EXEMPLAR GROWTH AND INCOME FUND
commentary - Week ending October 23, 2026

October 23rd 2026 Asset Allocation: 13.8% cash; 22.2% bonds; 0.0% commodities, and 63.9% equities*; 9.7% $US
October 16th 2026 Asset Allocation: 11.6% cash; 22.4% bonds; 0.1% commodities, and 65.9% equities*; 9.9% $US
*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	+0.70%	-2.44%
iShares Core Canada Bond Index ETF	+0.00%	+0.22%
Gold (GLD ETF)	-4.03%	-7.49%
USD/CAD	-0.94%	+2.04%
ACWI (ETF)	-0.60%	+11.54%
S&P 500 (SPY ETF)	-0.43%	+12.32%
Nasdaq (QQQ ETF)	-0.76%	+15.06%
S&P/TSX (XIU ETF)	-0.50%	+16.58%
EGIF – Series FD	-0.47%	+8.48%
EGGIF – Series FD	-0.32%	+6.02%

October 16, 2026 to October 23, 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 drifted lower last week as higher oil, firmer headline inflation and another leg of the AI unwind weighed on risk appetite. The TSX finished lower, with energy the lone bright spot while gold miners, materials and financials led declines. In the U.S., headline losses were modest but the internals told a different story. The S&P 500 and Nasdaq slipped as mega-cap AI names sold off on capex concerns, while the equal-weight index and value moved higher, extending October's broadening away from AI leadership. The AI debate has shifted from demand to funding. Data-centre leasing is running at record levels, but with hyperscaler capex estimates still climbing, equity and credit investors are becoming increasingly nervous about financing these capital projects.

Inflation was the key domestic print. Headline CPI ticked higher on gasoline but came in below expectations, and the Bank of Canada's preferred core measures slipped further below target. This is an energy problem in the headline, not a broad-based one. The Business Outlook Survey showed modestly better sentiment, though most interviews predated the breakdown in Canada-U.S. trade talks, and the Bank's own follow-up suggests part of that improvement has since reversed. Rates moved in opposite directions. Treasuries rallied hard midweek as the AI selloff drove a flight to safety, pulling the U.S. 10-year back toward 5%, while Canadian yields held firm as markets leaned toward a BoC hike. Yields remain at an attractive absolute level, but the policy path argues for keeping duration active. Oil extended higher as Houthi strikes on Saudi infrastructure and continued disruption in the Strait of Hormuz kept the supply-risk premium elevated, with Brent outpacing WTI. Gold moved the other way, posting a sharp weekly decline to a three-month low as the market treated the oil shock as an inflation and tightening story rather than a haven trade.

The calendar is heavy this week. The BoC and Fed both decide on Wednesday. The BoC decision comes with a new

Monetary Policy Report, and the street now leans toward its first hike in a year, a call that hinges on whether the Bank looks through an energy-driven headline with core running below target. The Fed is expected to hold after its September hike, with focus on guidance into December. Microsoft and Alphabet report the same day, with Amazon on Thursday, putting AI capex squarely back in focus. Advance U.S. Q3 GDP and PCE on Thursday and Canadian monthly GDP on Friday round out the 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: Financials (7.6%), Materials (7.1%), Industrials (7.0%), 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 23, 2026

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

*EGIF Top 10 Equity Holdings exposure: 8.7%

TThe Exemplar Growth & Income Series FD was **-0.47%** last week and is **+8.48%** 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 The headline indices barely moved last week, but there was a lot going on underneath. The S&P 500 fell ~0.47% and the Nasdaq 0.71%, while the Russell 2000 rose ~2.00%. Europe fared worse, with the STOXX down ~1.39% as the euro-area composite PMI slowed to ~51.9. In Asia, chip weakness hit Korea and Japan. The damage was concentrated in tech: the Nasdaq fell 2.6% on Thursday, its biggest daily decline since June, and semis finished the week down 3.21%

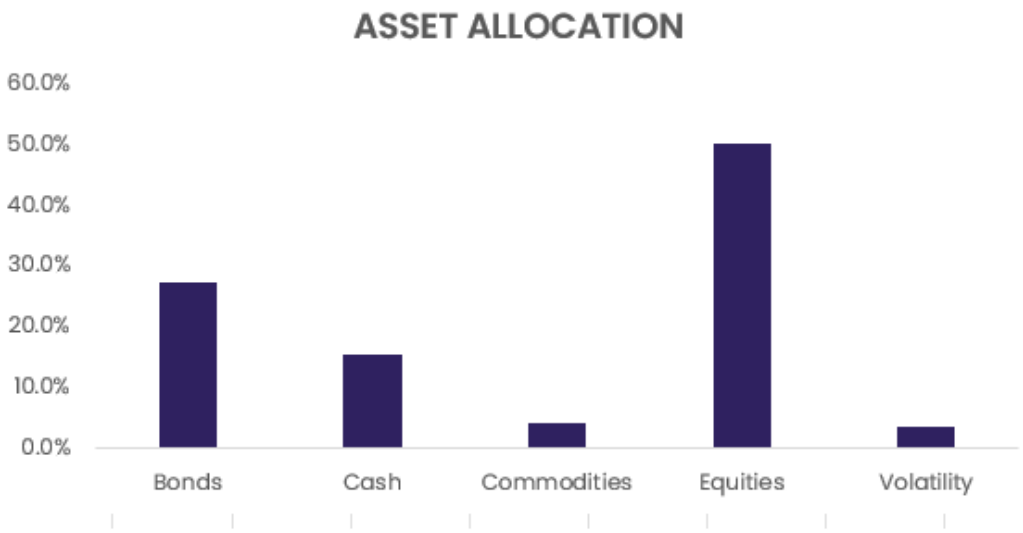
Tech's problem last week was return on capital. Meta grew revenue 26% but lifted its 2026 capital-spending floor to $135 billion, and the stock slid 10% on the week. The market is no longer giving AI spending the benefit of the doubt,

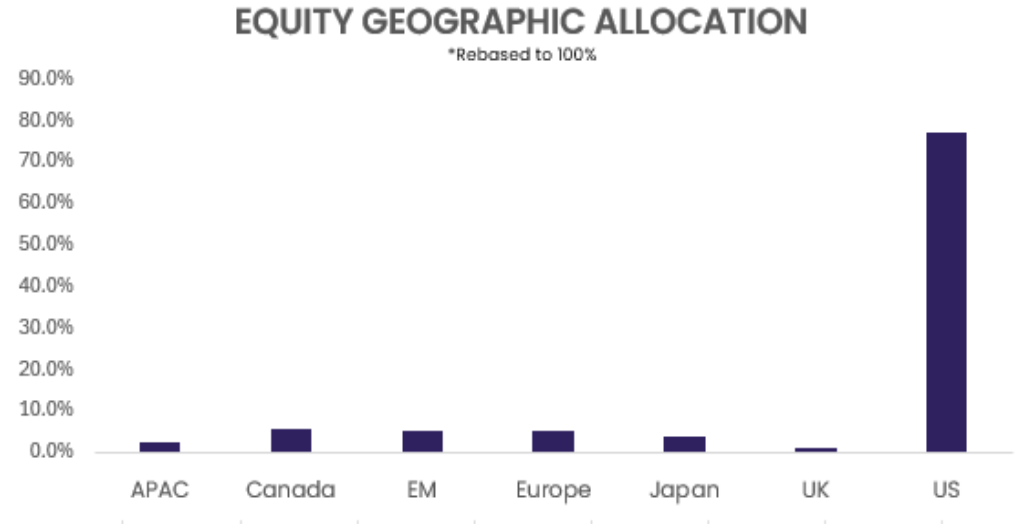
but the pressure is concentrated in AI linked names rather than spread across the whole market. Earnings outside the theme remain solid, with ~83% of the S&P 500 companies that have reported beating estimates. The market is repricing what it will pay for AI capex, not the broader earnings backdrop.

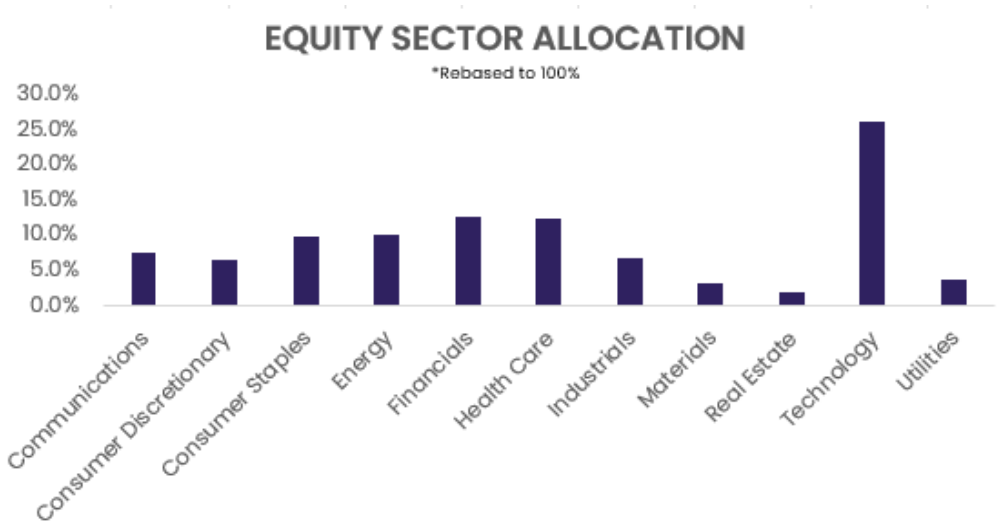
Treasuries rallied across the curve last week. The 2-year ended at ~4.69%, the 10-year at ~5.00% and the 30-year at ~5.33%, down 5, 9 and 10 basis points. The macro data left the Fed with little reason to move. Jobless claims came in at 194,000, below the 200,000 expected. Growth is holding up while price pressures stay sticky, and markets are pricing about 90% odds of a Fed hold this week. Core PCE on Thursday is the next test of whether inflation is easing enough for the rally in yields to hold.

This morning, Anthropic filed its S-1 to list on the Nasdaq under “ANT”, which will serve as a sentiment check on the AI trade. In Brazil, EWZ was down 25% premarket after Lula’s surprise runoff win. This week, the Fed, ECB and BoJ all make policy decisions, alongside Microsoft, Alphabet and Amazon earnings.

Exemplar Global Growth & Income Asset Allocation – October 23, 2026







Top 10 Equity Holdings as of October 23, 2026

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

*EGGIF Top 10 Equity Holdings exposure: 7.1%

The Exemplar Global Growth & Income Series FD was **-0.32%** last week and is **+6.02%** 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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