EXEMPLAR GROWTH AND INCOME FUND

commentary - Week ending January 23, 2026

Arrow Capital Management Inc.

January 23rd 2026 Asset Allocation: 5.2% cash; 24.2% bonds; 0.3% commodities, and 70.3% equities*; 17.5% $US

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

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	+0.02%	-0.22%
iShares Core Canada Bond Index ETF	-0.04%	+0.50%
Gold (GLD ETF)	+8.71%	+15.57%
USD/CAD	-0.75%	+0.65%
ACWI (ETF)	+0.11%	+2.59%
S&P 500 (SPX ETF)	-0.35%	+1.07%
Nasdaq (QQQ ETF)	+0.24%	+1.37%
S&P/TSX (XIU ETF)	-0.53%	+2.96%
EGIF – Series FD	+0.59%	+5.49%
EGGIF – Series FD	+0.10%	+4.47%

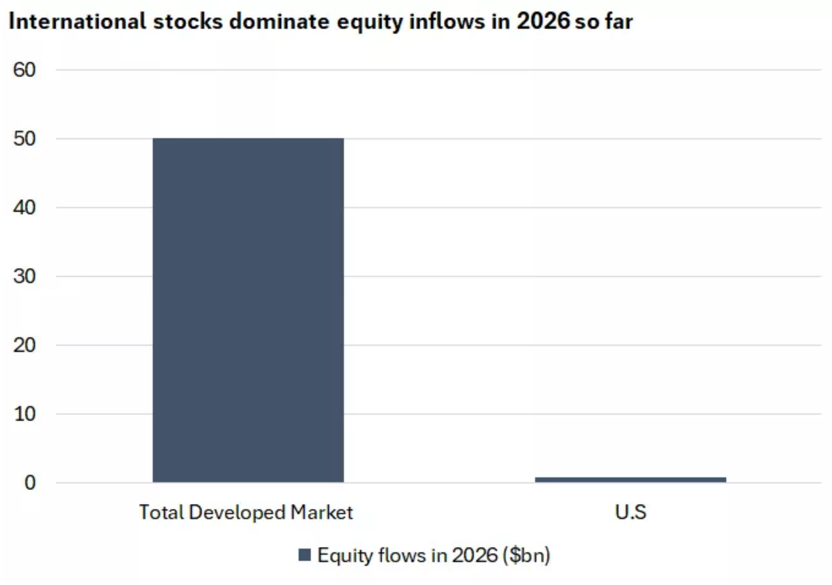
January 16, 2026 to January 23, 2026

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

Last week's markets were briefly unsettled by renewed geopolitical tension after President Trump escalated efforts to acquire Greenland, accompanied by threats of new tariffs on several European trading partners. The initial reaction was swift and negative. Investors quickly focused on the potential consequences for economic growth, inflation, and global stability, triggering a sharp risk-off move. The S&P 500 experienced its steepest single-day decline since last spring's tariff-related volatility, and even assets that typically benefit during periods of stress, including U.S. government bonds and the U.S. dollar moved lower. For a short period, this revived the "sell-U.S." sentiment that surfaced at various points in 2025.

That reaction proved short-lived. Diplomatic progress emerged quickly, with an agreement framework addressing U.S. security priorities without altering Greenland's sovereignty, allowing equity markets to recover. The speed of this rebound is instructive. It reinforces the idea that political and geopolitical headlines can create sudden market swings, but they are not overriding the fundamental forces that drive longer-term investment outcomes. More meaningful signals came from broader market trends. The U.S. dollar continued to weaken even after tensions eased, marking one of its worst weeks in recent months and underscoring how sensitive it has become to policy uncertainty. At the same time, global capital flows show investors gradually reducing concentration in U.S. assets and increasing allocations to other developed markets, particularly Europe and Japan. This shift reflects diversification rather than disengagement, pointing to a more globally balanced investment landscape.

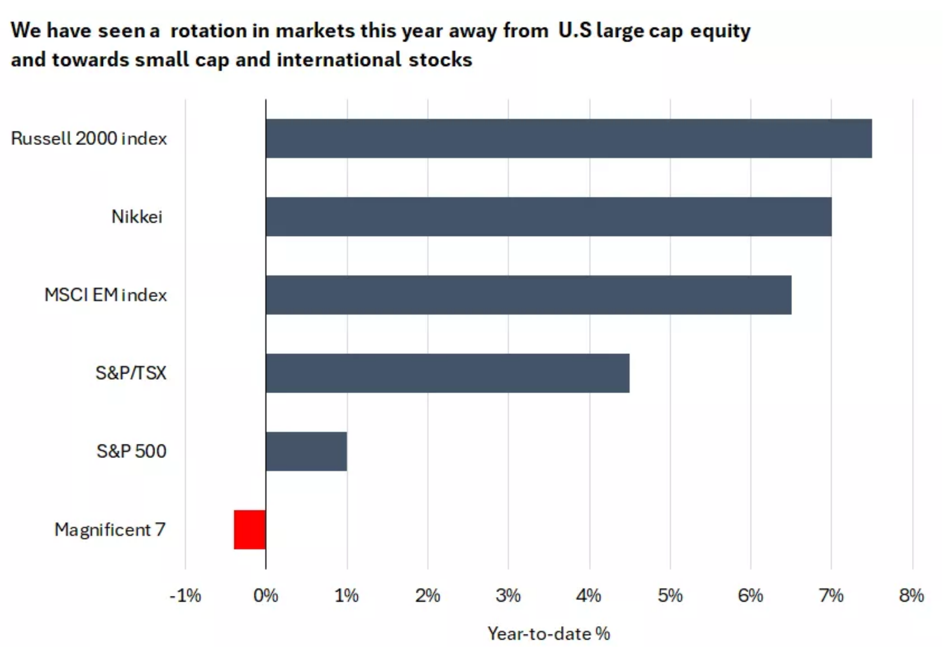


Source: Bloomberg

Gold also benefited from the spike in uncertainty, extending a rally that has been building over the past year. Its performance highlights its role as a stabilizing asset during periods of policy risk and geopolitical volatility. Beyond the headlines, however, the underlying economic backdrop remains constructive. In the United States, recent data continue to signal economic resilience, with low jobless claims, rising consumer confidence, and strong household spending into the end of 2025. While labour markets are cooling gradually, the broader foundation for growth remains intact.

As the Federal Reserve meets this week, markets are broadly expecting no change in policy. After three rate cuts in the second half of last year, the Fed has clearly shifted into a pause, and a cut at this meeting would be unexpected. Attention will instead focus on messaging around the path forward. Policymakers are likely to emphasize flexibility and data dependence rather than offering firm guidance, as they wait for clearer signals from inflation and labour-market trends. Despite the pause, the longer-term direction of rates still appears downward. Inflation pressures continue to ease, tariff-related effects are diminishing, and labour conditions are no longer overheated. Together, these factors support the case for gradual easing in 2026, with one or two modest rate cuts more likely than a return to restrictive policy.

Earnings season is reinforcing this broader picture. Early results in the U.S. have been encouraging, with most companies exceeding expectations so far, and attention now shifts to the major technology firms. Their reports will be closely watched to assess whether heavy investment in artificial intelligence continues to convert into tangible revenue growth and profitability. At the same time, market performance this year suggests a change in leadership dynamics. Many of the largest AI-linked stocks have delivered muted returns, while international markets and other sectors have shown stronger performance. This points to a gradual rotation away from narrow market leadership toward a more diversified and balanced market structure.



Source: Bloomberg

Top 10 Equity Holdings as of Janaury 23, 2025

1.	Tenaz Energy - TNZ	Energy
2.	Base Carbon - BCBN	Financials
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.	Amazon - AMZN	Consumer Discretionary
9.	Boyd Group - BYD	Consumer Discretionary
10.	Suncor Energy – SU	Energy

*EGIF Top 10 Equity Holdings exposure: 9.2%

The Exemplar Growth & Income Series FD was +0.59% last week and is +5.49% 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

Another “crazy” week with the Greenland purchase by the U.S. taking center stage only to see TACO emerge once again. Even an end of week Trump insult to NATO allies re Afghanistan was walked back. AI could not make this stuff up – or maybe it can?

The Yen was in focus as traders have been pushing it down – almost to 1.60 vs the USD – on continued fiscal profligacy (spending and tax cuts) and rising inflation – you may remember the Biden doctrine of combatting inflation by spending even more – that did not work out so well. Yields in Japan are near 30-year highs now. The snap election call by PM Takaichi and the likelihood of majority government win added conviction - combined with falling liquidity with the BoJ contracting its balance sheet, it seems that Japan is once again in a tough spot. On Friday, the real bazooka was taken out of storage with the NY Fed and Treasury requesting a “rate check” on JPY – shorts scrambled to cover. Without a doubt, the Trump administration wants Takaichi to succeed so to bet against it is foolhardy in our view.

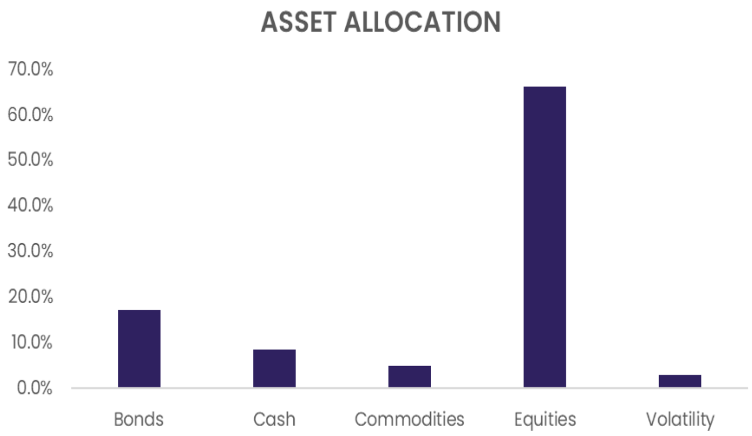
Elsewhere, there is a decent chance we get a government shutdown … again … in the US. Most likely short lived but still so dysfunctional. Markets could give a toss though.

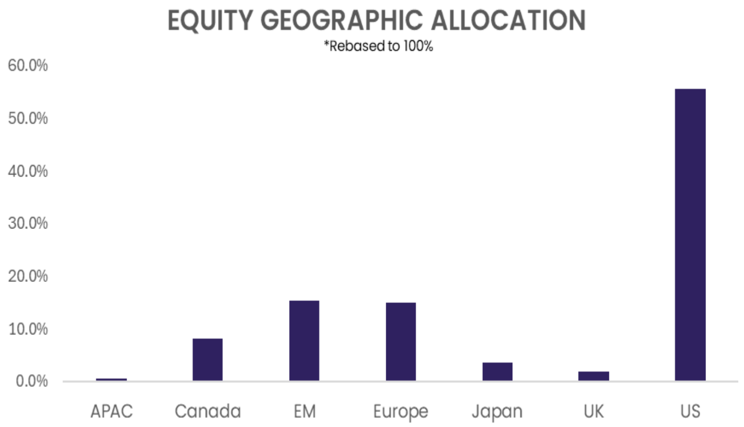
This week will get the FED and the BoC – we do not expect any changes and neither do markets. Of course we could get the announcement of a new FED Chair. The bond market will deliver the verdict on that decision.

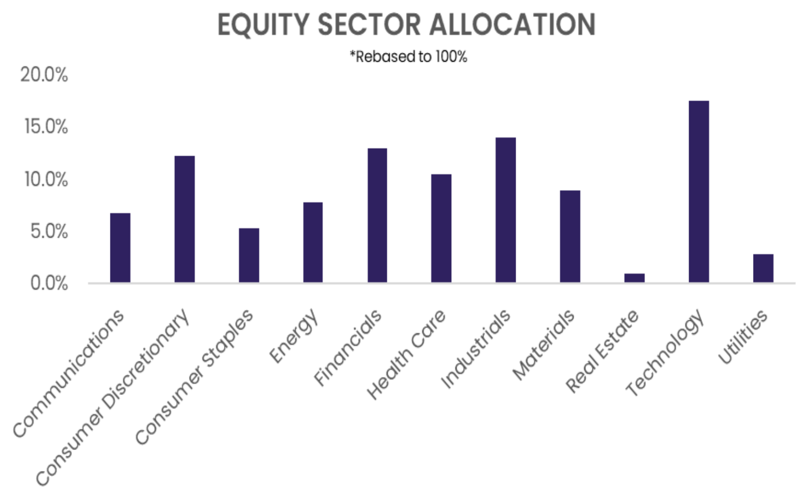
IEEPA is likely out until February now – we get a week off from that issue.

Finally, it is a big week for AI and earnings with several Mag7 names set to report. The interplay between power prices, escalating costs of memory (HBM) and capex/earnings dynamics will no doubt impact sentiment on the AI trade ecosystem. Meanwhile, Friday saw the first day this year where small caps underperformed large caps. The improving market breadth in the materials and energy markets is encouraging.

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







Top 10 Equity Holdings as of January 23, 2025

1.	Alphabet – GOOG	Communication Services
2.	Nvidia – NVDA	Technology
3.	Amazon – AMZN	Consumer Discretionary
4.	Microsoft - MFST	Technology
5.	Meta Platforms - META	Communication Services
6.	Apple - AAPL	Technology
7.	Exxon Mobil - XOM	Energy
8.	ASML Holding - ASML	Technology
9.	Suncor Energy - SU	Energy
10.	Cenovus Energy - CVE	Energy

*EGGIF Top 10 Equity Holdings exposure: 8.0%

The Exemplar Global Growth & Income Series FD was +0.10% last week and is +4.47% 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%

Published January 27, 2026

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