

EXEMPLAR GROWTH AND INCOME FUND

commentary – Week ending October 16, 2026



October 16th 2026 Asset Allocation: 11.6% cash; 22.4% bonds; 0.1% commodities, and 65.9% equities*; 9.9% \$US

October 9th 2026 Asset Allocation: 9.6% cash; 22.4% bonds; 0.1% commodities, and 67.8% equities*; 10.6% \$US

*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	+1.14%	-3.12%
iShares Core Canada Bond Index ETF	+0.36%	+0.22%
Gold (GLD ETF)	-0.67%	-2.96%
USD/CAD	-0.82%	+3.01%
ACWI (ETF)	-1.96%	+12.21%
S&P 500 (SPY ETF)	-1.97%	+12.80%
Nasdaq (QQQ ETF)	-5.52%	+15.94%
S&P/TSX (XIU ETF)	+2.05%	+17.17%
EGIF – Series FD	-0.61%	+8.99%
EGGIF – Series FD	-1.54%	+6.36%

October 9, 2026 to October 16, 2026

Quad Forecast	4Q26E	1Q27E	2Q27E
Canada	Quad 1 (GDP ↑, Inflation ↓)	Quad 1 (GDP ↑, Inflation ↓)	Quad 1 (GDP ↑, Inflation ↓)
United States	Quad 2 (GDP ↑, Inflation ↑)	Quad 4 (GDP ↓, Inflation ↓)	Quad 1 (GDP ↑, Inflation ↓)

Source: Hedgeye Risk Management, October 2026

Canadian equities outperformed their U.S. counterparts during a volatile week, with the S&P/TSX Composite Index advancing approximately 1.4%, supported by strength in energy and other resource-related sectors. U.S. technology stocks came under heavy selling pressure, with the Nasdaq declining more than 4% as investors reassessed elevated valuations and the sustainability of artificial intelligence-related spending. The divergence reflects Canada's sector composition, weighted toward natural resources rather than growth-oriented technology.

Inflation remained the dominant theme. U.S. September CPI rose 3.7% year over year, ahead of expectations and up from 3.4% in August, while core moved up to 2.6%. Price pressure is broadening beyond energy, and that complicates the Fed's path with the U.S. economy still resilient even as hiring slows. In Canada, the labour market is the weak link. September employment fell by 68,300 and unemployment rose to 6.5%, leaving the Bank of Canada caught between slowing growth and sticky inflation. The Canadian CPI print today is the focal point for the Bank's next move.

Government bonds caught a bid last week as tech weakness drove defensive buying. The 21-day rolling correlation between the Nasdaq and 10y Treasury yields has flipped from -0.44 in mid-September to +0.77 this week, consistent with price action becoming more sensitive to growth and risk appetite. Energy added to the risk-off tone, with WTI jumping on Middle East supply concerns, the silver lining being a clear tailwind for Canadian producers. Gold was flat, with sticky inflation and policy uncertainty offsetting the defensive bid.

Canadian data carries the week ahead. September CPI and the Bank of Canada's Business Outlook Survey will show whether higher energy prices are translating into broader inflation pressures, and August retail sales will give a read

Note: This page is not complete without disclaimers on the last page.

on consumer spending ahead of the Bank of Canada’s October 28 rate decision. In the U.S., we continue to monitor corporate earnings, which are now beginning in earnest.

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 (8.0%), Industrials (7.7%), Financials (7.6%), Energy (7.0%), and Technology (6.6%). I’ve added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of October 16, 2026

1.	Manulife - MFC	Financials
2.	Medexus Pharmaceuticals - MDP	Healthcare
3.	Chartwell Retirement – CSH.UN	Real Estate
4.	Shopify - SHOP	Technology
5.	Suncor Energy - SU	Energy
6.	Sun Life Financial - SLF	Financials
7.	DRI Healthcare Trust – DHT-U	Healthcare
8.	Royal Bank of Canada - RY	Financials
9.	Canadian Imperial Bank of Commerce - CM	Financials
10.	Brookfield Infrastructure – BIP.UN	Utilities

*EGIF Top 10 Equity Holdings exposure: 8.4%

TThe Exemplar Growth & Income Series FD was **-0.61%** last week and is **+8.99%** year to date.

Exemplar Global Growth & Income

Quad Forecast	4Q26E	1Q27E	2Q27E
Europe	Quad 3 (GDP ↓, Inflation ↑)	Quad 1 (GDP ↑, Inflation ↓)	Quad 4 (GDP ↓, Inflation ↓)
China	Quad 1 (GDP ↑, Inflation ↓)	Quad 3 (GDP ↓, Inflation ↑)	Quad 1 (GDP ↑, Inflation ↓)
Japan	Quad 2 (GDP ↑, Inflation ↑)	Quad 3 (GDP ↓, Inflation ↑)	Quad 3 (GDP ↓, Inflation ↑)

Source: Hedgeye Risk Management, October 2026

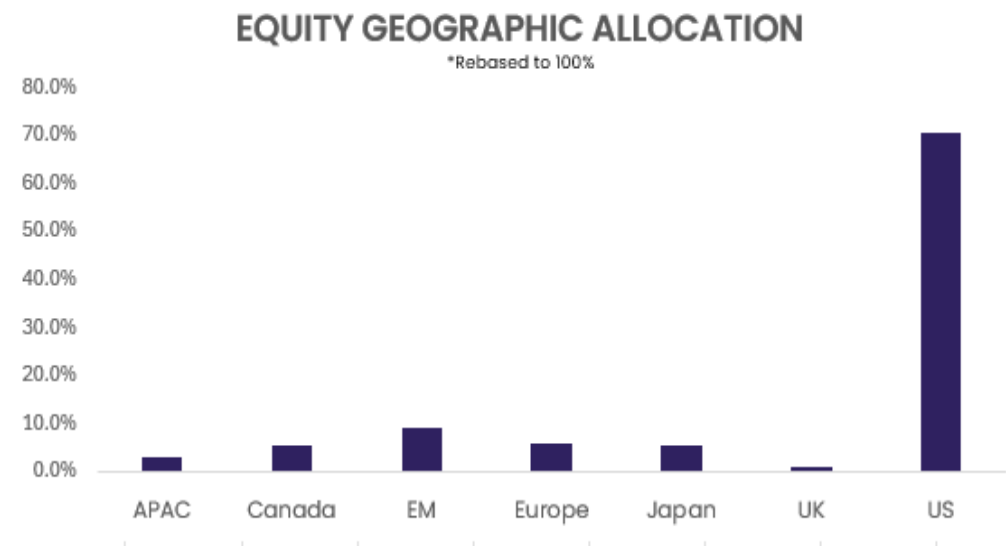
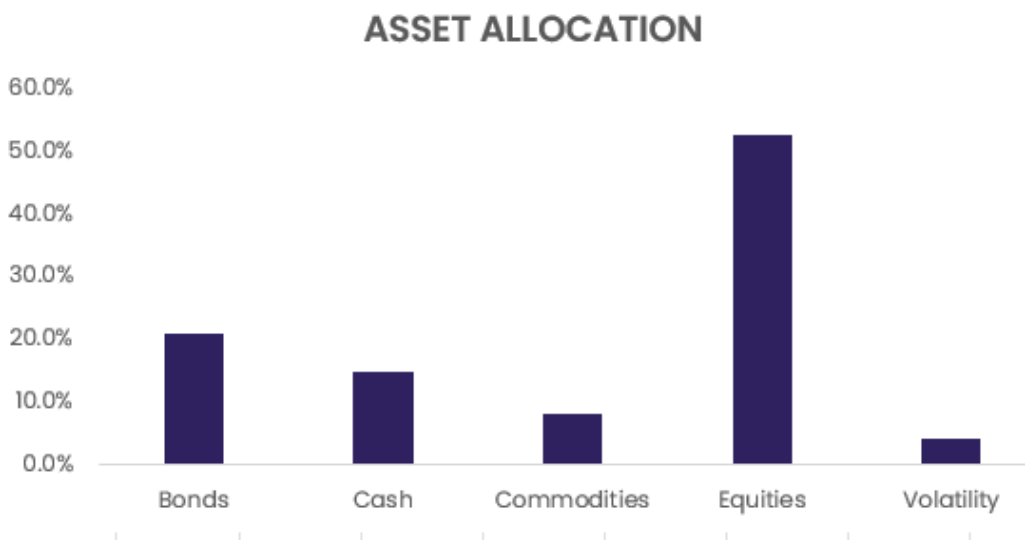
Equity markets had a rough week, with the S&P 500 and Nasdaq posting their worst performance since June, falling roughly 2% and 4.5%, respectively. Semiconductors were at the epicentre and fell for eight consecutive sessions, the longest streak since 2006. China’s CXMT memory claims were a catalyst, but this reads more as a broad cooling of the AI bottleneck trade than any single headline with the KOSPI down 14% WoW. Beneath the surface, breadth was positive for the first time in a while, with an average of 343 names finishing in the green daily and small caps outperforming tech late in the week.

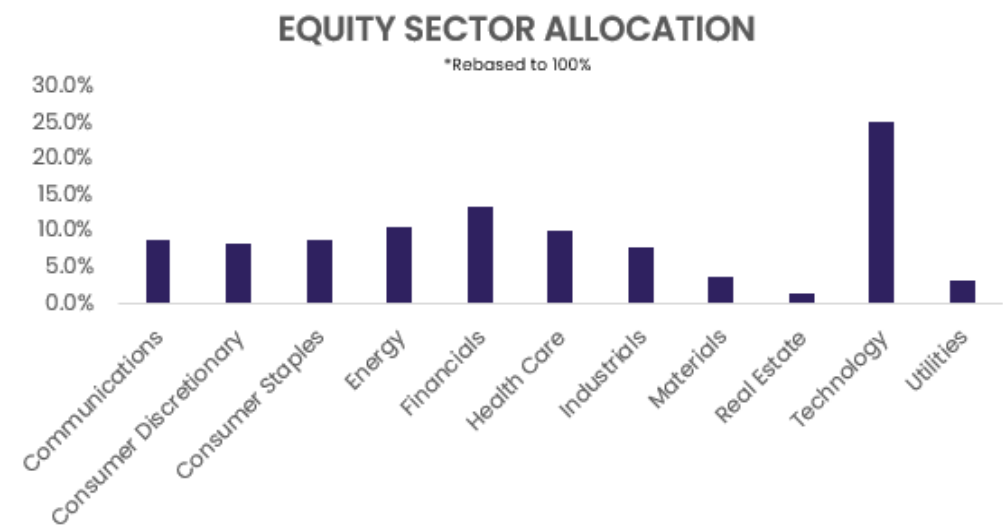
Two things largely drove the tape. Wednesday’s hot CPI print (3.7% YoY) briefly reignited October hike fears before Warsh struck a neutral tone Thursday. Markets are now pricing about 17% odds of an October hike and 91% for December. The more important development, in our view, was in credit. CoreWeave-linked debt saw significant spread widening late in the week, and we are now seeing risk premiums rise more broadly across the AI trade. IG and HY markets are joining CCC credit, which has been running above 1,000 bps for months. Larry Fink (CEO of BlackRock)

noted last week that for the first time in his career the demand for credit is exceeding supply. How this feeds into equity risk premiums is something we are watching very carefully.

During the week we reduced net exposure via highest beta areas, continued legging into our long-dated TLT upside expressions and leaned on our healthcare and staples overweights, which have held in well through the volatility. Looking ahead, the implied S&P move through next Friday is 1.33%, with the Fed in blackout and a light macro calendar. Earnings take centre stage, with META and TSLA the key names on Wednesday. Brent pushing back above \$110 is a reminder that the Iran situation has not gone away, and we think credit market developments will continue to be as important as the earnings tape in the weeks ahead.

Exemplar Global Growth & Income Asset Allocation – October 16, 2026





Top 10 Equity Holdings as of October 16, 2026

1.	Apple – AAPL	Technology
2.	Nvidia – NVDA	Technology
3.	Alphabet – GOOG	Communication Services
4.	Microsoft – MSFT	Technology
5.	Meta Platforms – META	Communication Services
6.	Amazon – AMZN	Consumer Discretionary
7.	Taiwan Semiconductor - TSM	Technology
8.	Eli Lilly - LLY	Healthcare
9.	Space Exploration Technologies - SPCX	Industrials
10.	Johnson & Johnson - JNJ	Healthcare

*EGGIF Top 10 Equity Holdings exposure: 7.4%

The Exemplar Global Growth & Income Series FD was **-1.54%** last week and is **+6.36%** year to date.

Thanks,
Arrow Investment Team

Historical Performance – As of September 30, 2026

	1-Year	3-Year	5-Year	10-Year	ITD
EGIF - Series FD	13.58%	15.50%	6.88%	7.97%	7.95%
EGGIF – Series FD	8.18%	10.36%			4.37%

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