70	9	0.09	10.95	10.48	1,819.32	24,571
2015	0.82	0.11	-1.84	8	0.62	10.95	10.78	2,036.75	18,957
2016	10.76	9.99	8.48	13	0.33	10.87	11.07	3,446.29	20,143
2017	23.03	22.19	24.62	14	0.66	9.97	10.37	4,348.42	23,063
2018	-14.49	-15.09	-8.93	14	0.71	10.43	10.48	3,688.67	20,178
2019	26.78	25.91	27.30	12	0.34	11.56	11.21	2,794.39	23,185
2020	8.98	8.22	16.82	10	1.28	18.20	18.12	2,703.92	24,066
2021	16.23	15.43	19.04	8	0.84	17.15	16.83	1,621.42	26,706
2022	-7.46	-8.11	-17.96	4	N/A	19.31	19.86	904.77	23,091
2023	11.57	10.80	22.81	5	N/A	14.94	16.27	1,001.03	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 Global Equity Composite has had a performance examination for the periods January 1, 2006 to December 31, 2023. The verification and performance examination reports are available upon request.

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Firm Definition

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.

Composite Description

The Global Equity Composite's mandate is to invest primarily in equities of companies around the world. It may invest up to 25% of its assets in emerging markets equities. The strategy may employ forward currency contracts to hedge foreign exchange risk on underlying securities.

Composite Creation Date

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

Benchmark Description

The benchmark is the MSCI All Country World Index. The MSCI All Country World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.

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 both fair value and 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.