

EXEMPLAR GROWTH AND INCOME FUND

commentary – Week ending March 14, 2025



March 14th, 2025 Asset Allocation: 15.2% cash; 23.7% bonds; 5.9% commodities (3.6% GLD ETF/ 1.2 SLV/ 1.1% IBIT) and 55.2% equities*; 28.3% \$US

March 7th, 2025 Asset Allocation: 17.7% cash; 22.9% bonds; 5.8% commodities (3.7% GLD ETF/ 1.1 SLV/ 1.0% IBIT) and 54.6% equities*; 28.2% \$US

*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	+0.10%	+2.82%
iShares Core Canada Bond Index ETF	-0.10%	+1.21%
Gold (GLD ETF)	+2.59%	+13.72%
USD/CAD	-0.02%	-0.14%
ACWI (ETF)	-1.72%	-0.04%
S&P 500 (SPX ETF)	-2.23%	-3.86%
Nasdaq (QQQ ETF)	-2.47%	-6.18%
S&P/TSX (XIU ETF)	-1.01%	+0.07%
EGIF – Series FD	+0.20%	-0.83%
EAGIF – Series FD	-0.45%	+1.09%

March 7, 2025 to March 14, 2025

Last week, Gold was up while bonds were flat and equity prices were down. The Canadian dollar held steady against the USD. Canada got a new Prime Minister, Mark Carney. Canada hosted the G7 Foreign Minister's conference, which reaffirmed unwavering support for Ukraine and calling on Russia to agree to a ceasefire. A trade mission to the U.S. was unsuccessful in removing tariffs. More tariffs are expected and complaints from allies, to corporations and citizens is falling on 'deaf ears'. Even an anonymous letter from Tesla to Trump has warned of increased costs and retaliatory tariffs. Recessions are fatal to politician's careers. Expect more criticism on policies from Congressmen and Senators within the GOP as the tariff war goes on.

*MICHIGAN LONG-TERM INFLATION EXPECTATIONS HIT 32-YEAR HIGH 4.3%
Bloomberg News

10-year bond yields are trying to figure out if a growth scare lasts (yields down) or if inflation comes back (yields up).

U.S. Government 10-Year Bond Index – March 16, 2020 to March 14, 2025



Source: Bloomberg

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

“BREAKING: Lots of talk in Trump circles about the need for some grand plan to resolve the tariff disputes with Mexico, Canada and Europe that is, cut a deal via one universal settlement. This started bubbling after today’s market “ losses and the growing sentiment that the market upheaval isn’t over until this stuff is settled. I have no clue whether this is something the @WhiteHouse is working on, but the chatter among the outside Trump advisers in and around Wall Street and DC is real. The idea is that a compromise --Trump saves face with the base; the trading partners who are now hurting economically because of the uncertainty -- all get relief. The administration then can move on and focus on broader parts of its econ plan ie DOGE budget reductions, tax cuts and deregulation. Story developing.”

-- Charlie Gasparino

The Fund is prepared for multiple outcomes and using market swings to add or remove exposures. The Fund has small hedges on the Canadian Banks. The Fund increased equity exposure and also to bonds. The “chop” in the market continues, although we may see a continuation of the bounce as the market got oversold. 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. BoC cut last week. The direction of Fed Funds and BoC rate are both lower. The probability of a March 19th Fed cut is 1% and a 61% chance June 18th. Our biggest sectors: Industrials (8.6%), Financials (8.3%), Energy (8.0%), Materials (5.6%) and Info Tech (5.1%). I’ve added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of March 14, 2025

1.	VanEck Junior Gold Miners - GDXJ	Materials
2.	Canadian Imperial Bank - CM	Financials
3.	Chartwell Retirement – CSH.UN	REITS
4.	MDA Space – MDA	Industrials
5.	Pembina Pipelines - PPL	Energy
6.	Manulife – MFC	Financials
7.	Canadian Pacific – CP	Industrials
8.	Royal Bank - RY	Financials
9.	Sun Life - SLF	Financials
10.	Meta Platforms - META	Communication Services

The Exemplar Growth & Income Series FD was +0.20% last week and is -0.83% 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.

March 14th, 2025 Asset Allocation: 14.3% cash; 23.7% bonds; 11.4% commodities and 54.8% equities*; 20.0% \$US, 4.9% JPY, 7.5% EUR, 1.9% AUD, 2.8% Other

March 7th, 2025 Asset Allocation: 20.1% cash; 22.3% bonds; 9.0% commodities and 46.8% equities*; 20.3% \$US, 3.9% JPY, 6.8% EUR, 1.9% AUD, 2.4% Other

*Net exposure to equities

Top 10 Equity Holdings as of March 14, 2024

1.	Amazon - AMZN	Consumer Discretionary
2.	Berkshire Hathaway – BRK/B	Financials
3.	Alphabet - GOOG	Communication Services
4.	General Motors - GM	Consumer Discretionary
5.	RWE AG - RWE	Utilities
6.	JPMorgan Chase - JPM	Financials
7.	Netflix – NFLX	Communication Services
8.	Tencent – TCEHY	Communication Services
9.	Apple – AAPL	Technology
10.	PPL Corp - PPL	Utilities

The Exemplar Global Growth & Income Series FD was -0.45% last week and is +1.09% year to date.

Thanks,

Arrow Investment Team

