EXEMPLAR GROWTH AND INCOME FUND

commentary - Week ending March 20, 2026

March 20th 2026 Asset Allocation: 8.7% cash; 24.2% bonds; 0.3% commodities, and 66.9% equities*; 15.7% $US

March 13th 2026 Asset Allocation: 7.1% cash; 23.9% bonds; 0.3% commodities, and 68.7% equities*; 16.3% $US
*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	-0.74%	-0.71%
iShares Core Canada Bond Index ETF	-0.43%	-0.64%
Gold (GLD ETF)	-10.30%	+4.31%
USD/CAD	+0.76%	+0.30%
ACWI (ETF)	-2.15%	-3.50%
S&P 500 (SPX ETF)	-1.80%	-4.63%
Nasdaq (QQQ ETF)	-1.96%	-5.25%
S&P/TSX (XIU ETF)	-3.06%	-1.03%
EGIF – Series FD	-2.01%	+2.40%
EGGIF – Series FD	-1.62%	-0.01%

March 13, 2026 to March 20, 2026

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

Source: Hedgeye Risk Management, March 2026

The past week in global markets was defined by a precarious balancing act as investors weighed a significant escalation in Middle East hostilities against a duo of “hawkish holds” from North American central banks. The narrative of a stabilizing conflict was abruptly challenged midweek by targeted strikes on critical energy infrastructure, specifically Iran’s South Pars gas field and retaliatory strikes on Qatar’s Ras Laffan facility. This marks a structural shift in the conflict from a shipping blockade to a direct assault on production assets, removing a meaningful percentage of global LNG capacity for the foreseeable future. Consequently, while crude prices showed early-week volatility, Brent surged back toward $110 per barrel by Friday as the market began to price in a “higher for longer” energy risk premium that complicates the global disinflationary path.

In the United States, the Federal Reserve’s March 18th decision to hold the federal funds rate at 3.50% to 3.75% was universally expected, but the accompanying Summary of Economic Projections painted a more cautious picture than many had hoped. The “dot plot” shifted toward a more unified stance for the remainder of 2026, effectively signaling that only one rate cut remains on the table for this calendar year, a significant retreat from the three cuts anticipated just months ago. Chairman Powell’s commentary underscored a “wait-and-see” approach, acknowledging that while productivity remains high, the energy shock has forced an upward revision of the Fed’s 2026 inflation forecast to 2.7%. For market participants, the message was clear: the Fed is not yet ready to “look through” the war’s inflationary impact, and the threshold for policy easing has moved higher.

North of the border, the Bank of Canada mirrored this caution, maintaining its overnight rate at 2.25%. The Governing

Council's statement highlighted a "supply shock after another," referencing the dual pressures of ongoing U.S. trade uncertainties and the current energy spike. While Canadian headline inflation remains within the 1% to 3% target range, the Bank noted that the domestic economy is operating under cooling conditions, with a fourth-quarter GDP contraction of 0.6% and a softening labor market. However, Governor Macklem emphasized that the immediate inflationary threat from $100+ oil prevents a pivot toward cuts, as the Bank remains wary of "second-round" effects on wages and consumer expectations. This leaves the Canadian consumer in a difficult position, particularly as a significant wave of mortgage renewals approaches in a high-rate environment.

Equities reflected this wall of worry, with major indices logging their third consecutive weekly decline. The S&P 500 and Nasdaq both retreated as the "relief rally" seen early in the week evaporated following the escalation in gas field strikes. Sector performance remained sharply bifurcated; energy and utilities continue to be the primary beneficiaries of the current macro backdrop, while growth-oriented sectors and financials face mounting pressure from rising bond yields and credit quality concerns. As we move into the final week of the quarter, the market's focus remains locked on the duration of the Strait of Hormuz closure and whether central banks will be forced to move from a "hold" to a "hike" if energy-driven inflation becomes embedded in the broader economy.

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 (9.5%), Industrials (8.8%), Energy (8.3%), Financials (8.1%), and Real Estate (4.8%). I've added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of March 20, 2026

1.	Tenaz Energy - TNZ	Energy
2.	Base Carbon - BCBN	Financials
3.	Canadian National Railway – CNR	Industrials
4.	Canadian Imperial Bank - CM	Financials
5.	Chartwell Retirement – CSH.UN	REITS
6.	Suncor Energy – SU	Energy
7.	Manulife - MFC	Financials
8.	Premium Brands - PBH	Consumer Staples
9.	Taiwan Semiconductor - TSM	Technology
10.	DRI Healthcare – DHT-U	Healthcare

*EGIF Top 10 Equity Holdings exposure: 8.9%

The Exemplar Growth & Income Series FD was -2.01% last week and is +2.40% year to date.

Exemplar Global Growth & Income

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

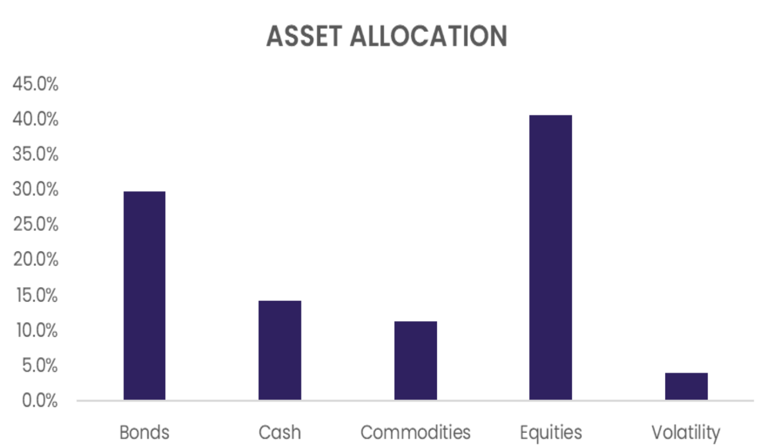
Source: Hedgeye Risk Management, March 2026

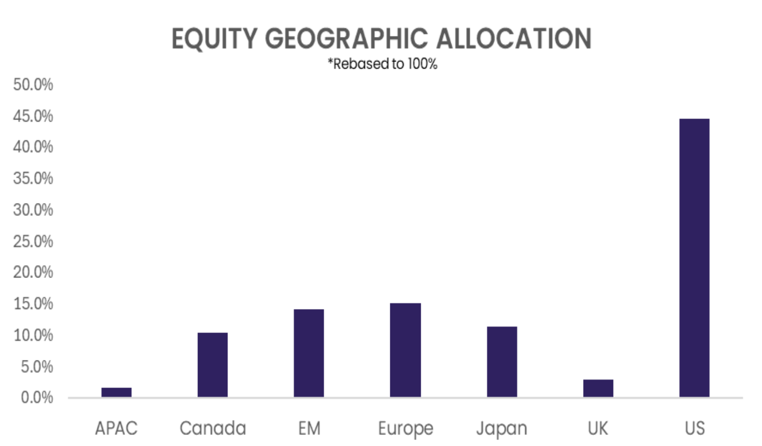
Global equities fared less well last week as the Iran crisis negatively impacted the less energy secure markets in Europe and Asia (Korea and Japan). Not only did their equities perform poorly but also the exchange rates compared to the USD leading to a double whammy for international investors. It was also interesting to see that single mandated Central Bank's like the ECB are more hawkish than the FED as several **rate hikes in Europe** are now being priced into markets. The opening (or not) of the Straight of Hormuz is effectively now the pivot point for global securities markets. There is no question that the current state of affairs cannot be sustained indefinitely without major damage to the global economy – including the U.S. The question is when does the situation resolve? On this point we believe that only with a clear indication from Iran can we believe this is happening. Trump's TACO comments are of little value from a signalling standpoint. That being said, he has midterms and sky-high gas prices that are not helping his position, so he needs a solution.

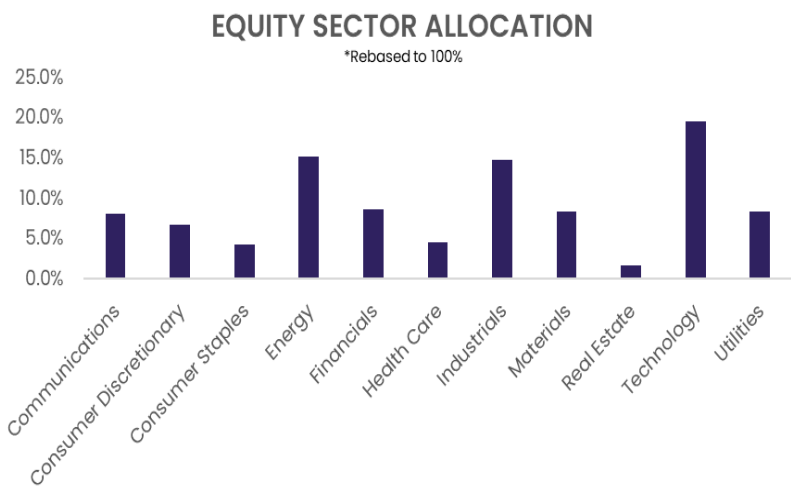
On the rates side, the FED's hawkishness created a large unwind of leveraged players in the steepener trade. Front end rates moved up massively and the 10-yr yield closed at 4.39%. We added to our 10-yr nominal fixed income position as a hedge with carry of sorts should the escalation not abate. This is in addition to U.S. and global TIP's which we also added to.

We continue to add to our long gold trade which suffered as a result of rates and deleveraging generally. We added to upside post the oil crisis with SP and EWY calls.

Exemplar Global Growth & Income Asset Allocation – March 20, 2026







Top 10 Equity Holdings as of March 20, 2026

1.	Amazon – AMZN	Consumer Discretionary
2.	Alphabet – GOOG	Communication Services
3.	Nvidia – NVDA	Technology
4.	Aecon Group - ARE	Industrials
5.	FS KKR Capital – FSK	Financials
6.	Suncor Energy – SU	Energy
7.	Mitsubishi Heavy – 7011.T	Industrials
8.	Imperial Oil - IMO	Energy
9.	Nestle - NSRGY	Consumer Staples
10.	NextEra Energy - NEE	Utilities

*EGGIF Top 10 Equity Holdings exposure: 6.3%

The Exemplar Global Growth & Income Series FD was -1.62% last week and is -0.01% year to date.

Thanks,
Arrow Investment Team

Historical Performance – As of February 28, 2026

	1-Year	3-Year	5-Year	10-Year	ITD
EGIF - Series FD	27.11%	13.10%	7.97%	8.87%	8.32%
EGGIF – Series FD	16.79%	9.19%			4.81%

Published March 23, 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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More information about the Fund can be found on our website www.arrow-capital.com.