

EXEMPLAR GROWTH AND INCOME FUND commentary - Week ending January 16, 2026



January 16th 2026 Asset Allocation: 4.4% cash; 24.8% bonds; 0.3% commodities, and 72.1% equities*; 17.7% \$US

January 9th 2026 Asset Allocation: 3.8% cash; 25.1% bonds; 0.3% commodities, and 72.1% equities*; 17.6% \$US

*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	-0.38%	-0.24%
iShares Core Canada Bond Index ETF	+0.32%	+0.53%
Gold (GLD ETF)	+1.65%	+6.30%
USD/CAD	+0.13%	+1.37%
ACWI (ETF)	+0.17%	+2.48%
S&P 500 (SPX ETF)	-0.35%	+1.43%
Nasdaq (QQQ ETF)	-0.86%	+1.13%
S&P/TSX (XIU ETF)	+0.87%	+3.51%
EGIF – Series FD	+1.35%	+4.88%
EGGIF – Series FD	+0.72%	+4.37%

January 9, 2026 to January 16, 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

Despite a steady stream of geopolitical developments and U.S. policy headlines early in 2026, markets have remained notably resilient. Concerns around Fed independence, foreign policy flashpoints, and affordability initiatives have dominated the news flow, yet equity markets have shown little stress. The TSX has pushed to record highs, volatility remains contained, and market behavior continues to suggest that fundamentals — not headlines — are driving outcomes. Rather than reacting to daily noise, markets appear anchored by a set of durable underlying forces. In our view, four pillars continue to support the current backdrop.

Low energy prices remain a key stabilizer.

Geopolitical shocks tend to have lasting market impact only when they disrupt energy supply. While tensions have periodically lifted oil prices, those moves have proven short-lived. With crude prices near multi-year lows and gasoline prices subdued, consumers continue to benefit. At the same time, global supply dynamics remain favourable, with excess capacity helping limit the risk of sustained energy-driven inflation even if tensions re-escalate.

Inflation is moderating, giving central banks room to remain patient.

Recent inflation readings in both the U.S. and Canada have been encouraging, with headline and core measures holding near target levels. While political pressure on the Federal Reserve has intensified, we continue to expect policy decisions to be guided by inflation and labour-market trends rather than headlines. Structural checks within the Fed

make abrupt shifts in policy unlikely.

Economic growth remains resilient.

The U.S. economy entered 2026 with solid momentum, supported by steady consumer spending and signs of stabilization in the labour market. An additional tailwind is emerging as households receive an estimated \$100–\$150 billion in incremental tax refunds due to prior over-withholding, which could support near-term consumption. In Canada, growth softened late last year, but improving small-business sentiment points to potential reacceleration as trade conditions stabilize.

Earnings growth continues to anchor markets.

Corporate profits remain a key pillar of support for equities. Following strong results in 2025, earnings expectations for 2026 continue to move higher across a broad range of sectors. Notably, profit growth has outpaced employment growth, reflecting ongoing productivity gains and supporting margins despite elevated costs.

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 (11.7%), Industrials (10.9%), Financials (8.7%), Energy (7.4%), and Real Estate (5.6%). I've added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of January 16, 2025

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

*EGIF Top 10 Equity Holdings exposure: 9.5%

The Exemplar Growth & Income Series FD was +1.35% last week and is +4.88% year to date.

Exemplar Global Growth & Income

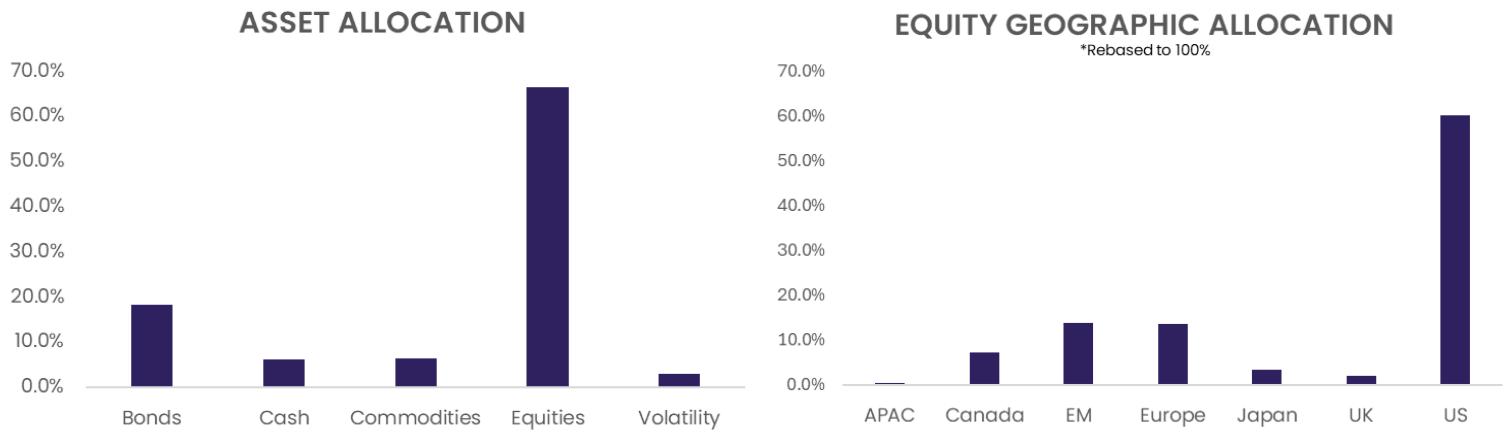
Quad Forecast	1Q26E	2Q26E	3Q26E
Europe	Quad 3 (GDP ↓, Inflation ↓)	Quad 2 (GDP ↑, Inflation ↑)	Quad 2 (GDP ↑, Inflation ↑)
China	Quad 3 (GDP ↓, Inflation ↓)	Quad 1 (GDP ↑, Inflation ↓)	Quad 1 (GDP ↑, Inflation ↓)
Japan	Quad 1 (GDP ↑, Inflation ↓)	Quad 3 (GDP ↓, Inflation ↑)	Quad 3 (GDP ↓, Inflation ↑)

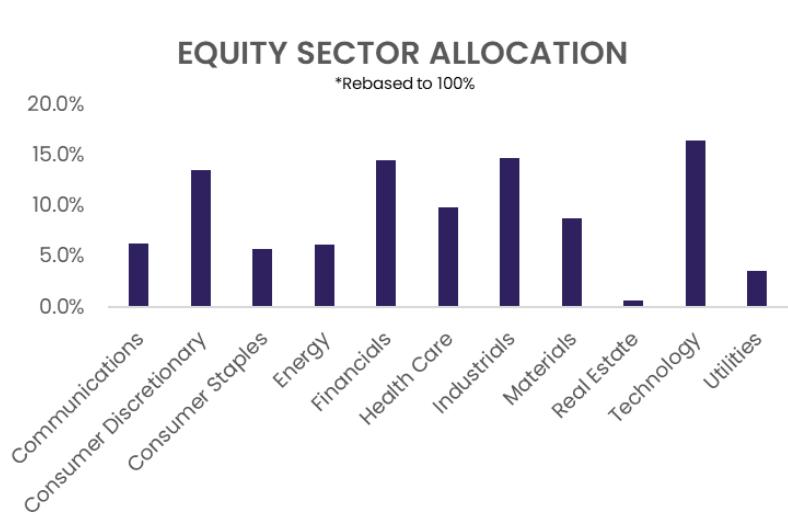
Source: Hedgeye Risk Management, January 2026

The start of the year has favoured commodities and equity markets outside of the U.S. over bonds. In particular, EM equity is up +5.8% (EEM) and non-US equity (IDEV) is +3.7%. We believe at this point that this is largely flow driven as non-U.S. investors are taking money off the table in the U.S. – particularly MAG 7 exposure – for a host of narratives that range from valuation to U.S. policy concerns along with better results locally. We expect this to continue and with the economic backdrop turning more favourable outside the U.S. there is scope for even greater spread going forward. Within the U.S. equity market, small and mid-cap equity performance has been accelerating with IWM +8% and MDY +6% respectively versus large cap SPY +1.4%. Breadth continues to improve which is favourable, along with robust growth in earnings estimates for smaller firms. Our models have been signalling this move and we have exploited it. Our performance YTD is significantly over our blended benchmark.

One issue worth noting is the U.S. QUAD 4 forecast for Q2/26 above. At this point we are seeing signs of only a shallow QUAD 4 – this has very different investment implications than a deeper version. That being said, it is on our radar as something to monitor carefully. At this point we will continue to stay long and be long global equities using strong advances and pullbacks to add value tactically.

Exemplar Global Growth & Income Asset Allocation – January 16, 2026





Top 10 Equity Holdings as of January 16, 2025

1.	Alphabet – GOOG	Communication Services
2.	Nvidia – NVDA	Technology
3.	Amazon – AMZN	Consumer Discretionary
4.	Apple - AAPL	Technology
5.	Exxon Mobil - XOM	Energy
6.	Meta Platforms - META	Communication Services
7.	ASML Holding - ASML	Technology
8.	Rheinmetall AG - RHM	Industrials
9.	APA Corp – APA	Energy
10.	Microsoft - MFST	Technology

*EGGIF Top 10 Equity Holdings exposure: 7.5%

The Exemplar Global Growth & Income Series FD was +0.72% last week and is +4.37% year to date.

Thanks,
Arrow Investment Team

Historical Performance – As of December 31, 2025

	1-Year	3-Year	5-Year	10-Year	ITD
EGIF - Series FD	17.53%	9.97%	7.33%	7.86%	7.62%
EGGIF – Series FD	12.09%	6.96%			3.39%

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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.