EXEMPLAR GROWTH AND INCOME FUND
commentary - Week ending July 18, 2025

Arrow Capital Management Inc.

July 18th, 2025 Asset Allocation: 7.6% cash; 26.3% bonds; 5.5% commodities (2.7% GLD ETF/ 1.4% SLV/ 1.3% IBIT, U-U 0.1%) and 57.9% equities*; 25.8% $US

July 11th, 2025 Asset Allocation: 7.6% cash; 26.3% bonds; 5.5% commodities (2.7% GLD ETF/ 1.4% SLV/ 1.3% IBIT, U-U 0.1%) and 57.9% equities*; 25.8% $US
*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	+0.08%	+4.07%
iShares Core Canada Bond Index ETF	-0.36%	-0.37%
Gold (GLD ETF)	-0.24%	+27.37%
USD/CAD	+0.20%	-4.62%
ACWI (ETF)	+0.43%	+11.28%
S&P 500 (SPX ETF)	+0.64%	+7.72%
Nasdaq (QQQ ETF)	+1.27%	+10.07%
S&P/TSX (XIU ETF)	+1.30%	+11.43%
EGIF – Series FD	+0.35%	+5.79%
EGGIF – Series FD	+0.76%	+5.09%

July 11, 2025 to July 18, 2025

Markets continued to grind higher last week, with the S&P 500 hitting a new all-time high and rising over 26% since early April. This steady climb has come despite ongoing worries—especially around tariffs—as investors focus on a resilient economic backdrop supported by solid data. Inflation readings for June were largely in line with expectations. The CPI came in at 2.7% year-over-year, while the PPI was slightly softer at 2.3%. Even with upward pressure from tariffs, inflation has stayed contained for now. Retail sales added to the optimistic tone, rising 0.6% in June and easily beating expectations. Consumer strength remains a key support for the economy, especially since personal consumption drives roughly 70% of U.S. GDP. Spending was broad-based, with strength in autos, apparel, and restaurants.

Earnings season has also gotten off to a strong start. About 12% of S&P 500 companies have reported so far, with 86% beating estimates—well above the long-term average. Financial firms led the early gains, benefiting from active capital markets and solid trading revenue. While Q2 expectations had been revised down in recent months, results have comfortably cleared the lowered bar. Full-year earnings are now expected to grow in the mid to high single digits.

Tariffs remain the main cloud on the horizon as we get closer to the August 1st deadline. The average U.S. tariff rate now sits at 20.6%, the highest in over a century, with key sectors like autos, steel, and aluminum affected. Yet the real-world impact has been less severe than feared for now. With massive stockpiling earlier in the year we may not see the full effect of tariffs or higher prices until later in the year.

As we head into the back half of 2025 and look at 2026, investors have to struggle with diverging outlooks. Will tariffs lead to higher prices, inflation and a stagnating economy where companies pull back on hiring? Or will Trump's Big Beautiful Bill with its various stimulus measures combined with potential rate cuts lead to renewed optimism.

The Fund is prepared for multiple outcomes and using market swings to add or remove exposures. It was another quiet week for the fund where we trimmed more of our recent winners, and we continued to selectively add put protection to the portfolio.

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. Our biggest sectors: Financials (8.8%), Industrials (8.7%), Energy (7.8%), Materials (6.8%) and Information Technology (4.9%). I’ve added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of July 18, 2025

1.	Chartwell Retirement – CSH.UN	REITS
2.	Canadian Imperial Bank - CM	Financials
3.	Manulife -MFC	Financials
4.	Sun Life – SLF	Financials
5.	Arc Resources – ARX	Energy
6.	Meta – META	Communications
7.	Fairfax Financial – FFH	Financials
8.	Capital Power – CPX	Utilities
9.	Amazon – AMZN	Consumer Discretionary
10.	Enbridge – ENB	Energy

*EGIF Top 10 Equity Holdings exposure: 9.8%

The Exemplar Growth & Income Series FD was +0.35% last week and is +5.79% 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.

July 18th, 2025 Asset Allocation: 2.7% cash; 21.2% bonds; 12..1% commodities and 65.3% equities*; 17.8% $US, 1.2% EUR, 1.7% AUD, 0.2% JPY, 2.2% Other

July 11th, 2025 Asset Allocation: 6.1% cash; 17.3% bonds; 11.6% commodities and 66.2% equities*; 19.4% $US, 1.1% EUR, 1.6% AUD, 0.2% JPY, 2.5% Other
*Net exposure to equities

Top 10 Equity Holdings as of July 18, 2024

1.	Microsoft – MFST	Technology
2.	Amazon – AMZN	Consumer Discretionary
3.	Nvidia – NVDA	Technology
4.	Alphabet – GOOG	Communication Services
5.	Advanced Micro Device – AMD	Technology
6.	Las Vegas Sands – LVS	Consumer Discretionary
7.	RBC Bearings – RBC	Industrials
8.	Agnico Eagle Mines – AEM	Materials
9.	JP Morgan Chase – JPM	Financials
10.	Gibson Energy – GEI	Energy

*EGGIF Top 10 Equity Holdings exposure: 5.4%

The Exemplar Global Growth & Income Series FD was +0.76% last week and is +5.09% year to date.

Thanks,
Arrow Investment Team

Historical Performance – As of June 30, 2025

	1-Year	3-Year	5-Year	10-Year	ITD
EGIF - Series FD	15.07%	4.90%	6.31%	6.67%	6.79%
EGGIF – Series FD	8.80%	4.10%			1.68%

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Commissions, trailing commissions, management and performance fees and expenses all may be associated with mutual fund and exchange-traded fund (ETF) investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compound total returns net of fees and expenses payable by the fund (except for figures of one year or less, which are simple total returns) including changes in security value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds and ETFs are not guaranteed, their values change frequently and past performance may not be repeated. You will usually pay brokerage fees to your dealer if you purchase or sell securities of an ETF on recognized Canadian exchanges. If the securities are purchased or sold on these Canadian exchanges, investors may pay more than the current net asset value when buying securities of the ETF and may receive less than the current net asset value when selling them.

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.