

# EXEMPLAR GROWTH AND INCOME FUND

## commentary – Week ending August 1, 2025



August 1st 2025 Asset Allocation: 6.8% cash; 27.0% bonds; 5.5% commodities (2.7% GLD ETF/ 1.4% SLV/ 1.3% IBIT/ 0.1% U-U) and 57.9% equities\*; 25.8% \$US

July 25th, 2025 Asset Allocation: 6.8% cash; 27.0% bonds; 5.5% commodities (2.7% GLD ETF/ 1.4% SLV/ 1.3% IBIT/ 0.1% U-U) and 57.9% equities\*; 25.8% \$US

\*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	+1.32%	+5.82%
iShares Core Canada Bond Index ETF	+0.90%	+0.88%
Gold (GLD ETF)	+0.56%	+27.66%
USD/CAD	+0.69%	-4.08%
ACWI (ETF)	-2.70%	+10.04%
S&P 500 (SPX ETF)	-2.41%	+6.72%
Nasdaq (QQQ ETF)	-2.21%	+8.62%
S&P/TSX (XIU ETF)	-1.76%	+10.14%
EGIF – Series FD	-0.80%	+5.13%
EGGIF – Series FD	-2.00%	+3.82%

July 25, 2025 to August 1, 2025

The Federal Reserve and Bank of Canada both held interest rates steady at their recent meetings, but the likelihood of rate cuts has increased significantly. The Fed maintained its target range at 4.25% to 4.5%, though notably, two out of eleven voting members dissented, favoring a cut — the first such split since 1993. Similarly, the Bank of Canada kept its policy rate at 2.75%, following five rate cuts earlier this year. Despite these holds, market expectations for future cuts have shifted meaningfully. After a weak U.S. jobs report, the market is now pricing in an 80% chance of a Fed cut in September, up from just 38% immediately after the July meeting.

A major theme influencing central banks' cautious stance is ongoing uncertainty around tariffs and trade policy. The U.S. has implemented substantial increases in tariff rates, now averaging around 18.3% — the highest since 1934 — with some tariffs reaching as high as 41%. In Canada, the average tariff rate increase is more moderate due to USMCA protections, meaning the effective rate remains close to 5% or lower. While higher tariffs may temporarily raise goods inflation, their long-term impact on overall inflation could be limited, especially considering that services make up a much larger portion of the CPI baskets in both countries.

The July U.S. jobs report marked a clear shift in the labor market. Only 73,000 jobs were added, well below expectations, and prior data was revised downward by approximately 260,000 jobs. The unemployment rate rose slightly to 4.2%, and labor force participation dipped to its lowest level since late 2022. Canada's labor market is also showing signs of strain, with unemployment rising to 6.9% and participation remaining below pre-pandemic levels. These indicators point to a slowing job market and softening economic momentum in both countries.

The Fund is very active increasing and decreasing equity exposure. The Fund will tactically trade equities, either through outright sales or 'shorting'. The Fed has refocused on inflation and getting it back to the 2% target. The FED has lowered interest rates by 100 bps. The Bank of Canada has made seven interest rate cuts so far this cycle, the latest being 25 bps for a total of 225 bps. The direction of Fed Funds and BoC rate are both wait and see mode. Our biggest sectors: Industrials (8.4%), Financials (7.7%), Energy (7.7%), Materials (6.6%) and Real Estate (4.8%). I've added our Top 10 Equity Holdings below for this week.

**Top 10 Equity Holdings as of August 1, 2025**

1.	Chartwell Retirement – CSH.UN	REITS
2.	Canadian Imperial Bank - CM	Financials
3.	Manulife -MFC	Financials
4.	Sun Life – SLF	Financials
5.	Arc Resources – ARX	Energy
6.	Fairfax Financial – FFH	Financials
7.	Enbridge – ENB	Energy
8.	Amazon – AMZN	Consumer Discretionary
9.	Constellation Software – CSU	Technology
10.	Schmid Group – SHMD	Industrials

\*EGIF Top 10 Equity Holdings exposure: 9.6%

The Exemplar Growth & Income Series FD was -0.80% last week and is +5.13% year to date.

**Exemplar Global Growth & Income**

We launched a Global version of our Exemplar Growth & Income Fund in December of 2021. The Fund has the same investment team and investment process that you are familiar with from the Exemplar Growth & Income Fund but with a Global geographical focus. To help show the portfolio differences, we have included the asset allocation for Exemplar Global Growth & Income as well as the top 10 equity holdings and performance below.

August 1st, 2025 Asset Allocation: 2.6% cash; 27.7% bonds; 9.7% commodities and 61.8% equities\*; 17.7% \$US, 1.4% EUR, 1.4% GBP, 0.4% JPY, 1.1% Other

July 25th, 2025 Asset Allocation: 4.3% cash; 15.3% bonds; 9.1% commodities and 73.1% equities\*; 4.4% \$US, 1.4% EUR, 1.6% AUD, 0.4% JPY, 2.1% Other

\*Net exposure to equities

**Top 10 Equity Holdings as of August 1, 2024**

1.	Amazon – AMZN	Consumer Discretionary
2.	Nvidia – NVDA	Technology
3.	Microsoft – MFST	Technology
4.	Alphabet – GOOG	Communication Services
5.	Walmart – WMT	Consumer Staples
6.	Eli Lilly – LLY	Healthcare
7.	Agnico Eagle Mines – AEM	Materials
8.	Rolls-Royce – RR.L	Industrials
9.	RBC Bearings - RBC	Industrials
10.	JP Morgan Chase – JPM	Financials

\*EGGIF Top 10 Equity Holdings exposure: 6.1%

The Exemplar Global Growth & Income Series FD was -2.00% last week and is +3.82% year to date.

Thanks,  
Arrow Investment Team





Historical Performance – As of July 31, 2025

	1-Year	3-Year	5-Year	10-Year	ITD
EGIF - Series FD	12.54%	5.25%	5.74%	6.62%	6.82%
EGGIF – Series FD	7.92%	4.16%			1.89%

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Commissions, trailing commissions, management and performance fees and expenses all may be associated with mutual fund and exchange-traded fund (ETF) investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compound total returns net of fees and expenses payable by the fund (except for figures of one year or less, which are simple total returns) including changes in security value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds and ETFs are not guaranteed, their values change frequently and past performance may not be repeated. You will usually pay brokerage fees to your dealer if you purchase or sell securities of an ETF on recognized Canadian exchanges. If the securities are purchased or sold on these Canadian exchanges, investors may pay more than the current net asset value when buying securities of the ETF and may receive less than the current net asset value when selling them.

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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The comparison presented is intended to illustrate the historical performance of Exemplar Growth and Income Fund (the “Fund”) as compared with the historical performance of a widely quoted market index or a weighted blend of widely quoted market indices or other investments. There are various important differences that may exist between the Fund and the stated indices or other investments that may affect the performance of each. The objectives and strategies of the Fund result in holdings that do not necessarily reflect the constituents of and their weights within the comparable indices. Indexes are unmanaged and their returns do not include any sales charges or fees. It is not possible to invest directly in market indices. Certain statements contained in this communication are based in whole or in part on information provided by third parties and Arrow Capital Management has taken reasonable steps to ensure their accuracy. Market conditions may change which may impact the information contained in this document.

More information about the Fund can be found on our website [www.arrow-capital.com](http://www.arrow-capital.com).