

EXEMPLAR GROWTH AND INCOME FUND

commentary – Week ending April 4, 2025



April 4th, 2025 Asset Allocation: 17.0% cash; 25.0% bonds; 6.0% commodities (3.7% GLD ETF/ 1.1 SLV/ 1.2% IBIT) and 52.0% equities*; 28.6% \$US

March 28th, 2025 Asset Allocation: 12.4% cash; 24.8% bonds; 6.4% commodities (4.0% GLD ETF/ 1.3 SLV/ 1.1% IBIT) and 56.4% equities*; 28.6% \$US

*Net exposure to equities: 44%

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	+1.87%	+5.42%
iShares Core Canada Bond Index ETF	+0.59%	+2.27%
Gold (GLD ETF)	-1.53%	+15.75%
USD/CAD	-0.62%	-1.13%
ACWI (ETF)	-8.81%	-9.79%
S&P 500 (SPX ETF)	-9.05%	-13.43%
Nasdaq (QQQ ETF)	-9.87%	-17.20%
S&P/TSX (XIU ETF)	-6.31%	-5.27%
EGIF – Series FD	-3.47%	-4.03%
EKGIF – Series FD	-2.92%	-2.62%

March 28, 2025 to April 4, 2025

Deal / Delay or Detonate? – Eliant Capital

Bonds stepped up this week and became the safe haven in the market turmoil. All equity assets experienced a sell on the tariff news from the White House. The USD and Gold did not react as safe havens. If the tariffs remain as is, the markets will face a new reality. Initially, the S&P 500 futures rallied on Wednesday on headlines of 10% tariffs and quickly sold off on the reveal of the tariffs in the White House Rose Garden. It was interesting that Canada and Mexico were not on the list, however, once the fentanyl tariff is removed our rates will be 12.5%. In the last 30 years, the Trump administration claims the U.S. has lost 5M manufacturing jobs and closed 90,000 factories. The objective is to bring those jobs back. The Chinese were the only country to retaliate by imposing 34% tariffs on U.S. goods. That response and fear of others retaliating was the catalyst for Friday's sell off.

RECIPROCAL TARIFF RATES ON MAJOR TRADING PARTNERS

Country	Reciprocal Tariff	Country	Reciprocal Tariff
China	34%	Malaysia	24%
Vietnam	46%	France	20%
Ireland	20%	Israel	17%
Germany	20%	Saudi Arabia	10%
Taiwan	32%	Singapore	10%
Japan	24%	Belgium	20%
South Korea	26%	Brazil	10%
India	27%	United Kingdom	10%
Italy	20%	Australia	10%
Switzerland	32%	Hong Kong	34%

Source: The White House. The full list of reciprocal tariff rates can be found [here](#).

The case for a market bottom soon is four-fold:

1. A weakening dollar improves global liquidity.
2. The 10-yr yield falling helps lower finance rates.
3. Oil prices falling is a consumer windfall.

4. Extreme fear is a contrarian indicator.

Uncertainty caused by big structural change will prove challenging, however, deregulation and tax policies could help stabilize the current environment.

Bloomberg Dollar Spot Index – January 2, 2025 to April 2, 2025



Source: Bloomberg

U.S. Government 10-Year Bond Index – January 2, 2025 to April 2, 2025

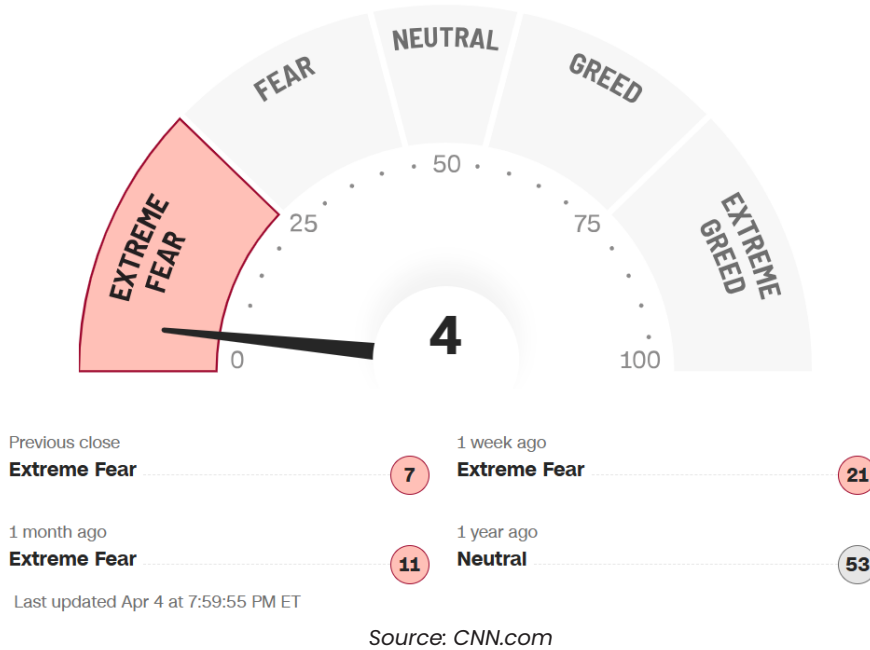


Source: Bloomberg

Crude Oil Price (USD) – December 31, 2024 to April 4, 2025



Source: Bloomberg



High inflation expectations and poor sentiment is a recipe for ‘stagflation’.

The Fund is prepared for multiple outcomes and using market swings to add or remove exposures. The Fund has hedges on the Canadian Banks and the XIU. The Fund made small changes. The “chop” in the market continues. Tariffs were higher than market expectations - by a lot! Rotation and stock selection is the course of action.

The Fund is very active increasing and decreasing equity exposure. The Fund will tactically trade equities, either through outright sales or ‘shorting’. The Fed has refocused on inflation and getting it back to the 2% target. The FED has lowered interest rates by 100 bps. The Bank of Canada has made seven interest rate cuts so far this cycle, the latest being 25 bps for a total of 225 bps. The direction of Fed Funds and BoC rate are both wait and see mode. The probability of a May 17th Fed cut is 41% and a 91% chance June 18th. Our biggest sectors: Financials (8.7%), Industrials (8.5%), Energy (8.5%), Materials (5.8%) and Utilities (4.2%). I’ve added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of April 4, 2025

- | | |
|-------------------------------------|-------------|
| 1. VanEck Junior Gold Miners - GDXJ | Materials |
| 2. Chartwell Retirement – CSH.UN | REITS |
| 3. Canadian Imperial Bank - CM | Financials |
| 4. Sun Life - SLF | Financials |
| 5. MDA Space – MDA | Industrials |
| 6. Manulife – MFC | Financials |
| 7. Arc Resources – ARX | Energy |
| 8. Canadian Pacific – CP | Industrials |
| 9. Enbridge - ENB | Energy |
| 10. Pembina Pipelines - PPL | Energy |

The Exemplar Growth & Income Series FD was -3.47% last week and is -4.03% 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.

April 4th, 2025 Asset Allocation: 17.5% cash; 46.8% bonds; 7.2% commodities and 31.8% equities*; 15.9% \$US, 5.0% JPY, 7.5% EUR, 1.9% AUD, 2.8% Other

March 28th, 2025 Asset Allocation: 13.3% cash; 33.9% bonds; 13.2% commodities and 40.1% equities*; 18.9% \$US, 4.9% JPY, 7.5% EUR, 1.9% AUD, 2.8% Other

*Net exposure to equities

Top 10 Equity Holdings as of April 4, 2024

1.	Amazon - AMZN	Consumer Discretionary
2.	VanEck Gold Miners – GDX	Materials
3.	Meta Platforms – META	Communication Services
4.	Berkshire Hathaway – BRK/B	Financials
5.	Gibson Energy – GEI	Energy
6.	Chubb – CB	Financials
7.	Danone – BN.PA	Consumer Staples
8.	Enbridge - ENB	Energy
9.	Vertex Pharmaceuticals – VRTX	Healthcare
10.	Procter & Gamble - PG	Consumer Staples

The Exemplar Global Growth & Income Series FD was -2.92% last week and is -2.62% year to date.

Thanks,

Arrow Investment Team

Historical Performance – As of March 31, 2025

	1-Year	3-Year	5-Year	ITD
EGIF - Series F	9.74%	1.69%	5.64%	6.50%
EGGIF – Series F	5.08%	2.05%		0.75%

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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.