# EXEMPLAR GROWTH AND INCOME FUND
## commentary - Week ending November 7, 2025

Arrow Capital Management Inc.

November 7th 2025 Asset Allocation: 7.0% cash; 29.2% bonds; 1.4% commodities, and 62.4% equities*; 25.8% $US

October 31st 2025 Asset Allocation: 6.8% cash; 25.8% bonds; 1.8% commodities, and 65.6% equities*; 25.8% $US
*Net exposure to equities

| | Last Week | Year to Date |
|---|---|---|
| iShares U.S. 7-10 Yr Bond ETF | +0.14% | +7.62% |
| iShares Core Canada Bond Index ETF | -0.17% | +3.32% |
| Gold (GLD ETF) | +0.05% | +50.81% |
| USD/CAD | +0.94% | -1.83% |
| ACWI (ETF) | -1.31% | +19.06% |
| S&P 500 (SPX ETF) | -1.61% | +14.74% |
| Nasdaq (QQQ ETF) | -3.06% | +18.95% |
| S&P/TSX (XIU ETF) | -1.02% | +20.68% |
| EGIF – Series FD | -1.03% | +13.78% |
| EGGIF – Series FD | -1.13% | +11.97% |

October 31, 2025 to November 7, 2025

| Quad Forecast | 4Q25E | 1Q26E | 2Q26E |
|---|---|---|---|
| Canada | Quad 3 (GDP ↓, Inflation ↑) | Quad 1 (GDP ↑, Inflation ↓) | Quad 2 (GDP ↑, Inflation ↑) |
| United States | Quad 2 (GDP ↑, Inflation ↑) | Quad 1 (GDP ↑, Inflation ↓) | Quad 4 (GDP ↓, Inflation ↓) |

Source: Hedgeye Risk Management, November 2025

It was a tough week for markets. The S&P 500 fell about 1.6%, the Nasdaq dropped just over 3%, and the TSX slipped around 1%. After a long run of strength—especially from the big tech and AI names—it finally felt like investors took a breather. There wasn't one clear trigger for the pullback, more a sense that prices had simply run too far ahead of themselves.

Technology led the way down. The same stocks that powered the rally through most of the year suddenly looked a bit over-owned, and a few traders started wondering aloud if the market had wandered into bubble territory—particularly around artificial intelligence. No one's questioning that AI is a real and lasting trend, but valuations in that space have climbed to levels that leave very little room for disappointment. Even a hint of second-guessing was enough to spark some selling at the margin, and that weakness spilled over into the broader market.

The ongoing U.S. government shutdown added to the unease. With Washington still gridlocked, much of the regular economic data hasn't been released, leaving investors to navigate with less visibility than usual. The numbers we did get were mixed. The U.S. services sector grew again in October, suggesting consumers are still spending on travel, restaurants, and entertainment. But manufacturing stayed soft, shrinking for an eighth straight month. That split between resilient service activity and sluggish factory output remains the defining feature of this cycle. Meanwhile, consumer confidence ticked lower, as worries about inflation and the shutdown weighed on household sentiment.

Here in Canada, the TSX held up a bit better than the U.S. benchmarks, helped by its heavier exposure to energy, materials, and financials. Still, it couldn't escape the global downdraft and ended the week about one percent lower. Oil prices bounced around but finished roughly where they started, while drilling activity ticked up slightly—a small sign of life in the energy patch.

Looking ahead, the focus stays on Washington and any signs the shutdown might end. Until that's resolved, expect a few more choppy sessions. For now, though, this looks like a market taking a healthy pause.

**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 (10.1%), Industrials (9.5%), Energy (7.5%), Financials (7.2%), and Real Estate (5.2%). I've added our Top 10 Equity Holdings below for this week.

### Top 10 Equity Holdings as of November 7, 2025

| | | |
|---|---|---|
| 1. | Schmid Group – SHMD | Industrials |
| 2. | Chartwell Retirement – CSH.UN | REITS |
| 3. | Base Carbon - BCBN | Financials |
| 4. | Manulife - MFC | Financials |
| 5. | Tenaz Energy - TNZ | Energy |
| 6. | Canadian Imperial Bank - CM | Financials |
| 7. | Capital Power – CPX | Utilities |
| 8. | Enbridge – ENB | Energy |
| 9. | Sun Life – SLF | Financials |
| 10. | Suncor Energy – SU | Energy |

*EGIF Top 10 Equity Holdings exposure: 9.7%

The Exemplar Growth & Income Series FD was -1.03% last week and is +13.78% year to date.

## Exemplar Global Growth & Income

| Quad Forecast | 4Q25E | 1Q26E | 2Q26E |
|---|---|---|---|
| Europe | Quad 3 (GDP ↓, Inflation ↑) | Quad 4 (GDP ↓, Inflation ↓) | Quad 2 (GDP ↑, Inflation ↑) |
| China | Quad 3 (GDP ↓, Inflation ↑) | Quad 4 (GDP ↓, Inflation ↓) | Quad 1 (GDP ↑, Inflation ↓) |
| Japan | Quad 4 (GDP ↓, Inflation ↓) | Quad 1 (GDP ↑, Inflation ↓) | Quad 3 (GDP ↓, Inflation ↑) |

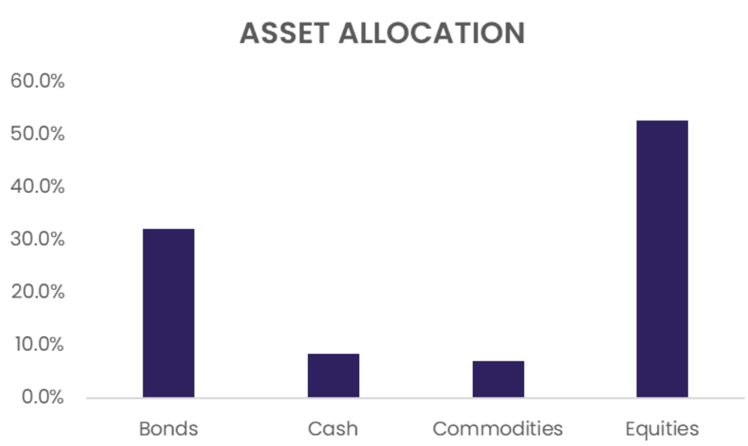
Source: Hedgeye Risk Management, November 2025

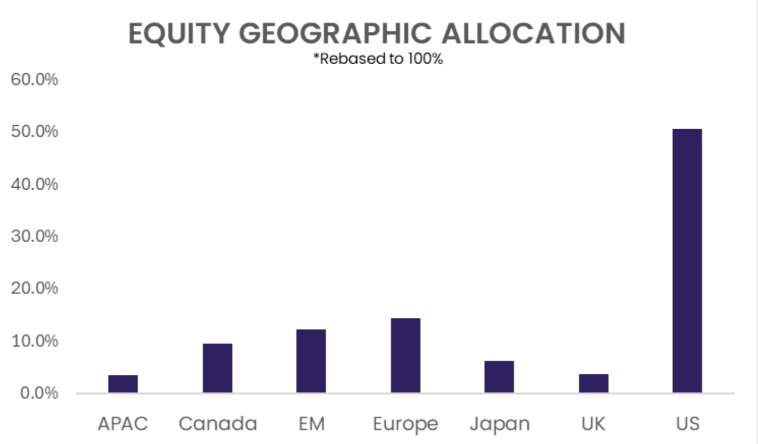
Equities took a step back this week with ACWI falling 1.3% as technology heavy Nasdaq (in particular AI related and more speculative names) fell over 3%. Factors like High Beta and Momentum were hit hardest. The broader measured equal weight S&P500 was down only 0.2% indicating some rotation into laggard names and sectors. With over 90% of the S&P having reported and earnings growth running 13% ahead of expectations, the backdrop remains constructive for the broader market. We remain overweight equities but have reduced our exposure to higher beta names. The less tech heavy foreign bourses (IDEV) fared better down less than 1%.

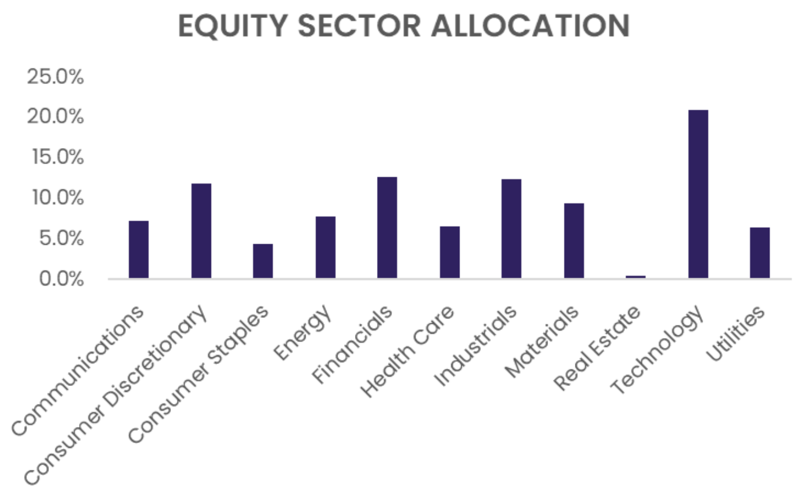
In fixed income, the long bond (>20yrs) did not provide any diversification benefit this week falling over 70bps. The economic data was mixed with falling inflation expectations, a mixed Challenger job report and lower consumer confidence data was not enough to offset decent ADP labour data and a firm ISM prices paid.
Commodities were essentially flat on the week (BCOM) but bitcoin tumbled over 5%. We currently do not have exposure to crypto.

Finally, the C$ bounced on Friday after digesting the Federal budget. We will be watching developments and spending more time on government actions and how local and foreign businesses respond especially to the capital expenditure benefits. The upshot of the budget is that the deficit and debt burden is growing to rather uncomfortable levels.

We will hear from the U.S. Supreme Court at some point soon on the tariff ruling. Betting market sites are leaning decidedly against the President currently. There is a great deal riding on the ruling and in the White House response to it. We don't have enough time to review everything but there will be clear winners and losers as a result. On the U.S. government shutdown, we were expecting some resolution on Friday but perhaps this week – I am sure politicians will not want Thanksgiving will turn into a real mess (a turkey!) if no compromise.






### Top 10 Equity Holdings as of November 7, 2024

| | | |
|---|---|---|
| 1. | Alphabet – GOOG | Communication Services |
| 2. | Microsoft – MFST | Technology |
| 3. | Amazon – AMZN | Consumer Discretionary |
| 4. | Apple - AAPL | Technology |
| 5. | Nvidia - NVDA | Technology |
| 6. | Barrick Mining – ABX | Materials |
| 7. | JP Morgan Chase – JPM | Financials |
| 8. | Eli Lilly – LLY | Healthcare |
| 9. | Sempra – SRE | Utilities |
| 10. | TC Energy - TRP | Energy |

*EGGIF Top 10 Equity Holdings exposure: 6.9%

The Exemplar Global Growth & Income Series FD was -1.13% last week and is +11.97% year to date.

Thanks,
Arrow Investment Team

**Historical Performance** – As of October 31, 2025

| | 1-Year | 3-Year | 5-Year | 10-Year | ITD |
|---|---|---|---|---|---|
| EGIF - Series FD | 16.42% | 9.18% | 7.87% | 7.70% | 7.52% |
| EGGIF – Series FD | 15.18% | 7.29% | | | 3.82% |

Published November 10, 2025

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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.