March 24, 2023 Asset Allocation: 27.6% cash; 49.2% bonds; 7.6% commodities (GLD ETF) and 15.6% equities*; 48.0% $US, and 5.8% (non N. American equities)

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)
*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	+0.46%	+4.70%
Scotia Canada Bond Index	+0.29%	+4.47%
Gold	-0.50%	+8.65%
S&P 500	+1.39%	+3.42%
Nasdaq	+1.66%	+12.97%
S&P/TSX	+0.59%	+0.60%
EGIF – Series F	+0.24%	+1.70%
EGGIC – Series F	+0.44%	+0.66%

March 17, 2023 to March 24, 2023

The last two times money-market fund assets surged -- in 2008 and in 2020 -- the Federal Reserve slashed interest rates. Hartnett is fond of the saying, "markets stop panicking when central banks start panicking," and he noted a surge in emergency Fed discount window borrowing has historically occurred around a big stock-market low.

There is one difference this time, in that inflation is a reality and that labor markets, not just in the U.S. but in other industrialized nations, remains exceptionally strong. The Bank of America team counted 46 interest rate hikes this year, including by the Swiss National Bank after its rescue of Credit Suisse last week.

History, according to the BofA team, says to sell the last interest rate hike. *"Credit and stock markets are too greedy for rate cuts, not fearful enough of recession," they say. After all, when banks borrow from the Fed in an emergency, they tighten lending standards, which in turn results in less lending, and that leads to less small-business optimism, which eventually cracks the labor market.*
Source: MarketWatch - March 24, 2023

Lower tax refunds, largely chalked up to a lapping of pandemic-related benefits, getting more attention in the consumer/retail space. According to latest data from the IRS, average refund down 11% to $2,972 from $3,352 a year ago. BofA noted that while low-income spending caught a boost from refunds earlier this tax season, it has flipped to a headwind. Added that this dynamic is expected to persist over the next several weeks.
Source: Bank of America - March 24, 2023

March Madness isn't over and next Saturday is April Fools, so expect the volatility to persist until there is a clear solution to the bank turmoil. The S&P 500 has been up each of the past two weeks, despite the failure of three U.S. banks and Credit Suisse. First Republic Bank and Deutsche Bank appear to be the next two banks on the ropes. The CDS spread on Deutsche widened to the point that the market believes it is in trouble. The "spread" of a Credit Default Swap is the annual amount the protection buyer must pay the protection seller over the length of the contract, expressed as a percentage of the notional amount. The increase in CDS rates indicates that the risk of the debt or the underlying company has increased. A big change in the equity market took place on Friday. Defensive sectors took over leadership. If we are correct on our recession call, this could be the beginning of a rotation out of high beta growth names into low beta defensive names or the laggards year to date. Typically these sectors outperform in the summer months. This year summer may be early.

S&P 500 Sector Returns - March 24, 2023

S&P 500 INDEX Index | IMAP | Related Functions Menu

SPX C 3970.99 +22.27 3957.97 / 3990.97
On 24 Mar O 3939.21 H 3972.74 L 3909.16 Prev 3970.99

Export | Settings

SPX Index | Group by Region Sector | Market Cap (USD) All | Historical Performance

SPX > GICS

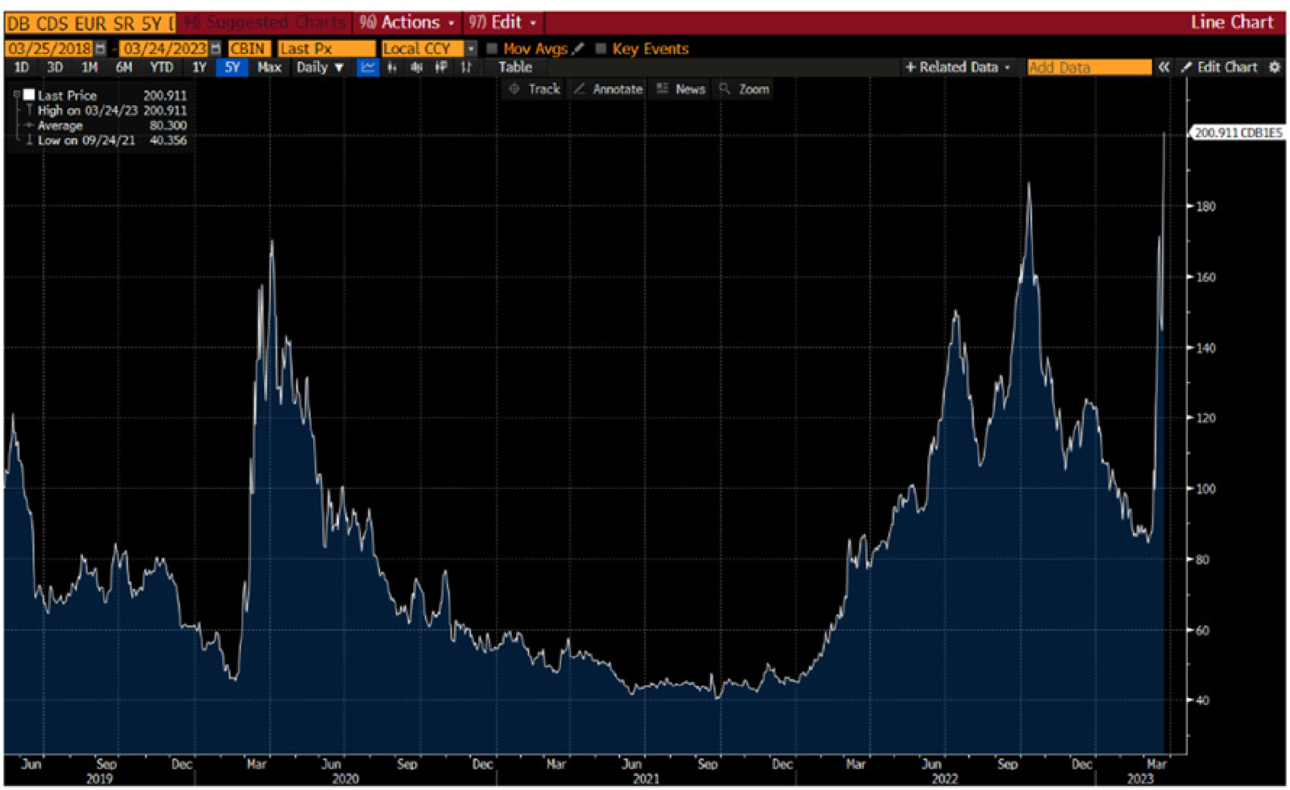
Pie Chart & Table | Table | Pie Chart

SPX: Percent Price Change by GICS Sector

Name	%Chg	Min	Max	Indx Pt	Count	% Up	% Down	Weight
1) All Securities	+0.56%	-4.92%	5.91%	22.29	503	75.0%	24.7%	100.00%
2) > Utilities	+3.12%	0.05%	4.31%	3.45	30	100.0%	0.0%	2.88%
3) > Real Estate	+2.58%	-0.07%	4.61%	2.54	30	96.7%	3.3%	2.52%
4) > Consumer Staples	+1.63%	0.06%	3.23%	4.65	37	100.0%	0.0%	7.30%
5) > Health Care	+1.31%	-2.81%	4.89%	7.42	65	93.8%	6.2%	14.44%
6) > Materials	+0.81%	-1.37%	2.11%	0.83	29	93.1%	6.9%	2.60%
7) > Industrials	+0.35%	-2.98%	3.84%	1.19	73	71.2%	27.4%	8.59%
8) > Energy	+0.29%	-2.00%	3.49%	0.51	23	69.6%	30.4%	4.49%
9) > Communication Services	+0.26%	-3.65%	5.91%	0.86	24	58.3%	41.7%	8.27%
10) > Information Technology	+0.25%	-4.92%	2.15%	2.55	66	48.5%	50.0%	26.10%
11) > Financials	-0.06%	-2.43%	5.24%	-0.31	73	72.6%	27.4%	12.88%
12) > Consumer Discretionary	-0.35%	-2.94%	3.67%	-1.40	53	49.1%	50.9%	9.93%

Source: Bloomberg

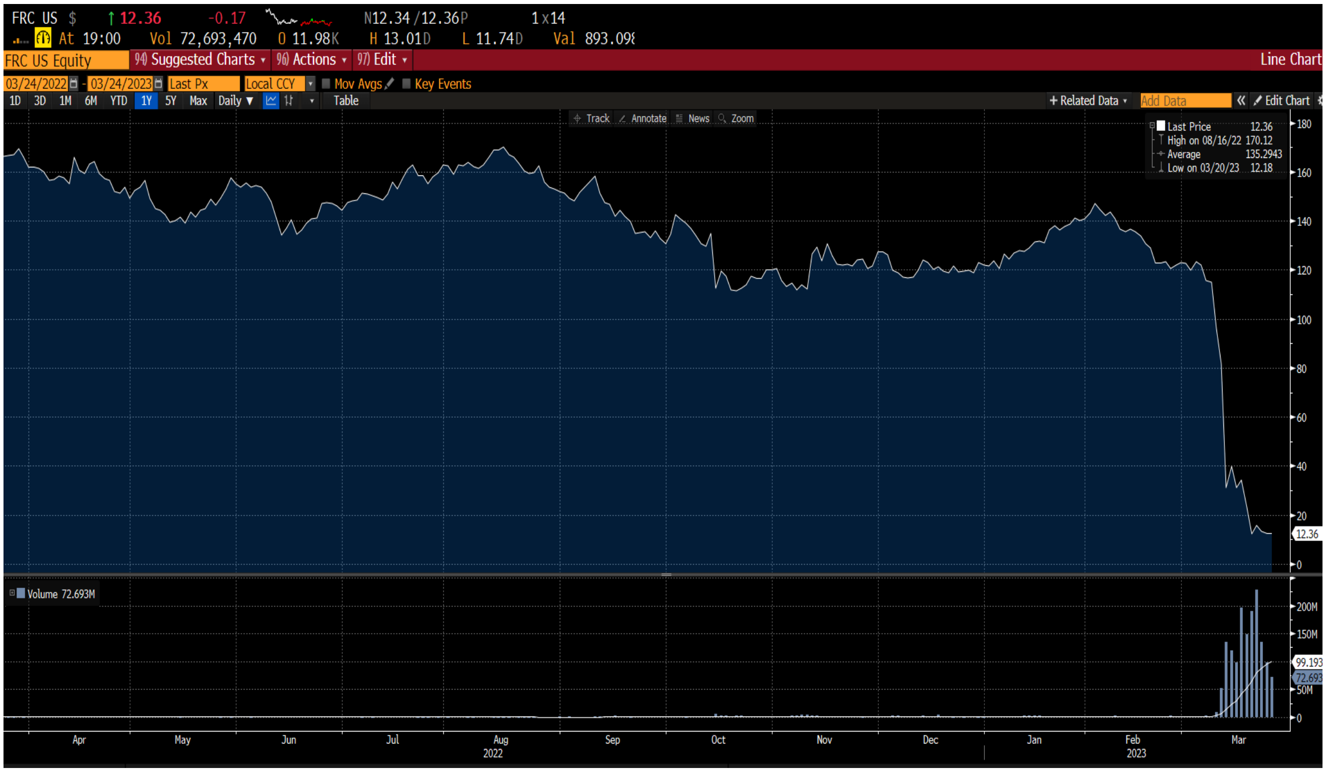
Deutsche Bank CDS Spread March 25/18 – March 24/23



Source = BBG as of 3/23/23

Source: Bloomberg, March 23, 2023

First Republic Bank Price March 24/22 – March 24/23



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 to 2%, however, recent data has the market pricing in no more rate hikes. The direction of Fed Funds rate has become uncertain. Our biggest sectors are: Energy (6.2%), Financials (6.2%), Utilities (4.9%), Industrials (4.5%), and Materials (3.4%). I've added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of March 24, 2023

Unilever – UL
Pembina - PPL
WSP -WSP
Royal Bank -RY
Visa - V
Superior Plus - SPB
CGI Group - GIBa
Canadian Natural Resources - CNQ
National Bank – NA
American Tower - AMT

The Exemplar Growth & Income Series F was +0.24% last week and is +1.70% 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 24th, 2023 Asset Allocation: 50.1% cash; 15.2% bonds; 3.5% commodities and 31.2% equities*; 30.5% $US, 0.9% EUR, 6.4% Yen, 0.0% AUD, 6.8% Other and -1.6% GBP

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
*Net exposure to equities

Top 10 Equity Holdings as of March 24, 2023
Pepsi - PEP
HCA Healthcare - HCA
Boston Scientific - BSX
General Mills - GIS
Liberty Media – LSXMA
Royal Bank - RY
McDonald's – MCD
AstraZeneca - AZN
Merck - MRK
Walmart – WMT

The Exemplar Global Growth & Income Series F was +0.44% last week and is +0.66% 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 27, 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.

This document is provided as a general source of information and should not be considered personal, legal, accounting, tax or investment advice, or construed as an endorsement or recommendation of any entity or security discussed. Every effort has been made to ensure that the material contained in this document is accurate at the time of publication. Market conditions may change which may impact the information contained in this document. All charts and illustrations in this document are for illustrative purposes only. They are not intended to predict or project investment results. Individuals should seek the advice of professionals, as appropriate, regarding any particular investment. Investors should consult their professional advisors prior to implementing any changes to their investment strategies.

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.