

EXEMPLAR GROWTH AND INCOME FUND

commentary – Week ending January 31, 2025



January 31st, 2025 Asset Allocation: 11.9% cash; 18.3% bonds; 7.0% commodities (3.8% GLD ETF/ 1.1 SLV/ 2.1% IBIT) and 62.8% equities*; 23.4% \$US

January 24th, 2025 Asset Allocation: 12.6% cash; 17.8% bonds; 6.1% commodities (3.0% GLD ETF/ 1.0 SLV/ 2.1% IBIT) and 63.5% equities*; 23.4% \$US

*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	+0.59%	+0.62%
iShares Core Canada Bond Index ETF	+1.34%	+1.18%
Gold (GLD ETF)	+1.00%	+6.63%
USD/CAD	+1.37%	+1.04%
ACWI (ETF)	-0.71%	+3.14%
S&P 500 (SPX ETF)	-1.00%	+2.78%
Nasdaq (QQQ ETF)	-1.39%	+2.16%
S&P/TSX (XIU ETF)	+0.89%	+4.18%
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EGIF – Series FD	-0.75%	+1.38%
EKGIF – Series FD	-0.33%	+2.56%

January 27, 2025 to January 31, 2025

Before we get into the market commentary for this week, we wanted to share a recent video recorded last week which gives a summary and update on Exemplar Growth & Income. The video is about 10 minutes in length and covers topics including; Exemplar Growth & Income's Asset Allocation Model, our thoughts on the market cycle, GDP and Inflation forecasts, current equity strategy, portfolio hedging strategies and the expected volatility we could see during Trump's 2nd term. [Click here to watch the video.](#)

Last week, asset prices were up except for U.S. and Global equities. The weekly returns do not tell the whole story. Donald Trump and his government agenda drove market returns in the back half of the week, while out of nowhere 'DeepSeek' submarined the market on Monday on fears U.S. dominance in the Semiconductor/AI space had been challenged by an upstart Chinese company that developed AI on a shoestring budget. The 'DeepSeek' news took down semi's like Nvidia but also ancillary Industries such as Data Centres and power providers. By weeks end, the question remained - were tariffs coming or not. The signals were mixed from Lutnick's confirmation hearing to rumours of delay on tariffs. Friday afternoon Trump announced the tariffs were coming and they were announced Saturday and Canada retaliated Saturday night. Tariffs are inherently inflationary short term and most likely negative for growth. Is this a short-term situation? Does it escalate? Time will tell.

The charts below illustrate the volatility of the past week. Ultimately gold outperformed and bond yields fell. The Canadian dollar fell too.



Source: Bloomberg

Canada fared better due to precious metals and Shopify up 10%.



Source: Bloomberg

Gold continues to build on last year's gains.



Source: Bloomberg

10YR yields lower Friday on the 'safety trade'.



Source: Bloomberg

CAD weakened on tariff announcement Friday.



Source: Bloomberg

The Fed left rates unchanged on Wednesday as expected. Canada lowered rates 25 bps.

The Fund was following our view of inflationary growth with caution. Policies have changed. Last week the Fund added gold. The Fund reduced equities small.

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 inflation and getting it back to the 2% target. The FED has lowered interest rates by 100 bps. The Bank of Canada has made six interest rate cuts so far this cycle, the latest being 25 bps. The direction of Fed Funds and BoC rate are both lower, but the pace is slower and more uncertain. The probability of a March 19th Fed cut is 19%. Our biggest sectors: Financials (12.2%), Energy (10.3%), Industrials (9.3%), Info Tech (7.2%) and Materials (3.8%). I've added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of January 31, 2025

1.	Canadian Imperial Bank - CM	Financials
2.	Pembina Pipelines - PPL	Energy
3.	Royal Bank - RY	Financials
4.	Amazon - AMZN	Consumer Discretionary
5.	National Bank - NA	Financials
6.	Keyera Corp – KEY	Energy - Midstream
7.	Meta Platforms - META	Communication Services
8.	Chartwell Retirement – CSH.UN	REITS
9.	Canadian Pacific – CP	Industrials
10.	MDA Space - MDA	Industrials

The Exemplar Growth & Income Series FD was -0.75% last week and is +1.38% 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.

January 31, 2025 Asset Allocation: 13.0% cash; 20.0% bonds; 10.7% commodities and 57.2% equities*; 19.9% \$US, 2.1% JPY, EUR 0.7%, Other 0.8%

January 24, 2025 Asset Allocation: 10.4% cash; 25.6% bonds; 12.1% commodities and 61.6% equities*; 15.0% \$US, 2.0% JPY, EUR 0.7%, Other 0.8%

*Net exposure to equities

Top 10 Equity Holdings as of January 31, 2024

1.	Alphabet - GOOG	Communication Services
2.	Amazon - AMZN	Consumer Discretionary
3.	META Platforms - META	Communication Services
4.	Taiwan Semiconductor - TSM	Technology
5.	JP Morgan Chase – JPM	Financials
6.	Apple – AAPL	Technology
7.	Cloudflare – NET	Technology
8.	Microsoft - MSFT	Technology
9.	Essilorluxottica – EL.PA	Healthcare
10.	Agnico Eagle Mines – AEM	Materials

The Exemplar Global Growth & Income Series FD was -0.33% last week and is +2.56% year to date.

Thanks,

Arrow Investment Team

Historical Performance – As of January 31, 2025

	1-Year	3-Year	5-Year	ITD
EGIF - Series F	15.08%	2.50%	5.60%	6.75%
EGGIF – Series F	12.22%	2.50%		1.50%

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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.