EXEMPLAR GROWTH AND INCOME FUND commentary - Week ending January 2, 2026

Arrow Capital Management Inc.

January 2nd 2026 Asset Allocation: 3.8% cash; 25.5% bonds; 0.3% commodities, and 71.7% equities*; 19.4% $US

December 26th 2025 Asset Allocation: 3.0% cash; 25.5% bonds; 0.3% commodities, and 72.4% equities*; 19.4% $US
*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	-0.08%	-0.08%
iShares Core Canada Bond Index ETF	-0.43%	-0.43%
Gold (GLD ETF)	+0.50%	+0.50%
USD/CAD	+0.15%	+0.15%
ACWI (ETF)	+0.71%	+0.71%
S&P 500 (SPX ETF)	+0.18%	+0.18%
Nasdaq (QQQ ETF)	-0.19%	-0.19%
S&P/TSX (XIU ETF)	+0.55%	+0.55%
EGIF – Series FD	+0.59%	+0.59%
EGGIF – Series FD	+0.87%	+0.87%

January 1, 2026 to January 2, 2026

Quad Forecast	4Q25E	1Q26E	2Q26E
Canada	Quad 3 (GDP ↓, Inflation ↑)	Quad 1 (GDP ↑, Inflation ↓)	Quad 2 (GDP ↑, Inflation ↑)
United States	Quad 2 (GDP ↑, Inflation ↑)	Quad 1 (GDP ↑, Inflation ↓)	Quad 4 (GDP ↓, Inflation ↓)

Source: Hedgeye Risk Management, November 2025

The final week of 2025 was a weak one for equity markets but overall, the year was very rewarding. In terms of topping the charts, the best investments proved to be precious metals and related equities, foreign equities (Korea, Taiwan, and China) and Canada (amazing – insert national anthem here!).

In the U.S. equity market, it was yet another year where large cap, growth equities continued to outperform. The MAG 7 again outperformed the S&P 500, but it was driven by only two stocks – GOOG and NVDA. The MAG 7 are now responsible for over $80 of the S&P 500 earnings of $270 – incredible! Throughout the year we were underweight in aggregate these 7 stocks but managed to keep up in any event. This level of concentration risk in the major indices is symptomatic of many underlying issues in the U.S. market and economy – we will continue to carefully monitor our exposures here. More importantly is the pickup in earnings expectations for the broader market and this has been fueled by strong secular forces (Artificial Intelligence / National Defense / Supply Chain Security / Fiscal and Monetary Stimulus).

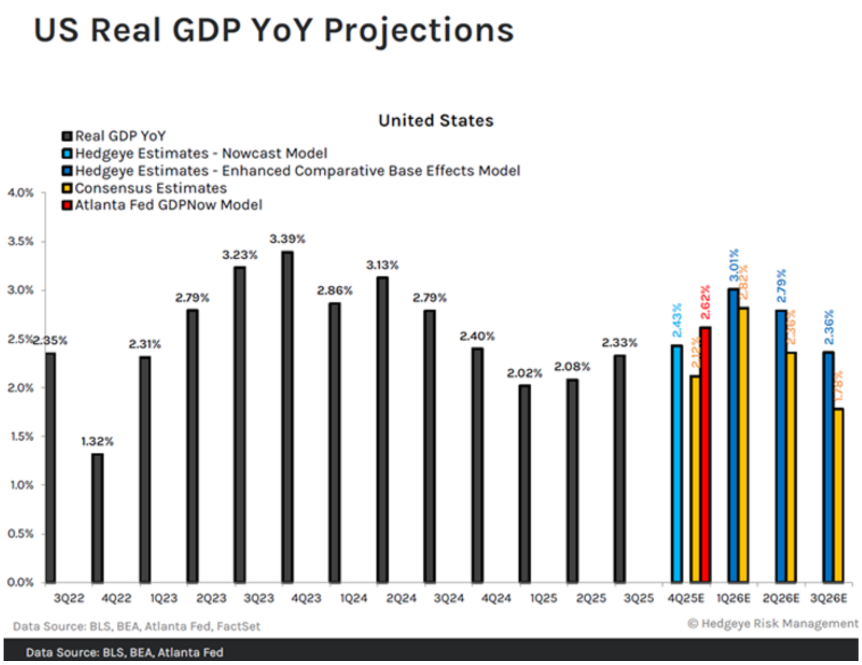
Globally we are back in the camp that foreign stocks offer substantial upside as tariff fears continue to recede and governments across the world continue to support both structural reforms in equity markets (Japan / Korea) and fiscal stimulus (Europe and Germany more specifically). We are slightly overweight non-U.S. equities and continue to find many idiosyncratic / company specific ideas with compelling risk / rewards.

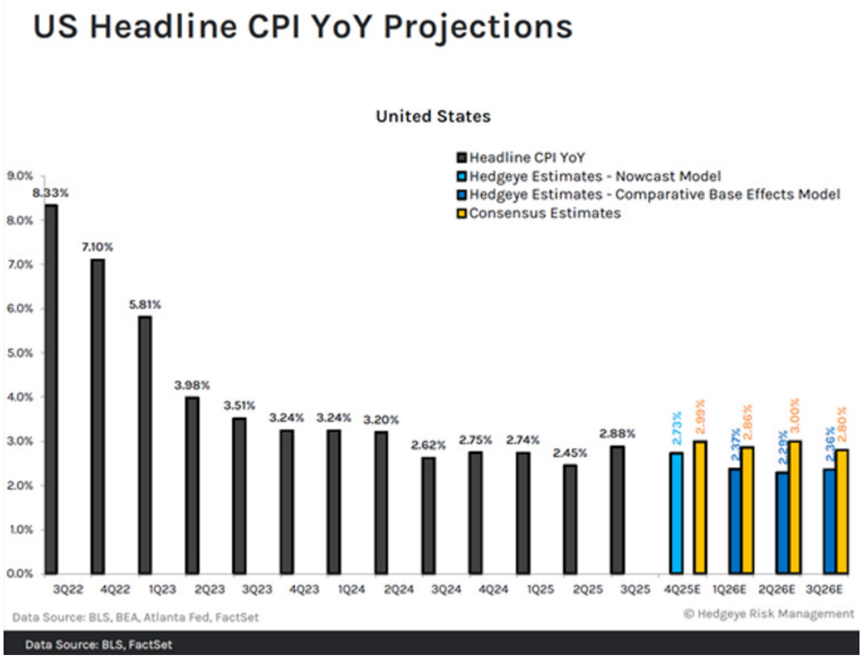
Government and investment grade bonds finally had an up year in 2025 with high yield and EM bonds faring the best in total returns. We remain underweight bonds in favour of equities coming into 2026.

In commodities, precious and base metals were very strong while oil and agriculture were weak. In FX, the story was the USD which was hit almost 10%. The Canadian dollar rose 4% vs the USD despite the lower rates and tariff concerns with the U.S. Overall, we remain bearish on the USD.

Our fundamental outlook for the global economy, and particularly the U.S., is for continued good news on economic growth and in the outlook for lower inflation.

Quarterly Quad Nowcast/Forecast = Quad 1 for Q4 2025, Quad 1 for Q1 2026, a shallow Quad 4 for Q2 2026, and Quad 3 for Q3 2026.





With a solid economic backdrop, earnings are likely to continue surprising to the upside.
Best wishes for a great New Year!

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 (11.6%), Industrials (11.1%), Financials (9.1%), Energy (7.3%), and Real Estate (5.1%). I've added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of Janaury 2, 2025

1.	Schmid Group – SHMD	Industrials
2.	Base Carbon - BCBN	Financials
3.	Chartwell Retirement – CSH.UN	REITS
4.	Manulife - MFC	Financials
5.	Canadian National Railway – CNR	Industrials
6.	Canadian Imperial Bank - CM	Financials
7.	Tenaz Energy - TNZ	Energy
8.	Premium Brands - PBH	Consumer Staples
9.	Bombardier – BBD-B	Industrials
10.	Royal Bank of Canada - RY	Financials

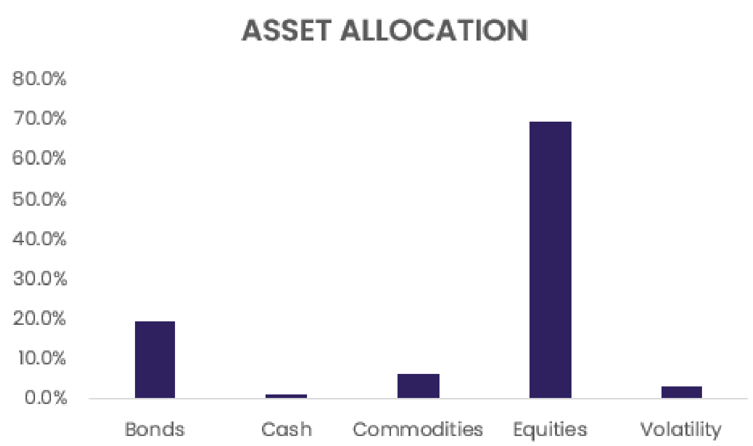
*EGIF Top 10 Equity Holdings exposure: 9.5%

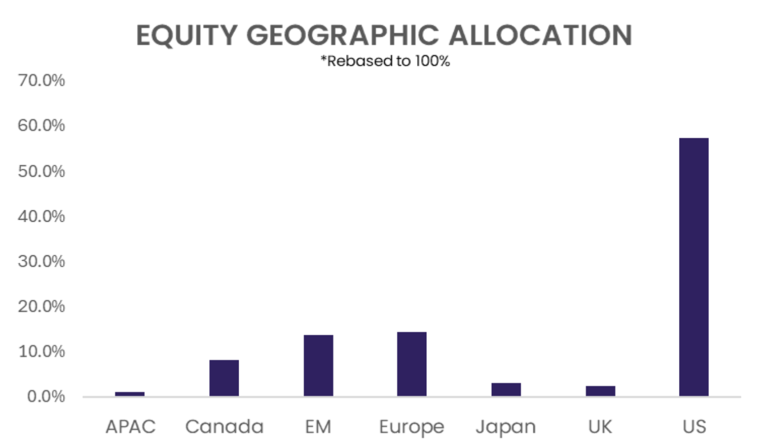
The Exemplar Growth & Income Series FD was +17.53% in 2025 and is +0.59% year to date.

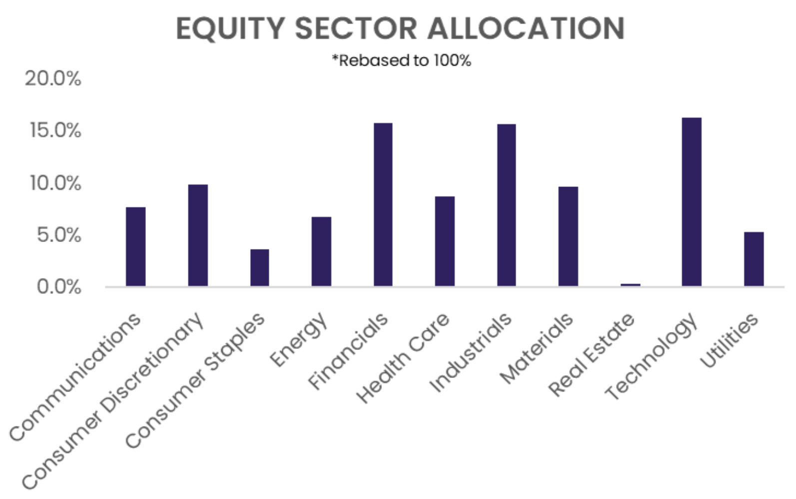
Exemplar Global Growth & Income

Quad Forecast	4Q25E	1Q26E	2Q26E
Europe	Quad 3 (GDP ↓, Inflation ↑)	Quad 4 (GDP ↓, Inflation ↓)	Quad 2 (GDP ↑, Inflation ↑)
China	Quad 3 (GDP ↓, Inflation ↑)	Quad 4 (GDP ↓, Inflation ↓)	Quad 1 (GDP ↑, Inflation ↓)
Japan	Quad 4 (GDP ↓, Inflation ↓)	Quad 1 (GDP ↑, Inflation ↓)	Quad 3 (GDP ↓, Inflation ↑)

Source: Hedgeye Risk Management, November 2025







Top 10 Equity Holdings as of January 2, 2025

1.	Alphabet – GOOG	Communication Services
2.	Nvidia – NVDA	Technology
3.	Apple - AAPL	Technology
4.	Amazon – AMZN	Consumer Discretionary
5.	Meta Platforms - META	Communication Services
6.	Exxon Mobil - XOM	Energy
7.	APA Corp - APA	Energy
8.	Microsoft - MFST	Technology
9.	Eli Lilly – LLY	Healthcare
10.	Baker Hughes - BKR	Energy

*EGGIF Top 10 Equity Holdings exposure: 7.9%

The Exemplar Global Growth & Income Series FD was +12.09% in 2025 and is +0.87% 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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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.