

# EXEMPLAR GROWTH & INCOME FUND

Week ending March 15, 2024



March 15th, 2024 Asset Allocation: 8.8% cash; 33.0% bonds; 6.2% commodities (4.7% GLD ETF/ 0.2% SLV/ 1.3% IBIT) and 52.0% equities\*; 31.0% \$US, 1.5% Yen

March 8th, 2024 Asset Allocation: 12.2% cash; 32.5% bonds; 5.8% commodities (4.6% GLD ETF/1.2% IBIT) and 49.5% equities\*; 32.0% \$US, 1.5% Yen

\*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	-1.66%	-2.35%
Scotia Canada Bond Index	-1.30%	-2.08%
Gold	-1.06%	+4.50%
USD/CAD	+0.44%	+2.27%
ACWI (ETF)	-0.23%	+5.94%
S&P 500	-0.13%	+7.28%
Nasdaq	-0.70%	+6.41%
S&P/TSX	+0.51%	+4.25%
EGIF – Series F	-0.38%	+3.15%
EGGIC – Series F	-0.52%	+3.25%

March 8, 2024 to March 15, 2024



This past week U.S. equities (second week in a row) and World markets were down with gold and bonds. The TSX and U.S. Dollar were up. The market sell off can be attributed to the 'hotter' than expected CPI and PPI. The odds of a Fed cut in rates has dropped to 50% in June. The market is digesting the news of a 'Fed Pivot' being delayed. The resource groups benefitted from the change in expectations of 'sticky' inflation while bonds and interest sensitive groups were sold. The Kobeissi Letter sums up the headwinds to a Fed Cut.

The Fed Now Has:

1. CPI inflation data that is up for 2 straight months
2. Core CPI inflation that is nearly double their 2% target
3. PPI inflation jumping to 1.6% with the biggest increase in 6 months
4. Supercore inflation at 6.9% on a 3-month annualized basis
5. Data suggesting that we have the strongest labor market of all time
6. Widespread market expectations for a “Fed pivot”

Source: The Kobeissi Letter

Energy and Materials led in the U.S. while Materials and Energy led in Canada. A move towards inflation or hard assets. Discretionary and Real Estate were the worst in the U.S. while Utilities and Communications were the worst in Canada. Bitcoin and Gold were down this week while The U.S. Dollar Index was up 71 bps and CAD down 44 bps. U.S. dollar strength this week did not hold back oil and industrial commodities.

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. May is 10% probability of a cut and June 50%. Our biggest sectors are: Energy (11.1%), Financials (8.3%), Industrials (6.2%), Information Technology (6.3%) and Materials (4.0%). I’ve added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of March 15, 2024

1.	National Bank - NA	Financials
2.	Royal Bank - RY	Financials
3.	Goldman Sachs - GS	Financials
4.	Canadian Pacific - CP	Industrials
5.	Canadian Natural Resources – CNQ	Energy
6.	ARC Resources – ARX	Energy
7.	Teck Corp. – TECK	Materials - Copper
8.	Canadian National Railway - CNR	Industrial
9.	Shopify – SHOP	Information Technology
10.	Intel Corp - INTC	Information Technology

The Exemplar Growth & Income Series F was -0.38% last week and is +3.15% 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 15th, 2024 Asset Allocation: 3.9% cash; 28.5% bonds; 9.7% commodities and 57.9% equities\*; 29.9% \$US, 9.0% EUR, 4.0% Yen, 3.5% AUD, 2.9% GBP and 2.5% Other

March 8th, 2024 Asset Allocation: 5.7% cash; 34.7% bonds; 9.4% commodities and 50.2% equities\*; 35.8% \$US, 8.9% EUR, 5.9% Yen, 3.5% AUD, 2.9% GBP and 2.7% Other

\*Net exposure to equities

Top 10 Equity Holdings as of March 15, 2024

1.	Microsoft – MFST	Information Technology
2.	Amazon - AMZN	Consumer Discretionary
3.	Meta – META	Communication Services
4.	Alphabet - GOOG	Communication Services
5.	Nvidia - NVDA	Information Technology
6.	Eli Lilly - LLY	Healthcare
7.	Freeport McMoran – FCX	Materials
8.	JP Morgan - JPM	Financials
9.	Canadian Natural Resources – CNQ	Energy
10.	ASML Holding - ASML	Information Technology

The Exemplar Global Growth & Income Series F was -0.52% last week and is +3.25% year to date.

Historical Performance – As of February 29, 2024

	1-Year	3-Year	5-Year	ITD
EGIF - Series F	1.33%	0.91%	4.26%	5.97%
EGGIC – Series F	1.84%			-2.29%

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