

EXEMPLAR GROWTH AND INCOME FUND

commentary – WEEK ENDING NOVEMBER 15, 2024



November 15th, 2024 Asset Allocation: 15.6% cash; 16.6% bonds; 6.6% commodities (2.6% GLD ETF/ 0.9% SLV/ 3.0% IBIT/ 0.1% UNG) and 61.2% equities*; 26.0% \$US

November 8th, 2024 Asset Allocation: 13.9% cash; 19.0% bonds; 8.0% commodities (4.5% GLD ETF/ 0.9% SLV/ 2.5% IBIT/ 0.1% UNG) and 59.1% equities*; 29.0% \$US

*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	-0.66%	-0.34%
iShares Core Canada Bond Index ETF	-0.74%	+2.90%
Gold (GLD ETF)	-2.12%	+24.25%
USD/CAD	+1.19%	+6.43%
ACWI (ETF)	-2.31%	+17.56%
S&P 500 (SPX ETF)	-2.08%	+23.08%
Nasdaq (QQQ ETF)	-3.36%	+21.78%
S&P/TSX (XIU ETF)	+0.74%	+21.33%
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EGIF – Series FD	+0.07%	+14.26%
EGLIF – Series FD	-0.43%	+10.28%

November 8, 2024 to November 15, 2024

The U.S. dollar and S&P/TSX were up while bonds, gold and most equities were down. Bitcoin was up over 19%. The Growth and Inflation Model has a third leg to the stool - Policy. In most cases the Model is used to front run the Fed monetary actions. Policy can also be fiscal, like we saw for the past two years under the new term 'Fiscal Dominance'. Currently, the market is digesting and estimating the impacts of Trump Policy. Trump's Policy is deregulation, tariffs, less taxes, tighter immigration, leader in Bitcoin and Government efficiency to name a few. What are the impacts of his policies: higher bitcoin, higher long-term yields (prospect of higher inflation) and Financials expected to benefit from deregulation. The appointment of RFK Jr to HHS has sent Healthcare stocks on a slide this past week. Will the Trump policies all come to fruition and how quickly? Given Trump has the House and the Senate I think he will go as fast as possible to implement his changes. The Trump Administration aims to change Washington and with the change will come uncertainty and volatility. Embrace the sectors that will benefit from his policies.

U.S Financials 'broke out' in 2021 and consolidated in 2022-23. Financials have reaccelerated in 2024.

XLF ETF (Financial Select Sector SPDR) – 12/31/1998 to 11/15/2024



Source: Bloomberg

U.S. Government 10-Year Yields – 03/30/1962 to 11/15/2024



Source: Bloomberg

The risk to derailing the Trump rally is 10yr yields rising much beyond 4.5%. The ‘Bull’ market in bonds is over unless a recession comes along. A strong U.S. dollar can be destabilizing too as it will tighten Global liquidity.

The end of the year is 6 weeks away. Last week the Fund reduced gold and Healthcare and added more Financials and Energy.

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 75 bps. The Bank of Canada has made four interest rate cuts so far this year, the latest a jumbo 50bps. The direction of Fed Funds and BoC rate are both lower, but the pace is uncertain. The probability of a December Fed cut is 58%. Our biggest sectors: Financials (11.3%), Energy (10.1%), Industrials (8.6%), Info Tech (5.6%) and Utilities (4.7%). I’ve added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of November 15, 2024

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

The Exemplar Growth & Income Series FD was +0.07% last week and is +14.26% 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.

November 15th, 2024 Asset Allocation: 29.8% cash; 7.0% bonds; 6.4% commodities and 43.7% equities*; 31.7% \$US, 4.0% GBP, 0.4% JPY, 0.1% EUR and 0.5% Other

November 8th, 2024 Asset Allocation: 19.8% cash; 9.9% bonds; 9.2% commodities and 59.0% equities*; 27.0% \$US, 4.0% GBP, 0.3% JPY and 0.5% Other

*Net exposure to equities

Top 10 Equity Holdings as of November 15, 2024

1.	Amazon - AMZN	Consumer Discretionary
2.	Nvidia - NVDA	Technology
3.	Siemens Energy - ENR	Industrials
4.	Chevron - CVX	Energy
5.	Alphabet Inc - GOOG	Communication Services
6.	Exxon Mobil - XOM	Energy
7.	Tesla - TSLA	Consumer Discretionary
8.	Chubb - CB	Financials
9.	Suncor Energy - SU	Energy
10.	Mitsubishi UFJ – 8306.T	Financials

The Exemplar Global Growth & Income Series FD was -0.43% last week and is +10.28% year to date.

Thanks,

Arrow Investment Team

Historical Performance – As of October 31, 2024

	1-Year	3-Year	5-Year	ITD
EGIF - Series F	16.44%	1.43%	5.38%	6.64%
EGGIF – Series F	9.97%			0.06%

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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.