

# EXEMPLAR GROWTH AND INCOME FUND

## commentary – Week ending May 23, 2025



May 23rd, 2025 Asset Allocation: 16.1% cash; 21.2% bonds; 5.7% commodities (2.9% GLD ETF/ 1.2% SLV/ 1.4% IBIT, U-U 0.2%) and 57.0% equities\*; 19.0% \$US

\*Net exposure to equities: 54.0%

May 16th, 2025 Asset Allocation: 12.1% cash; 21.8% bonds; 5.8% commodities (3.2% GLD ETF/ 1.2% SLV/ 1.4% IBIT) and 60.3% equities; 20.9% \$US

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	-0.21%	+2.71%
iShares Core Canada Bond Index ETF	-0.99%	+0.20%
Gold (GLD ETF)	+4.80%	+27.93%
USD/CAD	-1.69%	-4.56%
ACWI (ETF)	-1.40%	+4.09%
S&P 500 (SPX ETF)	-2.58%	-0.82%
Nasdaq (QQQ ETF)	-2.35%	-0.24%
S&P/TSX (XIU ETF)	-0.69%	+5.72%
EGIF – Series FD	-0.35%	+1.20%
EGGIF – Series FD	-0.42%	+0.92%

May 16, 2025 to May 23, 2025

***Loose Cannon – an unpredictable or uncontrolled person who is likely to cause unintentional damage.***

Gold and Bitcoin shone bright, both up over 4.5% on the week. U.S. treasuries and equities retreated. The 'one big beautiful bill' made it through Congress and is now in the Senate. Bond market expects the 'Bill' will add to the U.S. deficit. The new narrative is the 'Bill' will allow GDP to grow faster than the debt. Equity markets hit the skids Friday, when Trump, the proverbial loose cannon, threatened the EU with 50% tariffs starting June 1st. Progress has been slow on the E.U.-U.S. trade negotiations. Further tough tariff talk leads to a weaker USD and higher treasury yields, not what the Secretary of the Treasury wants.

Below is the XLE ETF (Energy Select Sector SPDR). The only sector not to be at higher highs since the Great Financial Crisis. Currently WTI is down over 14% ytd. Although the sector is not well liked currently and OPEC+ has increased production, the bad news may be priced in. WTI approached \$US55 on April 9 and May 5 and bounced and currently rests above \$US60. Worth watching as Energy prices can have a big impact on inflation.

Energy Select Sector SPDR – December 31, 1998 to May 23, 2025

Source: Bloomberg

WTI - December 31, 2024 - May 23, 2025

Source: Bloomberg

The Fund is prepared for multiple outcomes and using market swings to add or remove exposures. The Fund sold some gold and made small changes throughout the portfolio. 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 June 18th Fed cut is 6% and a 26% chance July 30th. Our biggest sectors: Industrials (9.8%), Financials (8.8%), Energy

(8.6%), Materials (6.1%) and Information Technology (4.2%). I've added our Top 10 Equity Holdings below for this week.

### Top 10 Equity Holdings as of May 23, 2025

1.	VanEck Junior Gold Miners - GDXJ	Materials
2.	Chartwell Retirement – CSH.UN	REITS
3.	MDA Space - MDA	Industrials
4.	Arc Resources - ARX	Energy
5.	Manulife - MFC	Industrials
6.	Canadian Imperial Bank - CM	Financials
7.	Royal Bank - RY	Financials
8.	Sun Life - SLF	Financials
9.	Enbridge - ENB	Energy
10.	Bird Construction - BDT	Industrials

\*EGIF Top 10 Equity Holdings exposure: 11.3%

The Exemplar Growth & Income Series FD was -0.35% last week and is +1.20% 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.

May 23rd, 2025 Asset Allocation: 14.3% cash; 22.6% bonds; 12.7% commodities and 52.6% equities\*; 8.8% \$US, 7.1% EUR, 1.9% AUD, 0.3% JPY, 1.7% Other

May 16th, 2025 Asset Allocation: 10.5% cash; 22.8% bonds; 10.2% commodities and 58.8% equities\*; 25.4% \$US, 6.9% EUR, 1.9% AUD, 0.1% JPY, 3.0% Other

\*Net exposure to equities

### Top 10 Equity Holdings as of May 23, 2024

1.	Nvidia – NVDA	Technology
2.	Amazon – AMZN	Consumer Discretionary
3.	AT&T – T	Communications
4.	Microsoft – MFST	Technology
5.	Netflix – NFLX	Communications
6.	Danone – BN.FP	Consumer Staples
7.	Chubb – CB	Financials
8.	Visa – V	Financials
9.	Charles Schwab – SCHW	Financials
10.	GE Vernova - GEV	Industrials

\*EGGIF Top 10 Equity Holdings exposure: 3.1%

The Exemplar Global Growth & Income Series FD was -0.42% last week and is +0.92% year to date.

Thanks,  
Arrow Investment Team

Historical Performance – As of April 30, 2025

	1-Year	3-Year	5-Year	ITD
EGIF - Series F	10.05%	1.97%	5.01%	6.31%
EGGIF – Series F	6.17%	2.39%		0.63%

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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](http://www.arrow-capital.com).