

# EXEMPLAR GROWTH AND INCOME FUND

## commentary – Week ending June 12, 2026



**June 12th 2026 Asset Allocation:** 10.4% cash; 22.5% bonds; 0.2% commodities, and 66.9% equities\*; 17.1% \$US

**June 5th 2026 Asset Allocation:** 11.4% cash; 22.4% bonds; 0.2% commodities, and 65.9% equities\*; 16.6% \$US

\*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	+0.60%	-2.06%
iShares Core Canada Bond Index ETF	+0.36%	+0.21%
Gold (GLD ETF)	-2.45%	-2.47%
USD/CAD	+0.47%	+2.02%
ACWI (ETF)	+1.35%	+10.59%
S&P 500 (SPY ETF)	+0.57%	+8.77%
Nasdaq (QQQ ETF)	+2.31%	+17.42%
S&P/TSX (XIU ETF)	+1.77%	+10.13%
EGIF – Series FD	+0.78%	+11.08%
EGGIF – Series FD	+1.39%	+9.04%

June 5, 2026 to June 12, 2026

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

Source: Hedgeye Risk Management, June 2026

Global financial markets navigated several key events last week, highlighted by an encouraging domestic inflation report, a major new equity listing, and notable developments in international diplomacy. The macroeconomic data provided some welcome relief for risk assets, particularly regarding core inflation. While the headline consumer price index remains elevated at an annualized pace of 4.2% due to energy costs, the core reading—which excludes food and energy—came in lower than expected at a monthly pace of 0.2%. This pulled the year-over-year core inflation metric down to 2.9%. While this is still above the central bank’s long-term target, the moderation suggests that underlying price pressures are softening slightly, giving the Federal Reserve some breathing room ahead of its upcoming policy meeting.

In capital markets, the primary equity market saw a notable liquidity event with the public debut of SpaceX on the Nasdaq under the ticker symbol SPCX. The listing raised seventy-five billion dollars at an initial price of one hundred and thirty-five dollars per share, establishing a public valuation of 1.77 trillion dollars. Steady institutional demand pushed the stock up nearly twenty percent on its first day of trading to close above one hundred and sixty-one dollars, bringing its market capitalization over the two-trillion-dollar mark. This successful debut has adjusted index weights and renewed interest in large-scale corporate listings, providing institutional investors with a major, liquid vehicle tied directly to commercial aerospace and satellite infrastructure.

The geopolitical landscape also shifted over the weekend with news of a formal peace agreement between the United States and Iran. The deal establishes a termination of military operations across regional fronts, including Lebanon.

Although a late airstrike in Beirut caused a temporary delay and a brief moment of market anxiety, negotiators finalized the text of the memorandum of understanding. The agreement includes an end to the naval blockade and plans to reopen the Strait of Hormuz to commercial shipping traffic, with a formal signing ceremony scheduled for June 19 in Switzerland. This de-escalation is expected to remove a significant risk premium from global energy markets as maritime commerce resumes.

Together, these events give portfolio managers a clearer backdrop for asset allocation. The combination of a cooler core inflation print, a successful large-scale technology listing, and a reduction in Middle East supply risks helps offset some of the recent concerns around stickier headline inflation. As shipping lanes reopen and energy anxieties ease, fixed income yields, and equity valuations should begin to reflect a more stable macro environment.

**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 (10.3%), Industrials (9.0%), Financials (8.5%), Energy (6.8%), and Real Estate (5.3%). I've added our Top 10 Equity Holdings below for this week.

**Top 10 Equity Holdings as of June 12, 2026**

1.	Canadian National Railway – CNR	Industrials
2.	Tenaz Energy - TNZ	Energy
3.	Base Carbon - BCBN	Financials
4.	Chartwell Retirement – CSH.UN	REITS
5.	Manulife - MFC	Financials
6.	Canadian Imperial Bank - CM	Financials
7.	NevGold Corp - NAU	Materials
8.	Premium Brands - PBH	Consumer Staples
9.	Royal Bank of Canada – RY	Financials
10.	DRI Healthcare – DHT-U	Healthcare

\*EGIF Top 10 Equity Holdings exposure: 9.0%

The Exemplar Growth & Income Series FD was **+0.78%** last week and is **+11.08%** year to date.

**Exemplar Global Growth & Income**

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

Source: Hedgeye Risk Management, June 2026

Equity markets ended the week relatively flat, with the S&P and Nasdaq up 0.5% and 0.3% respectively. President Trump’s decision to call off additional planned attacks on Iran in the hopes of a permanent peace deal helped rates and oil fall. Commodity and rate sensitive markets like retail and small caps vastly outperformed with the rally broadening

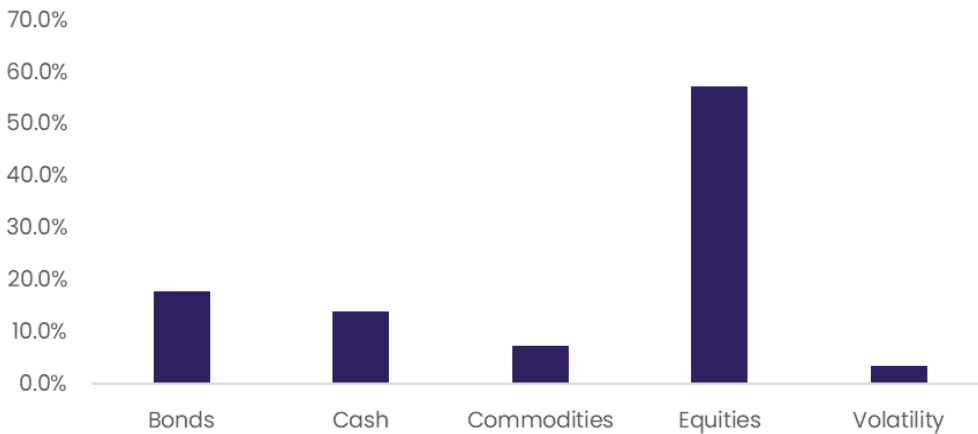
on the news.

The much-awaited SpaceX IPO came on Friday, and it added 19% on its first day of trading after pricing at \$135 at a \$1.75T valuation. It saw very strong retail and institutional demand, which sets up the rest of the mega-IPOs well for their launches later this year. The market was able to digest capital raise. We expect that the market will continue to see strength in the communications and technology sectors. We have added exposure to both sectors over the week and removed some of the tail risk hedges we had placed which worked well through the prior turmoil in the markets.

Last week we also saw U.S. CPI numbers matching expectations for the month of May with headline rising 0.5% m/m and 4.2% y/y. However, Core CPI (excluding food and energy) came in slightly weaker at 0.2% vs expectations of 0.3% m/m. These pointed to energy accounting to 60% of the headline inflation number. This remains important for this week as all eyes will be on the new Fed Chair, Kevin Warsh’s speech on Wednesday. We saw the ECB raise rates by 25 bps last week with them being the first major central bank to point towards the Iran war as the reason. However, we think that a weaker core CPI inflation print, and the reopening of the Strait will give Fed Chair the opportunity to claim inflation transitory, helping bond yields rally further, and the USD weaken temporarily as we price out any rate hikes. We continue to be bullish USD vs the CAD given USMCA trade negotiations and a weakening Canadian domestic backdrop and look for any weakness in the USD to add to those positions.

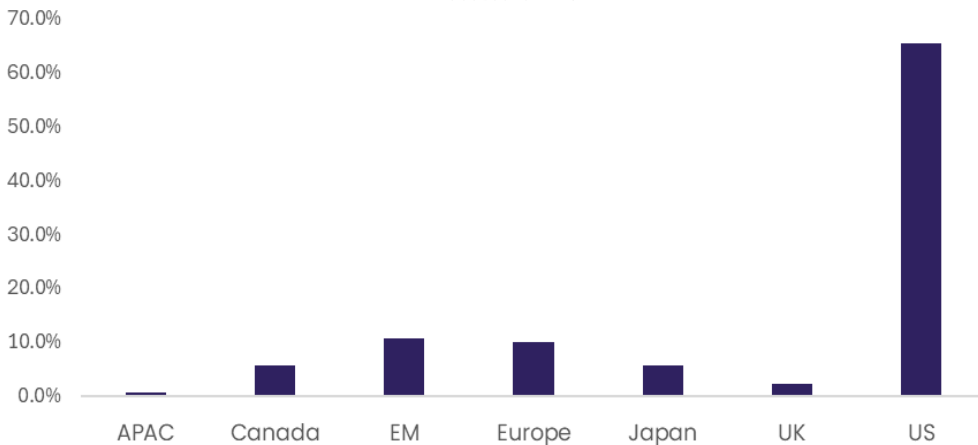
**Exemplar Global Growth & Income Asset Allocation – June 12, 2026**

**ASSET ALLOCATION**



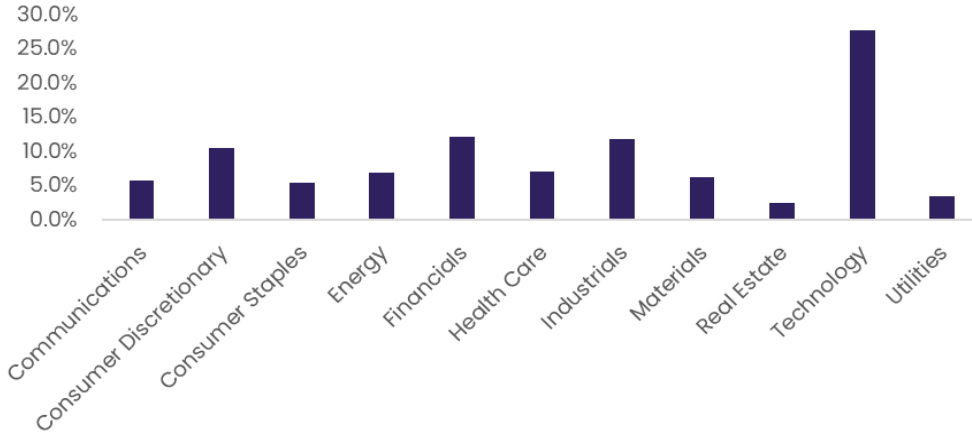
**EQUITY GEOGRAPHIC ALLOCATION**

\*Rebased to 100%



**EQUITY SECTOR ALLOCATION**

\*Rebased to 100%



**Top 10 Equity Holdings as of June 12, 2026**

1.	Alphabet – GOOG	Communication Services
2.	Amazon – AMZN	Consumer Discretionary
3.	Nvidia – NVDA	Technology
4.	Apple – AAPL	Technology
5.	Microsoft – MSFT	Technology
6.	Eli Lilly – LLY	Healthcare
7.	Morgan Stanley – MS	Financials
8.	Goldman Sachs - GS	Financials
9.	American Electric Power – AEP	Utilities
10.	Meta Platforms – META	Communication Services

\*EGGIF Top 10 Equity Holdings exposure: 6.5%

The Exemplar Global Growth & Income Series FD was **+1.39%** last week and is **+9.04%** year to date.

Thanks,  
Arrow Investment Team

**Historical Performance** – As of May 31, 2026

	1-Year	3-Year	5-Year	10-Year	ITD
EGIF - Series FD	29.07%	15.16%	7.60%	8.70%	8.41%
EGGIF – Series FD	21.29%	10.61%			5.13%

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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.

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