

EXEMPLAR GROWTH AND INCOME FUND

commentary – Week ending May 9, 2025



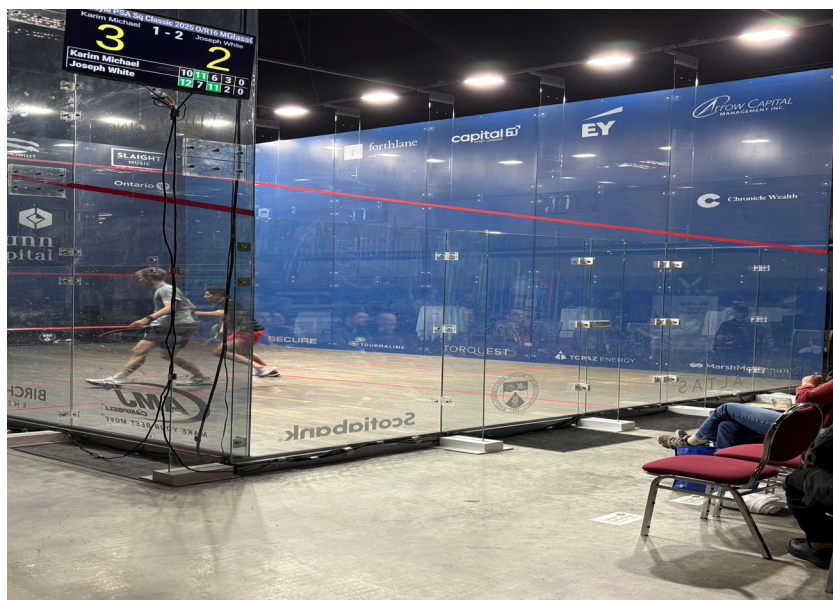
May 9th, 2025 Asset Allocation: 13.0% cash; 23.6% bonds; 6.3% commodities (3.7% GLD ETF/ 1.2% SLV/ 1.4% IBIT) and 57.1% equities*; 21.1% \$US

May 2nd, 2025 Asset Allocation: 15.0% cash; 21.6% bonds; 6.1% commodities (3.6% GLD ETF/ 1.2% SLV/ 1.3% IBIT) and 57.3% equities*; 20.9% \$US

*Net exposure to equities: 57.1%

| | Last Week | Year to Date |
|------------------------------------|-----------|--------------|
| iShares U.S. 7-10 Yr Bond ETF | -0.21% | +3.34% |
| iShares Core Canada Bond Index ETF | +0.25% | +1.17% |
| Gold (GLD ETF) | +2.61% | +26.69% |
| USD/CAD | +0.90% | -3.14% |
| ACWI (ETF) | -0.23% | +1.39% |
| S&P 500 (SPX ETF) | -0.45% | -3.35% |
| Nasdaq (QQQ ETF) | -0.18% | -4.41% |
| S&P/TSX (XIU ETF) | +0.94% | +3.62% |
| EGIF – Series FD | +1.21% | +0.30% |
| EGGIF – Series FD | +0.29% | +0.59% |

May 2, 2025 to May 9, 2025



Arrow Capital is proud to have sponsored the 2025 Canadian Squash Championships held in Toronto over the last couple of weeks. At left is a picture of the showcase glass court that was used for all the main matches.

More information on the championships can be found on the [Squash Canada website](https://www.squashcanada.ca/).

Our sponsorship will also include the Canadian Women's Open, a professional squash tour event, which will have the glass court set up in Brookfield Place in October 2025.

“Many people who have lost out in the last few decades voted for Trump. Trump will have a difficult time turning them into winners. The jobs of these people are not at risk because of Chinese or Mexican workers, but because of robots and computers. And new trade barriers and higher tariffs are not going to change that.” – Nicolas Bloom, American Economist

Gold resumed its uptrend, the USD and Bitcoin joined in. Canadian equities had a positive week too, on the back of the Materials Sector. Other equity markets and bonds leaned negative on the week. The Fund had a relatively good week due to its weightings in gold, gold stocks, USD and Bitcoin and demonstrates the advantages of including diversified uncorrelated assets. In the geo-political world, a new Pope was selected (an American), India and Pakistan agreed to a 'Full and immediate ceasefire', U.S.-Ukraine are demanding a 30-day truce beginning May 12th and lastly the U.K.

and the U.S. reached a trade deal. The U.K. trade deal does not remove the 10% tariffs, although steel and Aluminum will be zero. The U.S had a trade surplus with the U.K. Other trade deals may be more difficult to achieve but we may see some movement between China and the U.S. this week. With 90% of 1st quarter S&P 500 earnings reported, Sales Growth has been 4.22% and Earnings Growth 12.3%. The results have been better than expected. Earnings will not be reported again until July, in the meantime watch for early guide downs/up in the weeks ahead.

The Fund is prepared for multiple outcomes and using market swings to add or remove exposures. The Fund made small changes throughout the portfolio. The “chop” in the market continues until uncertainty dissipates. 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 17% and a 69% chance July 30th. Our biggest sectors: Industrials (9.1%), Financials (9.0%), Energy (8.5%), Materials (6.6%) and Information Technology (4.5%). I’ve added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of May 9, 2025

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

The Exemplar Growth & Income Series FD was +1.21% last week and is +0.30% 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 9th, 2025 Asset Allocation: 15.0% cash; 30.4% bonds; 9.9% commodities and 46.4% equities*; 21.9% \$US, 5.0% JPY, 6.5% EUR, 1.9% AUD, 3.0% Other

May 2nd, 2025 Asset Allocation: 14.6% cash; 38.7% bonds; 6.0% commodities and 42.8% equities*; 15.9% \$US, 4.8% JPY, 6.4% EUR, 1.9% AUD, 2.9% Other

*Net exposure to equities

Top 10 Equity Holdings as of May 9, 2024

| | | |
|-----|-----------------------------|------------------------|
| 1. | Take-Two Interactive - TTWO | Communications |
| 2. | AT&T - T | Communications |
| 3. | Amazon – AMZN | Consumer Discretionary |
| 4. | Microsoft - MFST | Information Technology |
| 5. | Chubb - CB | Financials |
| 6. | Netflix – NFLX | Communications |
| 7. | Danone – BN.FP | Consumer Staples |
| 8. | JP Morgan Chase – JPM | Financials |
| 9. | Mitsubishi Corp – 8058.T | Industrials |
| 10. | Alibaba – BABA | Technology |

The Exemplar Global Growth & Income Series FD was +0.29% last week and is +0.59% 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% |

Published May 12, 2025

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.