EXEMPLAR GROWTH AND INCOME FUND
commentary - Week ending July 17, 2026

Arrow Capital Management Inc.

July 17th 2026 Asset Allocation: 10.1% cash; 22.3% bonds; 0.2% commodities, and 67.5% equities*; 10.3% $US

July 10th 2026 Asset Allocation: 10.3% cash; 22.3% bonds; 0.2% commodities, and 67.3% equities*; 11.1% $US
*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	+0.22%	-0.50%
iShares Core Canada Bond Index ETF	-0.29%	+1.04%
Gold (GLD ETF)	-2.28%	-7.04%
USD/CAD	-0.94%	+2.16%
ACWI (ETF)	-1.70%	+10.26%
S&P 500 (SPY ETF)	-1.54%	+9.58%
Nasdaq (QQQ ETF)	-4.16%	+13.46%
S&P/TSX (XIU ETF)	+0.26%	+13.66%
EGIF – Series FD	-0.77%	+10.94%
EGGIF – Series FD	-1.71%	+7.57%

July 10, 2026 to July 17, 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, June 2026

Canadian markets finished the week modestly higher as investors digested the Bank of Canada's latest interest rate decision, encouraging inflation data, and the start of North American earnings season. While geopolitical risks and trade uncertainty remain in the background, markets continued to focus on signs that the Canadian economy is gradually regaining momentum without generating excessive inflation.

The week's key event was the Bank of Canada's decision to leave the overnight policy rate unchanged at 2.25%, marking a continuation of its measured approach to monetary policy. In its accompanying Monetary Policy Report, the Bank acknowledged that Canada's economy is beginning to strengthen following a softer start to the year while reiterating that inflation is expected to gradually return to the 2% target by early 2027. Policymakers also highlighted that risks surrounding the Middle East conflict and evolving U.S. trade policy remain the two largest uncertainties facing the outlook.

Inflation data released later in the week provided additional reassurance. June headline inflation moderated as gasoline prices declined from recent highs, while the Bank's preferred core inflation measures moved below 2%, reinforcing the view that underlying price pressures remain well contained despite elevated energy costs earlier this year. Equity markets responded positively, with leadership coming from financials, technology, and selective industrial companies. The beginning of U.S. earnings season also provided support, as several large financial institutions delivered solid results, suggesting corporate fundamentals remain healthy despite a slower economic backdrop. Bond markets were relatively stable as investors largely viewed the Bank of Canada's policy stance as appropriate given current conditions.

The week's developments reinforced the importance of diversification. Fixed income continues to provide attractive income opportunities and portfolio stability, while equity markets remain supported by resilient corporate earnings and improving economic conditions. We continue to favour high-quality businesses with durable cash flows and strong balance sheets that can perform across a range of market environments.

Sector Breakdown and Top Holdings

The Fund is prepared for multiple outcomes and using market swings to add or remove exposures. Our biggest sectors: Industrials (9.7%), Financials (8.7%), Materials (8.3%), Energy (7.3%), and Real Estate (5.6%). I've added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of July 17, 2026

1.	Tenaz Energy - TNZ	Energy
2.	Chartwell Retirement – CSH.UN	REITS
3.	Manulife - MFC	Financials
4.	Canadian National Railway – CNR	Industrials
5.	Canadian Imperial Bank - CM	Financials
6.	Medexus Pharmaceuticals - MDP	Healthcare
7.	Base Carbon - BCBN	Financials
8.	Royal Bank of Canada – RY	Financials
9.	Premium Brands - PBH	Consumer Staples
10.	Sun Life Financial - SLF	Financials

*EGIF Top 10 Equity Holdings exposure: 9.5%

The Exemplar Growth & Income Series FD was **-0.77%** last week and is **+10.94%** 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 ↑)

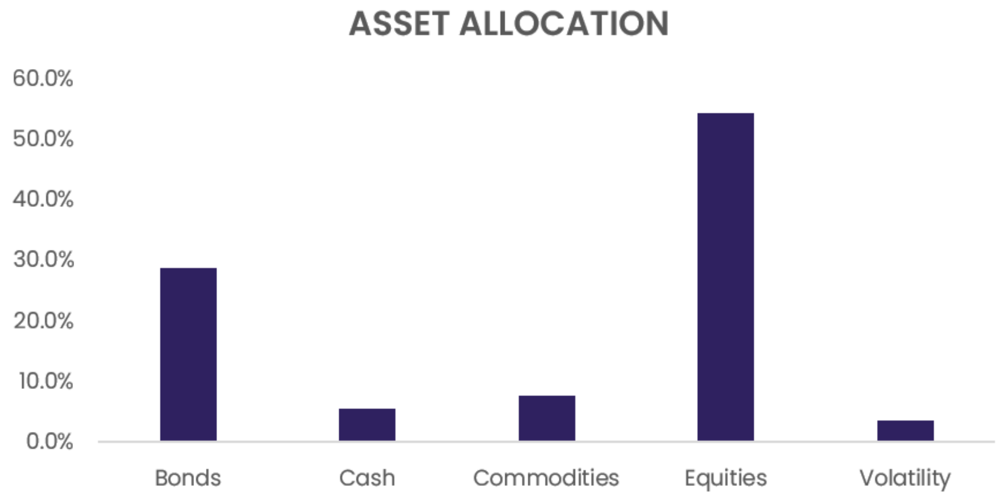
Source: Hedgeye Risk Management, June 2026

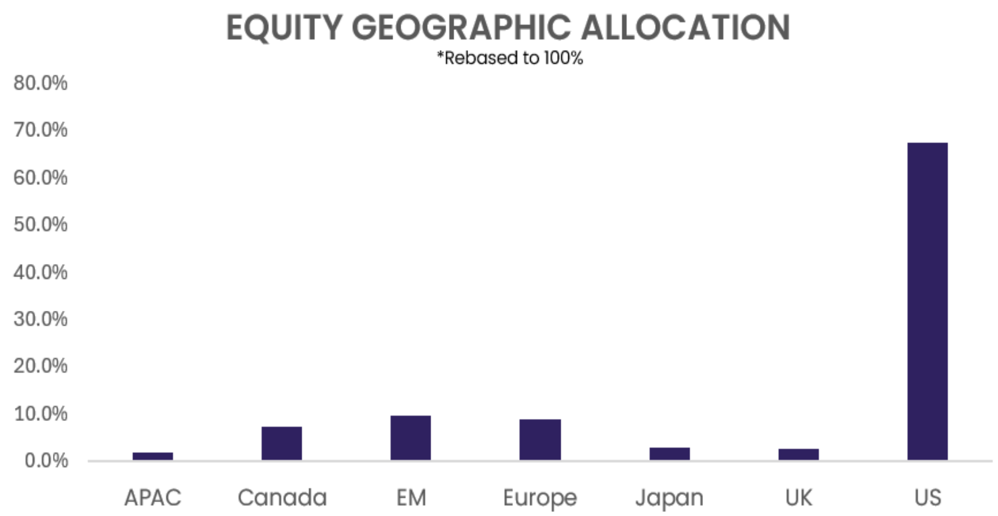
Equities pulled back last week as a tech selloff overwhelmed supportive inflation data. The S&P 500 fell ~1.5% and the Nasdaq ~3% as investors rotated out of a crowded momentum trade. Pressure on the chip complex was compounded by AI news. Moonshot AI released Kimi-K3, an open-weight LLM that took the top spot on a widely followed frontend coding leaderboard. Markets had assumed China would compete in open source on price rather than capability, so a Chinese model leading on performance shifts that assumption and widens the distribution of market outcomes.

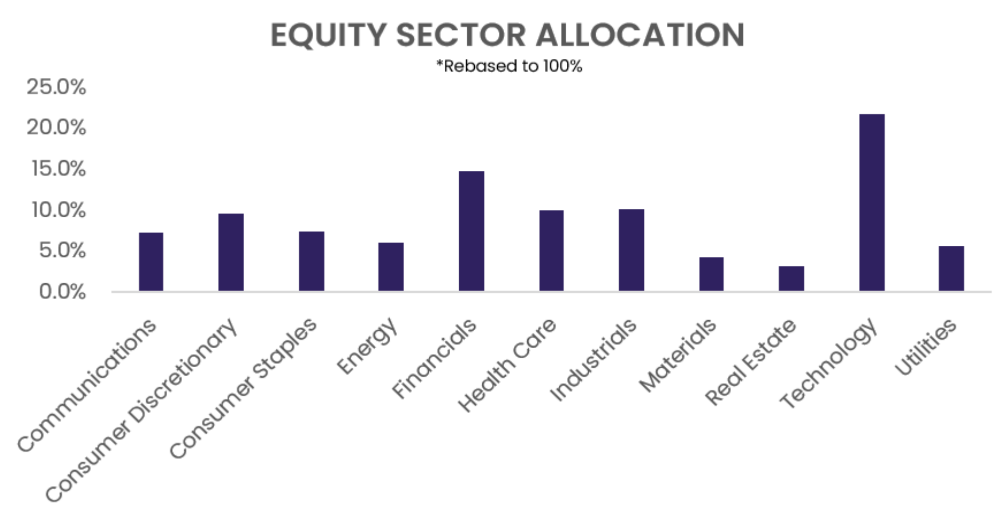
June CPI and PPI both came in below expectations last week, and traders largely abandoned bets on a July rate hike. Offsetting that, crude jumped ~13% as U.S. and Iran tensions re-escalated. We still view a Fed on hold as the most likely outcome.

Despite the pullback, markets remain solidly positive for the year. Last week looked like a contained rotational selloff and not yet a full derisking. Portfolio wise, the team grossed down tech and added optionality in long-duration Treasuries. Attention now turns to a heavy slate of earnings this week, including Alphabet, IBM, and Intel.

Exemplar Global Growth & Income Asset Allocation – July 17, 2026







Top 10 Equity Holdings as of July 17, 2026

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

*EGGIF Top 10 Equity Holdings exposure: 6.9%

The Exemplar Global Growth & Income Series FD was **-1.71%** last week and is **+7.57%** year to date.

Thanks,
Arrow Investment Team

Historical Performance – As of June 30, 2026

	1-Year	3-Year	5-Year	10-Year	ITD
EGIF - Series FD	25.38%	15.88%	7.22%	8.60%	8.32%
EGGIF – Series FD	19.16%	11.00%			5.33%

Published July 20, 2026

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