EXEMPLAR GROWTH AND INCOME FUND
commentary - Week ending October 30, 2026

October 30th 2026 Asset Allocation: 14.8% cash; 22.3% bonds; 0.0% commodities, and 62.8% equities*; 9.7% $US
October 23rd 2026 Asset Allocation: 13.8% cash; 22.2% bonds; 0.0% commodities, and 63.9% equities*; 9.7% $US
*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	+0.78%	-1.68%
iShares Core Canada Bond Index ETF	+0.26%	+0.48%
Gold (GLD ETF)	-2.95%	-10.23%
USD/CAD	-0.22%	+1.81%
ACWI (ETF)	-0.48%	+11.00%
S&P 500 (SPY ETF)	-0.56%	+11.69%
Nasdaq (QQQ ETF)	-1.97%	+12.78%
S&P/TSX (XIU ETF)	-0.22%	+16.33%
EGIF – Series FD	-0.40%	+8.05%
EGGIF – Series FD	-0.54%	+5.44%

October 23, 2026 to October 30, 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 slipped last week as investors navigated a Bank of Canada rate hike, a Fed hold, and a wave of hyperscaler earnings that left the AI trade on its back foot. The TSX finished modestly lower, trimming its year-to-date gain. U.S. markets were mixed beneath the surface. The S&P 500 gave back about half a percent, but the damage was concentrated in the Nasdaq, which fell about two percent on the week and closed out October down more than five percent for the month. The sell-off was heavily rotational rather than broadly risk-off as high-beta growth and momentum names led the way lower while defensive sectors, absorbed the flow. Equal-weight outperformed cap-weight for a fourth consecutive week, a persistent breadth signal that leadership is shifting beneath the surface.

The week's macro backdrop reinforced the divergence between Canadian and U.S. policy. The Bank of Canada hiked a quarter point to 2.50%, its first increase in three years, citing the need to contain energy-driven inflation from spilling into core prices. Governor Macklem left the door open to further tightening without committing to it. The Fed, meanwhile, held at 3.75% to 4.00% in a 10-2 vote, with Cook and Hammack dissenting in favour of a hike. The hold was expected, but the dissent and hawkish tone in the statement nudged December hike pricing higher. Canadian GDP data added a layer of complexity as August was flat for a second consecutive month, with preliminary estimates pointing to a mild contraction in September, putting Q3 annualized growth well below the Bank's own forecast. The bond market leaned into the growth concern, with long-end yields drifting lower even as the Bank tightened, a classic flattening signal that rates may already be biting.

On the AI trade, hyperscaler earnings added to the pressure that began the prior week when Meta reversed sharply after narrowing its full-year capex guide higher despite topping revenue expectations. Meta compounded the damage

days later by launching roughly $35 billion in equity offerings after printing its first free cash flow shortfall since its IPO year, with another $60 billion share-sale program lined up for 2027. Last week's prints did nothing to reverse the sentiment. Alphabet was the worst of the bunch, dropping double digits after printing a meaningful EPS miss, with net profit falling sharply year-over-year even as revenue grew. Management held its full-year capex guide without flinching, and investors punished the refusal to course-correct. Microsoft beat on revenue and earnings but traded flat, with the street already positioned for the results after a strong run into the print. The message across all three names was the same: investors are no longer willing to fund capex intensity on faith. Free cash flow visibility now matters more than top-line acceleration, and names where spending is outrunning monetization are getting punished. WTI held above $100 on geopolitical supply risk, while gold extended its pullback, posting its worst October in nearly two decades as elevated real yields continued to weigh.

The week ahead brings ISM manufacturing and services alongside Friday's October payrolls, all of which will shape expectations for the Fed's December meeting. Overshadowing all of it is Tuesday's U.S. midterm elections, with control of both the House and Senate in play. The outcome carries direct implications for fiscal policy, trade, and the regulatory backdrop heading into 2027. In Canada, focus shifts to the next batch of corporate earnings among energy producers and the Bank of Canada's forward guidance trajectory. The broader question for markets is whether the defensive rotation has further to run. As long as rate uncertainty persists and capex-heavy tech names fail to reignite, capital may continue favouring lower-beta, cash-generative parts of the market.

Sector Breakdown and Top Holdings

The Fund is prepared for multiple outcomes and using market swings to add or remove exposures. Our biggest sectors: Energy (7.1%), Financials (6.9%), Industrials (6.9%), Materials (6.8%), and Technology (6.5%). I've added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of October 30, 2026

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

*EGIF Top 10 Equity Holdings exposure: 8.6%

TThe Exemplar Growth & Income Series FD was **-0.40%** last week and is **+8.05%** 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 ↑)

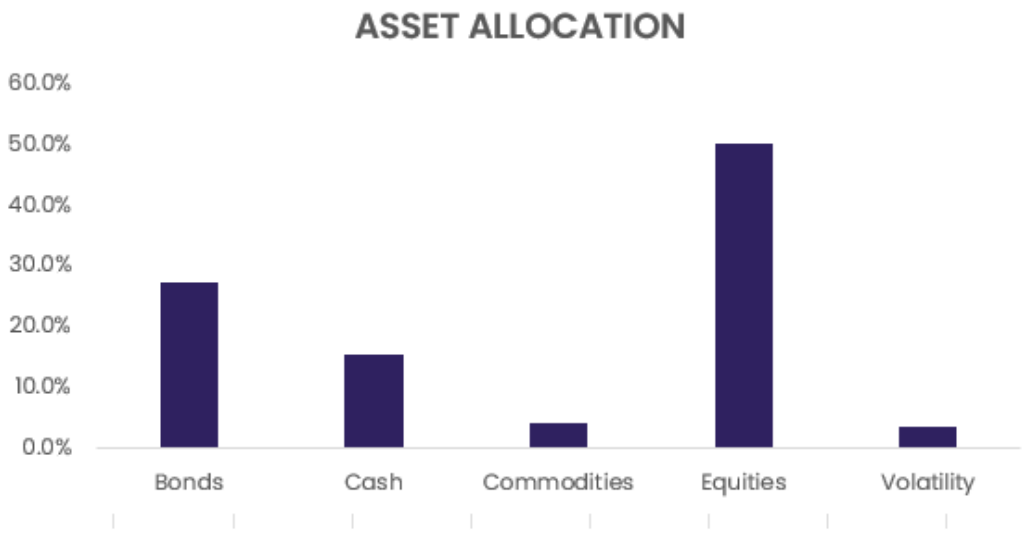
Source: Hedgeye Risk Management, October 2026

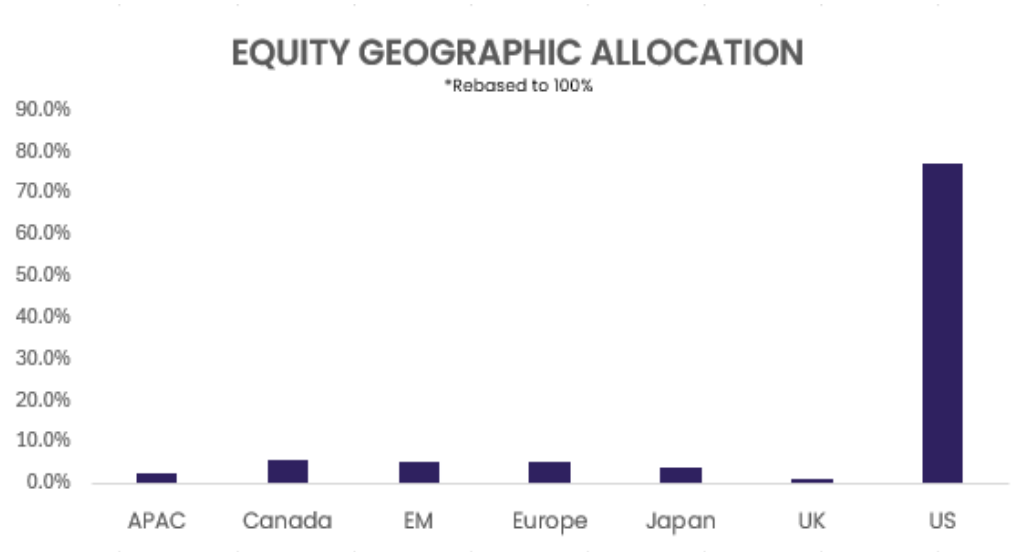
Last week, the optimism around Anthropic's IPO filing faded as Mag7 earnings rolled through. The S&P 500 slipped just 0.6%, but that masked significant damage in the AI trade. Alphabet fell 13% on the week on slowing Search growth and heavy capex that weighed on FCF. Intel then fell 28% on Friday on a weak fourth quarter guide, dragging the SOX down 7% on the day. On the flipside, breadth continued to strengthen, with RSP climbing 0.8% week over week.

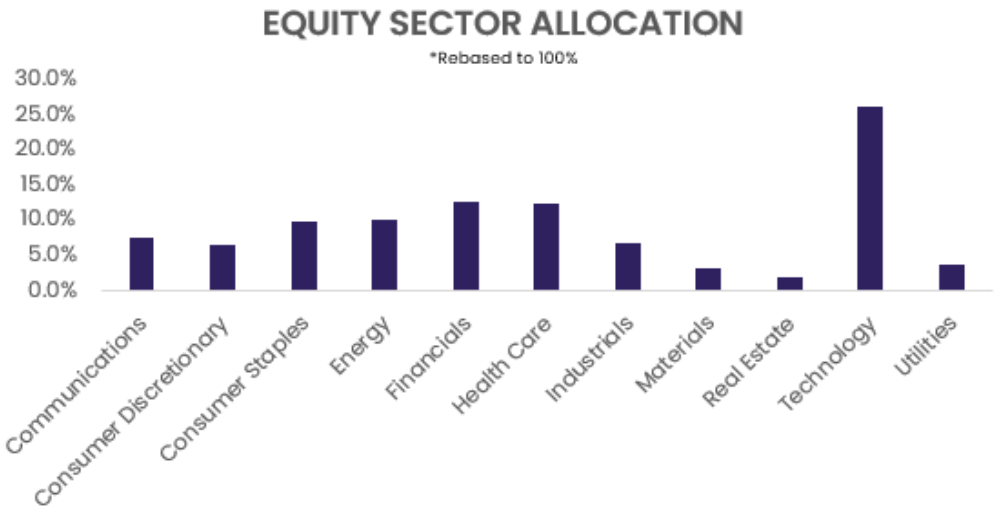
This is another consequential week with the midterms tomorrow night. A Democratic sweep would likely bring greater targeting of AI data centres and weigh on already fragile sentiment. It also raises the stakes for Anthropic coming public, which we see as a near term referendum on the AI theme.

With respect to the portfolio, we took down beta over the week and benefited from the rotation into staples and health care. We continue to express our view of slowing nominal GDP into Q2 '27 through long-dated TLT calls. Cyclical peaks in earnings growth across most of the technology complex reinforce this view.

Exemplar Global Growth & Income Asset Allocation – October 30, 2026







Top 10 Equity Holdings as of October 23, 2026

1.	Apple – AAPL	Technology
2.	Microsoft – MSFT	Technology
3.	Nvidia – NVDA	Technology
4.	Alphabet – GOOG	Communication Services
5.	Amazon – AMZN	Consumer Discretionary
6.	Taiwan Semiconductor - TSM	Technology
7.	Johnson & Johnson - JNJ	Healthcare
8.	Meta Platforms – META	Communication Services
9.	Merck - MRK	Healthcare
10.	Berkshire Hathaway – BRK-B	Financials

*EGGIF Top 10 Equity Holdings exposure: 6.3%

The Exemplar Global Growth & Income Series FD was **-0.54%** last week and is **+5.44%** year to date.

Thanks,
Arrow Investment Team

Historical Performance – As of October 31, 2026

	1-Year	3-Year	5-Year	10-Year	ITD
EGIF - Series FD	10.47%	14.41%	6.06%	7.88%	7.77%
EGGIF – Series FD	4.36%	9.77%			3.93%

Published November 2, 2026

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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.