

EXEMPLAR GROWTH AND INCOME FUND

commentary - Week ending September 19, 2025



September 19th 2025 Asset Allocation: 7.4% cash; 18.5% bonds; 4.5% commodities, and 69.6% equities*; 26.9% \$US

September 12th 2025 Asset Allocation: 8.0% cash; 18.7% bonds; 4.6% commodities, and 68.7% equities*; 25.8% \$US

*Net exposure to equities

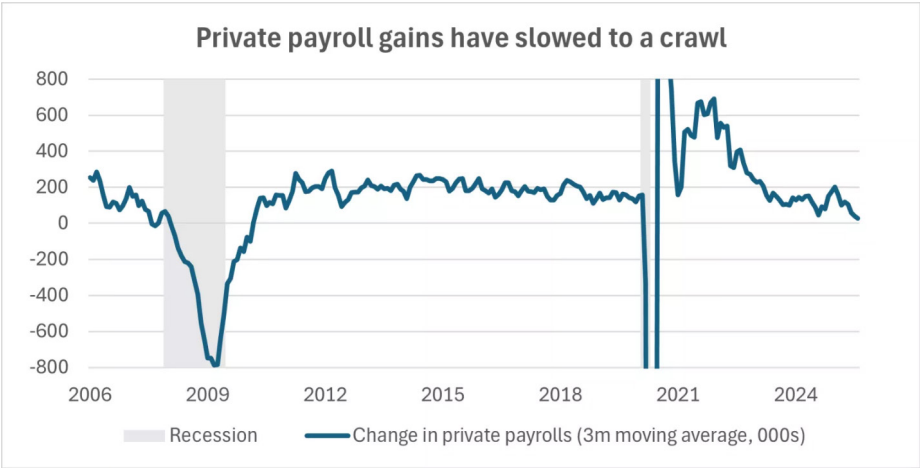
	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	-0.35%	+6.91%
iShares Core Canada Bond Index ETF	+0.07%	+2.55%
Gold (GLD ETF)	+1.12%	+38.88%
USD/CAD	-0.30%	-4.06%
ACWI (ETF)	+1.03%	+17.55%
S&P 500 (SPX ETF)	+0.95%	+13.19%
Nasdaq (QQQ ETF)	+2.16%	+16.79%
S&P/TSX (XIU ETF)	+1.80%	+20.15%
EGIF – Series FD	+0.85%	+11.31%
EGGIF – Series FD	+0.74%	+9.97%

September 12, 2025 to September 19, 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 ↓)

Source: Hedgeye Rish Management

After almost a year on hold, the Federal Reserve cut interest rates last week by 25 basis points. The move was widely expected and supported by nearly every FOMC member. The Fed’s main concern is the labor market, which has clearly slowed. Job growth has cooled to a pace we normally only see heading into recessions, and job openings have dipped below the number of unemployed for the first time in nearly a decade. That said, layoffs remain limited, and consumer spending is still holding up, with GDP tracking a solid 3.3% gain for Q3 according to Bank of Atlanta’s Fed models.



Source: BLS, NBER

The Fed isn’t signaling panic—it’s more about taking out insurance. By cutting rates now, policymakers hope to prevent a more severe slowdown later. Equity markets liked the move: the Russell 2000 small-cap index, which is more sensitive to interest rates, jumped to an all-time high and has now outpaced the S&P 500 and Nasdaq over the past month. Looking forward, the Fed has left the door open. The median forecast suggests two more cuts this year, but there’s disagreement within the committee. Chair Powell offered little forward guidance, instead stressing that decisions will be made “meeting by meeting.” That uncertainty means markets will hang on every new jobs and inflation release, and we could see more volatility as investors try to anticipate the Fed’s next move.

For now, markets are betting heavily on at least one more cut before year-end. We agree that softer labor data should keep the Fed inclined to ease, but inflation remains the wildcard. If tariffs or other costs begin pushing prices higher, the Fed may find it harder to deliver the rapid rate cuts markets expect.

The Fund is prepared for multiple outcomes and using market swings to add or remove exposures. Our biggest sectors: Materials (9.2%), Industrials (9.1%), Financials (7.7%), Energy (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 September 19, 2025

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

*EGIF Top 10 Equity Holdings exposure: 9.2%

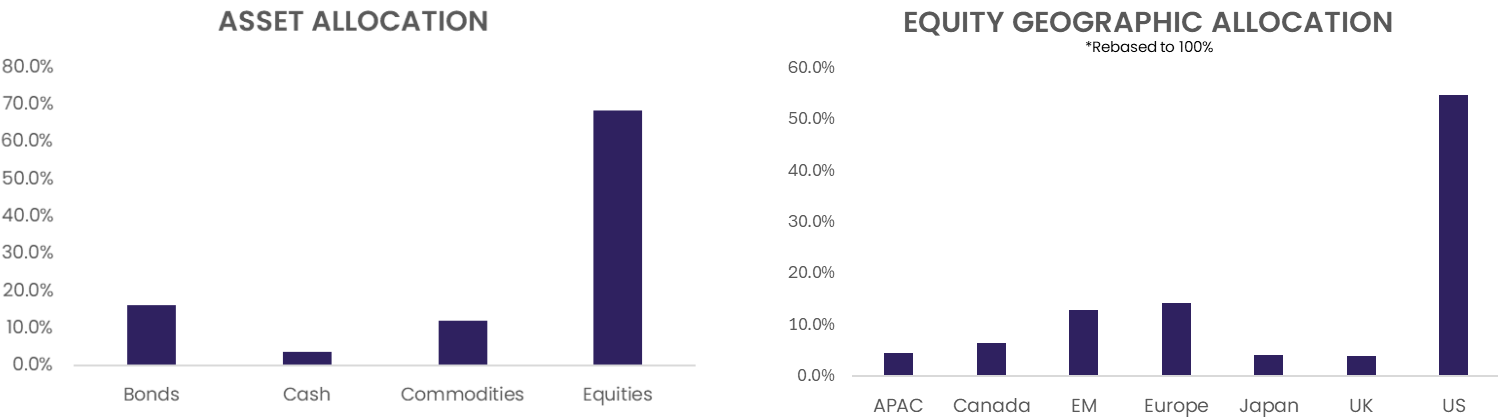
The Exemplar Growth & Income Series FD was +0.85% last week and is +11.31% year to date.

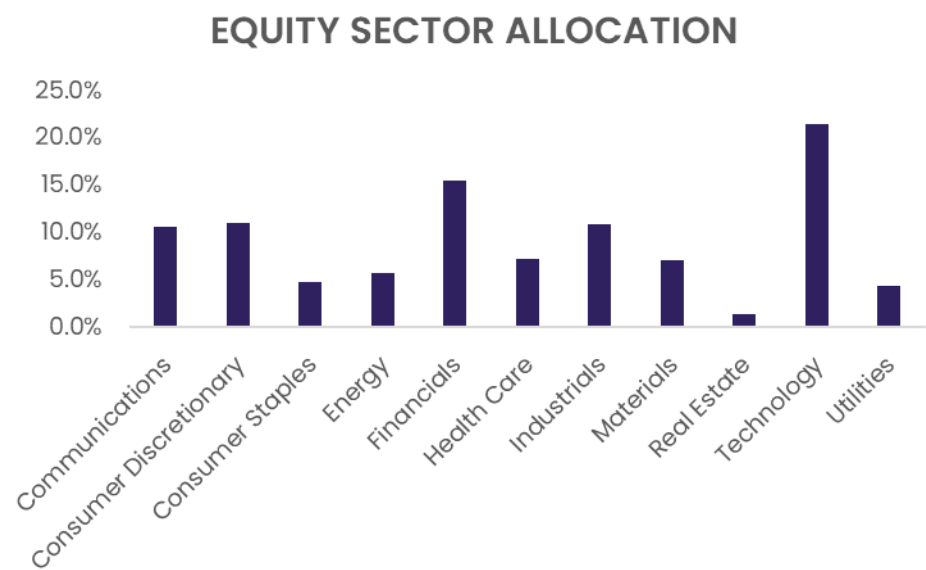
Exemplar Global Growth & Income

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 ↓)

Source: Hedgeye Risk Management

There are no changes/updates to the models in the US or globally this week. As we move into an inflationary environment (our estimate for September US headline YoY inflation is over 3.1%), it is not surprising that the market is continuing to reach for “hard assets” with commodities well bid – especially precious and industrial metals. We are beginning to see signs of a broadening equity market and movement back into cyclical/value type companies that are prominent beneficiaries in this type of environment. We continue to shift our equity allocations accordingly. With respect to fixed income, we have extended our investment grade allocations from 2yr maturities to 5yr durations but remain well underweight.





Top 10 Equity Holdings as of September 19, 2024

1.	Microsoft – MFST	Technology
2.	Apple - AAPL	Technology
3.	Alphabet – GOOG	Communication Services
4.	Amazon – AMZN	Consumer Discretionary
5.	Meta Platforms - META	Communication Services
6.	Nvidia - NVDA	Technology
7.	Ciena – CIEN	Technology
8.	Taiwan Semiconductor – TSM	Technology
9.	Novo-Nordisk - NVO	Healthcare
10.	Walmart - WMT	Consumer Staples

*EGGIF Top 10 Equity Holdings exposure: 8.0%

The Exemplar Global Growth & Income Series FD was +0.74% last week and is +9.97% 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%

Published September 21, 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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