

EXEMPLAR GROWTH & INCOME FUND

Week ending April 12, 2024



April 12th, 2024 Asset Allocation: 8.7% cash; 31.5% bonds; 6.9% commodities (4.3% GLD ETF/ 1.2% SLV/ 1.4% IBIT) and 53.2% equities*; 36.5% \$US

April 5th, 2024 Asset Allocation: 11.6% cash; 30.8% bonds; 6.3% commodities (3.8% GLD ETF/ 1.0% SLV/ 1.5% IBIT) and 51.3% equities*; 36.0% \$US

*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	-0.89%	-3.46%
Scotia Canada Bond Index	-0.36%	-2.49%
Gold	+0.63%	+13.64%
USD/CAD	+1.35%	+4.01%
ACWI (ETF)	-1.74%	+5.46%
S&P 500	-1.56%	+7.41%
Nasdaq	-0.45%	+7.75%
S&P/TSX	-1.64%	+4.49%
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EGIF – Series F	-0.56%	+3.75%
EGGIC – Series F	-0.66%	+4.60%

April 5, 2024 to April 12, 2024

This past week the equity markets and bonds were down. The 'true' risk off trades worked, the U.S. dollar and Gold. The returns on the week do not tell the whole story. Friday turned out to be a risk off day on headlines of an Iranian attack on Israel being imminent. The day started off a little shaky in the U.S. on disappointing bank earnings, especially from JP Morgan. In Canada, the market was up on the back of resources before succumbing to the risk off tone south of the border. Bonds bounced Friday, despite falling earlier in the week on renewed inflation fears. On Wednesday, the CPI report came in 'hotter' than expected 0.4% MoM vs 0.3%. The whisper number was 0.2%. Needless to say a Fed rate cut is becoming a hope and not a certainty. June odds of a Fed rate cut are a mere 26%. On the other hand the ECB is preparing the markets for a rate cut in June. Remember the Swiss have already lowered rates a couple weeks ago.

Are we on the precipice of a correction? The action Friday was not good. Only 40 stocks in the S&P 500 were up and 29 in the S&P/TSX. The risk is the CTA's (Commodity Trading Advisors) become sellers. Essentially algorithmic selling based on levels being hit. The algos do not care too much about fundamentals and seek liquidity in the direction they are going. We have set up our portfolio for Inflationary growth based on higher/sticky CPI and growth being revised up. We are aware of the current geopolitical risks and will take further precautions if need be in the days ahead. Levels to watch on the S&P are 5040 and 4750. On Valentine's day of this year the TSX had 10 names up and that marked a bottom. In the Bloomberg Commodity Chart, its interesting that Valentines Day was the bottom for commodities too. It could be 'Sell in May' has come early, next week will be telling. Below on the chart the S&P 500 held the 50-day moving average on Friday. You can also see 'gaps' below (blue lines) which tend to get filled over time.

S&P 500 – December 29, 2023 to April 15, 2024



Source: Bloomberg

Bloomberg Commodity Index – April 30, 2020 to April 15, 2024



Source: Bloomberg

Although down, Info Tech and Communications were the best two sectors in the U.S. last week while Materials and Industrials led in Canada. Financials and Healthcare were the worst in the U.S. while Info Tech and Healthcare were the worst sectors in Canada.

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, 2023. 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 3% probability of a cut and June 26%. Our biggest sectors: Energy (11.8%), Financials (7.4%), Industrials (6.4%), Information Technology (5.7%) and Materials (5.6%). I’ve added our Top 10 Equity Holdings

below for this week.

Top 10 Equity Holdings as of April 12, 2024

1.	Canadian Natural Resources - CNQ	Energy
2.	Arc Resources - ARX	Energy
3.	Teck Resources - TECK	Materials - Copper
4.	Royal Bank - RY	Financials
5.	National Bank – NA	Financials
6.	Cenovus – CVE	Energy
7.	Suncor – SU	Energy
8.	Canadian National - CNR	Industrials
9.	Canadian Imperial Bank – CM	Financials
10.	Canadian Pacific - CP	Industrials

The Exemplar Growth & Income Series F was -0.56% last week and is +3.75% 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.

On June 24th Arrow will be converting the following five corporate class funds (which are part of one mutual fund corporation) into mutual fund trusts. We will be issuing a press release for the conversion on Tuesday April 16th and sending a written communication to investors by mail on Wednesday April 17th.

Mutual Fund Corporation (Terminating)	Mutual Fund Trust (Continuing)
Arrow Long/Short Alternative Class	Arrow Long/Short Alternative Fund
Arrow Opportunities Alternative Class	Arrow Opportunities Alternative Fund
Arrow Global Multi-Asset Alternative Class	Arrow Global Multi-Asset Alternative Fund
Exemplar Global Growth and Income Class	Exemplar Global Growth and Income Fund
WaveFront Global Diversified Investment Class	WaveFront Global Diversified Investment Fund

Following the conversion the mandates will continue under the new names listed. The conversion will be completed on a tax-rollover basis but we are required to have a distribution in the corporate class funds prior to the merger of Canadian dividends and capital gains. New fund codes are being created for the continuing funds and we will provide these for you in advance of the merger. Should you have any questions or require any further assistance please reply to this email or contact your Arrow sales representative.

April 12th, 2024 Asset Allocation: 20.6% cash; 29.9% bonds; 7.4% commodities and 42.1% equities*; 29.9% \$US, 0.0% EUR, 6.4% Yen, 2.8% GBP, 4.0% AUD and 0.4% Other

April 5th, 2024 Asset Allocation: 11.4% cash; 26.8% bonds; 10.7% commodities and 51.1% equities*; 25.3% \$US, 4.7% EUR, 5.7% Yen, 2.8% GBP and 0.5% Other

*Net exposure to equities

Top 10 Equity Holdings as of April 12, 2024

1.	Nvidia - NVDA	Information Technology
2.	Alphabet - GOOG	Communication Services
3.	Microsoft – MFST	Information Technology
4.	Meta – META	Communication Services
5.	Amazon - AMZN	Consumer Discretionary
6.	Agnico Eagle - AEM	Materials
7.	Kao Corp – 4452.T	Consumer Staples
8.	Occidental Petroleum - OXY	Energy
9.	Merck – MRK	Health Care
10.	Tech Resources - TECK	Materials

The Exemplar Global Growth & Income Series F was -0.66% last week and is +4.60% year to date..

Historical Performance – As of March 31, 2024

	1-Year	3-Year	5-Year	ITD
EGIF - Series F	2.57%	0.98%	4.23%	6.14%
EGGIC – Series F	4.03%			-1.12%

Published April 15, 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.