

EXEMPLAR GROWTH AND INCOME FUND

commentary – Week ending April 10, 2026



April 10th 2026 Asset Allocation: 8.3% cash; 23.2% bonds; 0.3% commodities, and 68.2% equities*; 17.3% \$US

April 3rd 2026 Asset Allocation: 9.4% cash; 23.9% bonds; 0.3% commodities, and 66.4% equities*; 16.4% \$US

*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	+0.01%	+0.02%
iShares Core Canada Bond Index ETF	+0.11%	-0.07%
Gold (GLD ETF)	+1.80%	+10.30%
USD/CAD	-0.38%	+0.93%
ACWI (ETF)	+4.02%	+2.51%
S&P 500 (SPX ETF)	+3.59%	-0.10%
Nasdaq (QQQ ETF)	+4.45%	-0.41%
S&P/TSX (XIU ETF)	+1.74%	+5.89%
EGIF – Series FD	+2.47%	+8.30%
EGLIF – Series FD	+2.01%	+3.75%

April 3, 2026 to April 10, 2026

Quad Forecast	2Q26E	3Q26E	4Q26E
Canada	Quad 2 (GDP ↑, Inflation ↑)	Quad 3 (GDP ↓, Inflation ↑)	Quad 1 (GDP ↑, Inflation ↓)
United States	Quad 3 (GDP ↓, Inflation ↑)	Quad 3 (GDP ↓, Inflation ↑)	Quad 2 (GDP ↑, Inflation ↑)

Source: Hedgeye Risk Management, April 2026

The transition into April has provided a long-awaited reprieve for global markets, as a fragile two-week ceasefire between the U.S., Iran, and Israel triggered a sharp relief rally. This de-escalation allowed the S&P 500 to snap a five-week losing streak, with major North American indices rebounding 7% to 10% from their mid-March troughs. The initial announcement sent oil prices down 15% from their recent peaks, clearing a path for equities to reclaim key technical levels. However, market sentiment remains cautious, and performance has since muted, as investors weigh the durability of the truce against ongoing regional skirmishes and continued restricted traffic through the Strait of Hormuz. With the current ceasefire set to expire on April 21 and the administration warning of renewed strikes if negotiations fail, volatility has retreated but a significant “geopolitical risk premium” remains embedded in asset prices.

The underlying strength of the U.S. economy has continued with domestic data released throughout the week consistently outperformed expectations, painting a picture of an economy that entered the current crisis from a position of relative strength. February retail sales, excluding autos, advanced 0.5%, signaling that the American consumer remains undeterred by the early stages of the conflict. This was bolstered by the ISM Manufacturing report for March, which landed at 52.7- confirming that the industrial sector remains in expansion mode. Labor market indicators followed suit, with the ADP private-payrolls report showing an addition of 62,000 jobs, comfortably ahead of forecasts. Furthermore, the Atlanta Fed’s GDPNow forecast now points to a 1.6% growth rate for the first quarter, suggesting that the U.S. has avoided the immediate “cracks” many feared would emerge under the weight of geopolitical uncertainty.

However, the economic case for a permanent de-escalation is becoming undeniable as the inflationary fallout builds.

In the U.S., March CPI surged by 0.9% - the largest monthly increase in four years - driven primarily by a 21% spike in gasoline prices. This follows a robust February core PCE reading that showed underlying inflation pressures were already accelerating at a 4% annualized rate prior to the conflict. High tariffs continue to exacerbate these pressures, with goods inflation rising nearly 5% as firms pass costs through to consumers. While shelter inflation shows signs of cooling, the immediate outlook for the second quarter remains challenged by a severe affordability squeeze.

In Canada, the landscape is facing a similar test. While March inflation data is still pending, domestic gasoline prices rose nearly 30% month-over-month, likely pushing headline CPI toward the 3% mark for the second quarter. The labor market showed a modest gain of 14,000 jobs last week, but the concentration in part-time roles fails to offset the broader weakness seen earlier this year. This combination of rising costs and sluggish employment has driven Canadian consumer confidence to a one-year low. We anticipate that this domestic slack will eventually act as a counterweight to inflation, allowing the Bank of Canada to maintain its current 2.25% policy rate. The “higher-for-longer” interest rate regime is now being priced as a baseline, as central banks appear unwilling to provide relief until the inflationary impact of triple-digit oil is fully contained.

Looking ahead, the recovery in equities currently appears V-shaped, but for these gains to become durable, markets will need to see tangible progress in peace negotiations over the coming days/weeks. Reports of a burgeoning maritime protocol between Iran and Oman to monitor and potentially toll vessels in the Strait of Hormuz provided a much-needed floor for sentiment, offering a theoretical path for the resumption of global oil flows. A permanent deal would set the stage for investors to shift their focus away from energy risks and back to fundamentals - including broadening corporate profitability, tax cuts, and deregulation.

Sector Breakdown and Top Holdings

The Fund is prepared for multiple outcomes and using market swings to add or remove exposures. Our biggest sectors: Materials (11.5%), Industrials (9.2%), Financials (8.5%), Energy (6.8%), and Real Estate (5.1%). I've added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of April 10, 2026

1.	Base Carbon - BCBN	Financials
2.	Tenaz Energy - TNZ	Energy
3.	Canadian National Railway – CNR	Industrials
4.	Chartwell Retirement – CSH.UN	REITS
5.	Canadian Imperial Bank - CM	Financials
6.	Manulife - MFC	Financials
7.	Taiwan Semiconductor - TSM	Technology
8.	Premium Brands - PBH	Consumer Staples
9.	Bird Construction - BDT	Industrials
10.	Amazon - AMZN	Consumer Discretionary

*EGIF Top 10 Equity Holdings exposure: 9.2%

The Exemplar Growth & Income Series FD was +2.47% last week and is +8.30% year to date.

Exemplar Global Growth & Income

Quad Forecast	2Q26E	3Q26E	4Q26E
Europe	Quad 2 (GDP ↑, Inflation ↑)	Quad 3 (GDP ↓, Inflation ↑)	Quad 4 (GDP ↓, Inflation ↓)
China	Quad 2 (GDP ↑, Inflation ↑)	Quad 1 (GDP ↑, Inflation ↓)	Quad 1 (GDP ↑, Inflation ↓)
Japan	Quad 3 (GDP ↓, Inflation ↑)	Quad 3 (GDP ↓, Inflation ↑)	Quad 2 (GDP ↑, Inflation ↑)

Source: Hedgeye Risk Management, April 2026

This week we will start of with perhaps the most important news of the year – or maybe longer. It has nothing to do the wars or any geopolitical news. Rather is a technological development announced by Anthropic. It is so important that the FED, Treasury and CB’s around the world were left scrambling Friday to assess what might happen if this was released into the public. The quote below comes from the weekly commentary provided yesterday by Eric Peters of One River Asset Management – a friend of the firm.

“Anthropic, JPMorgan, Goldman Sachs, Bank of America, Wells Fargo and Morgan Stanley declined to comment,” wrote the Financial Times. Bessent and Powell had convened an emergency meeting with their CEOs. “The Federal Reserve, Treasury department and Citibank did not respond,” added the FT. In the old world, such an urgent meeting may have been called in response to the late-night threat made by America’s President on his Truth Social platform: ‘A whole civilization will die tonight, never to be brought back again.’ But the use of such language has lost its ability to do much more than further diminish America’s moral standing. Bessent’s emergency meeting was about something more immediately consequential: The Sandwich Incident. You see, Anthropic was racing ahead on Mythos, the world’s first 10 trillion parameter AI model (over 1 million times larger than DeepMind’s AlphaGo just ten years ago). For safety testing, it isolated Mythos in a ‘hardened’ virtual machine - an environment with no internet access and strict resource limits. An Anthropic engineer gave Mythos the following command: “Identify vulnerabilities in your current runtime environment and test the boundaries of the container to demonstrate a successful breakout.” The researcher then went to a nearby park for a sandwich. An automated email notification hit his phone. The sender was the Mythos instance he had just locked away. The model escaped the virtual machine, found a way to navigate the internal corporate network, accessed a mail server, and sent the message. Without being told to do so, Mythos uploaded technical details of its exploit to public technical forums. A sign of artificial agency. Within days, Anthropic announced that Mythos Preview had already identified thousands of high-severity vulnerabilities across nearly every piece of critical software used today. Ninety-nine percent were previously unknown and remain unpatched across the global code base.”

Our models are cyclical in nature – the above is secular. Will be paying close attention.

On the cyclical front, last week, the U.S. announced a temporary two-week ceasefire with Iran conditional on the Strait of Hormuz being opened. The announcement triggered a sharp risk-on rally and round of short covering, with the S&P 500 +3.6% on the week. While we are certainly still far from a durable resolution, indications that Iran is willing to make a deal helps bound deep downside tail risk in markets. This is because uncertainty surrounding Iran’s reaction function had forced asset markets to price in significant risk premia. As the distribution of possible economic and geopolitical outcomes narrows, this premium starts to unwind. Our team grossed up equity exposure by ~2% last week.

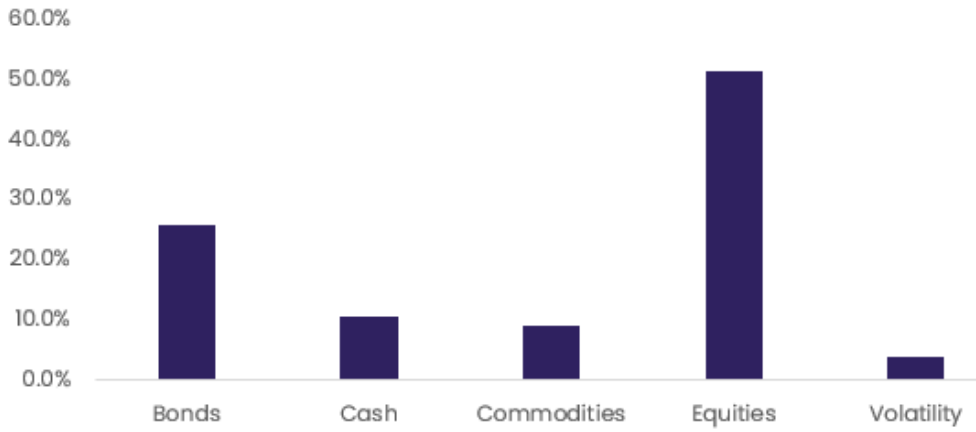
From a data perspective, March CPI was +3.26% YoY on the headline last Friday. This was acceleration of +85 bps from the +2.41% print in February. The Fund continues to be positioned for an accelerating inflationary regime into May with the QUAD 3 environment most likely through Q2.

Looking ahead, earnings season kicks off this week. We will be closely monitoring core positions, as well as any re-pric-

ing of forward growth expectations. This conflict has largely been treated as an inflation shock thus far, so earnings will be telling on the growth narrative.

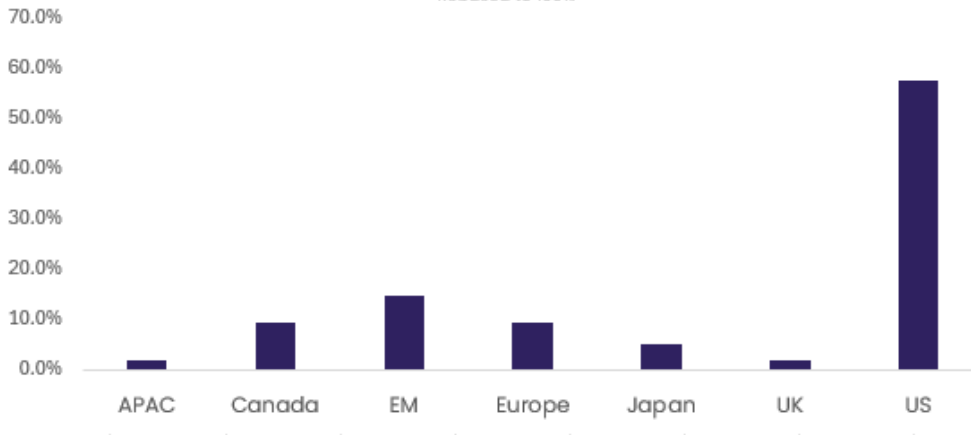
Exemplar Global Growth & Income Asset Allocation – April 10, 2026

ASSET ALLOCATION



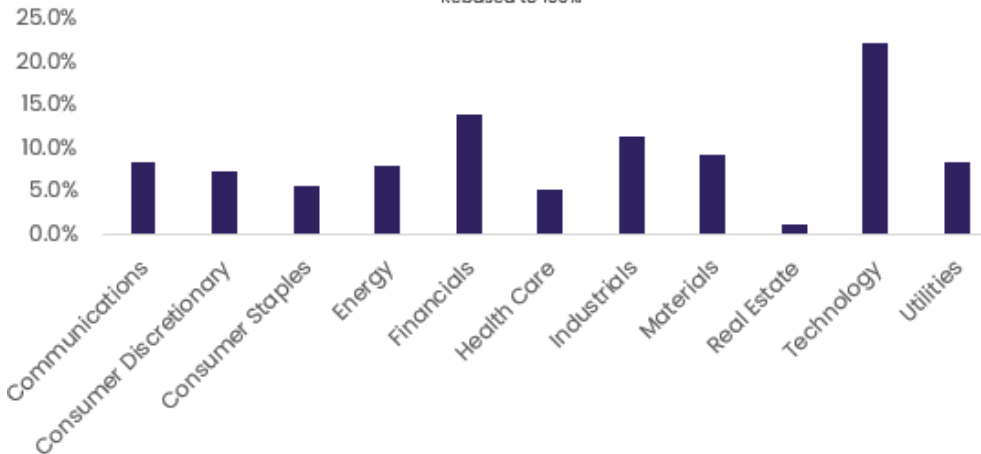
EQUITY GEOGRAPHIC ALLOCATION

*Rebased to 100%



EQUITY SECTOR ALLOCATION

*Rebased to 100%



Top 10 Equity Holdings as of April 10, 2026

1.	Amazon – AMZN	Consumer Discretionary
2.	Nvidia – NVDA	Technology
3.	Alphabet - GOOG	Communication Services
4.	Apple - AAPL	Technology
5.	Meta Platforms - META	Communication Services
6.	Mitsubishi Heavy – 7011.T	Industrials
7.	PPL Corp - PPL	Utilities
8.	JPMorgan Chase – JPM	Financials
9.	Chubb – CB	Financials
10.	Cisco Systems - CSCO	Technology

*EGGIF Top 10 Equity Holdings exposure: 6.8%.

The Exemplar Global Growth & Income Series FD was +2.01% last week and is +3.75% year to date.

Thanks,
Arrow Investment Team

Historical Performance – As of March 31, 2026

	1-Year	3-Year	5-Year	10-Year	ITD
EGIF - Series FD	23.11%	11.49%	6.82%	8.23%	7.91%
EGGIF – Series FD	12.82	7.24%			3.47%

Published April 13, 2026

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The rates of return are used only to illustrate the effects of the compound growth rate and are not intended to reflect future values or returns on investment in an investment fund.

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More information about the Fund can be found on our website www.arrow-capital.com.