

# EXEMPLAR GROWTH & INCOME FUND

Week ending November 10, 2023



November 10th, 2023 Asset Allocation: 34.6% cash; 29.7% bonds; 4.6% commodities (3.3% GLD ETF/ 0.8% UNG ETF/ 0.5% BTCC ETF) and 31.1% equities\*; 30.0% \$US, and 4.4% (non N. American equities)

November 3rd, 2023 Asset Allocation: 41.3% cash; 28.4% bonds; 5.4% commodities (4.1% GLD ETF/ 0.8% UNG ETF/ 0.5% BTCC ETF) and 24.9% equities\*; 27.0% \$US, and 3.7% (non N. American equities)

\*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	-0.49%	-2.50%
Scotia Canada Bond Index	-0.55%	+0.31%
Gold	-2.70%	+6.30%
USD/CAD	+1.04%	+1.82%
ACWI (ETF)	+0.55%	+11.11%
S&P 500	+1.31%	+15.00%
Nasdaq	+2.37%	+31.83%
S&P/TSX	-0.86%	+1.39%
EGIF – Series F	-0.51%	-2.61%
EGGIC – Series F	+0.01%	-1.60%

November 3, 2023 to November 10, 2023

A bit of a mixed bag in the markets last week. Bonds and Gold were down and the U.S. Dollar and U.S. Equities were up. Back to the 1st half playbook – not so fast. U.S. Dollar was weak in the 1st half (strong now) and U.S. Small Caps (Russell 2000) was up. This past week the Russell 2000 was down -3.07% and is now also down on the year. It was back to the Big Mega Caps again with Energy and Utilities selling off -3.82% and -2.60% respectively. Its clear investors are reluctant to sell the Magnificent 7 at this point and even now continue to pile in. We increased our Info Technology marginally and sold down Energy and Utilities. Our biggest weight, Constellation Software hit a new 52 week high Friday, along with Dollarama. Of note this week was the U.S. Treasury 30Yr Auction on Thursday which did not go well. The auction price cleared at 5 bps higher than the 30Yr pre auction, this is known as a 'fat tail'. Afterwards, it was attributed to a Chinese bank being hacked. Needless to say the news got worse for the bond market when the University of Michigan 1-year Inflation expectations were 4.4% vs 4.0% expected and 5-10Yr Inflation expectations were 3.2% vs 3.0% expected. Then to cap it off after market close Friday, Moody's downgraded U.S. government debt from stable to negative. The strategy is stay with the positive trends and remain aware of a Consumer slowdown. U.S. Consumer Conditions preliminary for November was 65.7 vs 70.3 – not encouraging. Canadian Economic Mood Index is similar, in decline since mid-August.

## University of Michigan Current Economic Conditions Index



Source: Bloomberg

Canada Economic Mood Index National



Source: Bloomberg

The Fund is very active increasing and decreasing equity exposure. Further deceleration in GDP growth and an uptick in inflation through year end spells Stagflation. The Fund will tactically trade equities, either through outright sales or 'shorting'. The Fed is focused on reducing inflation to 2% and Jay Powell reiterated in Jackson Hole that 2% is not negotiable. The FED raised interest rates by 25 bps in July and there is 0% probability in December and 15% chance of a cut in March 2024. Both the Fed and Bank of Canada don't believe they will hit their objective till 2025. The direction of Fed Funds rate has become data dependent. Our biggest sectors are: Energy (7.2%), Materials (6.7%), Information Technology (6.6%), Utilities (5.1%) and Industrials (4.1%). I've added our Top 10 Equity Holdings below for this week.

**Top 10 Equity Holdings as of November 10, 2023**

1.	Constellation Software – CSU	Information Technology
2.	Wheaton Precious – WPM	Materials
3.	Agnico Eagle – AEM	Materials
4.	IBM Corp – IBM	Information Technology
5.	Archer Daniels-Midland - ADM	Consumer Staples
6.	AltaGas – ALA	Utilities
7.	Arc Energy – ARX	Energy
8.	Dollarama - DOL	Consumer Discretionary
9.	Keyera Corp - KEY	Energy
10.	Global X Uranium ETF - URA	Materials

The Exemplar Growth & Income Series F was -0.51% last week and is -2.61% 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.

November 10th, 2023 Asset Allocation: 49.7% cash; 17.3% bonds; 5.9% commodities and 27.1% equities\*; 40.3% \$US, 2.8% EUR, 1.3% Yen, 1.0% AUD, 0.8% Other and 0.1% GBP

November 3rd, 2023 Asset Allocation: 22.1% cash; 40.8% bonds; 7.9% commodities and 29.2% equities\*; 35.3% \$US, 2.5% EUR, 1.2% Yen, 1.1% AUD, 0.7% Other and 0.2% GBP

\*Net exposure to equities

**Top 10 Equity Holdings as of November 10, 2023**

1.	Microsoft – MFST	Information Technology
2.	Alphabet – GOOGL	Communications
3.	Amazon – AMZN	Consumer Discretionary
4.	Meta Platforms – META	Communications
5.	Apple - AAPL	Information Technology
6.	Manulife - MFC	Financial Services
7.	Nvidia - NVDA	Information Technology
8.	Walmart - WMT	Consumer Staples
9.	Constellation Energy - CEG	Utilities
10.	Eli Lilly - LLY	Health Care

The Exemplar Global Growth & Income Series F was +0.01% last week and is -1.60% year to date.

Historical Performance – As of October 31, 2023

	1-Year	3-Year	5-Year	ITD
EGIF - Series F	-4.00%	2.52%	3.90%	5.54%
EKGIC - Series F	-2.55%			-4.96%

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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](http://www.arrow-capital.com).