November 25th, 2022 Asset Allocation: 23.5% cash; 44.0% bonds; 6.0% commodities (GLD ETF) and 26.5% equities*; 37.0% $US, and 2.9% (non N. American equities)

November 18th, 2022 Asset Allocation: 29.3% cash; 41.3% bonds; 6.0% commodities (GLD ETF) and 23.4% equities*; 36.0% $US, and 2.9% (non N. American equities)
*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	+1.00%	-14.32%
Scotia Canada Bond Index	+1.86%	-9.60%
Gold	+0.22%	-4.09%
S&P 500	+2.02%	-15.53%
Nasdaq	+0.73%	-28.24%
S&P/TSX	+2.02%	-3.95%
EGIF – Series F	+0.91%	-8.11%

November 18, 2022 to November 25, 2022

The Fund had a decent week, posting a gain of 91 bps. Over the week we added more to our long bond and gold equity exposures. We still expect a deceleration in both GDP and Inflation. Our view is the Fed continues to tighten the Fed Fund rates, which in time is bullish long bonds and U.S. dollar. The equity market is still anticipating a Fed pivot and are ignoring the continued tightening of interest rates as well as the decline in forward earnings estimates. Once individuals begin to lose their jobs and unemployment goes up 'the supposedly strong consumer' will stop spending. The consumer has been ravaged by inflation since real wages have not kept paced with inflation. This past week initial jobless claims rose to 240k and Continuing Claims rose to 1551k both marginal upticks from trend. The November Preliminary S&P Global U.S. Composite PMI (Purchasing Managers Index) was below expectations 46.3 vs 48, continuing contraction. WTI has fallen from a peak of over $93 to $76.50, from November 7th to November 25th. This is a drop of -18.4% in just 18 days. Drops in oil of this magnitude tend to indicate demand for the commodity is slowing and with it the economy. Although seasonality for stocks is strong now, the rollover in the real economy is at our doorstep and with it company earnings will get revised down and equities will struggle in the first half of 2023.

US businesses are hiring fewer seasonal workers this holiday shopping season, as stubborn inflation dims the outlook for retail sales. Employers posted 8.2 per cent fewer holiday openings this year than last year, according to jobs site Indeed. The decline came even as Indeed reported that searches for seasonal jobs rose 33 per cent this year over 2021 to their highest level since 2019.
Source: Financial Times

<u>U.S. 10 Yr yields target 3.5% and possibly lower</u>

Source: Carter Worth, Worth Charting

The Fund is very active increasing and decreasing equity exposure. The Fund is positioned for further deceleration in GDP growth and a deceleration in inflation (but stay high this year). The Fund will tactically trade equities, either through outright sales or 'shorting'. The Fed is focused on reducing inflation and will continue to raise Fed Funds rate out till year end and likely beyond. Our biggest sectors are: HealthCare (6.8%) , Energy (6.5%), Consumer Staples (5.2%), Utilities (4.5%) and Materials (4.1%). I've added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of November 25, 2022
Franco Nevada – FNV
Archer-Daniels-Midland – ADM
Pembina Pipelines – PPL
Canadian Pacific – CP
United HealthCare – UNH
McKesson - MCK
CVS HealthCare – CVS
Tourmaline - TOU
Amdocs - DOX
Juniper - JNPR

The Exemplar Growth & Income Series F was +0.91% last week and is -8.11% year to date.