

# EXEMPLAR GROWTH AND INCOME FUND

## commentary – Week ending March 6, 2026



March 6th 2026 Asset Allocation: 7.1% cash; 23.7% bonds; 0.3% commodities, and 69.0% equities\*; 16.6% \$US

February 27th 2026 Asset Allocation: 4.5% cash; 23.7% bonds; 0.3% commodities, and 71.5% equities\*; 17.5% \$US

\*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	-1.00%	+0.92%
iShares Core Canada Bond Index ETF	-1.63%	+0.43%
Gold (GLD ETF)	-2.12%	+19.48%
USD/CAD	-0.88%	-1.01%
ACWI (ETF)	-3.87%	+0.13%
S&P 500 (SPX ETF)	-1.98%	-1.40%
Nasdaq (QQQ ETF)	-1.24%	-2.37%
S&P/TSX (XIU ETF)	-2.86%	+3.33%
EGIF – Series FD	-2.99%	+5.35%
EKGIF – Series FD	-3.82%	+2.33%

February 27, 2026 to March 6, 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 4 (GDP ↓, Inflation ↓)	Quad 3 (GDP ↓, Inflation ↑)

Source: Hedgeye Risk Management, February 2026

Investors faced a challenging week as the intersection of geopolitical conflict and deteriorating economic data sparked fears of stagflation across every major asset class. While the S&P 500 fell 2% for the week, the decline in U.S. markets was relatively contained compared to the significant selling pressure seen internationally. This global volatility was driven by a historic surge in energy prices alongside a surprisingly weak U.S. employment report, creating a difficult environment for risk assets regardless of geography.

The escalating war involving the U.S., Israel, and Iran

became the central focus for global markets, with international indices bearing the brunt of the fallout. European stocks experienced their worst weekly performance in nearly a year, with the STOXX Europe 600 falling approximately 5.5% as the region's heavy reliance on imported Middle Eastern energy stoked fresh inflation worries. Emerging markets were hit even harder, with the MSCI Emerging Markets Index dropping nearly 7% - its worst weekly decline since the onset of the pandemic in 2020. This broader international sell-off was compounded by a strengthening U.S. dollar, which often acts as a headwind for non-U.S. assets during periods of global stress.

In the energy markets, West Texas Intermediate (WTI) crude oil futures surged more than 35% over the five-day period, ending the week above \$90 per barrel. This represented one of the largest weekly percentage gains in history, fueled by concerns that conflict could sever critical supply routes through the Strait of Hormuz. By the end of the week, reports indicated that tanker traffic through the strait had nearly ceased, further pressuring global energy supplies and forcing traders to rethink their expectations for central bank rate cuts.

Economic sentiment took another hit on Friday following the release of a soft U.S. payrolls report. The U.S. economy unexpectedly shed 92,000 jobs in February, missing economist expectations for a modest gain. The unemployment rate ticked up to 4.4%, while previous months' data saw downward revisions. For the Federal Reserve and other global central banks, this presents a complex dilemma. Rising energy prices typically exert upward pressure on inflation, while a shrinking job market calls for lower interest rates to support growth. This "worst-case scenario" has investors reassessing the likelihood of near-term relief, as policymakers may be forced to prioritize containing energy-driven inflation even as the broader global economy cools.

Beyond the headlines in oil and labor, nearly all sectors showed negative returns for the week. While U.S. technology and small-cap stocks faced pressure, the sell-off in international banking, insurance, and travel sectors was more pronounced. Only the energy sector and certain aerospace and defense stocks managed to find a footing as investors flocked to safe-haven assets, including U.S. Treasuries and gold, which attracted flows despite the overall rise in sovereign yields driven by long-term inflation fears.

### 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 (11.3%), Industrials (9.1%), Energy (8.1%), Financials (8.0%), and Real Estate (5.0%). I've added our Top 10 Equity Holdings below for this week.

#### Top 10 Equity Holdings as of March 6, 2026

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

\*EGIF Top 10 Equity Holdings exposure: 9.3%

The Exemplar Growth & Income Series FD was -2.99% last week and is +5.35% year to date.

## Exemplar Global Growth &amp; Income

Quad Forecast	1Q26E	2Q26E	3Q26E
Europe	Quad 4 (GDP ↓, Inflation ↓)	Quad 2 (GDP ↑, Inflation ↑)	Quad 3 (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, February 2026

As we noted on the Iran situation last week, these kinds of geopolitical shocks are usually several weeks in duration. All asset classes have seen volatility rise (including volatility) this past week. We adjusted our exposures with commodities rising and equities falling as a percentage of the Fund last week. This week will be important in trying to gauge both the duration of the war and whether other actors are drawn in.

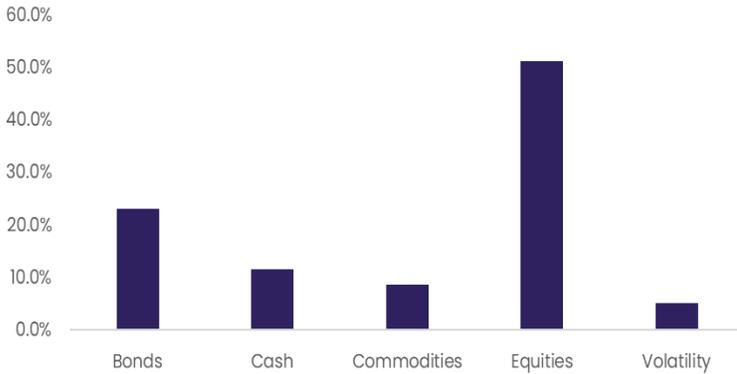
Given that we are in a monthly Quad 3 (stagflation) the impact of the Iran war is only intensifying and extending that outcome in the short run. In this environment, credit is not an exposure you want to own outright – this makes financials an underweight (as we are positioned currently). Private credit malaise added fuel to the fire as another firm joined a growing list of funds restricting redemptions (“gating”). Blackrock halted redemptions in a \$26 billion private credit fund – the domino effect may be playing out which could impact the public markets. The shares of OWL / KKR etc. all look horrible and are all hitting new lows daily.

Oil at \$90 is not a huge impact on the U.S. economy provided it is short-lived. Headline CPI will be impacted - the Hedgeye March CPI estimate has risen to 2.86% as of this morning (up from 2.44% in February). The 1-yr zero coupon inflation swaps are now 3.1% versus 2.6% at the start of the month. It should be noted energy is a lower share of the U.S. consumer wallet (<2%). However, in this case, the closing of the Strait of Hormuz will also damage other commodity areas including petrochemicals, fertilizers etc. potentially leading to higher than expected inflationary impact across more sectors including agriculture. Markets that lack energy independence like Korea/Japan etc. continue to see outsized corrections in their equity markets and FX. China has very large reserves, so it is insulated for quite some time.

The crazy volatility in payrolls and employment data over the past two months is best considered in the average of the two months. Without getting into the details, there were so many model changes (birth death model, population adjustments etc.) that the headline job losses/gains were wildly exaggerated. The breakeven employment gains needed to keep labour income growth constant is a 30k job print - which is effectively the average of January and February. The headline gains/losses are noise. Wages and aggregate earnings are still running over +4% YoY which is solid.

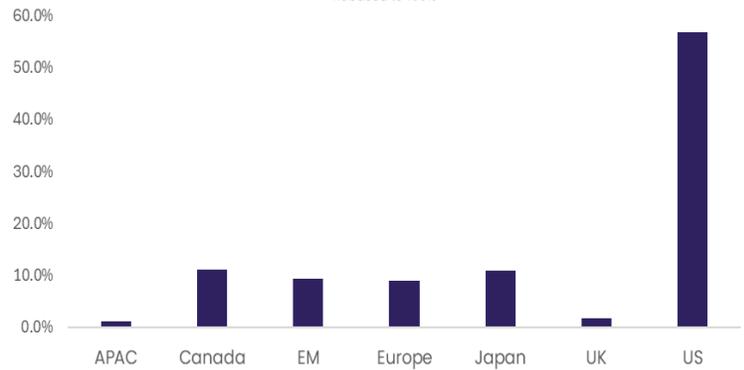
Exemplar Global Growth & Income Asset Allocation – March 6, 2026

ASSET ALLOCATION



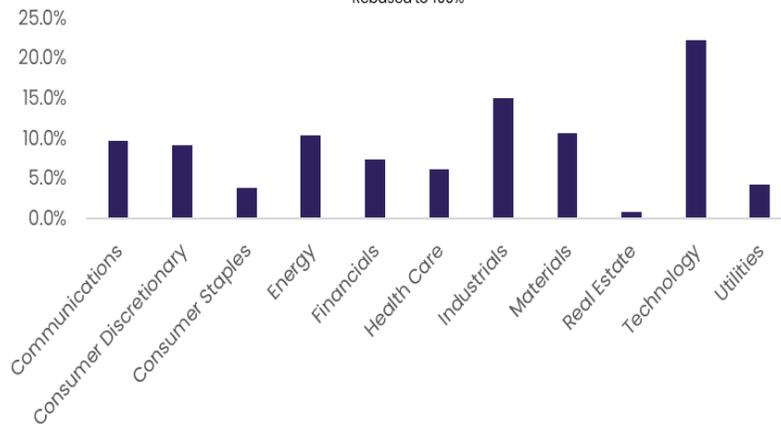
EQUITY GEOGRAPHIC ALLOCATION

\*Rebased to 100%



EQUITY SECTOR ALLOCATION

\*Rebased to 100%



Top 10 Equity Holdings as of March 6, 2026

1. Alphabet – GOOG	Communication Services
2. Amazon – AMZN	Consumer Discretionary
3. Meta Platforms - META	Communication Services
4. Apple - AAPL	Technology
5. Microsoft - MFST	Technology
6. Nvidia – NVDA	Technology
7. Nestle - NSRGY	Consumer Staples
8. Resonac Holdings – 4004.T	Materials
9. Nutrien - NTR	Materials
10. Eli Lilly – LLY	Healthcare

\*EGGIF Top 10 Equity Holdings exposure: 8.4%

The Exemplar Global Growth & Income Series FD was -3.82% last week and is +2.33% 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 9, 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](http://www.arrow-capital.com).