

EXEMPLAR GROWTH AND INCOME FUND

commentary - Week ending September 5, 2025



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

August 29th 2025 Asset Allocation: 5.6% cash; 18.7% bonds; 4.4% commodities, and 65.7% equities*; 25.4% \$US

*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	+0.96%	+7.07%
iShares Core Canada Bond Index ETF	+0.70%	+1.63%
Gold (GLD ETF)	+4.08%	+35.55%
USD/CAD	+0.47%	-3.90%
ACWI (ETF)	+0.47%	+14.42%
S&P 500 (SPX ETF)	+0.33%	+9.80%
Nasdaq (QQQ ETF)	+0.99%	+12.26%
S&P/TSX (XIU ETF)	+2.14%	+17.33%
EGIF – Series FD	+1.26%	+9.54%
EGGIF – Series FD	+0.96%	+7.59%

August 29, 2025 to September 5, 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 jobs market on both sides of the border showed some cracks this week, and investors took notice.

In the U.S., job openings slipped below the number of unemployed workers for the first time since 2021, a sign that employers are quietly pulling back. The monthly payroll report confirmed the trend: just 22,000 new jobs were added in August, far short of the 75,000 expected. The unemployment rate ticked up to 4.3%, now at its highest level of the year. Canada’s numbers weren’t much better—our economy shed 65,000 jobs in August, pushing the unemployment rate to 7.1%.

Taken together, it’s clear the labour market is softening. For the Federal Reserve and the Bank of Canada, that likely means the next step is more rate cuts. Markets have fully priced in a Fed cut in September, with even a small chance of a larger half-point move. Looking further out, investors see the Fed funds rate drifting down to around 3% over the next couple of years. In Canada, where the Bank of Canada has already cut seven times, expectations are for one or two more trims, taking policy rates closer to 2.25%.

Bond markets have responded accordingly, with yields moving sharply lower. Short-term yields, which track central-bank policy most closely, dropped on the weak jobs data. Longer-term yields have also eased, steepening the yield curve—a dynamic that tends to benefit banks, which borrow short and lend long.

Gold, meanwhile, has been one of the clearest beneficiaries of this backdrop. The metal climbed 4% last week, hitting fresh record highs, as investors bet on lower rates and looked for safety amid questions over Fed independence. That makes gold the best-performing major asset this year.

Note: This page is not complete without disclaimers on the last page.

The other half of the central-bank equation, of course, is inflation. Next week we'll get fresh CPI readings from both the U.S. and Canada. Headline inflation is expected to tick higher in both countries, partly reflecting tariff-related pressures.

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 (8.5%), Energy (7.7%), Financials (7.4%) and Real Estate (5.3%). I've added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of September 5, 2025

1.	Canadian Imperial Bank - CM	Financials
2.	Chartwell Retirement – CSH.UN	REITS
3.	Manulife - MFC	Financials
4.	Amazon – AMZN	Consumer Discretionary
5.	Sun Life – SLF	Financials
6.	Arc Resources – ARX	Energy
7.	Enbridge – ENB	Energy
8.	Canadian Pacific - CP	Industrials
9.	Premium Brands – PBH	Consumer Staples
10.	Canadian National Railway - CNR	Industrials

*EGIF Top 10 Equity Holdings exposure: 9.5%

The Exemplar Growth & Income Series FD was +1.26% last week and is +9.54% year to date.

Exemplar Global Growth & Income

We launched a Global version of our Exemplar Growth & Income Fund in December of 2021. The Fund has the same investment team and investment process that you are familiar with from the Exemplar Growth & Income Fund but with a Global geographical focus. To help show the portfolio differences, we have included the asset allocation for Exemplar Global Growth & Income as well as the top 10 equity holdings and performance below.

September 5th, 2025 Asset Allocation: 1.5% cash; 18.1% bonds; 14.2% commodities and 65.6% equities*; 32.7% \$US, 5.8% EUR, 0.5% GBP, 0.5% JPY, 1.4% Other

August 29th, 2025 Asset Allocation: 12.2% cash; 13.2% bonds; 13.5% commodities and 63.6% equities*; 30.6% \$US, 2.2% EUR, 0.9% GBP, 0.6% JPY, 1.5% Other

*Net exposure to equities

Top 10 Equity Holdings as of September 5, 2024

1.	Amazon – AMZN	Consumer Discretionary
2.	Alphabet – GOOG	Communication Services
3.	Apple - AAPL	Technology
4.	Microsoft – MFST	Technology
5.	Meta Platforms - META	Communication Services
6.	Newmont - NEM	Materials
7.	Taiwan Semiconductor – TSM	Technology
8.	Agnico Eagle Mines – AEM	Materials
9.	PG&E Corp – PCG	Utilities
10.	Walmart – WMT	Consumer Staples

*EGGIF Top 10 Equity Holdings exposure: 6.8%

The Exemplar Global Growth & Income Series FD was +0.96% last week and is +7.59% 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.