EXEMPLAR GROWTH AND INCOME FUND commentary - Week ending August 14, 2026

Arrow Capital Management Inc.

August 14th 2026 Asset Allocation: 8.3% cash; 21.7% bonds; 0.2% commodities, and 69.8% equities*; 11.3% $US

August 7th 2026 Asset Allocation: 9.4% cash; 21.8% bonds; 0.2% commodities, and 68.6% equities*; 12.0% $US
*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	-0.14%	-1.01%
iShares Core Canada Bond Index ETF	-0.22%	+0.46%
Gold (GLD ETF)	+0.76%	+1.30%
USD/CAD	-0.47%	+1.08%
ACWI (ETF)	+0.53%	+15.45%
S&P 500 (SPY ETF)	+0.40%	+14.45%
Nasdaq (QQQ ETF)	+1.11%	+19.29%
S&P/TSX (XIU ETF)	+1.25%	+17.94%
EGIF – Series FD	+0.56%	+13.19%
EGGIF – Series FD	+0.40%	+9.08%

August 7, 2026 to August 14, 2026

Quad Forecast	2Q26E	3Q26E	4Q26E
Canada	Quad 3 (GDP ↓, Inflation ↑)	Quad 3 (GDP ↓, Inflation ↑)	Quad 1 (GDP ↑, Inflation ↓)
United States	Quad 3 (GDP ↓, Inflation ↑)	Quad 3 (GDP ↓, Inflation ↑)	Quad 2 (GDP ↑, Inflation ↑)

Source: Hedgeye Risk Management, July 2026

Canadian equities finished the week near a record high. Mining and materials led, helped by the move higher in precious metals. Energy lagged as crude gave back a meaningful portion of its geopolitical premium. Financials traded in a narrow range.

The defining feature of the week was the divergence between the two labour markets. U.S. payrolls contracted against expectations for a solid gain, and prior months were revised down materially. Canada, by contrast, delivered a substantial beat, with employment rising well above consensus and the unemployment rate falling to its lowest level in two years. Heading into Friday, the market had been pricing a 57% chance of a Fed hike in September. Following the report, expectations moved down modestly to 47%.

The Canadian data was strong on the headline but not inflationary underneath. Wage growth decelerated to its slowest pace in several years. That combination, firming employment alongside cooling wages, supports the Bank of Canada staying on hold when it next meets in early September - which is where the marketing is sitting, pricing just a ~5% chance of a hike. Macklem has been explicit that the willingness to look through higher oil prices depends on those prices not spilling into broader goods and services.

Crude fell sharply on reports of progress toward restoring transit through the Strait of Hormuz, though optimism faded into Friday as the two sides appeared far apart on terms and prices recovered part of the decline in the final session. Gold strengthened, supported by lower real yields, and carried the materials complex.

The coming week is centred on U.S. inflation, with CPI and PPI setting the tone for September. Retail sales and consumer sentiment follow. The Canadian calendar is light ahead of CPI, leaving domestic attention on commodity prices, earnings, and the tariffs, where threatened duties on a broad range of Canadian imports remain an unresolved risk.

Sector Breakdown and Top Holdings

The Fund is prepared for multiple outcomes and using market swings to add or remove exposures. Our biggest sectors: Materials (10.4%), Industrials (8.9%), Financials (7.8%), Energy (7.3%), and Health Care (5.2%). I've added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of August 14, 2026

1.	Tenaz Energy - TNZ	Energy
2.	Manulife - MFC	Financials
3.	Medexus Pharmaceuticals - MDP	Healthcare
4.	Chartwell Retirement – CSH.UN	Real Estate
5.	Base Carbon - BCBN	Financials
6.	Royal Bank of Canada – RY	Financials
7.	Sun Life Financial - SLF	Financials
8.	Canadian Imperial Bank of Commerce - CM	Financials
9.	DRI Healthcare Trust – DHT-U	Healthcare
10.	Canadian Pacific - CP	Industrials

*EGIF Top 10 Equity Holdings exposure: 8.7%

The Exemplar Growth & Income Series FD was **+0.56%** last week and is **+13.19%** year to date.

Exemplar Global Growth & Income

Quad Forecast	2Q26E	3Q26E	4Q26E
Europe	Quad 3 (GDP ↓, Inflation ↑)	Quad 3 (GDP ↓, Inflation ↑)	Quad 4 (GDP ↓, Inflation ↓)
China	Quad 3 (GDP ↓, Inflation ↑)	Quad 1 (GDP ↑, Inflation ↓)	Quad 1 (GDP ↑, Inflation ↓)
Japan	Quad 2 (GDP ↑, Inflation ↑)	Quad 3 (GDP ↓, Inflation ↑)	Quad 2 (GDP ↑, Inflation ↑)

Source: Hedgeye Risk Management, July 2026

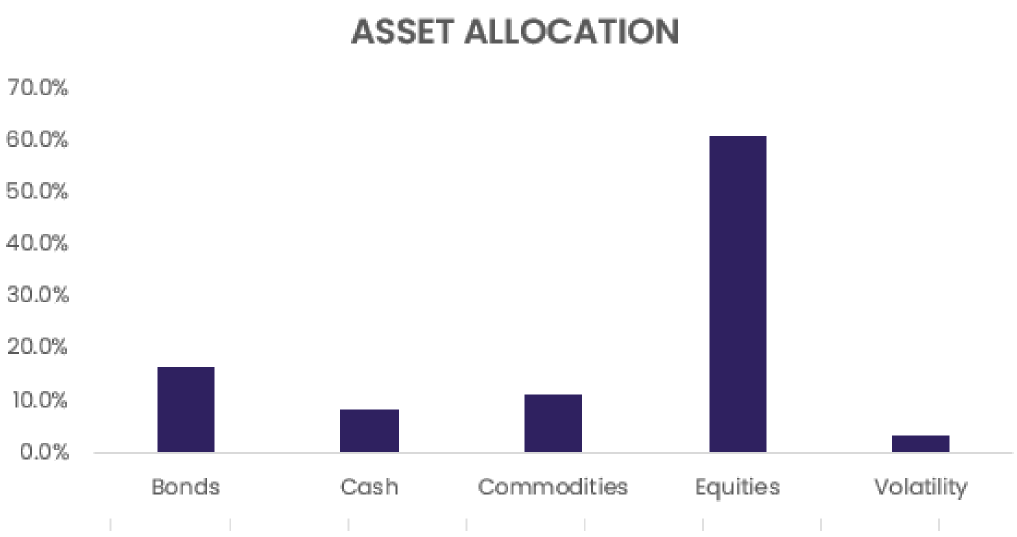
The S&P 500 notched its third consecutive weekly gain, up about 0.5%, briefly touching a fresh record high before easing into Friday's close. July CPI was largely a non-event, with headline (+0.1% m/m) and core (+0.2%). Markets trimmed hike expectations, the USD weakened, and gold and precious metals gained. The Nasdaq outperformed, up roughly 1.2% on the week as tech and AI names stayed in favor. The standout though, was energy, up ~6.5% as oil spiked on Strait of Hormuz disruption risks.

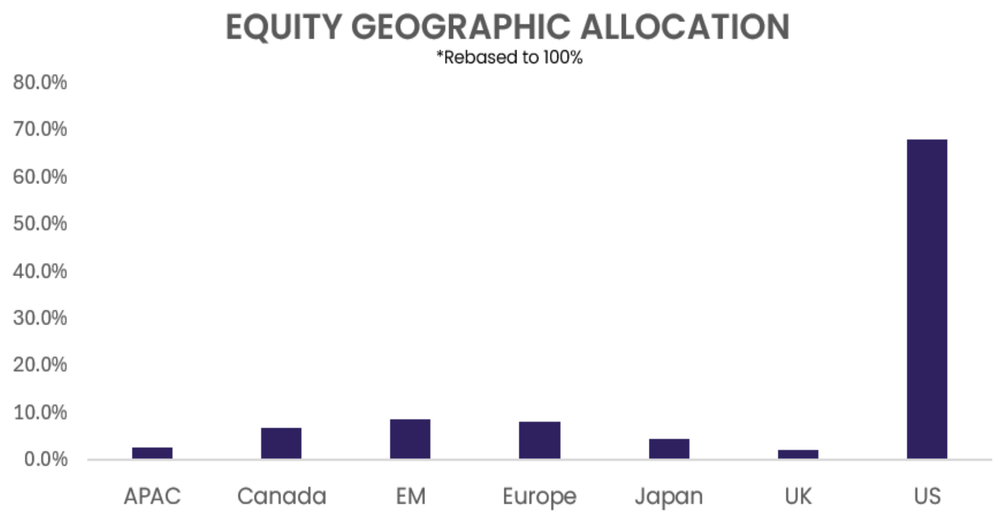
Economically, the big release last week was the release of retail sales in the US which showed substantial weakness largely due to a Amazon Day falling in June versus July. Nevertheless, with the World Cup finished and some government programs rolling off, we expect Q3 US GDP to moderate as peak GDP is now in the past. We believe headline inflation has peaked – we have been adding duration via gold, longer term TIPs, and call options on long term treasuries. The same trade would be expressed as a lower USD.

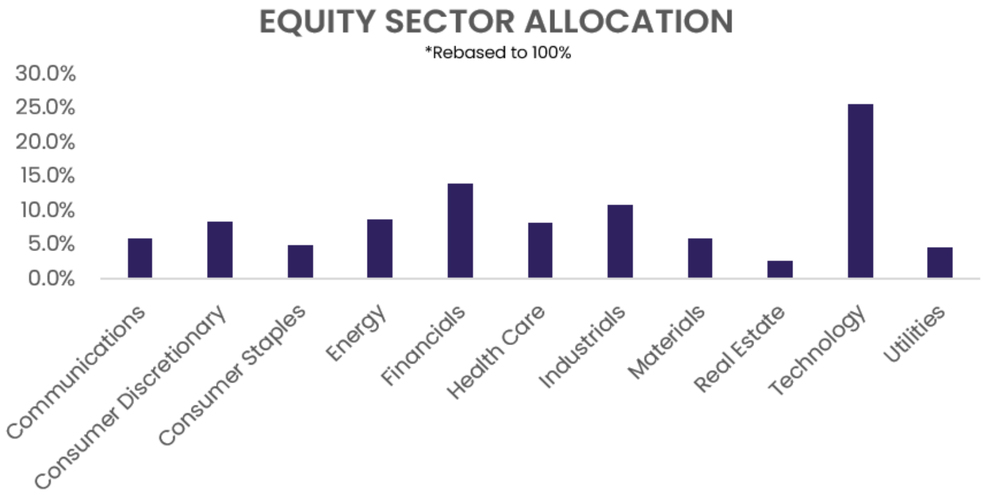
In terms of the QUAD model, on a monthly outlook we are in QUAD 3 (inflation focus) where growth is at a premium, credit typically weaker and commodities stronger. Our signals are picking up the transition to QUAD 1 expected in September already. Our overweights will start to move to factors like growth over value and a higher share of equities and bonds versus commodities in the portfolio.

One interesting development, we eliminated most of the USD exposure (FX not equities) on the technical break of 1.40 $/CAD. This is in keeping with the model but also with growing expectations on both a favourable trade deal and recently better employment numbers in the US. A level of 1.36-1.37 is expected in the next few months all else being equal. That being said, we do not share the markets enthusiasm for rate hikes in Canada this year. We think 5-year Canada bonds look attractive here.

Exemplar Global Growth & Income Asset Allocation – August 14, 2026







Top 10 Equity Holdings as of August 14, 2026

1.	Nvidia – NVDA	Technology
2.	Apple – AAPL	Technology
3.	Alphabet – GOOG	Communication Services
4.	Microsoft – MSFT	Technology
5.	Amazon – AMZN	Consumer Discretionary
6.	Taiwan Semiconductor - TSM	Technology
7.	Broadcom – AVGO	Technology
8.	Meta Platforms – META	Communication Services
9.	Johnson & Johnson - JNJ	Healthcare
10.	JP Morgan Chase - JPM	Financials

*EGGIF Top 10 Equity Holdings exposure: 6.4%

The Exemplar Global Growth & Income Series FD was **+0.40%** last week and is **+9.08%** year to date.

Thanks,
Arrow Investment Team

Historical Performance – As of July 31, 2026

	1-Year	3-Year	5-Year	10-Year	ITD
EGIF - Series FD	23.05%	15.54%	6.77%	8.25%	8.16%
EGGIF – Series FD	14.04%	9.31%			4.42%

Published August 17, 2026

More information about the Fund can be found on our website www.arrow-capital.com.