EXEMPLAR GROWTH & INCOME FUND
Week ending March 10, 2023

Arrow Capital Management Inc.

March 10, 2023 Asset Allocation: 32.5% cash; 39.5% bonds; 5.8% commodities (GLD ETF) and 22.2% equities*; 46.0% $US, and 6.4% (non N. American equities)

March 3, 2023 Asset Allocation: 25.4% cash; 46.2% bonds; 5.5% commodities (GLD ETF) and 22.9% equities*; 42.0% $US, and 6.4% (non N. American equities)
*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	+2.29%	+0.20%
Scotia Canada Bond Index	+2.34%	+2.11%
Gold	+0.59%	+2.36%
S&P 500	-4.55%	+0.58%
Nasdaq	-4.71%	+6.42%
S&P/TSX	-3.92%	+2.01%
EGIF – Series F	+1.16%	+0.99%
EGGIC – Series F	+0.01%	+0.62%

March 3, 2023 to March 10, 2023

Daily Returns - March 6, 2023 to March 10, 2023

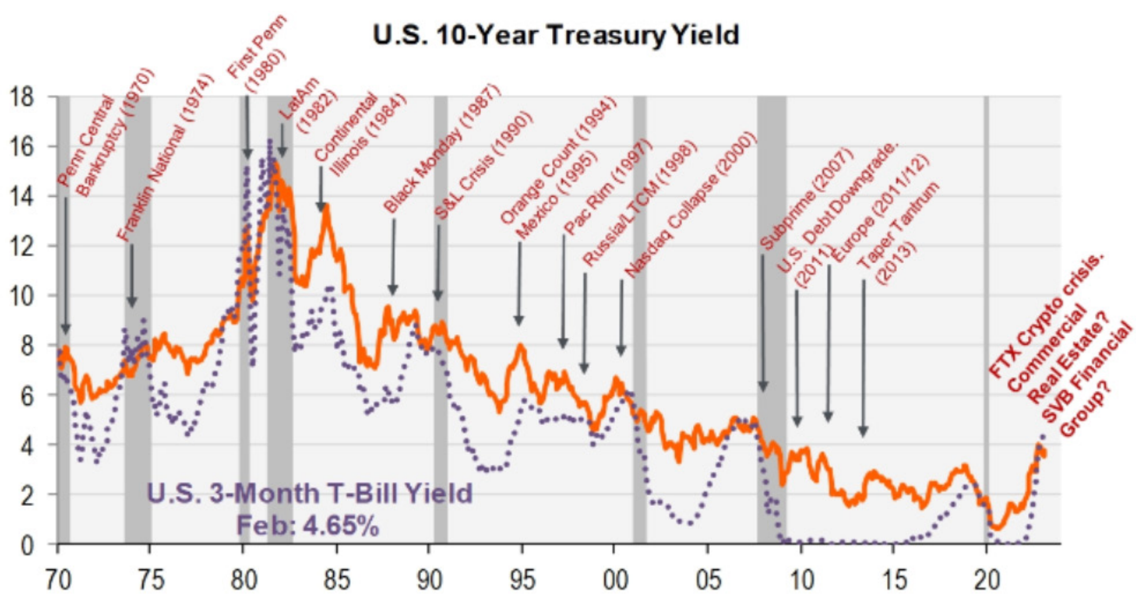
	Mon, March 6	Tues, March 7	Weds, March 8	Thurs, March 9	Fri, March 10
S&P 500 TR	0.07%	-1.53%	0.14%	-1.85%	-1.45%
S&P/TSX TR	-0.32%	-1.17%	0.35%	-1.28%	-1.55%
EGIF – Series F	-0.05%	0.40%	0.03%	0.40%	0.39%

It feels good to be back on the positive side of the ledger, much more work to do though. To have the positive week like we had required pre-positioning and courage to ignore benchmarks per se. Our process is to invest for the different stages of the business cycle. We were early and wrong for about six weeks. However, a credit event has occurred and the question becomes how does it play out? In the past, I've mentioned the Fed tends to hike until something breaks. This past week, SilverGate Exchange Network and SVB Financial Group went bankrupt. SVB Financial Group banks a lot of Silicon Valley and new start ups. It's a fairly large bank with over 8500 employees. It is now in receivership with the FDIC. They will begin immediately to try and maximize its value. This is the first bank to go bankrupt since the Great Financial Crisis, when Washington Mutual collapsed and was purchased by JP Morgan. Bank failures always increase the fear factor and risk of contagion. Markets question 'who else has the same problems as SVB Financial Group'? What will the Fed do, if anything? In 1984, the Fed continued to raise rates despite Continental Illinois Bank going bankrupt. Can the Fed pause or cut rates if inflation is running above its 2% inflation target? Our educated guess is, if the bond market continues to function the Fed will continue on its path of hiking rates. Monday and Tuesday will provide more information as CPI is reported Tuesday morning. A 'Hot' number will keep the Fed on course. The Vix Index closed the week before at 18.56 and this week at 24.80 after hitting 28.97. The CAD fell 1.65% on the week as the BOC held rates steady at their meeting on Wednesday. Our bond exposure came down due to adding a short exposure in High Yield Credit. Our Gold was raised a touch and may go up a lot more if the Fed panics and cuts rates. Our equity exposure ranged between 15% and 30% throughout the week. Lastly, the USD exposure was raised in front of the Bank of Canada pause.

The consequences of the rate hikes which began a year ago are beginning to be seen in the real economy but also in the market. The 50 day moving average of the Advance-Decline Line indicates a 'danger zone'. These danger zones can lead to significant drops.

Source: Larry Macdonald, BearTraps Report

Financial shocks generally occur during periods of rising rates. Why? Because low rates mask problems in the real economy, e.g. over-investment, excessive debt burdens, deteriorating creditworthiness of businesses & households, etc. When rates rise, these problems become apparent, and can trigger financial shocks -- 2008-2009 was the most severe in modern history.



Source: Nancy Lazar, Chief Global Strategist, Piper Sandler

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. The Fund will tactically trade equities, either through outright sales or 'shorting'. The Fed is focused on reducing inflation and recent data has the market pricing in 3 more hikes, March, May and June. Our biggest sectors are: Energy (7.3%), Industrials (4.7%), Financials (4.4%) Utilities (3.8%), and Materials (3.2%). I've added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of March 10, 2023
Pembina – PPL
Unilever - UL
Royal Bank -RY
Canadian Natural Resources -CNQ
WSP -WSP
Visa - V
Superior Plus - SPB
National Bank - NA
Suncor – SU
HCA Healthcare - HCA

The Exemplar Growth & Income Series F was +1.16% last week and is +0.99% 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 10th, 2023 Asset Allocation: 50.3% cash; 20.5% bonds; 5.5% commodities and 23.2% equities*; 40.0% $US, 2.7% EUR, 1.1% Yen, 0.6% AUD, 4.3% Other and -1.9% GBP

March 3rd, 2023 Asset Allocation: 39.2% cash; 19.6% bonds; 7.3% commodities and 33.9% equities*; 40.1% $US, -4.7% EUR, 0.2% Yen, 0.6% AUD, 0.7% Other and -2.6% GBP
*Net exposure to equities

Top 10 Equity Holdings as of March 10, 2023
HCA Healthcare - HCA
Berkshire Hathaway – BRK/B
Exxon Mobil – XOM
McDonald's – MCD
Volkswagen - VOW
PG&E - PCG
Walmart – WMT
Unilever – UL
Simon Property - SPG
Novo Nordisk - NVO

The Exemplar Global Growth & Income Series F was +0.01% last week and is +0.62% year to date.

Historical Performance – As of February 28, 2023

	1-Year	3-Year	5-Year	ITD
EGIF - Series F	-6.89%	4.53%	4.94%	6.55%
EGGIC - Series F	-3.59%			-5.69%

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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.