EXEMPLAR GROWTH AND INCOME FUND commentary - Week ending February 6, 2026

Arrow Capital Management Inc.

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

January 30th 2026 Asset Allocation: 5.6% cash; 24.7% bonds; 0.3% commodities, and 69.4% equities*; 17.3% $US
*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	+0.46%	+0.23%
iShares Core Canada Bond Index ETF	+0.07%	+0.64%
Gold (GLD ETF)	+2.37%	+14.93%
USD/CAD	+1.35%	+0.12%
ACWI (ETF)	+0.54%	+3.39%
S&P 500 (SPX ETF)	-0.20%	+1.28%
Nasdaq (QQQ ETF)	-1.97%	-0.76%
S&P/TSX (XIU ETF)	+1.60%	+1.40%
EGIF – Series FD	+1.48%	+5.11%
EGGIF – Series FD	+1.21%	+4.63%

January 30, 2026 to February 6, 2026

Quad Forecast	1Q26E	2Q26E	3Q26E
Canada	Quad 1 (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, January 2026

After a relatively calm start to the year for equities, markets have become more volatile in recent weeks. U.S. stocks gave back their early-year gains, led by a sharp pullback in technology - particularly software, which has fallen meaningfully over the past few months. That said, major indexes remain close to record highs, and the Dow even reached new highs last week. This tells us the market is adjusting and rotating, rather than signaling a broad economic breakdown.

A shift away from tech leadership

For the first time in years, leadership in the equity market is broadening beyond mega-cap technology. Investors are rotating toward more traditional "old economy" sectors such as energy, industrials, transportation, chemicals, consumer staples, and regional banks. These areas tend to be more prominent in the Canadian market, which helps explain the TSX's relative strength recently.

This rotation appears driven by three things: more attractive valuations outside of tech, improving earnings growth in these sectors, and a desire by investors to diversify away from crowded technology positions. Importantly, today's economic backdrop offers real alternatives to tech for growth - something that was less available in prior year(s) as recent data suggest manufacturing activity in the U.S. is improving, which typically supports economically sensitive sectors and broader market participation.

The economic backdrop remains supportive

Despite market volatility, the underlying economic picture remains constructive. Consumer spending, especially among higher-income households continues to hold up. Government spending and tax incentives are providing support in both Canada and the U.S., while ongoing investment related to artificial intelligence is boosting activity across the economy. As a result, economists have been revising growth expectations higher. U.S. GDP is now expected to grow around 2.5% in 2026, while Canada is projected to grow more modestly as trade uncertainty weighs on activity. Still, Canadian unemployment appears to have peaked, and the services sector remains resilient.

Why tech stocks have pulled back

The recent weakness in technology does not reflect falling profits, earnings growth in the sector remains strong. Instead, valuations have come down as investors rethink how much they are willing to pay for future growth.

Two key concerns are driving this reassessment. First, the rapid emergence of new AI tools has raised fears that some software business models could face faster-than-expected disruption. While this selling has been broad and, in some cases, indiscriminate, it highlights ongoing uncertainty about which companies will ultimately benefit most from AI.

Second, large technology firms are dramatically increasing spending on AI infrastructure such as data centers and chips. While this supports economic growth and benefits other parts of the tech ecosystem, it also raises questions about long-term returns and higher capital intensity for companies that were once very cash-light.

Risk appetite has cooled

Beyond equities, more speculative assets have also lost momentum. Cryptocurrencies, as well as gold and silver, have pulled back from recent highs. This reflects a broader cooling in risk appetite, likely influenced by expectations that interest rate cuts may be delayed. However, gold may still play a role as a diversifier for some investors.

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 (10.9%), Industrials (9.5%), Financials (8.3%), Energy (7.9%), and Real Estate (5.5%). I've added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of February 6, 2026

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

*EGIF Top 10 Equity Holdings exposure: 9.6%

The Exemplar Growth & Income Series FD was +1.48% last week and is +5.11% year to date.

Exemplar Global Growth & Income

Quad Forecast	1Q26E	2Q26E	3Q26E
Europe	Quad 3 (GDP ↓, Inflation ↓)	Quad 2 (GDP ↑, Inflation ↑)	Quad 2 (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, January 2026

There is not much new in our economic models - still a very good backdrop for corporate profit expansion in most global markets with policy continuing to play a pivotal role. A strong print in U.S. PMI led to a further outperformance of deeper cyclicals with even a “left for dead” sector like chemicals having some time in the sun.

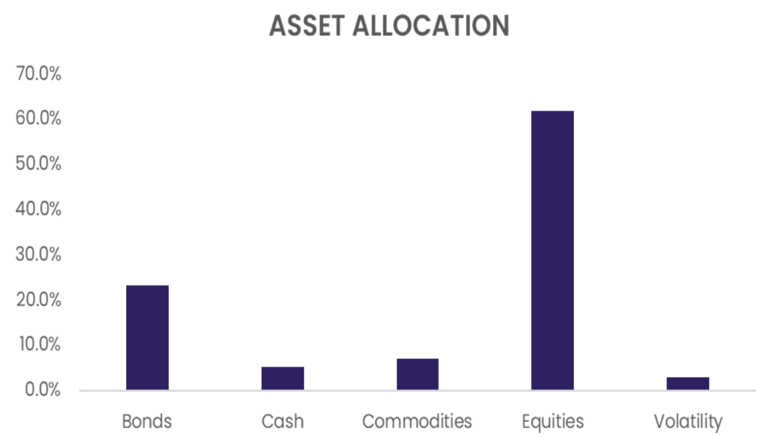
In equities, it was another wild week in the market, masked again at the index level although the prevailing trends remained basically unchanged. Non-U.S. equities continued to outperform (+180 bps over S&P500), fixed income was meh, gold rose and the USD bounced. The intraday and daily swing generated a great deal of unwinding of positions. Goldman Sachs reported that their prime brokerage clients (large hedge funds), were net sellers again of equities: “single stocks were heavily net sold (-2.0 SDs one-year) and made up 70% of the total net selling, driven by short sales outpacing long buys (2 to 1) - last week’s notional short selling in U.S. Single Stocks was the largest on our record (since 2016, +3.2 Z score five-year). 8 of 11 sectors were net sold, led in $ terms by Info Tech, Consumer Discretionary, Consumer Staples, Industrials, and Real Estate, while Health Care, Communication Services, and Utilities were net bought.” In particular, software stocks were crushed again as Anthropic’s new suite products (Claude Code & Coworker) hit everything from Salesforce to Workday to S&P Global. The MAG7 reports were surprising with Amazon taking a hit in particular. We added more. For the year, the MAG7 are down 4.3% collectively - they are source of funds at this point. Undoubtedly the massive capex announcements over expectations is causing some doubt and thus lower multiples in the hyperscalers.

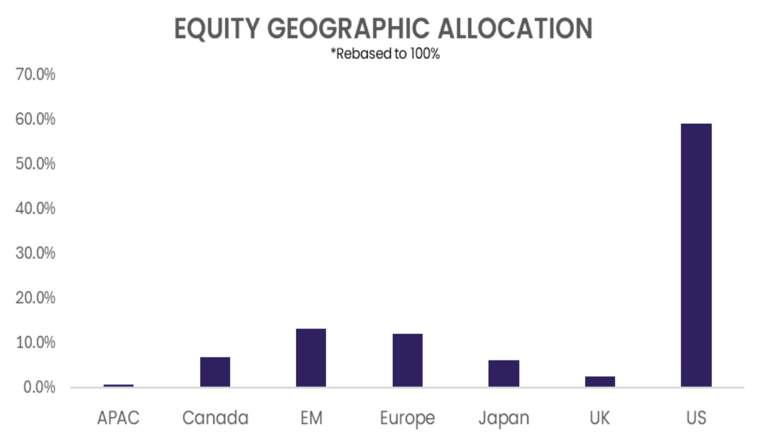
In commodities, gold traded below $4,600 before rallying back to just under $5,000. Silver suffered a different fate falling over 7%. Uranium, natural gas and oil all fell as the broad-based commodity baskets were down over 2%. We used the volatility to add more gold and silver. On a side note, crypto was smashed with Bitcoin down over 16% on the week!

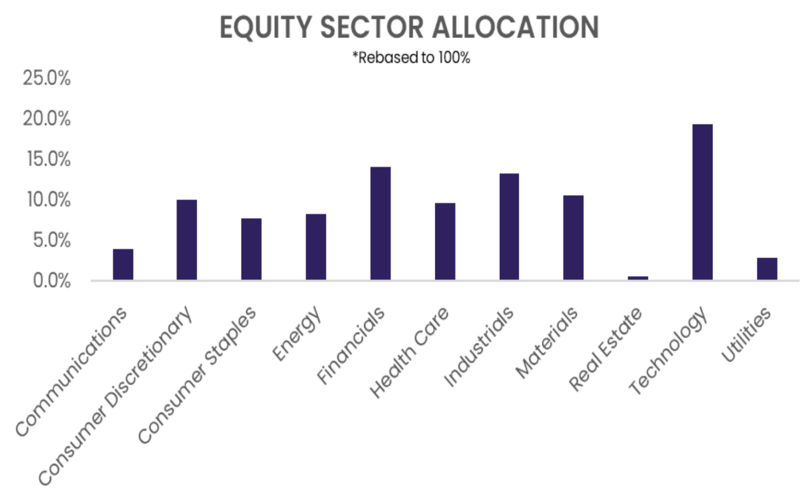
Over the weekend, the LDP party in Japan won a super majority in the snap lower house elections called by PM Takaichi. The implications are likely a weaker yen (in the short term) and a stronger stock market. That being said, BoJ intervention will likely come in around Yen 160 to the dollar.

Finally, we are all watching with interest as the “new” tech titans - Anthropic and Open AI with each looking to dominate the other. It pits an ad supported Open AI model (like GOOG/META) against a no-ad model Anthropic (like APPL) - everything old is new again. There will be much hype over their ads during the Superbowl but at this point the 5 key providers (add in Perplexity/Gemini and Grok) are all set to benefit from a fast-growing market for their particular focus/expertise and they are all going to disrupt the global economy in a profound manner. This will greatly influence the “macro” with employment likely to be caught in its crosshairs.

Exemplar Global Growth & Income Asset Allocation – February 6, 2026







Top 10 Equity Holdings as of February 6, 2026

1.	Amazon – AMZN	Consumer Discretionary
2.	Apple - AAPL	Technology
3.	Microsoft - MFST	Technology
4.	Nvidia – NVDA	Technology
5.	Alphabet – GOOG	Communication Services
6.	Eli Lilly – LLY	Healthcare
7.	Amgen - AMGN	Healthcare
8.	Teradyne – TER	Technology
9.	Bristol-Myer Squibb – BMY	Healthcare
10.	APA Corp - APA	Energy

*EGGIF Top 10 Equity Holdings exposure: 8.0%

The Exemplar Global Growth & Income Series FD was +1.21% last week and is +4.63% 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%

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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.