EXEMPLAR GROWTH AND INCOME FUND commentary - Week ending September 4, 2026

Arrow Capital Management Inc.

September 4th 2026 Asset Allocation: 9.1% cash; 21.8% bonds; 0.2% commodities, and 69.0% equities*; 11.7% $US

August 28th 2026 Asset Allocation: 8.9% cash; 21.9% bonds; 0.2% commodities, and 69.1% equities*; 11.6% $US
*Net exposure to equities

	Last Week	Year to Date
iShares U.S. 7-10 Yr Bond ETF	-0.29%	-1.50%
iShares Core Canada Bond Index ETF	-0.25%	+0.06%
Gold (GLD ETF)	-0.52%	+2.64%
USD/CAD	-0.17%	+0.65%
ACWI (ETF)	+0.50%	+15.16%
S&P 500 (SPY ETF)	+0.11%	+13.54%
Nasdaq (QQQ ETF)	+0.35%	+17.31%
S&P/TSX (XIU ETF)	+0.11%	+17.04%
EGIF – Series FD	-0.03%	+12.10%
EGGIF – Series FD	-0.16%	+8.56%

August 28, 2026 to September 4, 2026

Quad Forecast	3Q26E	4Q26E	1Q27E
Canada	Quad 3 (GDP ↓, Inflation ↑)	Quad 1 (GDP ↑, Inflation ↓)	Quad 1 (GDP ↑, Inflation ↓)
United States	Quad 4 (GDP ↓, Inflation ↓)	Quad 2 (GDP ↑, Inflation ↑)	Quad 4 (GDP ↓, Inflation ↓)

Source: Hedgeye Risk Management, August 2026

Markets were mixed last week, with SPY essentially flat and QQQ up modestly while small caps went nowhere. The TSX held in near its highs, roughly flat on the week and still up double digits year-to-date. Energy led on both sides of the border as WTI surged on escalating U.S.-Iran hostilities and continued disruption around the Strait of Hormuz. Gold pulled back as higher bond yields offset the geopolitical bid. The Bank of Canada held rates at 2.25% for a seventh straight meeting, acknowledging 3.3% annualized Q2 GDP growth but flagging upside inflation risks from tariffs and energy. Canada's August labour report provided a softer counterpoint as the economy shed 42,000 jobs, well below expectations for a gain. Though the unemployment rate was unchanged at 6.4% and wage growth decelerated sharply to 2.0% yoy.

The macro backdrop is increasingly defined by a tug-of-war between resilient growth data and energy-driven inflation pressures. In the US, August NFP printed 162,000 against a 55,000 consensus, a strong enough number to push market-implied odds of a September Fed hike to ~60%. Fed funds sit at 3.50-3.75% and the debate has shifted from how many more cuts to whether the next move is higher. That is a meaningful regime shift. Canada faces a similar tension as a strong Q2 GDP print and persistent energy costs argue against easing, but the soft August jobs report and decelerating wages suggest the economy is not overheating. New U.S. tariffs on Canadian goods took effect August 22 and Canada's dollar-for-dollar retaliatory tariffs on $28 billion in U.S. goods go live today, September 8. The added cost pressures from tariffs complicate the inflation picture for both central banks and create a direct headwind for margins across manufacturing and consumer-facing sectors.

This will be a data-heavy week. PPI lands Thursday and CPI on Friday and both will be scrutinized for any pass-through from elevated energy costs. Those prints are the last major inflation reads before the Fed's September meeting, which includes updated projections and the dot plot. With markets split roughly 60/40 in favour of a hike, the CPI number carries outsized importance for rates, equities, and the dollar. On the Canadian side, the tariff implementation will dominate the near-term narrative. Oil remains the swing factor as WTI above $90 keeps energy equities supported but raises the probability that both the Fed and the BoC are forced to maintain or tighten restrictive policy for longer, which is a headwind for duration and rate-sensitive equities.

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 (10.8%), Industrials (8.4%), Financials (7.9%), Energy (7.1%), and Health Care (5.1%). I've added our Top 10 Equity Holdings below for this week.

Top 10 Equity Holdings as of September 4, 2026

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

*EGIF Top 10 Equity Holdings exposure: 8.4%

The Exemplar Growth & Income Series FD was **-0.03%** last week and is **+12.10%** year to date.

Exemplar Global Growth & Income

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

Source: Hedgeye Risk Management, August 2026

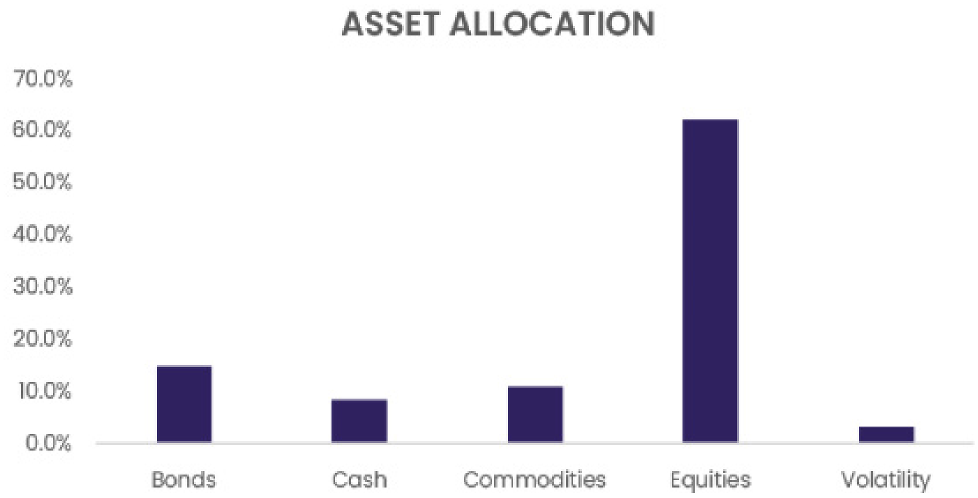
Equities closed the week essentially flat, with the S&P 500 edging up just 0.1% and the Nasdaq notching a second straight weekly gain. Energy led sector gainers as Brent crude surged toward $96/barrel (WTI above $91) on renewed U.S.-Iran tensions, while consumer discretionary, materials, and real estate lagged. The dominant macro story played out in rates: the 10-year Treasury yield touched its highest intraday level since November 2023 before settling near

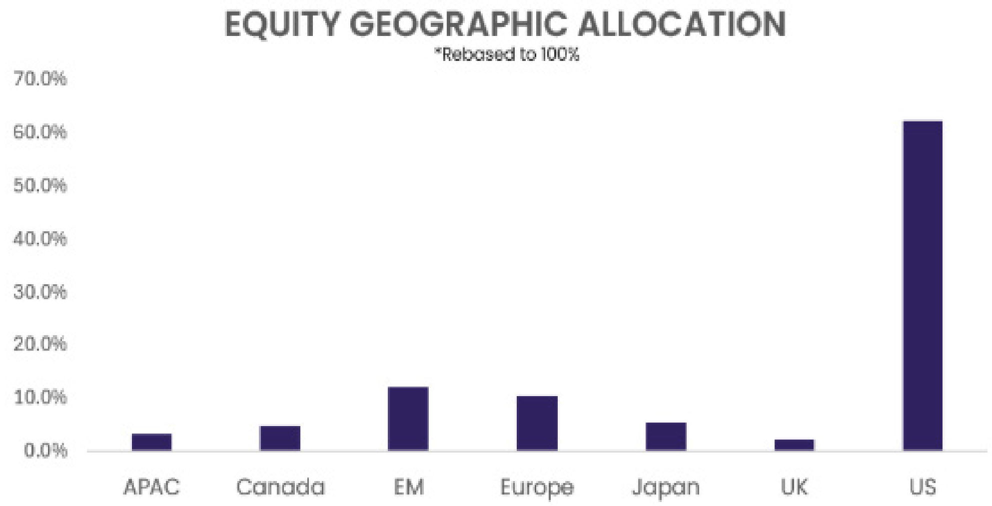
~4.78%, as Friday's blowout August jobs report (+162K vs. +55K expected, unemployment steady at 4.1%) pushed market-implied odds of a September Fed hike to roughly 58%, up from near 50% earlier in the week.

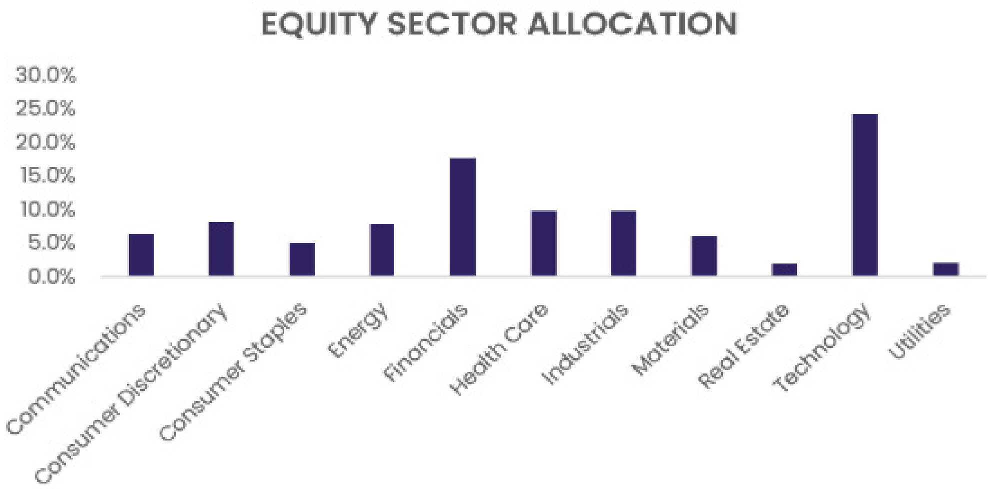
Last Friday saw the release of the NFP and the picture for U.S. employment remains quite robust. While of this may be explained by lingering World Cup influences, manufacturing and construction employment (very cyclical components) continue to improve and broaden. Employment income remains reasonable although real income growth (+3.1%) remains below headline CPI which continues to impact consumer confidence. The NFP did not line up with ADP numbers this month – again we find relying on employment data for forecasting is a mugs game given all the revisions and models used (birth/death). With the Warsh Jackson Hole comments, plus the NFP, the odds of a rate hike have risen but all eyes will be on the PPI/CPI releases later this week. We remain above consensus on CPI but our positioning in longer dated nominals and inflation linked bonds are likely not to be impacted much.

Globally, an ECB hiked is fully priced in this week. Our view is the ECB is once again using rates to try and counter a supply shock, a likely policy mistake in our view although further hikes are also priced in down the road. Elections in Germany over the weekend showed a marked improvement in AfD support (far right / pro-Russian). Euro/bunds/equities showed no reaction although we will continue to monitor this development along with those in France and Sweden (elections this coming weekend).

Exemplar Global Growth & Income Asset Allocation – September 4, 2026







Top 10 Equity Holdings as of September 4, 2026

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

*EGGIF Top 10 Equity Holdings exposure: 6.2%

The Exemplar Global Growth & Income Series FD was **-0.16%** last week and is **+8.56%** year to date.

Thanks,
Arrow Investment Team

Historical Performance – As of August 31, 2026

	1-Year	3-Year	5-Year	10-Year	ITD
EGIF - Series FD	21.40%	15.95%	6.88%	8.28%	8.21%
EGGIF – Series FD	14.13%	10.22%			4.71%

Published September 8, 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.