The Fund was -4.23% for the month vs -6.43% for the SPX and -8.71% for the S&P/TSX. For the first 6 months of the year, the Fund is +0.76% vs -18.26% for the SPX and -9.87% for the S&P/TSX.

June was once again an historic month in the markets, with continued inflation/recession fears driving volatility and further losses.

As a reminder of our views coming into the month, we've been long stocks that benefit from inflation (commodities) and short those that are hurt by inflation (Tech/consumer). Within this framework, our biggest concern was the risk of a recession in which few risk assets would be safe. Although this recession risk has been growing through the year, we did not have this as our base case, and if it came it would be 2023 at the earliest. However, with the recent inflation updates coming in hotter than expected, we believe the FED will continue to be hawkish and our base case is starting to shift to assuming a recession is inevitable, and possibly earlier. As well, we saw Oil and Copper fall precipitously this month…ominous market signals.

Despite the fall in markets year to date and broad talk of potential recession risks, we do not believe the market has fully priced in this scenario and the risk/reward continues to be unfavorable for equities.

Although every recession is different, on average, earnings fall ~20% from the peak. Amazingly, forecasters are still assuming EPS growth next year…this needs to come down. In recessionary times, market multiples will erode to ~15x on average. Using some simple math, these assumptions would infer potential downside risk of S&P500 earnings to 200 (from 240 this year), and a target of 3,000 on a 15x multiple. This implies ~20% more downside from current levels, and a peak to trough drawdown of ~40%.

From a timing standpoint, markets tend to bottom ~6 months prior to the end of a recession and co-incident with the bottoming of leading economic indicators. We may be a year away from this.

So how are we positioned? We've continued to reduce our exposures, both gross and net. We've been covering our shorts to protect against a potential bear market rally and also reduced our longs as recessionary risks are starting to hit all risk assets.

Our job is to continually assess the risk/reward of financial markets. In 2020/21, we believed the proposition was in our favour to move up the risk curve and meaningfully participate in markets…the Fund benefited nicely. But for the foreseeable future, we believe risk mitigation and capital preservation will be more important and we are being patient in looking for further attractive risk/reward opportunities.

As always, happy to provide more detail on our thoughts, and welcome any feedback.

Sincerely,

Chung Kim
Portfolio Manager
Arrow Capital Management Inc.

Historical Performance	1 yr	2 yr	ITD
Arrow Global Opportunities Alt Class Series F	1.72	41.11	41.11

Returns as of June 30, 2022

Arrow Global Opportunities Alternative Class (the "Fund") inception date is June 30, 2020.

Prior to September 30, 2021, the Fund was named Arrow Global Opportunities Class ("AGOC"). The Fund distributed to investors on a prospectus-exempt basis in accordance with National Instrument 45-106 and was not a reporting issuer between June 30, 2020 and January 10, 2022. The expenses of AGOC would have been higher during such period had the Fund been subject to the additional regulatory requirements applicable to a reporting issuer. Financial statements of AGOC are posted on Arrow's website and are available to investors upon request

Exemptive relief was granted by the Ontario Securities Commission on November 21, 2021 to permit the Fund to use performance prior to the Fund becoming a reporting issuer.

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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Certain statements in this document are forward-looking. Forward-looking statements ("FLS") are statements that are predictive in nature, depend upon or refer to future events or conditions, or that include words such as "may," "will," "should," "could," "expect," "anticipate," "intend," "plan," "believe," or "estimate," or other similar expressions. Statements that look forward in time or include anything other than historical information are subject to risks and uncertainties, and actual results, actions or events could differ materially from those set forth in the FLS. FLS are not guarantees of future performance and are by their nature based on numerous assumptions. Although the FLS contained herein are based upon what Arrow Capital Management and the portfolio manager believe to be reasonable assumptions, neither Arrow Capital Management nor the portfolio manager can assure that actual results will be consistent with these FLS. The reader is cautioned to consider the FLS carefully and not to place undue reliance on FLS. Unless required by applicable law, it is not undertaken, and specifically disclaimed that there is any intention or obligation to update or revise FLS, whether as a result of new information, future events or otherwise.

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.

More information about the Fund can be found on our website www.arrow-capital.com. Published July 2022.