

EXEMPLAR GROWTH AND INCOME FUND

commentary – Week ending May 1, 2026



May 1st 2026 Asset Allocation: 10.2% cash; 22.4% bonds; 0.2% commodities, and 67.2% equities*; 16.7% \$US

April 24th 2026 Asset Allocation: 9.8% cash; 22.6% bonds; 0.2% commodities, and 67.4% equities*; 17.1% \$US

*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	-0.21%	+0.32%
iShares Core Canada Bond Index ETF	-0.07%	+0.46%
Gold (GLD ETF)	-2.32%	+6.78%
USD/CAD	-0.86%	-0.84%
ACWI (ETF)	+0.78%	+7.19%
S&P 500 (SPY ETF)	+0.94%	+5.94%
Nasdaq (QQQ ETF)	+1.55%	+9.86%
S&P/TSX (XIU ETF)	+0.16%	+7.10%
EGIF – Series FD	+0.09%	+9.86%
EGGIF – Series FD	+0.44%	+5.97%

April 24, 2026 to May 1, 2026

Quad Forecast	2Q26E	3Q26E	4Q26E
Canada	Quad 2 (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, May 2026

The first four months of 2026 concluded with a remarkable display of market resilience, as April capped a sharp V-shaped recovery with the S&P 500 rising 10%. This advance, the strongest monthly gain in over five years occurred despite persistent geopolitical uncertainty and a complex energy backdrop. To understand why markets are holding up so well in the face of these headwinds, one must look toward the robust trajectory of corporate earnings. We are currently navigating a tug-of-war where rising oil prices and a divided Federal Reserve are being offset by accelerating profits, massive investment in artificial intelligence, and a consumer base that continues to defy fears of a slowdown.

The busiest week of earnings season recently validated this fundamental strength, with a significant share of market leadership under the microscope. Aggregate results suggest that first-quarter earnings growth is on track to exceed 14%, marking the sixth consecutive quarter of double-digit growth. This strength is notably broad-based, with technology, materials, financials, and industrials all participating in the expansion. Furthermore, management teams across most sectors report that Middle East tensions have not yet materially affected demand outside of areas directly exposed to fuel costs, such as airlines. Even the consumer remains resilient; credit card companies continue to highlight healthy spending trends across both high-income and lower-spending cohorts.

Artificial Intelligence remains the dominant force supporting this growth narrative. Last week, five of the largest tech firms exceeded earnings expectations, supporting a tech-sector earnings outlook that has been revised sharply higher. We see no sign of a slowdown in infrastructure spending, as major cloud firms are collectively projected to invest roughly

\$700 billion this year to support the AI buildout. While such massive capital expenditure may eventually raise questions regarding long-term investment returns, it currently provides a powerful tailwind for semiconductor companies and firms tied to data-center construction. We believe that these productivity gains will ultimately provide downstream benefits to other sectors, including industrials.

Recent economic data reinforce the narrative provided by corporate results, confirming that the U.S. economy remains on solid footing with a 2% annualized GDP growth rate. Beyond the headline numbers, final sales to private domestic purchasers rose 2.5%, pointing to healthy private-sector activity. While consumer spending slowed modestly, rising incomes and tax refunds helped offset higher gasoline costs. Business investment was the clear standout, with spending on IT equipment and software alone contributing significantly to growth. These figures suggest that while higher oil prices act as a persistent headwind, there is currently little indication that the underlying economy is cracking.

However, markets are not without meaningful counterweights, as rising energy prices and higher bond yields inject uncertainty into the outlook. The Federal Reserve held policy steady for a third consecutive meeting, but the tone has leaned increasingly cautious. A growing number of officials are signaling concern that inflation could remain elevated, a view supported by core PCE inflation moving further away from the 2% target. With December oil futures pushing toward \$80 and jobless claims at historic lows, the urgency for policy easing has diminished. We expect the Fed to remain firmly on hold in the near term, likely maintaining this restrictive posture as Kevin Warsh assumes the chair. Consequently, while we believe a rate cut remains possible in 2026, it is likely deferred until the very end of the year once energy markets have normalized.

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 (10.9%), Industrials (8.9%), Financials (8.6%), Energy (7.1%), and Real Estate (5.0%). I've added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of May 1, 2026

1.	Base Carbon - BCBN	Financials
2.	Tenaz Energy - TNZ	Energy
3.	Canadian Imperial Bank - CM	Financials
4.	Chartwell Retirement – CSH.UN	REITS
5.	Canadian National Railway – CNR	Industrials
6.	Manulife - MFC	Financials
7.	NevGold Corp - NAU	Materials
8.	Taiwan Semiconductor - TSM	Technology
9.	Amazon - AMZN	Consumer Discretionary
10.	Kazia Therapeutics - KZIA	Healthcare

*EGIF Top 10 Equity Holdings exposure: 9.4%

The Exemplar Growth & Income Series FD was +0.09% last week and is +9.86% 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 2 (GDP ↑, Inflation ↑)	Quad 1 (GDP ↑, Inflation ↓)	Quad 1 (GDP ↑, Inflation ↓)
Japan	Quad 3 (GDP ↓, Inflation ↑)	Quad 3 (GDP ↓, Inflation ↑)	Quad 2 (GDP ↑, Inflation ↑)

Source: Hedgeye Risk Management, May 2026

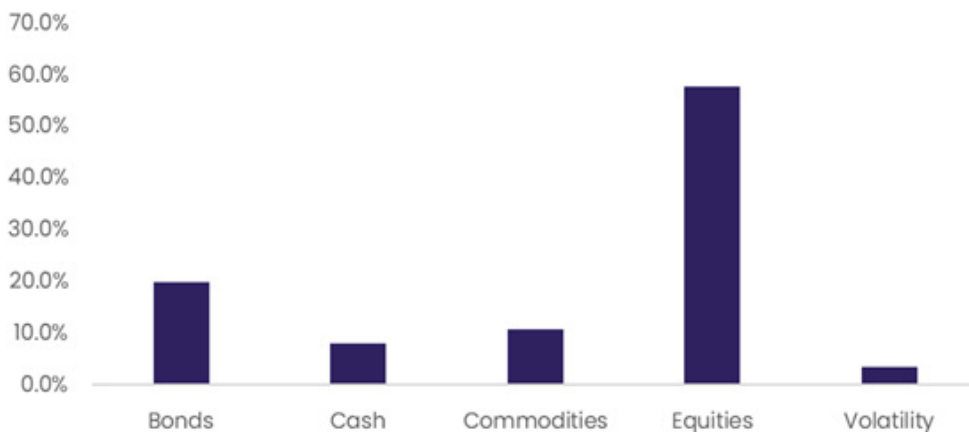
The markets continued their record-breaking run with both S&P and Nasdaq climbing for the fifth consecutive week and making new all-time highs. The market focused on the corporate earnings we received in the week. The standouts were 5 of the Mag 7 companies reporting with all of them beating revenue forecasts. Despite all of them increasing capex for the upcoming year, the differentiator in their performance stood between those who could prove the increase in growth in revenue from the investments. This led to a divergent performance with GOOGL and AMZN performing well but MSFT and META falling for their increased capex guidance. Outside Tech, Semiconductors continued their rally with Intel surging 23.6% and Texas Instrument rising 9.4% after beating expectations. The continuation of the semiconductor and memory trade lead to the KOSPI surging another 2.045%, despite being a 4-day week.

The market has stayed resilient despite oil inching back up with Brent touching \$121, WTI touching \$108 and the Energy Sector up 1.8%. The market has chosen to look through the war as a temporary increase of costs and the economy being strong enough to withstand it. The Fed also kept rates unchanged last week with it being Powell's last week being Chair. However, bond yields were firmer for the week because of the hawkish Fed signalling increased concerns over inflation. Powell also announced that he will remain on the board, signalling the continued independence of the Fed.

84% of the reported S&P 500 companies have beaten, showing the resilience of earnings. Markets will focus on the remaining earnings, with notable names like AMD and CCJ reporting this week. After last weeks soft jobs number, Non-Farm Payrolls will be a crucial data release this week and any continuing headline releases about the Middle East. As we feel more comfortable with deploying more risk, we have continued to reduce our cash and bond exposure and deployed them in equities. We continue to overweight EM and U.S. with a tilt towards Technology and Energy names.

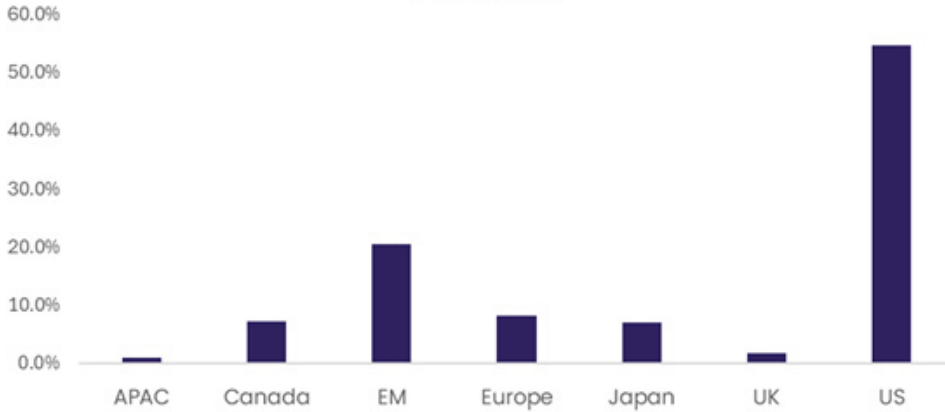
Exemplar Global Growth & Income Asset Allocation – May 1, 2026

ASSET ALLOCATION



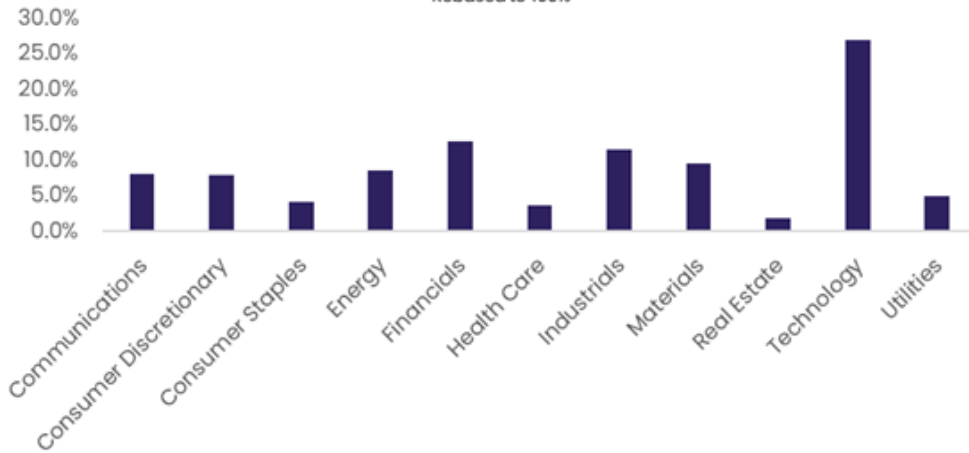
EQUITY GEOGRAPHIC ALLOCATION

*Rebased to 100%



EQUITY SECTOR ALLOCATION

*Rebased to 100%



Top 10 Equity Holdings as of May 1, 2026

- | | |
|-------------------------------|------------------------|
| 1. Alphabet – GOOG | Communication Services |
| 2. Amazon – AMZN | Consumer Discretionary |
| 3. Apple – AAPL | Technology |
| 4. Nvidia – NVDA | Technology |
| 5. Meta Platforms – META | Communication Services |
| 6. JPMorgan Chase – JPM | Financials |
| 7. Vistra Corp – VST | Utilities |
| 8. Cisco Systems - CSCO | Technology |
| 9. Taiwan Semiconductor – TSM | Technology |
| 10. Cleveland Cliffs - CLF | Materials |

*EGGIF Top 10 Equity Holdings exposure: 7.4%.

The Exemplar Global Growth & Income Series FD was +0.44% last week and is +5.97% year to date.

Thanks,
Arrow Investment Team

Historical Performance – As of April 30, 2026

	1-Year	3-Year	5-Year	10-Year	ITD
EGIF - Series FD	30.62%	13.18%	7.53%	8.58%	8.30%
EGGIF – Series FD	18.37%	8.69%			4.47%

Published May 4, 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.