EXEMPLAR GROWTH AND INCOME FUND
commentary - Week ending August 21, 2026

Arrow Capital Management Inc.

August 21st 2026 Asset Allocation: 8.9% cash; 21.6% bonds; 0.2% commodities, and 69.3% equities*; 11.8% $US

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

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	-0.24%	-1.24%
iShares Core Canada Bond Index ETF	-0.47%	-0.01%
Gold (GLD ETF)	+5.45%	+6.83%
USD/CAD	-0.78%	+0.29%
ACWI (ETF)	-0.91%	+14.39%
S&P 500 (SPY ETF)	-1.37%	+12.89%
Nasdaq (QQQ ETF)	-2.41%	+16.41%
S&P/TSX (XIU ETF)	-0.83%	+16.97%
EGIF – Series FD	-0.53%	+12.59%
EGGIF – Series FD	-0.21%	+8.85%

August 14, 2026 to August 21, 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 had a choppy week, with the TSX composite finishing modestly lower despite a strong Friday rebound. Materials led late, as gold and base metals lifted the miners, while financials firmed ahead of next week's bank earnings. Domestic data added support, with June retail sales up 0.6%, stronger than expected.

Inflation was the bigger domestic story. Canadian CPI accelerated to 3.0% year over year in July from 2.8% in June, driven by gasoline and travel prices. The print complicates the BoC's path, as growth stays subdued even as energy-driven inflation limits room to ease with markets pricing the Bank to hold at its next meeting. Fixed income was the tougher trade. The week's most consequential move was Treasury Secretary Bessent doubling the long-bond buyback program across the 20 to 30 year duration, a clear signal he wants to cap how far yields can run from here. The initial rally faded quickly and yields resumed their climb, but Bessent doubled down Friday saying he is prepared to go further, reinforcing his conviction. Global yields still pushed higher on inflation, deficits and heavy issuance, keeping duration management front of mind. Commodities offered an offset, as WTI gained roughly 7% on geopolitical risk, and gold advanced about 5.6% on a softer dollar, a solid tailwind for TSX materials.

The week ahead is loaded for Canadian investors. The banks begin reporting, offering a read on credit conditions, loan growth and capital markets activity, alongside Canadian GDP. Globally, Nvidia earnings, U.S. PCE inflation and Fed Chair Kevin Warsh's Jackson Hole remarks are the focus. Separately, over the weekend, Canada-U.S. trade talks broke down and Washington pressed ahead with 50% tariffs on a range of Canadian goods. This remains a live item to watch with regards to the impact on the Canadian economy and the Canadian dollar.

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 (11.3%), Industrials (8.5%), Financials (7.6%), Energy (7.5%), and Health Care (5.2%). I've added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of August 21, 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.	Canadian Pacific - CP	Industrials
7.	DRI Healthcare Trust – DHT-U	Healthcare
8.	Sun Life Financial - SLF	Financials
9.	Royal Bank of Canada – RY	Financials
10.	Premium Brands - PBH	Consumer Staples

*EGIF Top 10 Equity Holdings exposure: 8.7%

The Exemplar Growth & Income Series FD was **-0.53%** last week and is **+12.59%** 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

Risk assets pulled back last week as the S&P 500 fell ~1.4% and the Nasdaq ~2%, both snapping three-week win streaks. The 30-year yield pushed above 5.3% (highest in nearly two decades) with the 10-year near 4.7% as U.S. gross debt crossed $40tn. Consequently, defensives and materials led while rate-sensitive and momentum groups got hit. Gold also ran to a three-month high and Bitcoin jumped ~22%, both catching a debasement bid.

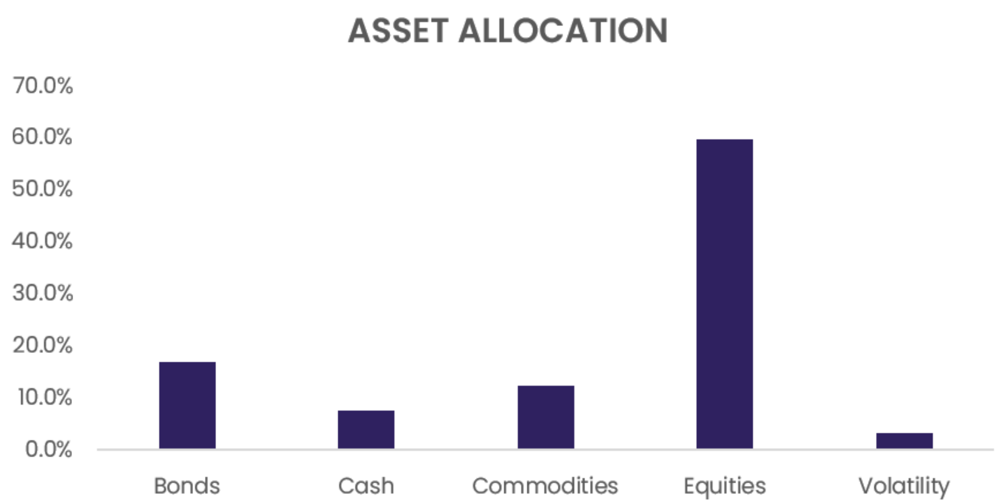
The most consequential move last week was Treasury Secretary Bessent's move to double the long-term bond buy-back program (10-30 yr). This signalled his intention to not let long term yields rise much further than current levels. The initial reaction of lower yields was predictably faded but his further comments Friday about potentially doing even more reinforced his conviction. The absolute amount here is not insignificant, but the Treasury is not the FED in terms of bazooka power. One question is where is FED Chair Warsh in all of this? Perhaps will get a clue at this Friday's Jackson Hole meeting – for now, nobody is quite sure if this is a joint effort because it flies in the face of Warsh's priorities on inflation fighting. While policy twists can be helpful, in the longer term, rising deficits and debt levels are pushing up bond term premiums while longer term inflation expectations remain in check. The good news is that real growth is very strong (over 3% on 30 yr TIPs) and while likely not sustainable, nominal rates should be higher in the

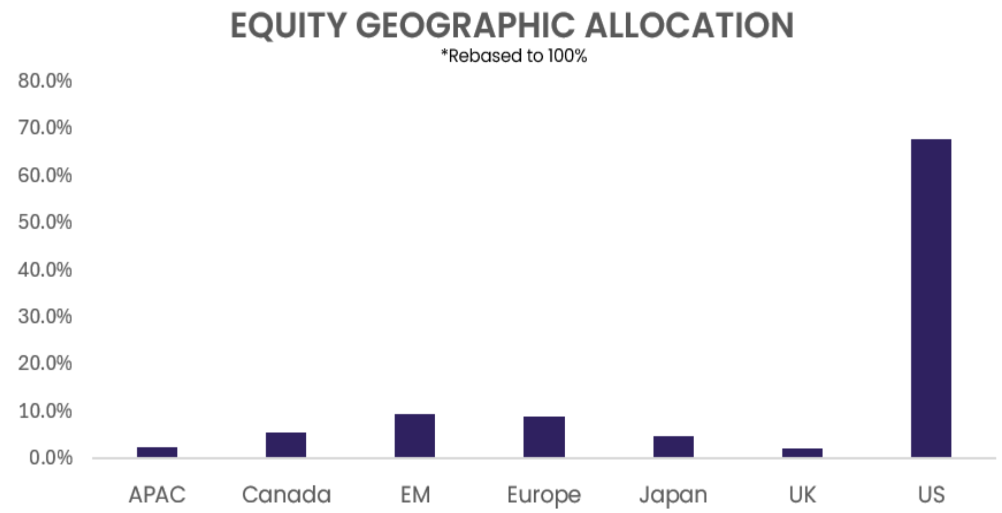
US than say Europe or Canada with poorer growth profiles.

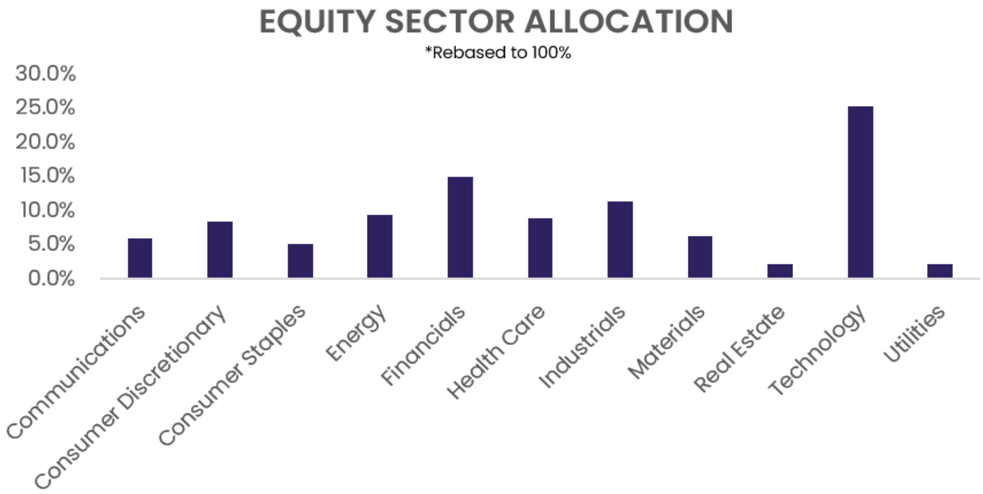
The real challenge for U.S. policy makers has been the stubborn price of oil and in particular refined products like diesel and gasoline are impacting the consumer and real economy. With the war effort being drawn out, Bessent will be announcing his economic D-Day policies on Iran later today – not sure how much more the U.S. can do considering Iran has been effectively isolated save for selling oil to China.

Over the weekend we saw the collapse in trade talks regarding Section 338 tariffs between Canada and the U.S. The U.S. has now imposed 50% tariffs on a number of Canadian goods with steel and aluminum particular problems. The economic impact on Canada's GDP is much more tangible than on the U.S. but its impact on Canadian consumer and small business confidence could be more significant. While the rumour mill is flying with views as to what happened, we are expecting a cooling off period followed by further talks. We will remain focused on the business impacts and any opportunities that may arise from any dislocations. We expect the Canadian dollar to clearly weaken in the short term.

Exemplar Global Growth & Income Asset Allocation – August 21, 2026







Top 10 Equity Holdings as of August 21, 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.	Johnson & Johnson - JNJ	Healthcare
9.	Meta Platforms – META	Communication Services
10.	Eli Lilly - LLY	Health Care

*EGGIF Top 10 Equity Holdings exposure: 6.4%

The Exemplar Global Growth & Income Series FD was **-0.21%** last week and is **+8.85%** 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 24, 2026

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.

This document is provided as a general source of information and should not be considered personal, legal, accounting, tax or investment advice, or construed as an endorsement or recommendation of any entity or security discussed. Every effort has been made to ensure that the material contained in this document is accurate at the time of publication. Market conditions may change which may impact the information contained in this document. All charts and illustrations in this document are for illustrative purposes only. They are not intended to predict or project investment results. Individuals should seek the advice of professionals, as appropriate, regarding any particular investment. Investors should consult their professional advisors prior to implementing any changes to their investment strategies.

Certain statements in this document are forward-looking. Forward-looking statements ("FLS") are statements that are predictive in nature, depend upon or refer to future events or conditions, or that include words such as "may," "will," "should," "could," "expect," "anticipate," "intend," "plan," "believe," or "estimate," or other similar expressions. Statements that look forward in time or include anything other than historical information are subject to risks and uncertainties, and actual results, actions or events could differ materially from those set forth in the FLS. FLS are not guarantees of future performance and are by their nature based on numerous assumptions. Although the FLS contained herein are based upon what Arrow Capital Management and the portfolio manager believe to be reasonable assumptions, neither Arrow Capital Management nor the portfolio manager can assure that actual results will be consistent with these FLS. The reader is cautioned to consider the FLS carefully and not to place undue reliance on FLS. Unless required by applicable law, it is not undertaken, and specifically disclaimed that there is any intention or obligation to update or revise FLS, whether as a result of new information, future events or otherwise.

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.