

# EXEMPLAR GROWTH AND INCOME FUND

## commentary – WEEK ENDING OCTOBER 18, 2024



October 18th, 2024 Asset Allocation: 13.6% cash; 21.2% bonds; 7.8% commodities (4.4% GLD ETF/ 0.6% SLV/ 2.1% IBIT/ 0.2% UNG/ 0.5% USO) and 57.4% equities\*; 30.5% \$US

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

\*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	+0.08%	+2.14%
iShares Core Canada Bond Index ETF	+0.50%	+3.09%
Gold (GLD ETF)	+2.44%	+31.92%
USD/CAD	+0.29%	+4.25%
ACWI (ETF)	+0.41%	+19.55%
S&P 500 (SPX ETF)	+0.40%	+22.95%
Nasdaq (QQQ ETF)	+0.22%	+21.27%
S&P/TSX (XIU ETF)	+1.48%	+20.23%
EGIF – Series FD	+0.66%	+14.03%
EAGIF – Series FD	+0.78%	+10.10%

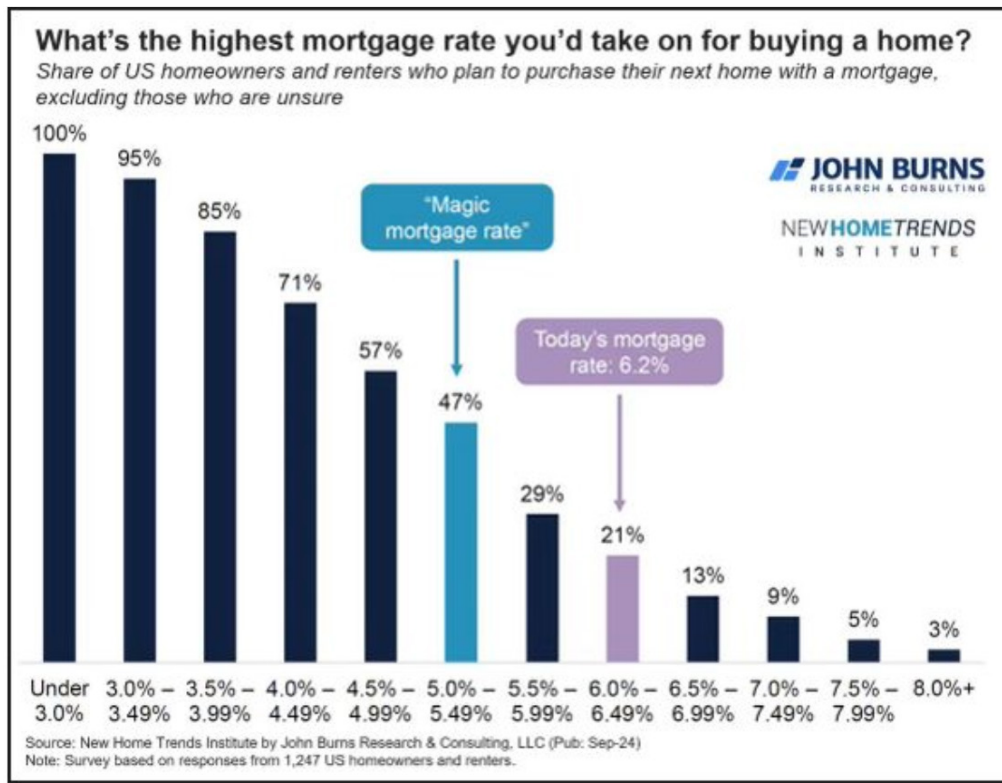
October 11, 2024 to October 18, 2024

Gold broke out and closed above \$US2700 for a new high. Silver too had a big week up 6.4%. All asset classes were up but most of the gains came Friday during Opex or Options Expiry.



The Economist has been good at being a contrary indicator. Will the U.S. continue to be the envy or is it a sign that U.S. exceptionalism is waning?

I was asked this week, what could go wrong? Many things of course but from an economic perspective, U.S. interest rates not falling fast enough. The market is pricing in a “Goldilocks” scenario of not too fast growth but also tame inflation. Our view is that inflation creeps up from here over the next three quarters. Does that derail or slow the pace of interest rate cuts? It’s possible inflation is lower than our expectations and all will be good. The chart below shows where U.S. homeowners are interested in buying homes - a big driver of the economy. Home buyers would like to see 5% to 5.5% on 30yr mortgage rates. The current 30yr mortgage is 6.5%.

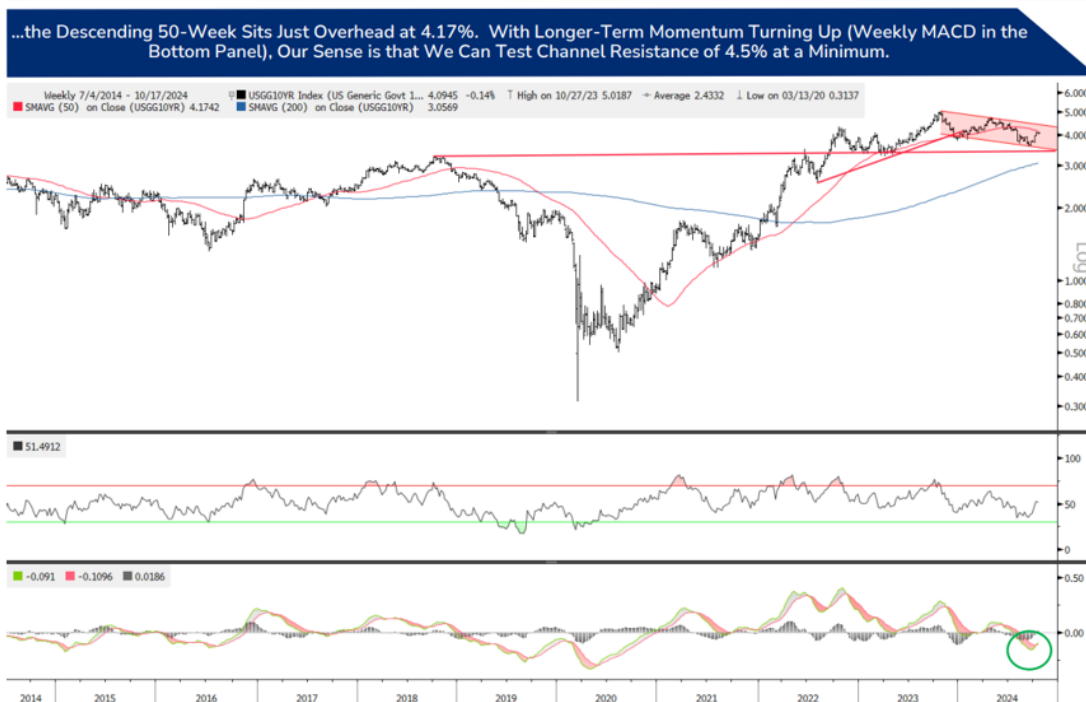


Source: New Home Trends Institute

The Wolfe technical analyst sees a possible retracement on 10yr yields to 4.5%. Not a good outcome for most asset prices. To counter that opinion, we have seen countries like Canada and Switzerland have inflation undershoot expectations.



October 17, 2024



Source: Wolfe Technical Analysis, Bloomberg & Factset

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

Last week the Fund sold down some Info Technology and Materials. The Fund added more Financials and Industrials. 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 95%. Our biggest sectors: Financials (9.9%), Energy (9.6%), Industrials (8.2%), Healthcare (5.5%) and Utilities (4.4%). I've added our Top 10 Equity Holdings below for this week.

### Top 10 Equity Holdings as of October 18, 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.	Chartwell Retirement – CSH-UN	REITS
7.	Manulife – MFC	Financials
8.	Bristol-Myers – BMY	Healthcare
9.	Canadian Pacific - CP	Industrials
10.	Exxon Mobil – XOM	Energy

The Exemplar Growth & Income Series FD was +0.66% last week and is +14.03% 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 18th, 2024 Asset Allocation: 12.9% cash; 12.3% bonds; 8.7% commodities and 64.1% equities\*; 37.1% \$US, 5.0% GBP, 0.3% JPY and 0.5% Other

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

\*Net exposure to equities

### Top 10 Equity Holdings as of October 18, 2024

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

The Exemplar Global Growth & Income Series FD was +0.78% last week and is +10.10% 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 21, 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).