EXEMPLAR GROWTH AND INCOME FUND commentary - Week ending October 24, 2025

Arrow Capital Management Inc.

October 24th 2025 Asset Allocation: 7.5% cash; 26.1% bonds; 3.7% commodities, and 62.7% equities*; 28.6% $US

October 17th 2025 Asset Allocation: 6.4% cash; 26.4% bonds; 3.7% commodities, and 61.8% equities*; 25.8% $US
*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	+0.10%	+8.16%
iShares Core Canada Bond Index ETF	+0.14%	+3.50%
Gold (GLD ETF)	-2.95%	+54.58%
USD/CAD	-0.42%	-2.70%
ACWI (ETF)	+1.60%	+20.18%
S&P 500 (SPX ETF)	+1.92%	+15.80%
Nasdaq (QQQ ETF)	+2.17%	+20.38%
S&P/TSX (XIU ETF)	+1.03%	+22.29%
EGIF – Series FD	+0.23%	+15.30%
EGGIF – Series FD	+0.76%	+13.16%

October 17, 2025 to October 24, 2025

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

Source: Hedgeye Risk Management, October 2025

Last week US inflation came in softer than expected. Headline CPI rose 0.3% from August (vs. 0.4% expected), and core inflation rose 0.2% (vs. 0.3% expected) — both up 3% over the past year. Housing costs increased at the slowest pace in more than three years while goods prices cooled thanks to cheaper used cars, though some tariff-sensitive items like furniture and clothing crept higher. Services inflation eased slightly, helped by lower car-insurance rates.

This mild reading likely gives the Fed room to cut interest rates at its October 29 meeting, possibly bringing the target range down to 3.75%–4%. Another cut could follow in December, as officials move toward a more neutral stance. The Fed may also hint at ending its balance-sheet reduction program later this year.

In Canada, inflation edged up to 2.4% in September, but soft hiring and rising unemployment suggest the Bank of Canada could still lower rates to about 2.25%. Trade frictions remain a concern, especially for steel, aluminum, autos, and lumber, but Canada continues to benefit from the USMCA trade deal, which keeps most exports tariff-free.

Central banks in both countries appear set to stay supportive of the market. The S&P 500 is on pace for its third straight year of double-digit gains, though valuations are getting expensive. Further gains will likely depend on corporate earnings growth rather than multiple expansion. So far, earnings have been solid. U.S. companies continue to post healthy profits despite trade noise and a cooler job market. The next two weeks will be busy, with about 60% of S&P 500 companies reporting, including the “Magnificent 7” tech giants. These firms are expected to show 15% profit growth year over year, well ahead of the broader market.

Investors are especially focused on AI spending, which could reach $400 billion this year, roughly one-third of all S&P 500 capital expenditures. The big question now is when those heavy investments will start to pay off — but for the moment, markets remain confident, and risk appetite is strong.

Sector Breakdown and Top Holdings

The Fund is prepared for multiple outcomes and using market swings to add or remove exposures. Our biggest sectors: Industrials (9.4%), Materials (9.4%), Energy (7.6%), Financials (7.5%), and Real Estate (5.5%). I've added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of October 24, 2025

1.	Chartwell Retirement – CSH.UN	REITS
2.	Schmid Group – SHMD	Industrials
3.	Manulife - MFC	Financials
4.	Tenaz Energy - TNZ	Energy
5.	Amazon – AMZN	Consumer Discretionary
6.	Canadian Imperial Bank - CM	Financials
7.	Base Carbon - BCBN	Financials
8.	Sun Life – SLF	Financials
9.	Capital Power – CPX	Utilities
10.	Canadian Pacific – CP	Industrials

*EGIF Top 10 Equity Holdings exposure: 9.4%

The Exemplar Growth & Income Series FD was +0.23% last week and is +15.30% year to date.

Exemplar Global Growth & Income

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

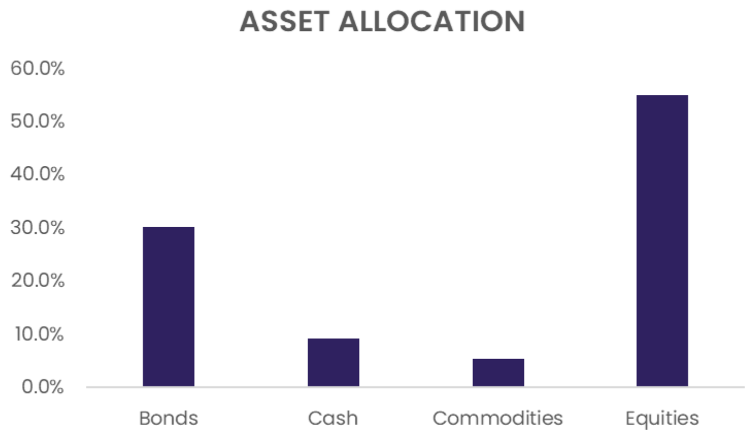
Source: Hedgeye Risk Management, October 2025

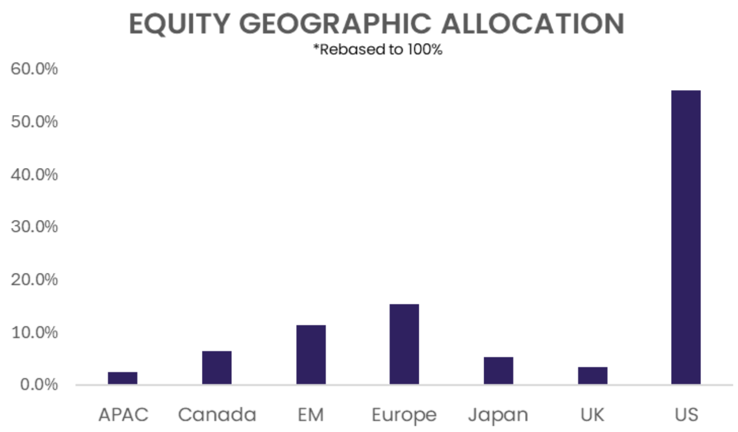
Friday's US CPI release was on balance cooler as OER / shelter continued its fall. Long bonds had a decent week while equity markets rose over 1.5% on the week and high beta names having another big week.

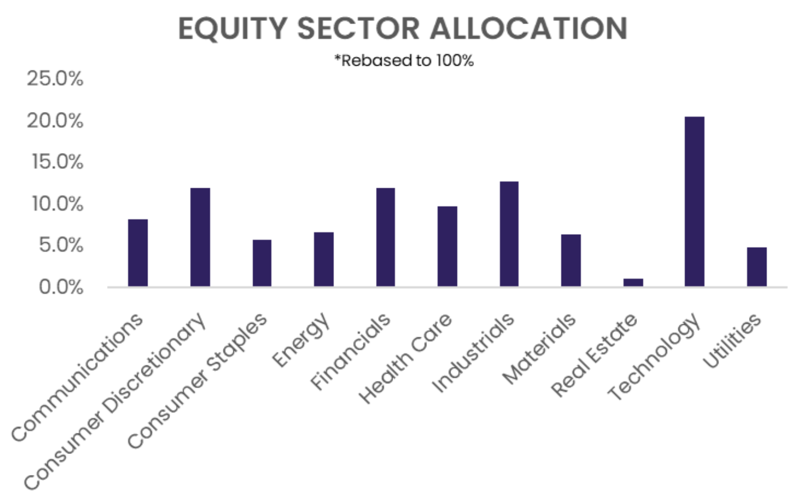
We are into the heart of earnings season with AMZN / MSFT and other big companies reporting this coming week. So far, earnings have continued to impress across the board and continue to power share prices despite high valuations. Our economic models in the US continue to have a very favourable QUAD set up with favourable policy impacts from the OBBB on US GDP continuing well into 2026. Signs on continued broadening of market breadth are evident and backed by earnings expectations in mid and smaller cap companies continuing to improve.

We will have a slew of central bank meetings including the FED (expect 25 bps cut), BoC (expect 25 bps cut), the ECB and the BoJ (expect no cuts). European PMI's surprised to the upside and the German fiscal boost looks set to generate better GDP growth in 2026.

Geopolitically, the US introduced sanctions on the two biggest Russian oil companies which gave oil a bump up. The Ukraine/Russia war rages on with the economic impacts now beginning to assert real economic risks in Europe. Funding the war on both sides is becoming problematic. In China, we had the release of the 4th Plenum (5-year plan) with no unexpected announcements. The focus remains on tech / security and consumption. Trump and Xi may or may not meet this week in Malaysia, but we expect some kind of temporary truce / settlement shortly.







Top 10 Equity Holdings as of October 17, 2024

1.	Microsoft – MFST	Technology
2.	Alphabet – GOOG	Communication Services
3.	Apple - AAPL	Technology
4.	Nvidia - NVDA	Technology
5.	Amazon – AMZN	Consumer Discretionary
6.	Meta Platforms - META	Communication Services
7.	Walmart – WMT	Consumer Staples
8.	Nike – NKE	Consumer Discretionary
9.	Sempra – SRE	Utilities
10.	Exxon Mobil – XOM	Energy

*EGGIF Top 10 Equity Holdings exposure: 7.2%

The Exemplar Global Growth & Income Series FD was +0.76% last week and is +13.16% year to date.

Thanks,
Arrow Investment Team

Historical Performance – As of September 30, 2025

	1-Year	3-Year	5-Year	10-Year	ITD
EGIF - Series FD	16.48%	8.88%	7.37%	7.65%	7.43%
EGGIF – Series FD	12.17%	7.01%			3.38%

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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.