March 17, 2023 Asset Allocation: 21.5% cash; 45.6% bonds; 8.0% commodities (GLD ETF) and 24.9% equities*; 46.0% $US, and 5.9% (non N. American equities)

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)
*Net exposure to equities

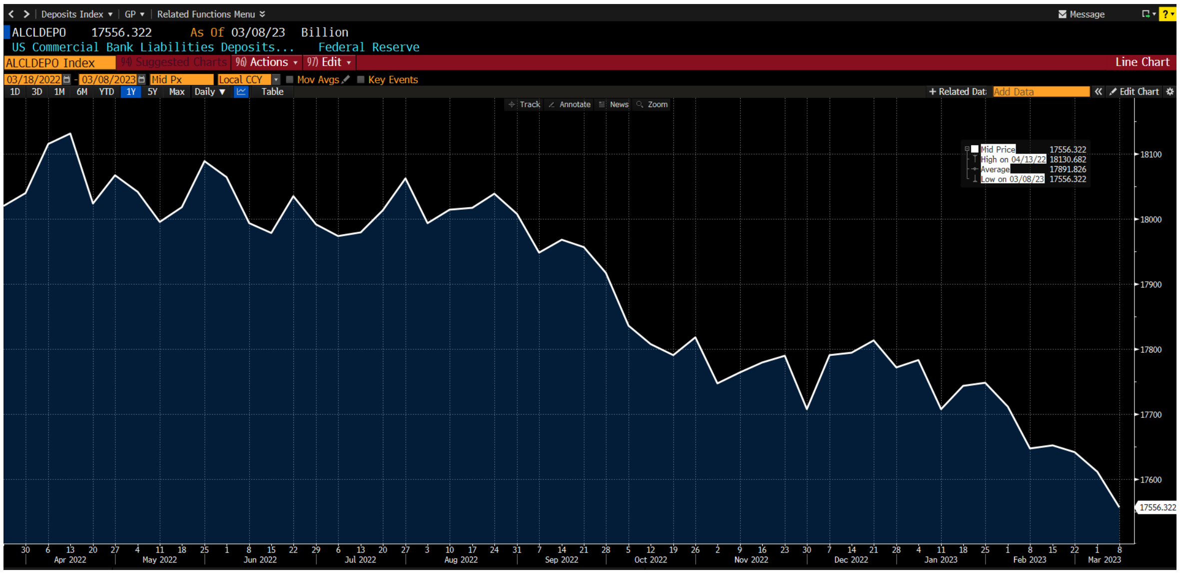
| | Last Week | Year to Date |
|---|---|---|
| iShares U.S. 7-10 Yr Bond ETF | +1.97% | +4.07% |
| Scotia Canada Bond Index | +0.76% | +3.92% |
| Gold | +6.48% | +9.17% |
| S&P 500 | +1.43% | +2.01% |
| Nasdaq | +4.41% | +11.12% |
| S&P/TSX | -1.96% | +0.01% |
| EGIF – Series F | +0.47% | +1.46% |
| EGGIC – Series F | -0.40% | +0.22% |

March 10, 2023 to March 17, 2023

*Looks like they just wiped out half of QT with Bank Borrowing at the Discount Window GREATER on a weekly basis ($165B this week) vs. any week in 2008 ($111B was the record week, and that didn't change The Cycle either)*
– Keith McCullough, Hedgeye

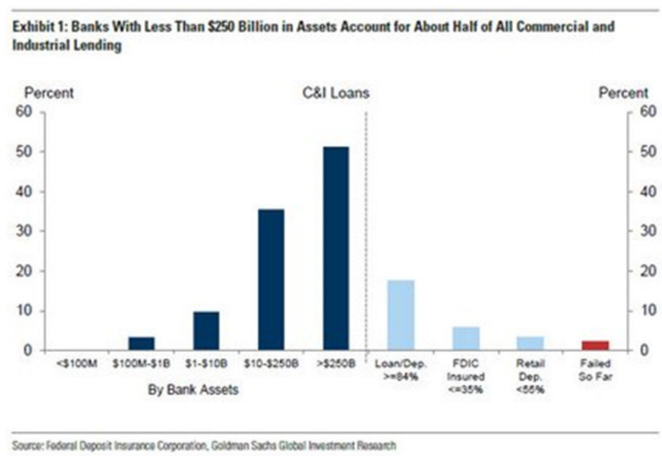
March Madness on the U.S. College basketball courts and in the markets. Year to date all asset classes are up but the daily volatility has been tremendous. This past week saw bank rescues and the bank crisis continue. The main issue has been bank deposits flocking to higher yielding T-Bills versus deposit rates, while bank assets have declined due to the rate hikes. Banks hold liquid assets as deposits come and go, mostly U.S. Treasury bonds. The bonds have gone down in value over the past 24 months. The FDIC rescue plan is to guarantee the banks par value on all U.S. Treasury bonds. The move is shoring up the banks collateral and the Fed is essentially injecting liquidity into the financial system. Across the pond Credit Suisse received a liquidity injection in the form of a loan from the ECB. The question is how many more banks are in or close to distress. These events may be the precursor to more trouble ahead. In the meantime, it may calm the markets and every asset class loves more liquidity. The banking mayhem, and the interest rate hiking cycle in our mind will bring about the forecasted recession. Our asset classes of preference in a decelerating growth environment are bonds and gold. Both were increased last week. Equities will provide great trading opportunities. This past week, our equity weight ranged between 5% and 40%.

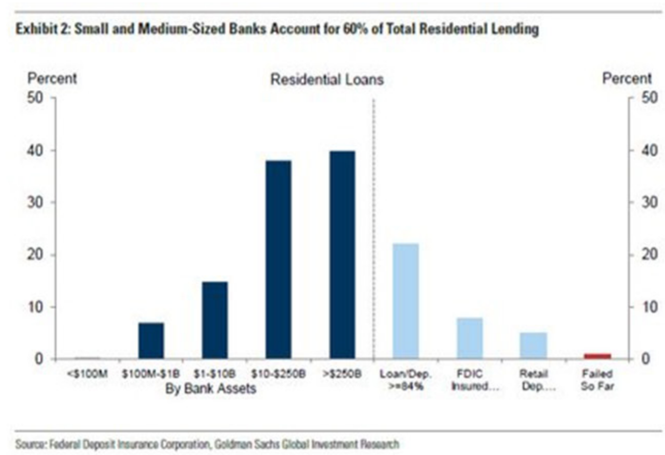
## U.S. Commercial Bank Deposits – been going down since Fed started raising rates

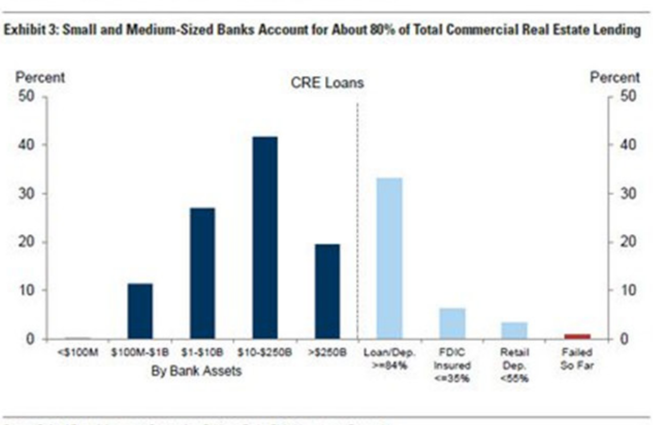


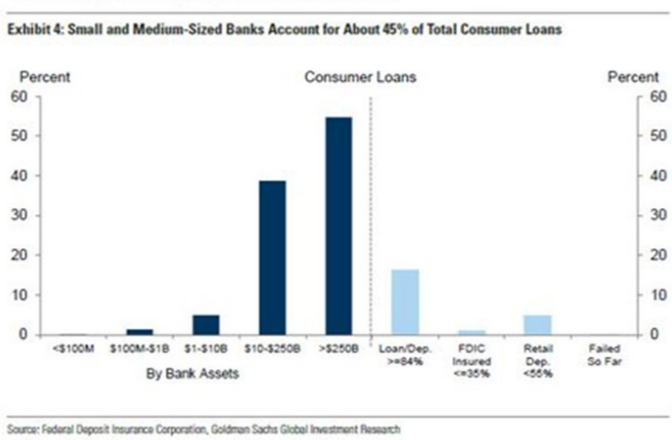

*Source: Bloomberg*

Small/medium banks account for 50% of U.S. commercial and industrial lending, 60% of residential real estate lending, 80% of commercial real estate lending, and 45% of consumer lending.




*Source: Federal Deposit Insurance Corporation, Goldman Sachs Global Investment Research*

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 1 more hike in March. Our biggest sectors are: Energy (6.0%), Financials (5.5%), Industrials (4.9%), Utilities (4.0%), and REITS (3.4%). I've added our Top 10 Equity Holdings below for this week.

**Top 10 Equity Holdings as of March 17, 2023**

Pembina – PPL
Unilever - UL
WSP -WSP
Royal Bank -RY
Superior Plus - SPB
National Bank - NA
CGI Group - GIBa
Canadian Natural Resources - CNQ
Restaurant Brands – QSR
Quebecor - QBRb

The Exemplar Growth & Income Series F was +0.47% last week and is +1.46% 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 17th, 2023 Asset Allocation: 52.6% cash; 17.1% bonds; 6.1% commodities and 24.2% equities*; 30.0% $US, 0.1% EUR, 1.2% Yen, 0.0% AUD, 0.5% Other and -2.7% GBP

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
*Net exposure to equities

**Top 10 Equity Holdings as of March 17, 2023**

Boston Scientific - BSX
HCA Healthcare - HCA
Liberty Media - LSXMA
McDonald's – MCD
Pepsi - PEP
Exxon Mobil – XOM
PG&E – PCG
Walmart – WMT
Volkswagen – VOW
Monster Beverage - MNST

The Exemplar Global Growth & Income Series F was -0.40% last week and is +0.22% 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% |

Published March 20, 2023

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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Certain statements in this document are forward-looking. Forward-looking statements ("FLS") are statements that are predictive in nature, depend upon or refer to future events or conditions, or that include words such as "may," "will," "should," "could," "expect," "anticipate," "intend," "plan," "believe," or "estimate," or other similar expressions. Statements that look forward in time or include anything other than historical information are subject to risks and uncertainties, and actual results, actions or events could differ materially from those set forth in the FLS. FLS are not guarantees of future performance and are by their nature based on numerous assumptions. Although the FLS contained herein are based upon what Arrow Capital Management and the portfolio manager believe to be reasonable assumptions, neither Arrow Capital Management nor the portfolio manager can assure that actual results will be consistent with these FLS. The reader is cautioned to consider the FLS carefully and not to place undue reliance on FLS. Unless required by applicable law, it is not undertaken, and specifically disclaimed that there is any intention or obligation to update or revise FLS, whether as a result of new information, future events or otherwise.

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.