

EXEMPLAR GROWTH AND INCOME FUND

commentary – Week ending February 13, 2026



February 13th 2026 Asset Allocation: 5.4% cash; 24.4% bonds; 0.3% commodities, and 69.9% equities*; 17.1% \$US

February 6th 2026 Asset Allocation: 5.9% cash; 24.4% bonds; 0.3% commodities, and 69.5% equities*; 17.2% \$US

*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	+1.18%	+1.42%
iShares Core Canada Bond Index ETF	+0.99%	+1.63%
Gold (GLD ETF)	+1.57%	+16.73%
USD/CAD	-0.74%	-0.61%
ACWI (ETF)	-0.23%	+3.15%
S&P 500 (SPX ETF)	-1.28%	-0.02%
Nasdaq (QQQ ETF)	-1.27%	-2.02%
S&P/TSX (XIU ETF)	+1.85%	+3.28%
EGIF – Series FD	+0.51%	+5.64%
EKGIF – Series FD	+0.66%	+5.32%

February 6, 2026 to February 13, 2026

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

Source: Hedgeye Risk Management, February 2026

Markets started the week on solid footing but finished lower, as renewed pressure on mega-cap technology stocks weighed on the major indexes. For the week, the S&P 500 (SPY) and the Nasdaq (QQQ) dropped 1.3%, while the Dow slipped 1.2%. Beneath the surface, however, the picture was more balanced. Smaller and mid-cap stocks held up better, and the equal-weighted S&P 500 gained, showing that weakness was concentrated in a handful of large technology names rather than the broader market.

The dominant theme was continued volatility in mega-cap tech, particularly software and certain AI-linked names. Several large companies struggled to hold gains following earnings, and concerns about AI disruption and margin pressure resurfaced. Nvidia, Apple, Amazon, Alphabet and Microsoft all faced bouts of selling during the week. Software stocks were especially choppy, with sharp swings following earnings reports.

At the same time, money rotated into more defensive and rate-sensitive sectors. Utilities were the standout performer, posting strong gains as investors sought stability. Real estate, consumer staples and health care also attracted interest. Energy was volatile, rising mid-week on geopolitical tensions with Iran before pulling back as oil prices declined. Financials struggled overall, weighed down by weakness in banks and select financial services names.

Economic data sent mixed signals but ultimately eased some inflation concerns. The January jobs report showed payroll

growth of 130,000, stronger than expected, with the unemployment rate edging down to 4.3%. That reinforced the view that the economy remains resilient. However, January inflation data was slightly cooler than forecast, with headline CPI rising 0.2% and the year-over-year rate slowing further. Core inflation matched expectations and also decelerated on an annual basis. Together, the data suggested steady growth with gradual disinflation - supportive overall, though strong employment reduced near-term expectations for Federal Reserve rate cuts.

Bond markets responded positively to the softer inflation reading. Treasury yields fell over the course of the week, with the 10-year yield declining meaningfully and shorter-term yields reaching their lowest levels in months. Lower yields helped support rate-sensitive sectors like utilities and real estate.

In short, the market remains split. Large technology names continue to face pressure and drive index volatility, while broader participation is improving in smaller companies, defensive sectors and select cyclical areas. The underlying economic backdrop appears stable, with cooling inflation providing some relief. Until leadership broadens more convincingly beyond mega-cap tech, however, the major indexes may continue to move unevenly despite healthier action underneath the surface.

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 (11.2%), Industrials (9.3%), Financials (8.2%), Energy (8.2%), and Real Estate (5.5%). I've added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of February 13, 2026

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

*EGIF Top 10 Equity Holdings exposure: 9.8%

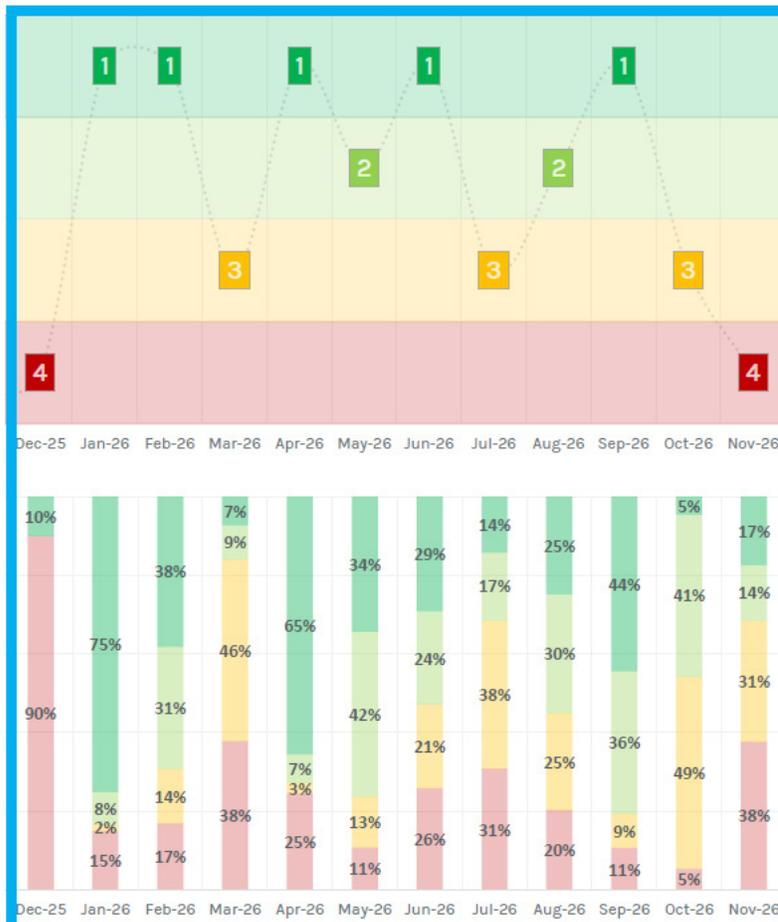
The Exemplar Growth & Income Series FD was +0.51% last week and is +5.64% year to date.

Exemplar Global Growth & Income

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

Source: Hedgeye Risk Management, February 2026

Monthly Quads - U.S.



Source: Hedgeye Risk Management, Feb 2026

Last week saw the important releases of U.S. CPI and NFP employment data. On the CPI front, our view of continued easing in headline inflation was confirmed falling to 2.4% YoY. This was largely the result of falling energy prices (gas below \$2 now) and shelter costs (operate on a long lag). The employment data showed headline strength but as usual the market found evidence of weakness in the details - whether it be the birth/death model changes or the large upward boost in healthcare and education. Combining the previous week's JOLTS data and the NFP data this week, we re left with a slightly negative view on employment trends and thus also a neutral view on wage pressures. The signals in the market are beginning to front run our monthly QUAD 3 forecast for March. The key issue is the rate

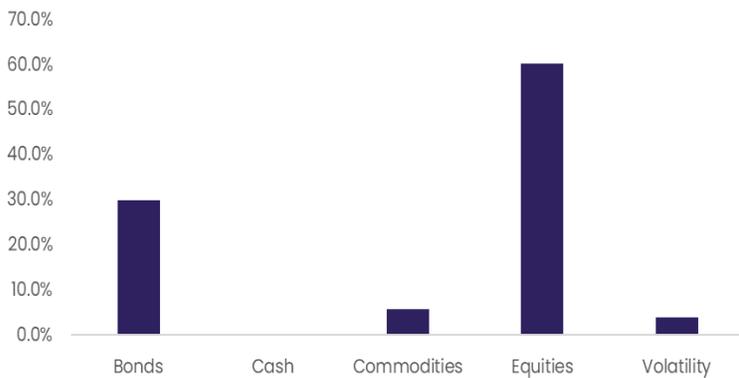
of change fall in real PCE - a small growth set back with a small pick up in CPI. We do not expect this to persist, but we have made some minor changes in terms of asset allocation. We have increased our allocation to fixed income (at the expense of equities) and added sector tilts in favour of defensive sectors like Utilities / Staples and Real Estate and corresponding reductions in Financials and Healthcare. It may come as a surprise but 10yt UST's are now outpacing the S&P in YTD returns.

The AI selloff extended this week from just software to include asset managers, logistics, banks, insurance companies despite the views of many CEO's that productivity would be boosted and the customer value proposition improved. In a "shoot first" type market, any story can create a near panic if associated with AI. One analyst called it a "sector to sector narrative contagion" with the question of the day being "whose terminal value is insulated from zero" in the time of AI! A case in point might be Staples - is it signalling a market "risk off" type performance over the past month or is this sector one of the few which is truly insulated from AI? We would argue some of both in the short run. Adding more grocers and beverage (beer) companies makes sense to us. On that topic we are likely to get the new version of Deep Seek V4 this week and there is a chance we could see a correction in all things AI - which means that semi-conductors (SMH) and data center related companies will come under pressure along with certain industrials.

As always, we will watch for changes in the data to shape our asset allocation.

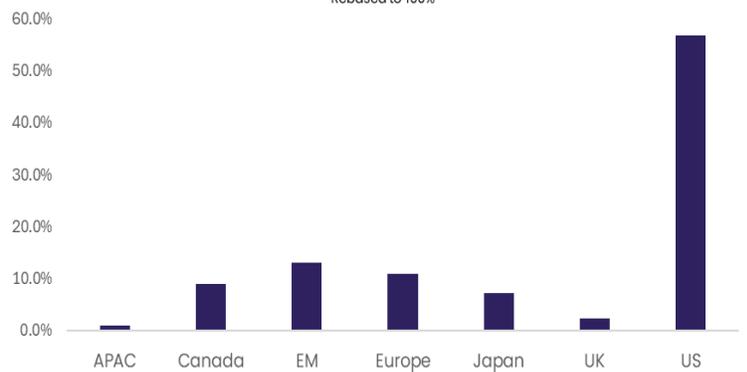
Exemplar Global Growth & Income Asset Allocation – February 13, 2026

ASSET ALLOCATION

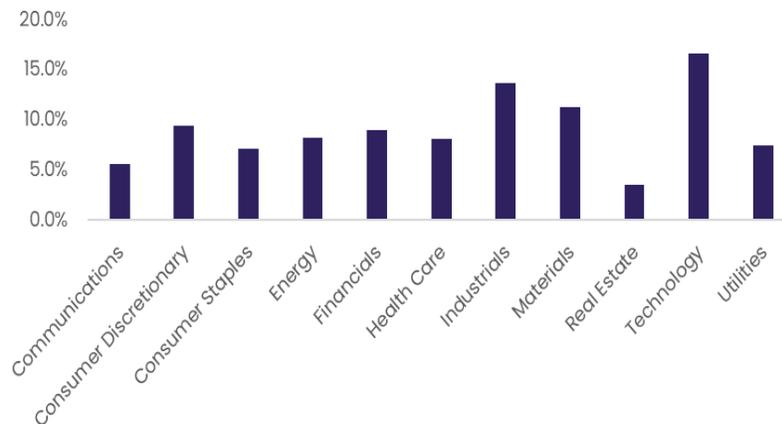


EQUITY GEOGRAPHIC ALLOCATION

*Rebased to 100%



EQUITY SECTOR ALLOCATION



Top 10 Equity Holdings as of February 13, 2026

1.	Microsoft - MFST	Technology
2.	Nvidia – NVDA	Technology
3.	Apple - AAPL	Technology
4.	Alphabet – GOOG	Communication Services
5.	Amazon – AMZN	Consumer Discretionary
6.	Eli Lilly – LLY	Healthcare
7.	Elia Group – ELI	Utilities
8.	NextEra Energy - NEE	Utilities
9.	Comcast - CMCSA	Communication Services
10.	Bristol-Myer Squibb – BMY	Healthcare

*EGGIF Top 10 Equity Holdings exposure: 6.4%

The Exemplar Global Growth & Income Series FD was +0.66% last week and is +5.32% year to date.

Thanks,
Arrow Investment Team

Historical Performance – As of January 31, 2026

	1-Year	3-Year	5-Year	10-Year	ITD
EGIF - Series FD	20.02%	11.05%	7.71%	8.40%	7.91%
EGGIF – Series FD	12.81%	7.20%			4.16%

Published February 17, 2026

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