

EXEMPLAR GROWTH AND INCOME FUND

commentary – Week ending May 30, 2025



May 30th, 2025 Asset Allocation: 15.3% cash; 21.3% bonds; 5.6% commodities (2.8% GLD ETF/ 1.2% SLV/ 1.4% IBIT, U-U 0.2%) and 57.8% equities*; 26.8% \$US

*Net exposure to equities: 57.0%

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

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	+0.85%	+3.58%
iShares Core Canada Bond Index ETF	+1.18%	+1.38%
Gold (GLD ETF)	-2.03%	+25.33%
USD/CAD	+0.06%	-4.51%
ACWI (ETF)	+1.10%	+5.23%
S&P 500 (SPX ETF)	+1.90%	+1.06%
Nasdaq (QQQ ETF)	+1.94%	+1.69%
S&P/TSX (XIU ETF)	+1.46%	+7.27%
EGIF – Series FD	+0.62%	+1.83%
EGLIF – Series FD	-0.03%	+0.89%

May 23, 2025 to May 30, 2025



T.A.C.O. Trade – Trump Always Chicken's Out

Stocks and Bonds rebounded while the USD was flat and Gold and Bitcoin retreated. All of the equity rally occurred on Tuesday after Trump reversed course on raising E.U. Tariffs to 50% back to 25% until July 9th. Thus the T.A.C.O. trade acronym. Not the first time Trump reversed his decisions. Out of revenge on learning of this acronym, Trump has raised tariffs on steel and aluminum to 50%. The 'one big beautiful bill' made it through Congress and is now in the Senate. The Senate is likely to make some changes to the 'Bill' or break it into two 'Bills'. Trumps Reciprocal Tariffs were deemed illegal by The U.S. Court of International Trade, only to be appealed and reinstated temporarily. Trump has others options if he ultimately loses the appeal. Tariff Man is not going to fold his cards.

Canada reported 1st quarter GDP better than expected at 2.2%, although payrolls are down 95K in February and March. TD Bank forecasts another 100k in job losses this year. Both the Conference Board Consumer Confidence and Univ. of Michigan Sentiment were up in the month of May in the U.S. Core PCE Price Index for April came in at 2.5%, down from 2.7% in March. The Fed will likely hold rates steady while BoC may lower rates next week, although odds are only 22%.

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One area that remains soft in both Canada and the U.S. is housing. High rates in the U.S. and weakening job market in Canada are the main drivers for the weakness.

The Fund is prepared for multiple outcomes and using market swings to add or remove exposures. The Fund bought some USD as short USD trade seems crowded near term. 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 5% and a 28% chance July 30th. Our biggest sectors: Industrials (9.8%), Financials (8.7%), 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 30, 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 +0.62% last week and is +1.83% 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.

May 30th, 2025 Asset Allocation: 7.9% cash; 21.3% bonds; 10.7% commodities and 59.7% equities*; 6.3% \$US, 9.4% EUR, 1.9% AUD, 0.3% JPY, 3.5% Other

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

*Net exposure to equities

Top 10 Equity Holdings as of May 30, 2024

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

*EGGIF Top 10 Equity Holdings exposure: 3.3%

The Exemplar Global Growth & Income Series FD was -0.03% last week and is +0.89% year to date.

Thanks,
Arrow Investment Team

Historical Performance – As of May 31, 2025

	1-Year	3-Year	5-Year	ITD
EGIF - Series F	11.50%	3.51%	5.60%	6.57%
EGGIF – Series F	5.45%	2.42%		0.82%

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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.