EXEMPLAR GROWTH AND INCOME FUND commentary - Week ending July 31, 2026

Arrow Capital Management Inc.

July 31st 2026 Asset Allocation: 9.4% cash; 22.2% bonds; 0.2% commodities, and 68.2% equities*; 10.8% $US

July 24th 2026 Asset Allocation: 9.0% cash; 22.2% bonds; 0.2% commodities, and 68.6% equities*; 10.8% $US
*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	-0.09%	-1.44%
iShares Core Canada Bond Index ETF	-0.28%	+0.53%
Gold (GLD ETF)	-0.10%	-6.25%
USD/CAD	-0.53%	+2.13%
ACWI (ETF)	+1.38%	+11.28%
S&P 500 (SPY ETF)	+1.10%	+10.13%
Nasdaq (QQQ ETF)	+0.55%	+12.26%
S&P/TSX (XIU ETF)	+0.04%	+13.52%
EGIF – Series FD	-0.50%	+10.41%
EGGIF – Series FD	-0.60%	+6.71%

July 24, 2026 to July 31, 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 markets finished the week modestly lower, as investors balanced a busy earnings calendar, the Federal Reserve decision, and a series of important economic releases. The S&P/TSX Composite Index slipped 0.4% while U.S. equities fared better, with the S&P 500 up 1.1% and the Nasdaq up 1.6%, though the advance was narrower than the headline figures suggest. Small caps finished flat, participation eroded through the week as the share of S&P 500 constituents above their 50-day moving average declined, and the count of new one month highs fell sharply from Tuesday's peak.

The primary focus for global markets was the U.S. Federal Reserve's July policy meeting. As expected, the Fed left interest rates unchanged at 3.50% to 3.75%, though three regional presidents dissented in favour of a 25 bps hike. The statement itself was little changed and the tone was not especially hawkish, yet the immediate reaction was a sharp steepening of the curve. Front end yields fell as near-term hike risk was priced out, while the long end sold off, with the 30 year rising close to 10 basis points to its highest level since 2007. Chair Warsh offered no forward guidance, reiterating that the committee is not in the forecasting business, which left the long end to price inflation risk on its own. Equities gave back ground on the day before recovering into the end of the week.

Corporate earnings remained a central support. With just over 60% of the S&P 500 having reported, most companies have beaten expectations. Blended second quarter earnings growth has been revised sharply higher since the end of June, with Amazon's result a notable contributor to Friday's gain while Apple's revenue guidance disappointed. Closer to home, Canadian real GDP rose 0.3% in May, ahead of its own flash estimate, with advance figures now pointing to an annualized second quarter gain of roughly 3.4%. Energy remained supported by crude prices that are still elevated in absolute terms, although some risk premium came out of the market after the United States and Iran halted military engagement. Concerns surrounding global trade and tariffs persisted, but investors largely looked through the headlines and focused on company specific results and forward guidance.

The coming week brings another full slate of events. In the U.S., ISM manufacturing and services readings arrive Monday and Wednesday, ahead of Friday's July employment report, where consensus looks for roughly 87,000 jobs against 57,000 in June and an unemployment rate edging up to 4.3%. The print may carry more weight than usual. With the Fed no longer offering forward guidance, the market has no reaction function to anchor to, and the data itself will set September expectations. Canadian markets were closed yesterday for the Civic Holiday, shortening the domestic week.

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 (9.0%), Materials (8.9%), Financials (7.9%), Energy (7.4%), and Real Estate (5.4%). I've added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of July 31, 2026

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

*EGIF Top 10 Equity Holdings exposure: 9.1%

The Exemplar Growth & Income Series FD was **-0.50%** last week and is **+10.41%** 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

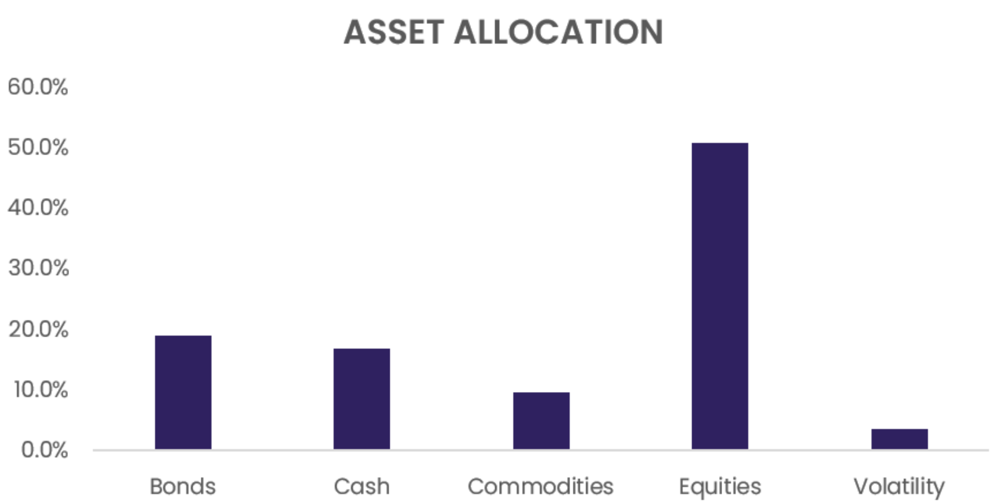
Headline index gains masked sharp dispersion under the hood. The S&P 500 rose 1.1% and the Nasdaq 1.6%, but the Magnificent 7 alone added roughly $880 billion - more than the index's total gain - with Microsoft surging ~20% on Azure/Copilot strength while Apple fell ~7%. Of the ~300 S&P 500 companies that have reported, 85% beat estimates, but the market is increasingly discriminating on whether AI capex is converting into revenue rather than just its size.

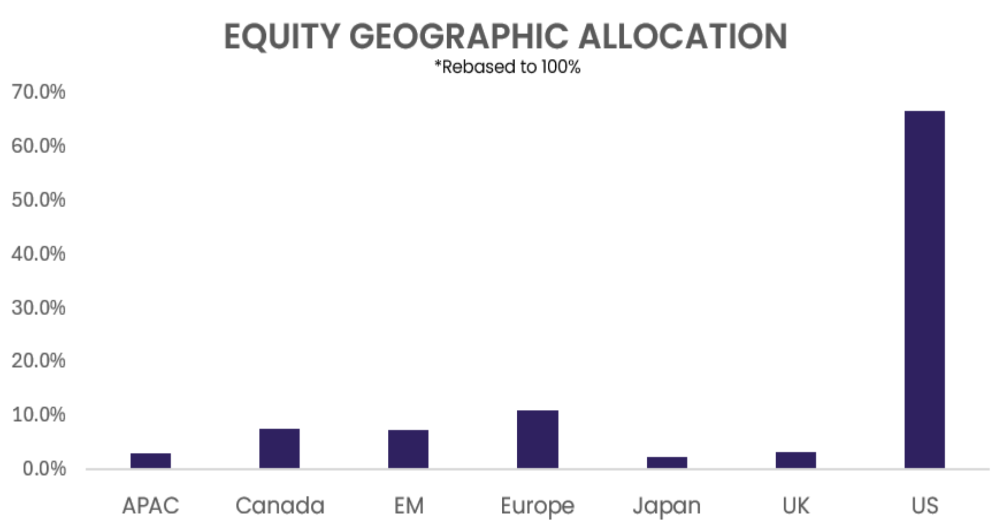
The Fed was the week's key top-down event. The FOMC held rates at 3.50–3.75% in a 9-3 vote, with three regional presidents dissenting in favor of a hike - the most hawkish split of this cycle. Chair Warsh again offered no forward guidance, leaning on the idea that tighter financial conditions are "doing some of the Fed's job for it." The bond market took the dissents seriously: the 30-year rose to 5.27%, it's highest since 2007, and the 10-year to 4.73%, even as the 1-year fell on reduced near-term hike risk.

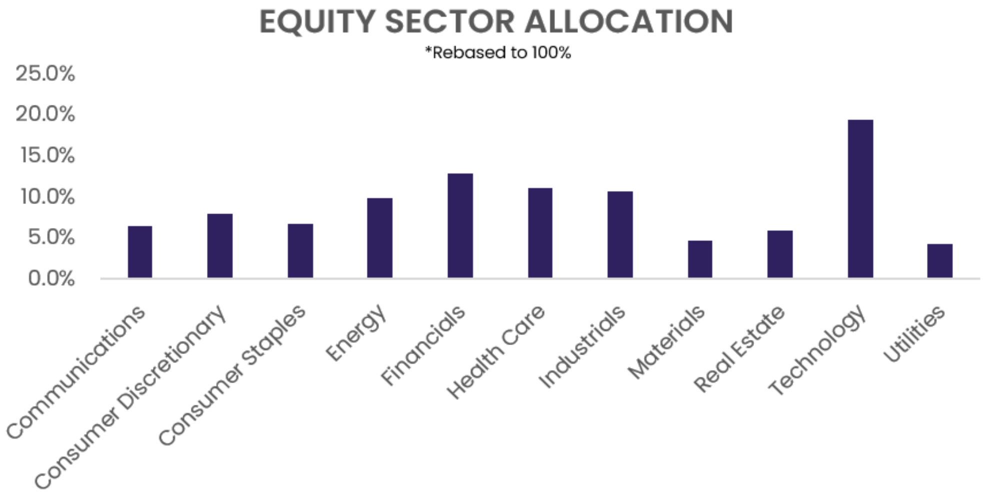
The most notable cross-asset event was in FX. With the yen past \163/USD - a four-decade low, worsened by Middle East-driven dollar demand – The US Treasury and the Bank of Japan Thursday, moving the yen from ~\162.80 to \157 in about an hour at an estimated cost of ~$53 billion, likely the largest single-day intervention ever. The BoJ held rates but the odds of further rate hikes before the end of the year remain high.

Net-net: earnings fundamentals remain strong and single-stock dispersion offers opportunity, but the tape itself has been unusually volatile - sharp intraday swings on Fed and geopolitical headlines that have made it harder to trust any single day's move as signal. Looking ahead, ISM Manufacturing and Services precede Friday's July jobs report - consensus near 90 -120k versus June's soft 57k, unemployment ticking to 4.3% - which carries extra weight given the Fed's lack of guidance.

Exemplar Global Growth & Income Asset Allocation – July 31, 2026







Top 10 Equity Holdings as of July 31, 2026

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

*EGGIF Top 10 Equity Holdings exposure: 7.1%

The Exemplar Global Growth & Income Series FD was **-0.60%** last week and is **+6.71%** 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%

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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.

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