

ARROW CANADIAN ADVANTAGE ALTERNATIVE CLASS AUGUST 2021

The Arrow Canadian Advantage Fund was up +1.00% in August.

Tapering and the Delta Variant continued to be a focus, although the markets impressively grinded higher into these wall of worries. We continue to look for uncorrelated ideas with attractive risk/reward propositions. On that front, as we write this, we have been in the midst of a spectacular monthly rally in Uranium, as the emergence of Sprott's Physical Trust (U-U) is squeezing prices higher. We've liked the Uranium thesis for years, but timing has always been tricky with an opaque market like this. All that said, we are open minded to the idea that this could be the start of an epic bull market and are watching it closely.

By extension to this, we are also seeing a resurgence in other bombed out cyclical sectors that could be re-emerging after long periods of under-investment...ie gas, coal, steel. We do not think this is a co-incidence and we have and will look to add exposure as we see signals and fundamentals improve.

We also continue to find opportunities in the SPAC market, as solid fundamentals stories are being thrown out with the bath water. As these companies build a public track record and attract more attention from the buy/sell side, we believe they are poised to perform well. Two names we like that fit this bill are Vintage Wine Estates (VWE) and Holley (HLLY).

Thank you for your continued interest in the Fund. For further information, please contact your regional Arrow Capital Management representative.

Sincerely,

Jim McGovern

Portfolio Manager
Arrow Capital Management Inc.

Chung Kim

Portfolio Manager
Arrow Capital Management Inc.

Effective May 21, 2019, the fund was renamed Arrow Canadian Advantage Alternative Class.

Unless otherwise stipulated Arrow Canadian Advantage Alternative Class returns are net of all fees, in Canadian dollars, reflect series "F" shares and assume reinvestment of all distributions. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Except as otherwise noted the indicated rates of return are the historical annual compounded total returns including changes in share value and the reinvestment of all dividends or distributions and do not take into account the sales, redemption, distribution, or optional charges or income tax payable by the shareholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Portfolio holdings, including the Top Holdings are subject to change without notice.