EXEMPLAR GROWTH AND INCOME FUND
commentary - Week ending November 14, 2025

November 14th 2025 Asset Allocation: 6.8% cash; 27.4% bonds; 1.5% commodities, and 64.3% equities*; 26.0% $US

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

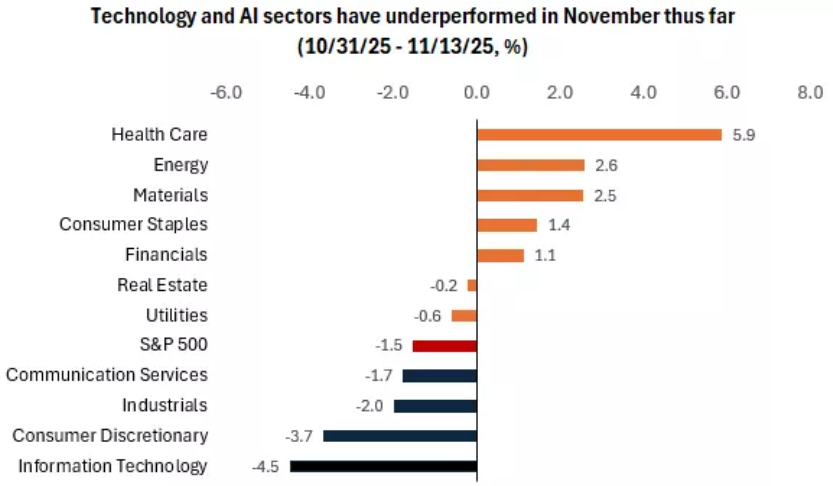
	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	-0.25%	+7.35%
iShares Core Canada Bond Index ETF	-0.27%	+3.04%
Gold (GLD ETF)	+2.08%	+53.94%
USD/CAD	-0.54%	-2.36%
ACWI (ETF)	+0.38%	+19.52%
S&P 500 (SPX ETF)	+0.14%	+14.90%
Nasdaq (QQQ ETF)	-0.14%	+18.78%
S&P/TSX (XIU ETF)	+1.41%	+22.37%
EGIF – Series FD	+0.48%	+14.32%
EGGIF – Series FD	-0.02%	+11.95%

November 7, 2025 to November 14, 2025

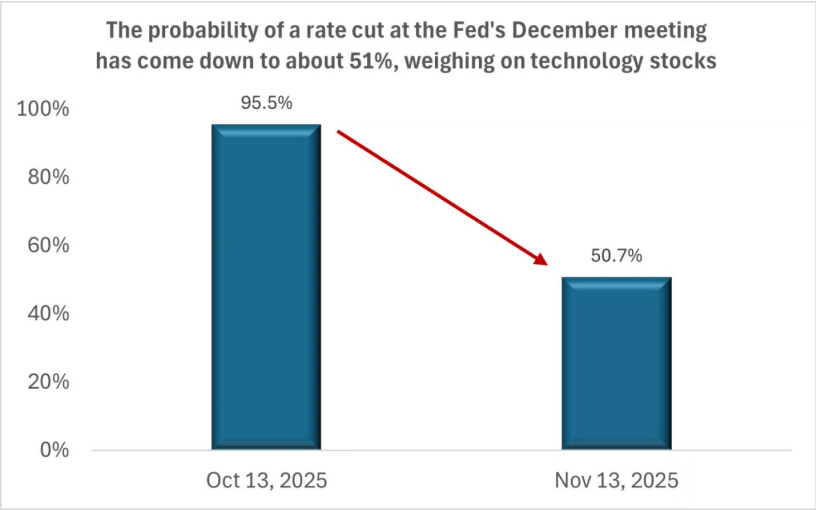
Quad Forecast	4Q25E	1Q26E	2Q26E
Canada	Quad 3 (GDP ↓, Inflation ↑)	Quad 1 (GDP ↑, Inflation ↓)	Quad 2 (GDP ↑, Inflation ↑)
United States	Quad 2 (GDP ↑, Inflation ↑)	Quad 1 (GDP ↑, Inflation ↓)	Quad 4 (GDP ↓, Inflation ↓)

Source: Hedgeye Risk Management, November 2025

Over the past week we've seen a noticeable rotation in equity markets as the long-dominant technology and AI complex finally showed signs of fatigue. After an extraordinary run — the Nasdaq is still up more than 50% from its April lows — investors appear to be taking some chips off the table. November has been a rare stretch where tech has lagged meaningfully, while sectors like health care, energy and materials have led. Part of this is natural after such a strong rally, especially as we move toward year-end and investors begin the usual portfolio rebalancing. But part of it reflects a shift in how markets are starting to think about mega-cap tech.



For most of the past decade, these companies have been cash-rich, asset-light machines with widening margins and enormous free-cash-flow generation. Today the picture is evolving. To keep up with AI-driven demand, several of the largest players have begun issuing more debt to finance waves of infrastructure spending. What was once a sector defined by its balance-sheet strength is now taking on a more capital-intensive profile as data-center and AI-infrastructure investment is projected to surge again next year. For some firms this is manageable, but in others, like Oracle, the rising debt load is attracting more attention. Even the healthiest names — Meta, Google, and others — are seeing leverage creep higher. None of this breaks the long-term AI story, but it does change how investors think about the near-term risk/reward, especially after valuations stretched heading into earnings season.



Layered onto this is a shift in expectations for monetary policy. Just a month ago, markets were almost fully priced for a December rate cut. That probability is now closer to 50%, as Fed communication has leaned more cautious and officials continue to highlight persistent inflation pressures. Higher-for-longer interest rates aren't friendly to long-duration assets, and tech has borne the brunt of that recalibration. It isn't a mystery that the sectors rallying today — energy, materials, health care — are the very ones that tend to hold up better in a rising-rate or uncertain-rate 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 (10.5%), Industrials (9.5%), Energy (7.5%), Financials (7.4%), and Real Estate (5.2%). I've added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of November 14, 2025

1.	Schmid Group – SHMD	Industrials
2.	Chartwell Retirement – CSH.UN	REITS
3.	Manulife - MFC	Financials
4.	Canadian Imperial Bank - CM	Financials
5.	Base Carbon - BCBN	Financials
6.	Tenaz Energy - TNZ	Energy
7.	Enbridge – ENB	Energy
8.	Sun Life – SLF	Financials
9.	Bombardier – BBD-B	Industrials
10.	Canadian National Rail - CNR	Industrials

*EGIF Top 10 Equity Holdings exposure: 9.7%

The Exemplar Growth & Income Series FD was +0.48% last week and is +14.32% 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

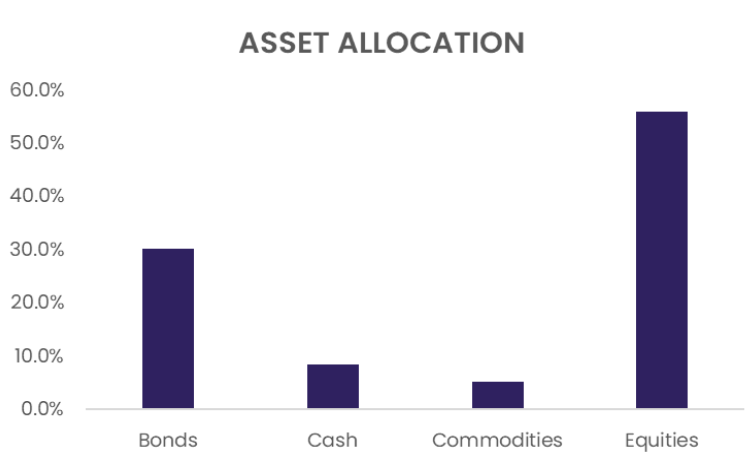
So here we are in mid-November and the U.S. government is just coming out of the longest shutdown on record. We will not have CPI or NFP data for October as nobody was doing any sampling but we will get some September data later this week – stale now. We do have plenty of alternative data though so all is not lost and our process, which relies heavily on data, can still be effective.

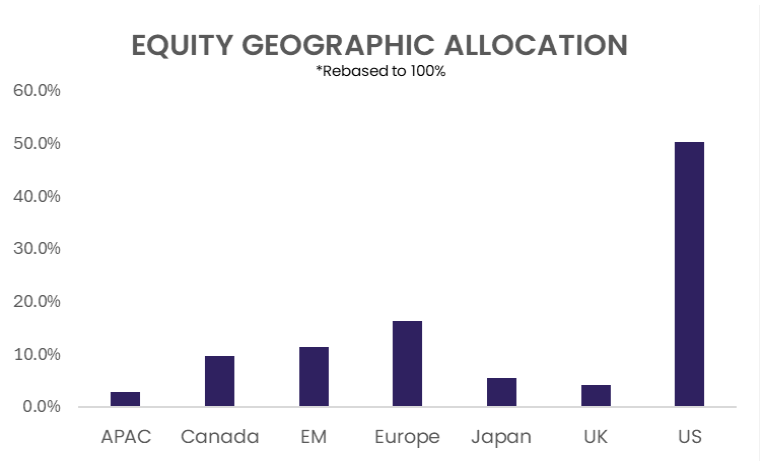
Let's step back and look at what has happened since Liberation Day. As Economist Jake Oubina at Piper Sandler explains, tariffs are currently running at a $400 BN annualized clip. If you look at import prices which have not changed much, businesses and the consumer are bearing the brunt of these payments. As we have noted, before, this is a "disguised" tax on consumption. Yes, we have goods prices (30% of the economy) that are up and have contributed to inflation, but tariffs at their core are deflationary over the medium term as aggregate demand and inflation ultimately falls. As if on queue, the Federal Reserve Bank of San Francisco released a paper this week (link below) looking back on 150 years of tariff policy data with the same conclusion. If you look at the impact (causation or correlation?) on employment, in March the US had been generating 150k jobs a month which is now down to 50k and falling. We have moved to a "no hire/no fire" situation currently but the substantial announced layoffs over the past 30 days may see further moves downwards. Many of the mid level management jobs are leftover labour hoarding being cut and not so much AI related in our view. Tariffs have been a 130 bps real GDP hit according to Oubina and businesses are simply adjusting.

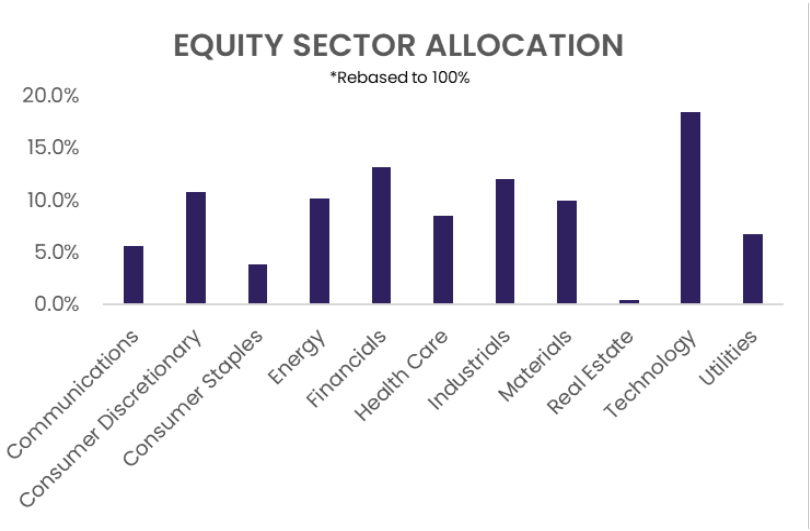
The FED seems to be fighting yesterday's war (i.e. Covid supply side shocks and the Biden massive government / fiscal pump). They have two mandates – the employment mandate as we have discussed is moving the wrong way – save for people leaving the workforce, the unemployment rate would be much higher. On the issue with CPI, it is the horrible accounting for rents (massive lags known to all) and the FED's fear of missing the next big rise in CPI due to tariffs which is causing the angst. The dual mandated FED is behind the curve on both fronts. The market however has reduced a December cut to a coin toss.

On the positive side of the ledger, real GDP looks set for some decent tailwinds in 2026. The OBBB will see further support for corporate capex and spending (although we think a good deal of this could find its way into share buybacks). The U.S. should experience continued FDI from Japan, Korea and other countries. The elimination of taxes on tips/ overtime and personal tax reductions (approx. $90 BN) will find its way into the lower part of the K shaped consumer spending. Finally, if Trump losses the IEEPA case at the Supreme Court in the next few months, that could trigger additional positive GDP impact.

We are still quite optimistic on the U.S. economy in the first half of 2026. Our QUAD set up of Quad 2 in Q4 and Quad 1 in Q1 should provide a tail wind for stocks. Nominal and real GDP will be strong. Bonds in the U.S. appear to be range bound between 3.9% and 4.2% on the 10 yr UST. We will continue to be underweight bonds and keep our duration in the 5–7-year range. We expect headline CPI to fall in Q1 but only modestly.
This coming week is really all about NVDA. Wednesday after the close. We shall see.







Top 10 Equity Holdings as of November 14, 2024

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

*EGGIF Top 10 Equity Holdings exposure: 6.2%

The Exemplar Global Growth & Income Series FD was -0.02% last week and is +11.95% 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 17, 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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The comparison presented is intended to illustrate the historical performance of Exemplar Growth and Income Fund (the “Fund”) as compared with the historical performance of a widely quoted market index or a weighted blend of widely quoted market indices or other investments. There are various important differences that may exist between the Fund and the stated indices or other investments that may affect the performance of each. The objectives and strategies of the Fund result in holdings that do not necessarily reflect the constituents of and their weights within the comparable indices. Indexes are unmanaged and their returns do not include any sales charges or fees. It is not possible to invest directly in market indices. Certain statements contained in this communication are based in whole or in part on information provided by third parties and Arrow Capital Management has taken reasonable steps to ensure their accuracy. Market conditions may change which may impact the information contained in this document.

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