EXEMPLAR GROWTH AND INCOME FUND

commentary - Week ending May 15, 2026

Arrow Capital Management Inc.

May 15th 2026 Asset Allocation: 10.8% cash; 22.3% bonds; 0.2% commodities, and 66.7% equities*; 17.3% $US

May 8th 2026 Asset Allocation: 10.8% cash; 22.3% bonds; 0.2% commodities, and 67.7% equities*; 17.2% $US
*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	-1.51%	-1.48%
iShares Core Canada Bond Index ETF	-1.23%	-0.36%
Gold (GLD ETF)	-3.80%	+5.28%
USD/CAD	+0.46%	+0.21%
ACWI (ETF)	-0.84%	+8.90%
S&P 500 (SPY ETF)	+0.21%	+8.66%
Nasdaq (QQQ ETF)	-0.32%	+15.52%
S&P/TSX (XIU ETF)	-0.54%	+6.61%
EGIF – Series FD	-0.80%	+10.01%
EGGIF – Series FD	-0.81%	+7.18%

May 8, 2026 to May 15, 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, May 2026

Global equity markets showed notable resilience last week, with the S&P 500 and Nasdaq Composite pushing to fresh intraday records despite a sharp upward move in global bond yields. The primary catalyst driving this upward momentum remains an exceptionally strong first-quarter corporate reporting cycle, which has solidified into the highest revenue growth rate recorded since 2022. Investor enthusiasm is still heavily concentrated in the technology and semiconductor sectors, where massive enterprise capital expenditure on cloud infrastructure and artificial intelligence hardware continues to translate into tangible, double-digit revenue expansions.

This fundamental corporate strength was further amplified by international diplomatic efforts, notably a high-profile U.S.-China summit aimed at stabilizing regional trade bottlenecks, alongside ongoing multi-lateral discussions regarding a potential de-escalation of conflict in the Middle East. These geopolitical developments have provided a temporary buffer for sentiment, keeping corporate earnings execution at the forefront of asset pricing. The combination of easing international friction and stellar balance sheets has allowed equities to temporarily decouple from macroeconomic headwinds.

However, beneath the headline records, a clear sense of tactical caution is beginning to emerge as a series of hot price indicators pushes the U.S. 10-year Treasury yield past the 4.55% threshold. This level is starting to exert a meaningful dampening effect on broader equity multiples, as higher bond yields naturally raise the hurdle rate for risk assets and compress valuation premiums. Over the last several weeks, systematic exposure has rebuilt sharply, leaving equity structures highly sensitive to any sudden shifts in market momentum, especially as fixed-income yields test these critical historical thresholds.

While secular growth trends in physical AI infrastructure and technology spending remain entirely intact, the sheer velocity of the recent equity expansion, paired with competing asset yields, has significantly raised the bar for forward corporate guidance. For portfolio positioning, this internal backdrop suggests that while the broader bull market remains fundamentally supported, investors should anticipate a transition toward a more consolidated and choppy trading range in the near term. The market structure must now digest recent gains and adjust to the reality of a stickier, higher yield 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 (11.3%), Industrials (8.6%), Financials (8.0%), Energy (7.8%), and Real Estate (4.8%). I've added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of May 15, 2026

1.	Tenaz Energy - TNZ	Energy
2.	NevGold Corp - NAU	Materials
3.	Canadian National Railway – CNR	Industrials
4.	Base Carbon - BCBN	Financials
5.	Chartwell Retirement – CSH.UN	REITS
6.	Manulife - MFC	Financials
7.	Canadian Imperial Bank - CM	Financials
8.	Premium Brands - PBH	Consumer Staples
9.	Amazon - AMZN	Consumer Discretionary
10.	Alphabet - GOOGL	Communication Services

*EGIF Top 10 Equity Holdings exposure: 9.1%

The Exemplar Growth & Income Series FD was -0.80% last week and is +10.01% 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, May 2026

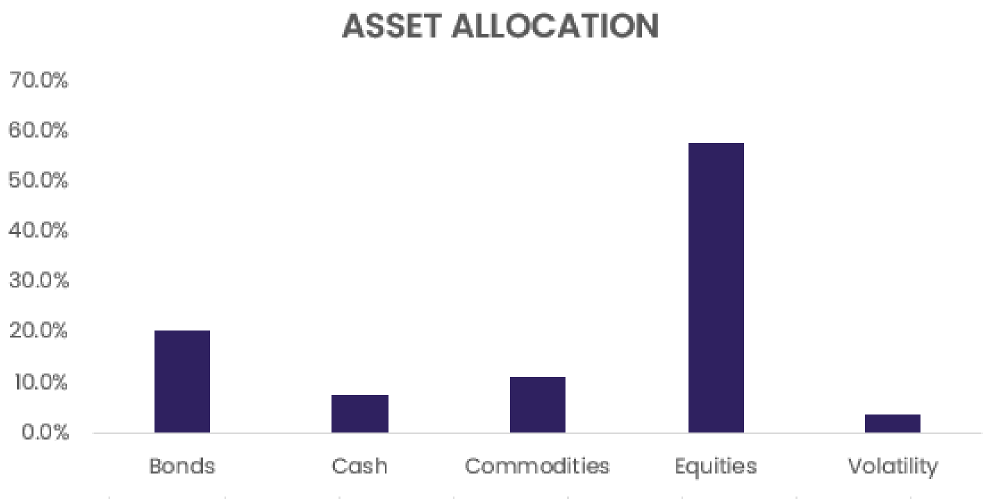
Equity markets pulled back last week, with the S&P 500 finishing around flat and the Nasdaq declining slightly. The retreat came despite a significant macro development on Monday, as the U.S. and China announced a 90-day tariff truce, which failed to sustain any meaningful risk-on momentum through the week.

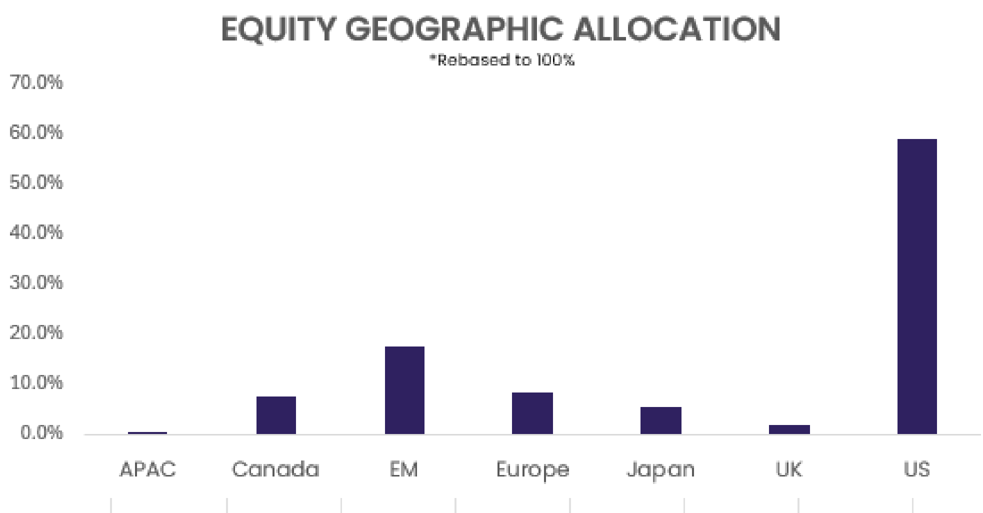
The dominant macro theme of the week was inflation and yields, as two key data points rattled bond markets. April CPI, reported Tuesday, came in at 3.8% y/y, 10 basis points above consensus - with core also surprising to the upside at 2.8%, showing how the impact of the Iran war is hitting the U.S. economy as energy costs surge. PPI later in the week compounded the concern, with headline rising 1.4% m/m against a consensus of 0.5%, and core PPI jumping 1.0% versus an expected 0.3% - the highest annual gain in core prices in three years according to Bloomberg. The bond market took notice, with yields pushing higher across the curve and weighing on rate-sensitive growth names.

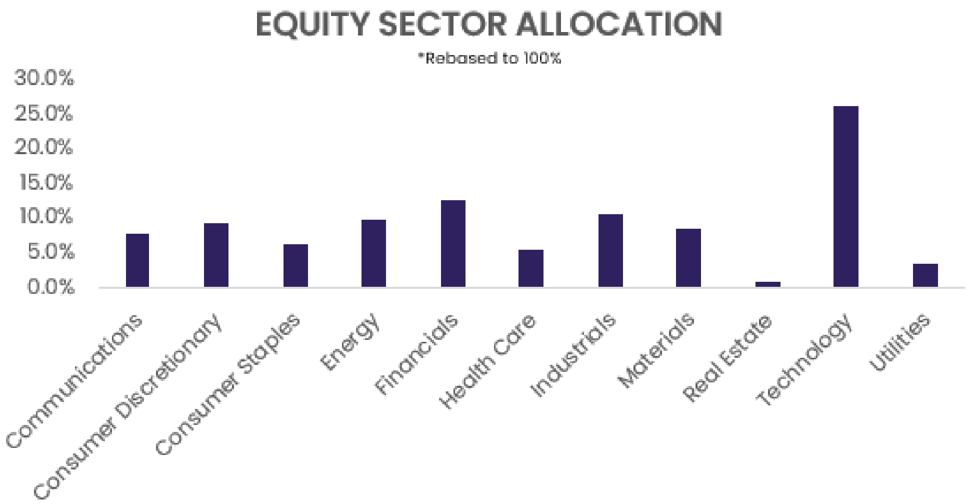
Portfolio-wise, we grossed down on select Data Center themed trades, where valuations have run ahead of near-term fundamentals and the risk/reward has narrowed. More broadly, high beta momentum names were under significant pressure throughout the week, as the combination of hotter-than-expected inflation and rising yields created a difficult environment for the crowded long side of the AI infrastructure trade - we took the opportunity to reduce exposure accordingly.

Looking ahead, the most anticipated event this week is NVIDIA's fiscal Q1 earnings on Wednesday. Data Center revenue and hyperscaler capex commentary will be the key focus. How management frames the demand outlook could set the tone for the entire AI trade in what remains an uncertain macro backdrop.

<u>Exemplar Global Growth & Income Asset Allocation – May 15, 2026</u>







Top 10 Equity Holdings as of May 15, 2026

1.	Apple – AAPL	Technology
2.	Alphabet – GOOG	Communication Services
3.	Nvidia – NVDA	Technology
4.	Microsoft - MSFT	Technology
5.	Amazon – AMZN	Consumer Discretionary
6.	Meta Platforms – META	Communication Services
7.	TC Energy - TRP	Energy
8.	JPMorgan Chase – JPM	Financials
9.	Enbridge - ENB	Energy
10.	SK Telecom - SKM	Communication Services

*EGGIF Top 10 Equity Holdings exposure: 7.9%.

The Exemplar Global Growth & Income Series FD was -0.81% last week and is +7.18% 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%

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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.