

EXEMPLAR GROWTH & INCOME FUND

Week ending February 16, 2024



February 23rd, 2024 Asset Allocation: 1.1% cash; 32.3% bonds; 5.6% commodities (4.0% GLD ETF/ 0.2% SLV ETF/1.4% IBIT) and 60.9% equities*; 32.0% \$US, 1.5% Yen

February 16th, 2024 Asset Allocation: 6.4% cash; 33.2% bonds; 5.5% commodities (4.2% GLD ETF/ 1.3% IBIT) and 54.9% equities*; 32.0% \$US, 1.5% Yen

*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	+0.32%	-2.20%
Scotia Canada Bond Index	+0.66%	-1.73%
Gold	+0.90%	-1.34%
USD/CAD	+0.13%	+2.03%
ACWI (ETF)	+1.50%	+4.91%
S&P 500	+1.17%	+6.69%
Nasdaq	+0.57%	+6.56%
S&P/TSX	+0.90%	+2.17%
EGIF – Series F	+0.44%	+1.52%
EGGIC – Series F	+0.68%	+2.14%

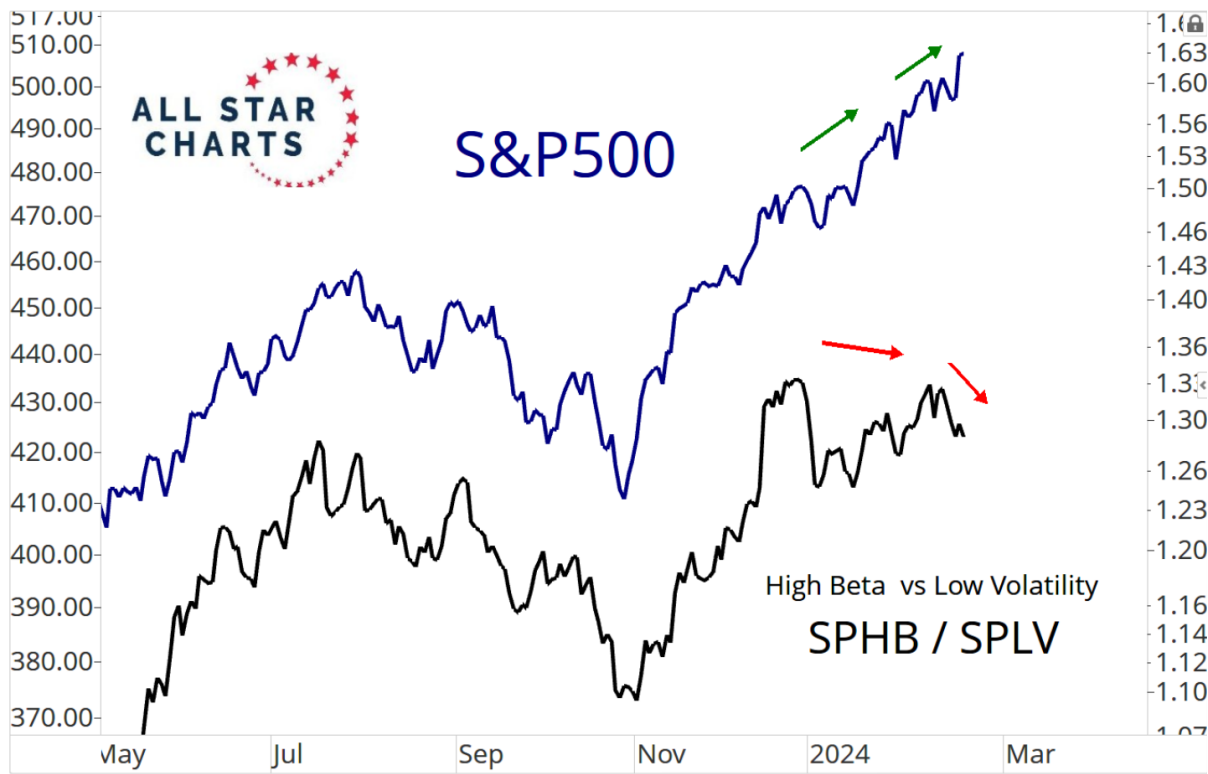
February 16, 2024 to February 23, 2024

This past week everything was up, a rarity but there was a lot of volatility. Friday, the U.S. Dollar, gold and bonds had a good day on no new economic data, while U.S equities were flat to down. It may be nothing or market participants seeking a safe haven in case of a U.S. Government Shutdown. One day does not make a trend. You may notice our cash levels have been lower as of late. We have been using the cash for short term trade opportunities in the equity market e.g. Nvidia. Nvidia sold off pre earnings release (we bought some). Nvidia's earnings were greeted with relief and the stock soared 16% (we sold).

Info Tech and Discretionary led in the U.S. while HealthCare and Energy led in Canada. No sectors were down in the U.S. while Info Tech and Utilities were the losers in Canada. WTI oil prices were down over 3% on the week. Interesting that Canadian Energy stocks were up over 2% on the week (our biggest sector weight).

Below is a chart by All Star Charts indicating a change within the S&P 500 in which low beta is beginning to outperform high beta as the market reaches new highs. The market is rotating within sectors. It's too early to tell if the market is truly broadening out to the more defensive sectors. The Fund reduced Info Tech in favour of Healthcare this week.

High Beta vs Low Volatility – May 2023 to February 2024



Important dates and events for March:

- March 1:** U.S. government shutdown
- March 6:** Beige Book Release
- March 8:** Employment Situation Report
- March 11:** Emergency BTFP bank liquidity ends
- March 15:** OpEx March 20: FOMC Meeting
- March 20:** VixPiration

The Fund is very active increasing and decreasing equity exposure. 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 last raised interest rates by 25 bps in July. Both the Fed and Bank of Canada don’t believe they will hit their objective until 2025. The direction of Fed Funds and BoC rate is lower but the pace is uncertain. Our biggest sectors are: Energy (9.8%), Industrials (6.9%), Financials (6.5%), Healthcare (4.0%) and Information Technology (3.9%). I’ve added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of February 23, 2024

- | | | |
|----|----------------------------------|------------------------|
| 1. | ARC Resources - ARX | Energy |
| 2. | Canadian National Railway - CNR | Industrials |
| 3. | Manulife - MFC | Financials |
| 4. | Canadian Pacific – CP | Industrials |
| 5. | National Bank – NA | Financials |
| 6. | Constellation Software – CSU | Information Technology |
| 7. | Royal Bank – RY | Financials |
| 8. | Canadian Natural Resources - CNQ | Energy |

9.	Goldman Sachs – GS	Financials
10.	Dollarama - DOL	Consumer Discretionary

The Exemplar Growth & Income Series F was +0.44% last week and is +1.52% 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.

February 23rd, 2024 Asset Allocation: 4.8% cash; 37.9% bonds; 9.3% commodities and 47.8% equities*; 20.5% \$US, 7.4% EUR, 4.2% Yen, 2.9% AUD, 3.0% Other and 3.5% GBP

February 16th, 2024 Asset Allocation: 10.6% cash; 33.9% bonds; 8.5% commodities and 46.6% equities*; 39.9% \$US, 7.1% EUR, 4.0% Yen, 2.9% AUD, 2.8% Other and 2.8% GBP

*Net exposure to equities

Top 10 Equity Holdings as of February 23, 2024

1.	Amazon – AMZN	Consumer Discretionary
2.	Microsoft – MFST	Information Technology
3.	Meta – META	Communication Services
4.	Alphabet - GOOG	Communication Services
5.	JP Morgan - JPM	Financials
6.	Arista Networks - ANET	Information Technology
7.	Walmart – WMT	Consumer Staples
8.	ASML Holding - ASML	Information Technology
9.	Simon Property - SPG	Real Estate
10.	Visa – V	Financials

The Exemplar Global Growth & Income Series F was +0.68% last week and is +2.14% year to date.

Historical Performance – As of January 31, 2024

	1-Year	3-Year	5-Year	ITD
EGIF - Series F	-0.84%	1.62%	3.95%	5.85%
EGGIC – Series F	-2.68%			-3.27%

Published February 26, 2024

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.