

EXEMPLAR GROWTH & INCOME FUND

Week ending March 29, 2024



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

March 22nd, 2024 Asset Allocation: 6.9% cash; 32.0% bonds; 6.3% commodities (4.4% GLD ETF/ 0.5% SLV/ 1.4% IBIT) and 54.8% equities*; 31.0% \$US, 1.0% Yen

*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	+0.17%	-1.30%
Scotia Canada Bond Index	+0.18%	-1.32%
Gold	+2.98%	+8.09%
USD/CAD	-0.47%	+2.28%
ACWI (ETF)	+0.37%	+8.21%
S&P 500	+0.39%	+10.16%
Nasdaq	-0.30%	+9.11%
S&P/TSX	+0.83%	+5.77%
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EGIF – Series F	+0.52%	+4.41%
EGGIC – Series F	+0.30%	+5.17%

March 22, 2024 to March 29, 2024

This past week the Nasdaq and U.S. Dollar were down while all other assets up. The bond market and the broader markets finished strong into quarter end. Gold was extremely strong finishing close to \$2230. It's been a year since the AI hype began. Going forward the year over year Technology earnings comparable will begin to get more difficult as underestimated positive surprises may turn into disappointments. This may benefit the broad market. The McClellan's Summation Index suggests the U.S. market has been broadening out since the dip in the S&P Index around Valentine's Day.

Inflation has come down since peaking in the summer of 2022 but if GDP growth remains firm, will inflation go much lower from here? Our current expectations are the markets will begin pricing an inflationary growth scenario. It can be seen in Energy prices and other commodities. With inflation sub 3%, it is still likely the Fed will cut interest rates. A June cut is priced at a 57% probability.

Oil Price \$USD – March 31, 2023 to April 1, 2024



Source: Bloomberg

Copper Price \$USD - March 31, 2023 to April 1, 2024



Source: Bloomberg

Energy and Utilities led in the U.S. through March while Materials and Healthcare led in Canada. Real Estate and Consumer Discretionary were the worst in the U.S. while Staples and Communications were the only sectors negative in Canada in March. In the last week of March, Bitcoin was up over 11% while Gold was up nearly 3%. The U.S. Dollar Index was up 5 bps and CAD was up 47 bps against the USD.

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 9% probability of a cut and June 57%. Our biggest sectors: Energy (11.6%), Financials (8.76%), Information Technology (6.7%), Industrials (6.5%) and Materials (4.6%). I’ve added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of March 29, 2024

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

The Exemplar Growth & Income Series F was +0.52% last week and is +4.41% 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 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, 0.0% AUD, 2.8% GBP and 0.5% Other

March 22nd, 2024 Asset Allocation: 4.2% cash; 28.4% bonds; 9.4% commodities and 58.1% equities*; 35.3% \$US, 5.0% EUR, 5.1% Yen, 0.0% AUD, 2.9% GBP and 0.5% Other

*Net exposure to equities

Top 10 Equity Holdings as of March 29, 2024

1.	Alphabet - GOOG	Communication Services
2.	Nvidia - NVDA	Information Technology
3.	Microsoft – MFST	Information Technology
4.	Amazon - AMZN	Consumer Discretionary
5.	Lincoln National - LNC	Financials
6.	Meta – META	Communication Services
7.	Micron - MU	Information Technology
8.	Stellantis - STLA	Consumer Discretionary
9.	Exxon Mobil - XOM	Energy
10.	Agnico Eagle - AEM	Materials

The Exemplar Global Growth & Income Series F was +0.30% last week and is +5.17% 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%

Published April 1, 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.