

### Strategy Facts

<b>Strategy category:</b> Global Equity	<b>Benchmark Index:</b> MSCI World Net Index	<b>Date of inception:</b> December 1991	<b>Investment style:</b> Growth	<b>Portfolio Managers</b> AGF Investments America Inc. Martin Grosskopf, MES, MBA
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### Market Overview

The third quarter of 2024 was an eventful period for global equities, with markets in many of the developed economies reaching new highs. The rally was initially driven by the performance of large cap technology stocks. However, later in the quarter, a period of market rotation broadened the equity market's earnings to low and mid cap stocks from concentration in large cap stocks. Major central banks including the U.S. Federal Reserve (Fed), the Bank of Canada (BoC), the Bank of England and the European Central Bank, initiated rate cuts in response to slowing inflation across the regions.

The U.S. economy experienced a 3% quarter-on-quarter growth in the second quarter of 2024, driven by consumer spending, private inventory investment, government spending and non-residential fixed investments. Consumer price inflation slowed to 2.5% in August from 2.9% in July, due to falling energy prices and cooling of food and transportation prices. The Fed eased the federal funds rate for the first time in over four years as a 50 bps cut put key lending rates in the range of 4.75%-5%.

Equity markets in the European Union (EU) endured a contraction in manufacturing, poor economic growth and high energy costs. EU markets recorded positive returns for the quarter; however underperforming global and emerging markets. Canadian equities gained even as the economy recorded a 0.5% growth rate in the second quarter. Unemployment rose to 6.6% in August even as inflation fell to the desired 2% mark. The BoC eased rates in July and September, leading to higher consumer confidence levels and softer contractions in manufacturing activity.

In July, Institutional Shareholder Services ESG introduced new industry average emission intensity data, enhancing its existing climate solutions portfolio. This data aims to assist insurance firms and banks in meeting their obligations regarding mandatory climate-related disclosures. Additionally, in July, the European Securities and Markets Authority released a statement regarding the European Sustainability Reporting Standards, alongside its final report on the enforcement guidelines for sustainability information.

The Corporate Sustainability Due Diligence Directive (CSDDD) was published in the Official Journal of the EU in July. Member states are required to incorporate the CSDDD provisions into their national legislation by July 26, 2026. This directive imposes a due diligence obligation on large companies within the EU as well as non-EU companies that have substantial operations in the EU, aiming to mitigate negative human rights and environmental impacts.

### Strategy Overview

AGF Global Sustainable Growth Equity Strategy outperformed the MSCI World Net Index benchmark during the quarter. The Materials sector was the biggest contributor to performance owing to a favourable overweight allocation to the sector and security selection decisions. Consumer Staples also contributed to performance due to positive security selection. On the other hand, Consumer Discretionary detracted most from overall performance due to adverse security selection. Health Care also detracted owing to security selection decisions and an unfavourable underweight allocation to the sector.

From a country perspective, the Strategy's holdings in the Netherlands, France and Italy contributed the most to overall performance. On the other hand, holdings in the United Kingdom, the United States and Germany detracted.

In terms of individual holdings, the top contributors during the quarter were Sprout Farmers Market Inc., Prysmian Spa, and DSM-Firmenich AG, while the top detractors were Synopsys Inc., Dexcom Inc. and Trex Company Inc.

Prysmian is a manufacturer and supplier of cables and systems to the power and communication industries, headquartered in Milan, Italy. Prysmian's gains were driven by successful tests of its deep-sea submarine cables, high profits in the first half of 2024 and upgraded guidance for the full year as well as its acquisition of US cable producer Encore Wire.

Trex Company is the leading supplier of decking products and accessories for residential and commercial markets, along with outdoor living products in the United States. Trex shares lagged due to lower-than-expected second-quarter sales and a dim outlook for its entry-level products segment. The downward revision of its full-year guidance had a significantly negative impact on value.

### Outlook

The strategy manager believes that 2024 will be a year characterized by steady sustainable project implementations, with expected completion dates falling within the 2026-2027 period. Due to the long-term backing, we believe commitments from policymakers will fuel investments in sustainable technology and infrastructure for the next decade and beyond. We also believe that regardless of the outcome of the 2024 U.S. election, there is a low risk of major change to the tax credits and grants written into law in part due to the impact on the U.S. economy.

The strategy manager continues to maintain a positive outlook on global equities. U.S. inflation has continued to cool off suggesting that market broadening could remain a theme in Q4, a strong tailwind for thematic investing and sustainable stocks. More capital has continued to pour in clean tech and energy such as solar, wind, clean hydrogen at a rate never seen before to take advantage of the Inflation Reduction Act. Hundreds of thousands of new jobs

have been created in the U.S. as well. The real economy has grown as a result. We believe this is the direction of travel not only for the United States, but also globally.

### AGF Global Sustainable Equity Strategy Annualized Returns – Period Ending September 30, 2024

	3 Months	YTD	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
AGF Global Sustainable Equity Composite (Gross)	7.3%	10.4%	22.3%	14.9%	-0.9%	6.4%	10.5%	9.2%	9.3%	10.2%	11.1%	8.9%
AGF Global Sustainable Equity Composite (Net)	7.1%	9.8%	21.5%	14.1%	-1.5%	5.6%	9.8%	8.5%	8.6%	9.5%	10.4%	8.1%
MSCI World Net Index	6.4%	18.9%	32.4%	27.1%	9.1%	13.7%	13.0%	11.1%	11.1%	12.0%	11.9%	10.1%
Gross Excess Return	0.9%	-8.5%	-10.1%	-12.2%	-9.9%	-7.3%	-2.5%	-1.9%	-1.8%	-1.7%	-0.8%	-1.2%
Net Excess Return	0.7%	-9.0%	-10.9%	-13.0%	-10.6%	-8.1%	-3.3%	-2.6%	-2.6%	-2.5%	-1.5%	-2.0%

Source: AGF Investments as at September 30, 2024. Past performance is not indicative of future results. Performance is based on AGF Global Sustainable 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 Sustainable 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 Strategy outlined herein is available to non-Canadian institutional investors via institutional programs and services.

The information contained herein was provided by AGF Investments America Inc. intending to provide you with information related to AGF Global Sustainable Equity 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 America Inc. assumes no responsibility for any investment decisions made based on the information provided herein.

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References to specific securities are presented to illustrate the application of our investment philosophy only 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 recommendations by AGF investments Inc.

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The AGF Global Sustainable 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.

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 America Inc. (AGFA), AGF Investments LLC (AGFUS) and AGF International Advisors Company Limited (AGFIA).

AGFA and AGFUS are registered advisors in the U.S. AGFI is a registered as a portfolio manager across Canadian securities commissions. AGFIA is regulated by the Central Bank of Ireland and registered with the Australian Securities & Investments Commission. The subsidiaries that form AGF Investments manage a variety of mandates comprised of equity, fixed income and balanced assets.

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## AGF Global Sustainable Equity Composite January 1, 2013 – December 31, 2022

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)
2013	27.00	26.51	26.89	1	N/A	15.12	13.63	245.30	25,482
2014	-5.03	-5.49	4.99	2	N/A	12.60	10.25	272.01	24,571
2015	1.23	0.52	-0.87	2	N/A	13.20	10.80	275.56	18,957
2016	5.87	5.14	7.51	3	N/A	13.22	10.91	291.01	20,143
2017	27.77	26.90	22.40	2	N/A	10.94	10.23	365.07	23,063
2018	-10.95	-11.58	-8.71	3	N/A	11.99	10.38	409.74	20,178
2019	30.51	29.61	27.67	5	N/A	12.49	11.14	532.30	23,185
2020	40.96	40.00	15.90	6	N/A	18.87	18.27	826.71	24,066
2021	20.39	19.56	21.82	6	N/A	17.20	17.06	1,335.23	26,706
2022	-26.77	-27.29	-18.14	6	0.81	22.88	20.43	1,013.33	23,091

### 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, 2022.

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 Sustainable Equity Composite has had a performance examination for the periods January 1, 2008 to December 31, 2022. The verification and performance examination reports are available upon request.

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### Firm Definition

AGF Investments is a group of wholly owned subsidiaries of AGF Management Limited, a Canadian reporting issuer. Founded in 1957, AGF Management Limited is a diversified global asset management firm offering investment solutions to a wide range of clients, from individual investors and financial advisors to institutions. AGF Investments has investment operations and client servicing teams in North America, Europe and Asia. AGF Investments offers individuals and institutions a broad array of investment strategies through four key investment management platforms - fundamental, quantitative, private alternatives and private client. The subsidiaries included in AGF Investments are AGF Investments Inc., AGF Investments America Inc., AGF Investments LLC (formerly FFCM LLC), and AGF International Advisors Company Limited.

Effective January 1, 2019, the definition of the firm was revised to include AGFiQ and AGF Investments LLC.

### Composite Description

The Global Sustainable Growth Equity Composite's mandate is to provide capital growth potential by investing in a diversified portfolio of global companies that fit the composite's concept of sustainable development. The mandate focuses on four major themes: energy and energy efficiency, water/waste water solutions, waste management and pollution control and environment and health and safety, while also performing thorough due diligence on company fundamentals.

### Composite Creation Date

The composite was created in January 2008. The composite's inception was in December 2007.

### Benchmark Description

The benchmark is the MSCI World Net Index. The MSCI World Net Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The benchmark from inception to February 28, 2014 was the MSCI World Index ex-Tobacco.

### 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](mailto:GIPS@AGF.com).

Past performance does not guarantee future results.