

# EXEMPLAR GROWTH AND INCOME FUND

## commentary – WEEK ENDING OCTOBER 11, 2024



October 11th, 2024 Asset Allocation: 17.3% cash; 21.6% bonds; 8.5% commodities (4.3% GLD ETF/ 1.7% SLV/ 1.9% IBIT/ 0.3% UNG/ 0.3% USO) and 52.6% equities\*; 35.0% \$US

October 4th, 2024 Asset Allocation: 15.6% cash; 23.5% bonds; 8.1% commodities (4.3% GLD ETF/ 1.6% SLV/ 1.9% IBIT/ 0.3% UNG) and 52.8% equities\*; 35.0% \$US

\*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	-0.63%	+2.06%
iShares Core Canada Bond Index ETF	+0.21%	+2.58%
Gold (GLD ETF)	+0.11%	+28.77%
USD/CAD	+1.38%	+3.96%
ACWI (ETF)	+0.57%	+19.06%
S&P 500 (SPX ETF)	+1.11%	+21.91%
Nasdaq (QQQ ETF)	+1.24%	+20.99%
S&P/TSX (XIU ETF)	+1.37%	+18.55%
EGIF – Series FD	+1.35%	+13.28%
EGGIF – Series FD	+0.59%	+9.25%

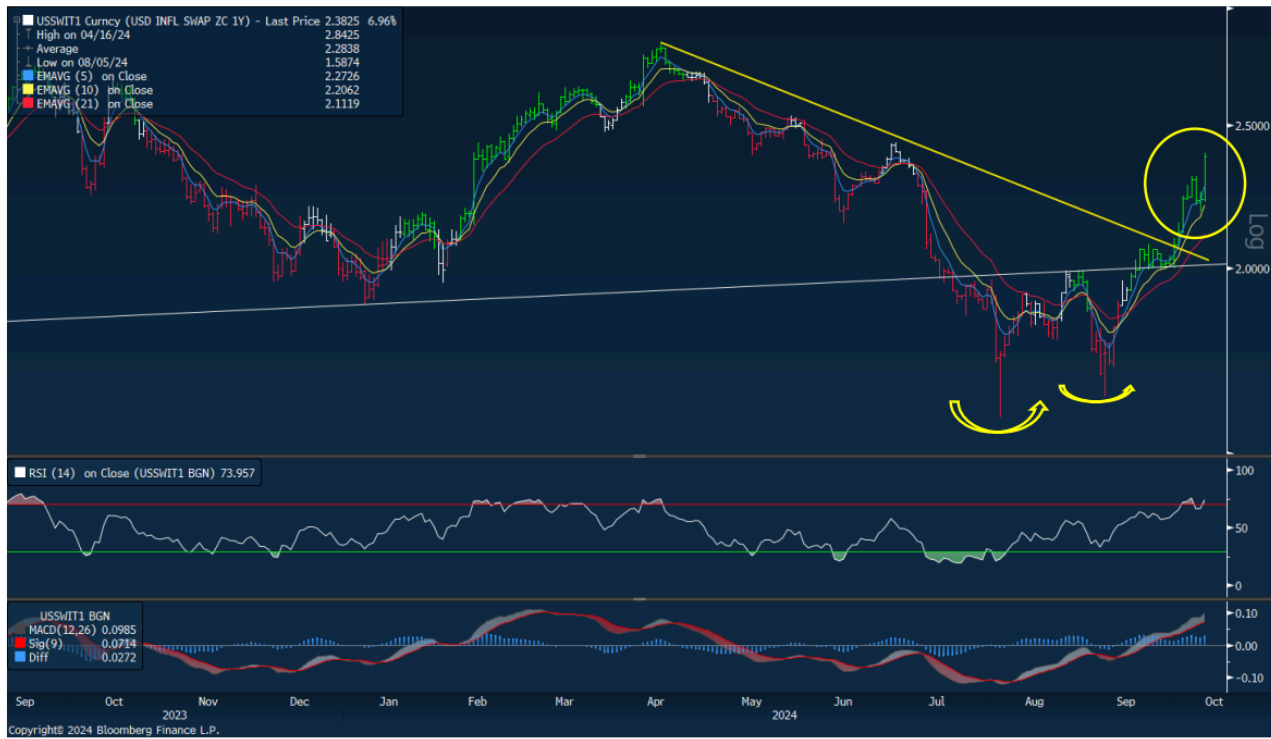
October 4, 2024 to October 11, 2024

Gold consolidates its gains for another week and equities continued their renewed advance while U.S. Bonds retreated, and the U.S. dollar rallied – a repeat of last week. The bond market continued to re-price the pace of Fed interest rate cuts to fewer cuts in 2024. Both CPI and PPI were hotter than expected in September while Real Avg Hourly Earnings YoY were higher. In addition, the Fed minutes showed a division among FOMC members who wanted a 50bp cut vs 25bp cut in rates in September. Also, U of Michigan October Preliminary 1YR Inflation Expectations have ticked up to 2.9% from 2.7%. It appears we are on course for a slowing economy with a bump up in inflation. Hedgeye has CPI rising from here to a range of 2.5% to 2.78% in October. September's CPI could well be the trough. Markets are telling the same story. Inflation Swaps are now up 75bps over the past month.



October 10, 2024

...1-Year Inflation Swaps Ripped Post CPI. Now Up 75 Basis Points Over the Past Month.



Source: Wolfe Technical Analysis, Bloomberg & Factset

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Bloomberg Commodity Index may have bottomed in the summer.



Source: Bloomberg

The U.S. election will be over on November 5th, only three weeks away.

Last week the Fund sold down its Staple and REIT positions, and sold some bonds. The Fund added more Info Technology. The Fund has been performing well this year and our expectation is our style will be back in favour.

**Trailing Returns**

Day End    Month End    Quarter End

Total Return %	1-Day	1-Week	1-Month	3-Month	YTD	1-Year
Investment	0.67	1.35	3.27	7.31	13.28	16.48
Category	0.49	0.88	2.34	4.10	10.81	16.70
Index	0.40	0.92	2.39	4.00	12.21	19.20
Quartile Rank						
Percentile Rank	10	18	30	5	28	59
# of Invest. in Cat.	270	270	270	270	270	270

Source: Morningstar, as of October 11, 2024

The Fund is very active increasing and decreasing equity exposure. The Fund will tactically trade equities, either through outright sales or ‘shorting’. The Fed has refocused on unemployment and doesn’t wish to see the slack in employment grow. The FED has lowered interest rates by 50 bps. The Bank of Canada has made three interest rate cuts so far this year. The direction of Fed Funds and BoC rate are both lower, but the pace is uncertain. The probability of a November Fed cut is 89%. Our biggest sectors: Energy (9.6%), Financials (9.2%), Industrials (7.9%), Healthcare (5.5%) and Info Technology (4.5%). I’ve added our Top 10 Equity Holdings below for this week.

**Top 10 Equity Holdings as of October 4, 2024**

- |     |                               |                    |
|-----|-------------------------------|--------------------|
| 1.  | Pembina Pipelines - PPL       | Energy             |
| 2.  | Canadian Imperial Bank - CM   | Financials         |
| 3.  | Royal Bank - RY               | Financials         |
| 4.  | Keyera Corp – KEY             | Energy - Midstream |
| 5.  | National Bank - NA            | Financials         |
| 6.  | Manulife – MFC                | Financials         |
| 7.  | Bristol-Myers – BMY           | Healthcare         |
| 8.  | Chartwell Retirement – CSH-UN | REITS              |
| 9.  | Canadian Pacific - CP         | Industrials        |
| 10. | MDA Space - MDA               | Industrials        |

The Exemplar Growth & Income Series FD was +1.35% last week and is +13.28% 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.

October 11th, 2024 Asset Allocation: 16.0% cash; 14.5% bonds; 9.1% commodities and 59.8% equities\*; 31.8% \$US, 0.0% EUR, 5.1% GBP, 0.3% JPY and 0.5% Other

October 4th, 2024 Asset Allocation: 14.8% cash; 20.1% bonds; 8.0% commodities and 56.4% equities\*; 33.4% \$US, 0.0% EUR, 0.1% GBP, 0.3% JPY and 0.4% Other

\*Net exposure to equities

### Top 10 Equity Holdings as of October 11, 2024

1.	Exxon Mobil - XOM	Energy
2.	Mastercard - MA	Financials
3.	Rolls Royce Holding – RR.L	Industrials
4.	Eli Lilly – LLY	Healthcare
5.	Meta Platforms - META	Communication Services
6.	Mitsubishi UFJ – 8306.T	Financials
7.	Nvidia - NVDA	Technology
8.	Mitsui & Co. – 8031.T	Industrials
9.	Bristol-Myers - BMY	Healthcare
10.	Itochu – 8001.T	Industrials

The Exemplar Global Growth & Income Series FD was +0.59% last week and is +9.25% year to date.

Thanks,

Arrow Investment Team

**Historical Performance** – As of September 30, 2024

	1-Year	3-Year	5-Year	ITD
EGIF - Series F	16.47%	1.77%	4.96%	6.52%
EGGIF – Series F	10.76%			0.35%

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