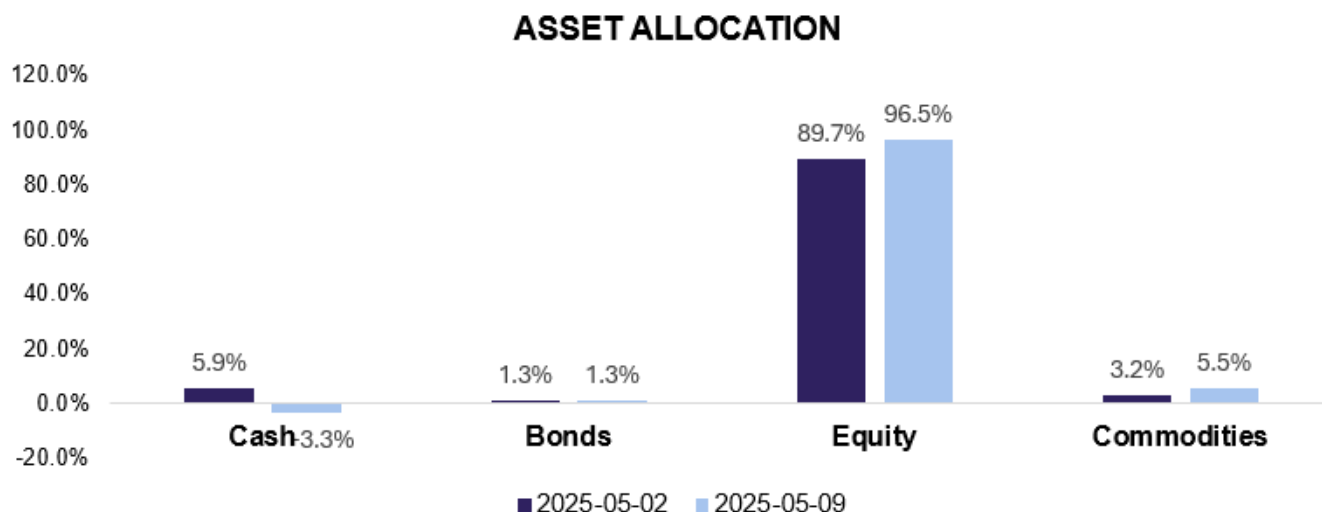


ARROW LONG/SHORT ALTERNATIVE FUND

commentary – Week ending May 9, 2025



Weekly performance, macro context, current positioning, and future expectations.

Performance

May 9, 2025

Arrow Long/Short Alternative Fund (Series F):

WTD 0.32%

MTD 0.89%

YTD -5.07%

S&P TSX Composite

WTD 1.08%

MTD 1.85%

YTD 3.11%

S&P 500:

WTD -0.38%

MTD 1.74%

YTD -3.29%

Fund Commentary

Last week the market inched lower, despite a UK trade deal early in the week and optimism about China tariffs being cut. Over the course of the weekend, the US and China agreed to lower tariffs for a 90 day period with the US cutting the 145% tariff to just 30%, while China's 125% retaliatory tariff is reduced to 10%. As of this writing, US markets are up 2-4%, as the rollback came in much better than expected.

With today's move, we are approaching key technical levels, and the risk/reward to add risk from here is unattractive. Similar to the narrative that we were at "peak tariff risk" a few weeks ago, we could be near "peak tariff walkback" this week. With the whipsawing back and forth, it's easy to lose sight of the bigger picture, which for us is the risk of higher inflation and slower growth over the balance of the year. Moreover, we believe a higher risk premium should be placed on US assets going forward, putting risk on already elevated market multiples. In short, we are not buyers of this rally, and will continue to look for opportunities to get defensive.

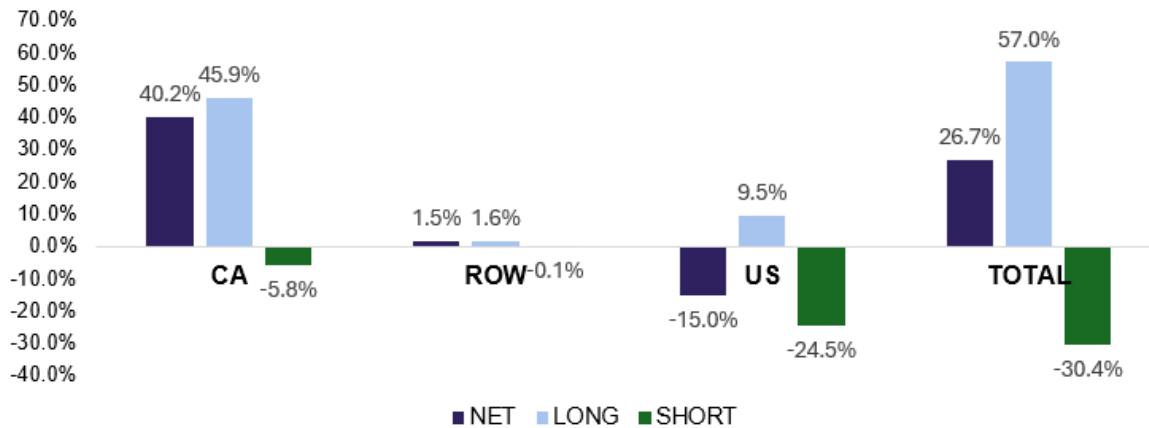
Last week, the FOMC delivered no surprises. Rates were held steady and Powell reiterated the committee's data dependent stance, outlining economic risks to both inflation and the labour market. With the tariff relief over the weekend, we'd look for yields to creep higher, and expectations of rate cuts to be pulled back. Notably, the 10 year yield is now back near levels prior to Trump's initial walk back of trade rhetoric on April 9. Volatility in the treasury market seemed to be the straw that broke the camel's back, and this will be important to watch going forward as a potential "risk off" signal.

We also concluded a busy week of earnings for our portfolio, with many of our companies reporting solid quarters including a newer addition, RBA. RBA operates an auction marketplace in both Canada and USA, has counter-cyclical qualities, a strong moat, and just purchased a US competitor for an attractive price. We believe earnings have upside due to potential for share gains, acquisition synergies, and a supportive macro environment for their line of business. The company beat their quarterly estimates and announced new contract wins which represented market share gains. We continue to like the set up here.

This upcoming week will feature the first look at April inflation, with both CPI and PPI scheduled to be reported.

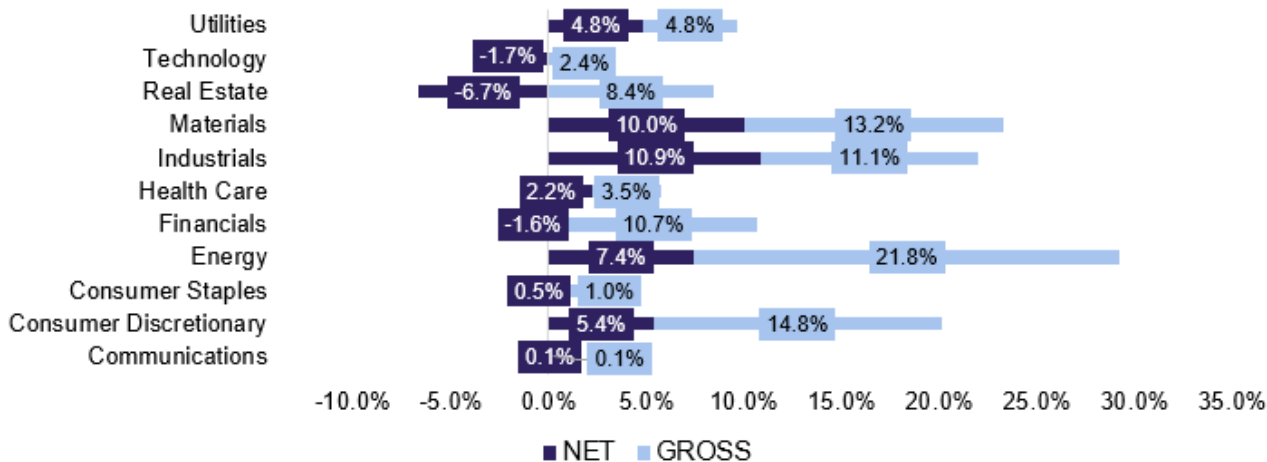
Equity Allocation (% Total Portfolio including Futures)

EQUITY REGION BREAKDOWN



Sector Exposures (% Long / Short Portfolio of individual companies)

EQUITY LONG/SHORT EXPOSURE



We look forward to reporting back next week.

Thanks,
Arrow Investment Team

Historical Performance – As of April 30, 2025

	1-Year	3-Year	5-Year	10-Year
ALSAF - Series F	1.13%	0.75%	9.98%	8.88%

Published May 12, 2025

Effective June 25, 2024 Arrow Long/Short Alternative Class was merged into Arrow Long/Short Alternative Fund as part of the corporate class fund merger. Effective June 15, 2023, the Fund was renamed Arrow Long/Short Alternative Class (formerly Arrow Canadian Advantage Alternative Class).

Commissions, trailing commissions, management and performance fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compound total returns net of fees and expenses payable by the fund (except for figures of one year or less, which are simple total returns) including changes in security value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

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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The comparison presented is intended to illustrate the historical performance of the Fund as compared with the historical performance of a widely quoted market index or a weighted blend of widely quoted market indices or other investments. There are various important differences that may exist between the Fund and the stated indices or other investments that may affect the performance of each. The objectives and strategies of the Fund result in holdings that do not necessarily reflect the constituents of and their weights within the comparable indices. Indexes are unmanaged and their returns do not include any sales charges or fees. It is not possible to invest directly in market indices. Certain statements contained in this communication are based in whole or in part on information provided by third parties and Arrow Capital Management has taken reasonable steps to ensure their accuracy. Market conditions may change which may impact the information contained in this document.

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