

EXEMPLAR GROWTH AND INCOME FUND

commentary – Week ending June 19, 2026



June 19th 2026 Asset Allocation: 9.7% cash; 22.6% bonds; 0.2% commodities, and 67.4% equities*; 17.7% \$US

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

*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	+0.19%	-0.27%
iShares Core Canada Bond Index ETF	+0.14%	+1.78%
Gold (GLD ETF)	+0.15%	-2.32%
USD/CAD	+1.21%	+3.26%
ACWI (ETF)	+1.46%	+12.2%
S&P 500 (SPY ETF)	+1.19%	+10.05%
Nasdaq (QQQ ETF)	+2.67%	+20.68%
S&P/TSX (XIU ETF)	-0.36%	+10.89%
EGIF – Series FD	+0.44%	+11.58%
EKGIF – Series FD	+1.58%	+10.76%

June 12, 2026 to June 19, 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

Last week equities finished broadly higher - led again by AI infrastructure and semiconductors, which continue to behave less like a crowded trade and more like the earnings reality of this cycle. Monday's surge on news of a U.S.-Iran peace framework and the prospect of the Strait of Hormuz reopening gave the week its momentum, and the market largely held those gains despite a volatile Wednesday. We think the overall tape reflects something genuine: an economy that, for now, is growing, employed, and spending — and a technology capital cycle that does not appear to be slowing.

The week's defining moment was the FOMC meeting on Wednesday, Kevin Warsh's first as Federal Reserve Chair. The committee held rates unanimously at 3.50–3.75%, as expected. What the market hadn't fully digested was the degree of hawkishness in the projections underneath: nine of eighteen participants now see at least one rate hike before year-end, the median 2026 funds rate forecast moved to 3.8%, and the Fed's own PCE inflation projection was revised sharply higher to 3.6% from 2.7% just three months ago. There was a brief sell-off after the statement, and equities recovered most of it by Thursday. We read the recovery less as complacency and more as a market that is skeptical of the dots as a reliable forward signal — a skepticism Warsh himself may share, given that he abstained from submitting his own projection and has publicly questioned the value of forward guidance as a policy tool. What we are watching more closely is the structural shift underway at the institution itself: Warsh announced five task forces to overhaul how the Fed sources data, measures inflation, communicates policy, and manages its balance sheet. That is not a cosmetic exercise. It suggests a Fed that is genuinely rethinking its analytical foundation, which has implications for how the market prices uncertainty over the next several years.

Note: This page is not complete without disclaimers on the last page.

On the economic data side, May retail sales were a bright spot and deserve acknowledgment. The headline came in at +0.9% month-over-month, nearly double consensus expectations, and the control group - the cleanest read on underlying consumer demand, which feeds directly into GDP - rose a solid 0.7%. This is the eighth consecutive monthly gain, and it speaks to a consumer who has remained more resilient than many forecasters expected in the face of elevated fuel costs and persistent inflation. We hold a degree of caution on the sustainability of this pace, as some of the strength has been supported by unusually large tax refunds that are now beginning to fade. The June print will tell us whether this is durable spending or a pulled-forward effect. Either way, the May number is not consistent with an economy that is breaking down.

The setup from here is consequential and genuinely two-sided. Q1 GDP and May PCE both land this week - PCE being the more important of the two given the Fed's revised inflation forecast. A softer print would materially shift the rate narrative and likely provide a tailwind for risk assets; a hot one would validate the hawkish dots and narrow the path for equities to continue grinding higher. Energy remains an area we are watching with particular interest: despite the ceasefire framework, we believe oil will maintain a structurally higher risk premium, and Energy equities are actually down since the conflict began - a dislocation we find difficult to square with the geopolitical reality.

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 (10.2%), Industrials (9.2%), Financials (8.6%), Energy (6.6%), and Real Estate (5.2%). I've added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of June 19, 2026

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

*EGIF Top 10 Equity Holdings exposure: 9.1%

The Exemplar Growth & Income Series FD was **+0.44%** last week and is **+11.58%** 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

The week opened with a strong Monday - the S&P 500 surging over 1.5% and Nasdaq +2.4% - as markets cheered a U.S.-Iran peace framework and the prospect of the Strait of Hormuz reopening. Energy stocks lagged sharply on that same headline, with oil prices moving lower. AI and semis resumed leadership on the back of continued infrastructure demand narratives, reminding us that the dominant market theme of this cycle isn't going away quietly.

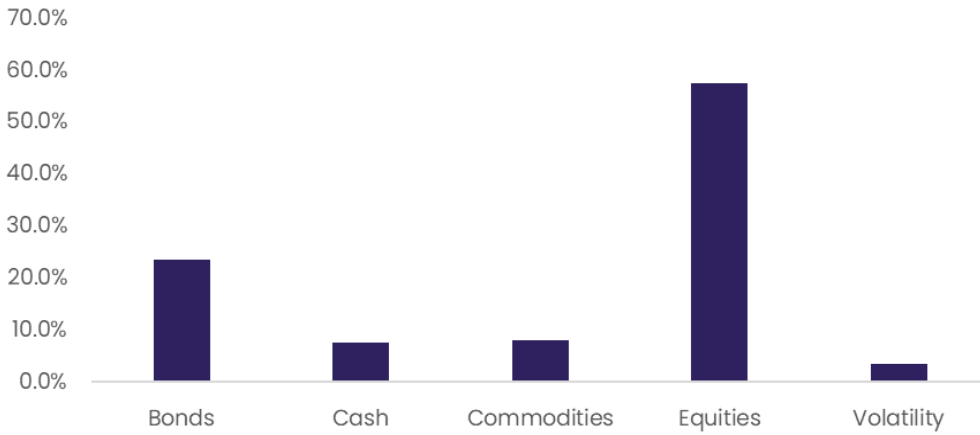
The main event was Wednesday's FOMC - Kevin Warsh's first meeting at the helm. As expected, the committee held rates steady. The post-meeting reaction was negative, with markets treating the outcome as hawkish: the dot plot shifted meaningfully, with nine of eighteen participants now penciling in at least one hike before year-end. The market's sharp initial sell-off looked more like short-term positioning noise than a genuine regime shift, and equities largely recovered Thursday and going into the close.

What we took away from Warsh is more structural and important than the rate reaction: he is orienting the Fed around accountability. He announced five task forces to review the Fed's communications framework, balance sheet policy, data sourcing, inflation frameworks, and the labor market. For years, the Fed has operated on data sets and models that arguably lagged reality - Warsh appears to want better, more independent inputs. His intense focus on price stability helped anchor longer-term rates and contributed to a further curve flattening dynamic. The front end will get some reprieve as one-year inflation expectations have pulled back sharply. Hedgeye is now carrying the street-low forecast on the next inflation print - if they're correct, it would suggest we are approaching peak hawkishness from the Fed, and the data would point toward a higher likelihood of either a Quad 1 or Quad 4 from here. So far, the evidence has leaned Quad 1 - and that's been a strong backdrop for risk assets.

In terms of portfolio positioning, we added modestly to duration - increasing our bond exposure as the curve continues to flatten and longer rates find a more constructive footing. Two key prints land later this week - Q1 GDP and May PCE. The GDP number will contextualize how resilient the economy was before energy prices spiked, but all eyes will be on PCE. The Fed just upgraded its year-end inflation track to 3.6%, up from 2.7% in March, making this the first real test of whether that hawkish revision was warranted - or premature. The next few weeks will be telling - inflation data, geopolitical developments, and the market's digestion of a new Fed regime all converge at once.

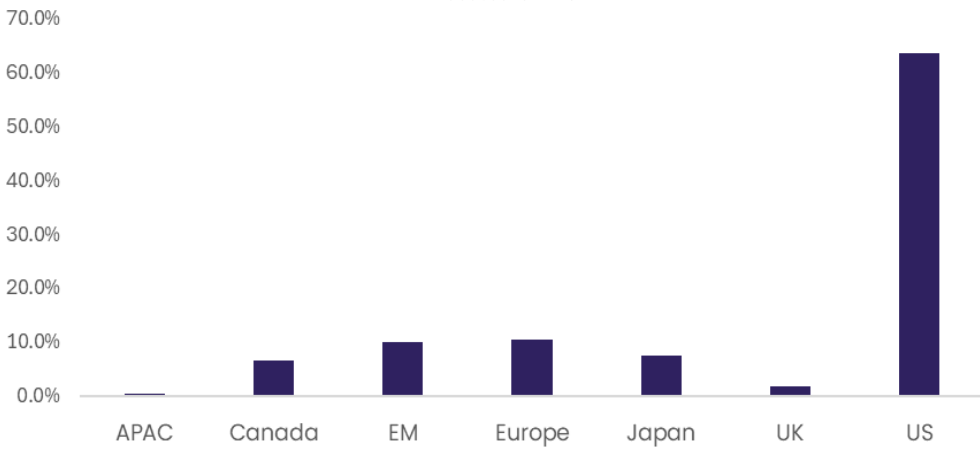
Exemplar Global Growth & Income Asset Allocation – June 19, 2026

ASSET ALLOCATION



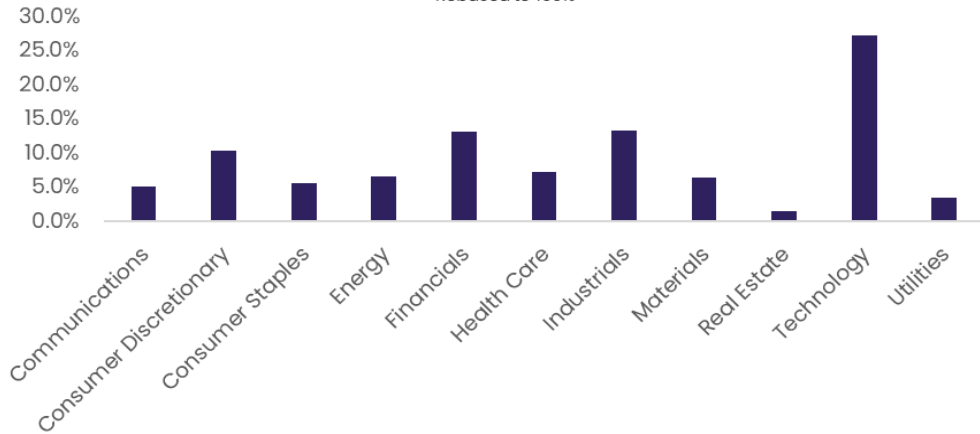
EQUITY GEOGRAPHIC ALLOCATION

*Rebased to 100%



EQUITY SECTOR ALLOCATION

*Rebased to 100%



Top 10 Equity Holdings as of June 19, 2026

1.	Alphabet – GOOG	Communication Services
2.	Apple – AAPL	Technology
3.	Nvidia – NVDA	Technology
4.	Amazon – AMZN	Consumer Discretionary
5.	Keyera - KEY	Energy
6.	Microsoft – MSFT	Technology
7.	TC Energy - TRP	Energy
8.	Morgan Stanley – MS	Financials
9.	American Electric Power – AEP	Utilities
10.	Eli Lilly – LLY	Healthcare

*EGGIF Top 10 Equity Holdings exposure: 7.2%

The Exemplar Global Growth & Income Series FD was **+1.58%** last week and is **+10.76%** 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%

Published June 22, 2026

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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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