

EXEMPLAR GROWTH & INCOME FUND

Week ending April 5, 2024



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

March 29th, 2024 Asset Allocation: 10.9% cash; 31.0% bonds; 6.6% commodities (4.5% GLD ETF/ 0.5% SLV/ 1.6% IBIT) and 51.5% equities*; 34.0% \$US, 1.0% Yen

*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	-1.61%	-2.59%
Scotia Canada Bond Index	-0.83%	-2.14%
Gold	+4.48%	+12.93%
USD/CAD	+0.37%	+2.66%
ACWI (ETF)	-0.82%	+7.33%
S&P 500	-0.95%	+9.11%
Nasdaq	-0.80%	+8.24%
S&P/TSX	+0.44%	+6.23%
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EGIF – Series F	-0.07%	+4.34%
EGGIC – Series F	+0.12%	+5.30%

March 29, 2024 to April 5, 2024

This past week the U.S. markets (S&P, Nasdaq) were down again, and Bond markets sold off too. The S&P/TSX, the U.S. Dollar and Gold were the bright spots. It is not typical for Gold to go up if yields and U.S. Dollar are higher. Gold typically performs well when real yields are going down but it has been defying this trend lately. Central Banks continue to be the culprit behind the accumulation of Gold. Silver deserves an honorable mention as it was up over 10% on the week bringing its YTD return to over 15.5%.

It was a turbulent week. Bonds took it on the chin. It seems like rates are poised to move higher. The Fund shortened up its duration even more this week to 3.3. Half our bond exposure matures within 18 months. Our current view of 'sticky' inflation keeps us at the front end of the curve. I don't see risk of the Fed raising rates but delaying cuts. This is the rhetoric of the Fed Governors and pricing in the swaps market. In the chart below yields are hitting 4.4%. Could it turn back down? That is definitely possible but the current trend is higher. The consensus at the beginning of the year was for lower yields and with the exception of the dip in yields in early February, yields have stair cased up.

U.S. 10 Year Yield Index – April 1919 to April 2024



Source: Bloomberg

Commodity sectors were the place to be. Energy and Communications were the only two sectors up in the U.S. last week while Materials and Energy led in Canada. Real Estate and Healthcare were the worst in the U.S. while Real Estate and Utilities were the worst sectors in Canada. Commercial Real Estate continues to be an area that investors are choosing to minimize their exposure, especially with the prospect of interest rate cuts being pushed out. Last week, Bitcoin was down over 5%. Bitcoin is expected to do better after the Halvening on April 20, 2024. Bitcoin Miners on that day will earn half the amount of bitcoin per mined block on the blockchain.

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 6% probability of a cut and June 49%. Our biggest sectors: Energy (11.9%), Financials (9.2%), Information Technology (6.9%), Industrials (6.1%) and Materials (5.0%). I've added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of April 5, 2024

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

The Exemplar Growth & Income Series F was -0.07% last week and is +4.34% 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.

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

March 29th, 2024 Asset Allocation: 3.6% cash; 28.1% bonds; 9.3% commodities and 59.0% equities*; 35.4% \$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 5, 2024

1.	Meta – META	Communication Services
2.	Alphabet - GOOG	Communication Services
3.	Nvidia - NVDA	Information Technology
4.	Microsoft – MFST	Information Technology
5.	Amazon - AMZN	Consumer Discretionary
6.	Exxon Mobil - XOM	Energy
7.	Agnico Eagle - AEM	Materials
8.	Micron - MU	Information Technology
9.	JP Morgan Chase – JPM	Financials
10.	Merck – MRK	Health Care

The Exemplar Global Growth & Income Series F was +0.12% last week and is +5.30% year to date.

