

# EXEMPLAR GROWTH AND INCOME FUND

## commentary – Week ending September 12, 2025



September 12th 2025 Asset Allocation: 5.5% cash; 26.3% bonds; 4.2% commodities, and 61.7% equities\*; 25.8% \$US

September 5th 2025 Asset Allocation: 5.4% cash; 18.8% bonds; 4.5% commodities, and 67.7% equities\*; 25.9% \$US

\*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	+0.20%	+7.29%
iShares Core Canada Bond Index ETF	+0.83%	+2.48%
Gold (GLD ETF)	+1.32%	+37.34%
USD/CAD	+0.14%	-3.76%
ACWI (ETF)	+1.69%	+16.36%
S&P 500 (SPX ETF)	+1.59%	+11.54%
Nasdaq (QQQ ETF)	+1.84%	+14.32%
S&P/TSX (XIU ETF)	+0.59%	+18.02%
EGIF – Series FD	+0.75%	+10.37%
EGGIF – Series FD	+1.47%	+9.16%

September 5, 2025 to September 12, 2025

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

The most-watched data last week was the U.S. inflation report, and it landed pretty much in line with expectations. Headline CPI ticked up to 2.9% in August from 2.7% the month before, with gasoline doing most of the lifting. Core CPI held steady at 3.1%, right where economists thought it would be.

On the producer side, inflation cooled noticeably. Wholesale prices (PPI) slipped back down to a 2.6% pace, well below forecasts. That’s good news for consumers, as it suggests price pressures further up the supply chain remain contained — even with tariffs starting to filter through.

The bigger story may be the labor market. The government revised past job counts lower by almost a million, meaning employment growth has been weaker than initially reported. Weekly jobless claims also rose to their highest level in four years. While the unemployment rate remains modest at 4.3%, the trend is clearly showing some cooling.

Put it all together, and it looks like the Fed is preparing to shift gears. Inflation is still above target, but the softer job market should push policymakers toward easing. Markets expect one or two rate cuts before year-end, with more to follow in 2026, potentially bringing the Fed funds rate down to the 3%–3.5% range.

Bond yields moved lower on the week, with the 10-year Treasury briefly touching 4.0%. That has helped fixed-income returns, with U.S. investment-grade bonds up more than 6% year-to-date — a nice boost considering yields started the year below 5%.

The Fund is prepared for multiple outcomes and using market swings to add or remove exposures. It was a relatively quiet week for the fund with some new purchases of interest rate sensitive securities. Our biggest sectors: Materials (9.0%), Industrials (8.7%), Energy (7.5%), 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 September 12, 2025

1.	Chartwell Retirement – CSH.UN	REITS
2.	Manulife - MFC	Financials
3.	Canadian Imperial Bank - CM	Financials
4.	Amazon – AMZN	Consumer Discretionary
5.	Sun Life – SLF	Financials
6.	Enbridge – ENB	Energy
7.	Capital Power – CPX	Utilities
8.	Canadian Pacific - CP	Industrials
9.	Premium Brands – PBH	Consumer Staples
10.	Suncor Energy – SU	Energy

\*EGIF Top 10 Equity Holdings exposure: 9.2%

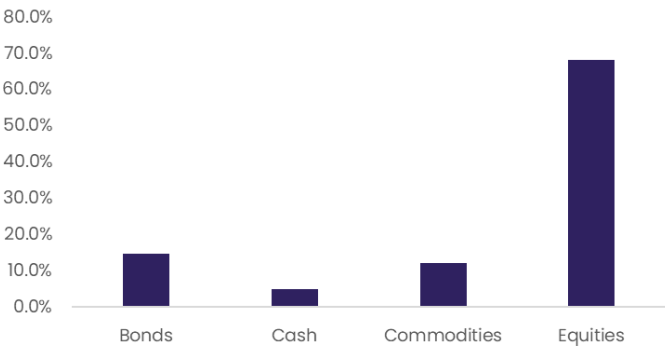
The Exemplar Growth & Income Series FD was +0.75% last week and is +10.37% year to date.

Exemplar Global Growth & Income

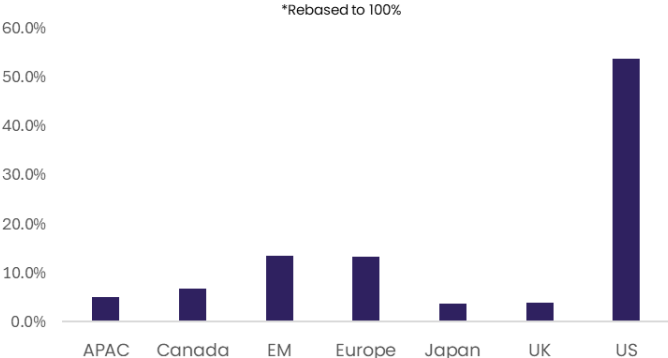
Quad Forecast	3Q25E	4Q25E	1Q26E
Europe	Quad 4 (GDP ↓, Inflation ↓)	Quad 3 (GDP ↓, Inflation ↑)	Quad 4 (GDP ↓, Inflation ↓)
China	Quad 3 (GDP ↓, Inflation ↑)	Quad 3 (GDP ↓, Inflation ↑)	Quad 4 (GDP ↓, Inflation ↓)
Japan	Quad 4 (GDP ↓, Inflation ↓)	Quad 3 (GDP ↓, Inflation ↑)	Quad 1 (GDP ↑, Inflation ↓)

As the above QUAD framework shows, the outlook for major international markets is not as robust as in the US. Chinese data released over the weekend paint a worsening economic backdrop which has likely resulted from China’s attempt to reduce “involution” (situation whereby excess competition leads to deflationary forces without much pickup in economic growth). Indeed, the back half of 2025 may show US markets re-establishing themselves at the top of the performance tables. Interesting developments on the week ex North America included Mexico considering placing tariffs on Chinese imports of up to 50%. The US is also pressuring G7 countries to also place tariffs on China and India for buying Russian oil. All of this is ratcheting up the heat in geopolitics.

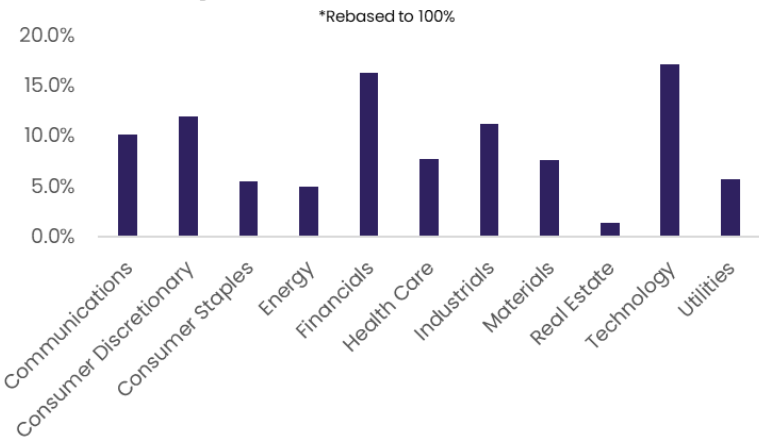
ASSET ALLOCATION



EQUITY GEOGRAPHIC ALLOCATION



EQUITY SECTOR ALLOCATION



Top 10 Equity Holdings as of September 12, 2024

1.	Alphabet – GOOG	Communication Services
2.	Microsoft – MFST	Technology
3.	Apple - AAPL	Technology
4.	Amazon – AMZN	Consumer Discretionary
5.	Meta Platforms - META	Communication Services
6.	UnitedHealth Group - UNH	Healthcare
7.	Newmont - NEM	Materials
8.	Ciena – CIEN	Technology
9.	Taiwan Semiconductor – TSM	Technology
10.	Micron Tech – MU	Technology

\*EGGIF Top 10 Equity Holdings exposure: 7.2%

The Exemplar Global Growth & Income Series FD was +1.47% last week and is +9.16% year to date.

Thanks,  
Arrow Investment Team

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

	1-Year	3-Year	5-Year	10-Year	ITD
EGIF - Series FD	14.45%	6.48%	6.34%	7.06%	7.02%
EGGIF – Series FD	9.20%	5.12%			2.28%

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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](http://www.arrow-capital.com).