

The Fund was -0.88% for the month of July vs 9.11% for the S&P500 and 4.66% for the TSX.

Markets rallied hard off oversold levels, in the face of continued elevated inflation readings. As we write this, the US markets have bounced ~13% off the June lows. We believe this is a bear market rally, driven by extreme positioning and a low liquid market. Looking back at other bear markets, violent rallies such as these were not uncommon, and ultimately it served you well to tactically sell these moves. In the GFC, 2 rallies of ~20% occurred and 3 such occurrences during the Tech Bubble before ultimately falling ~50% from the peak. Today's rally is being fueled by the narratives of peak inflation, peak hawkishness, and soft landing. Although we may have seen the absolute peak in year over year inflation readings, we believe the market is underestimating the potential stickiness of inflation, and hence ultimate recession risks.

There has also been a growing narrative that the Fed pivoted dovish at their last meeting. We would disagree, and if anything Chair Powell reiterated his resolve in doing what it takes to lower inflation, and it would require a series of convincing readings....as he stated on the call:

“ultimately, we’re not going to declare victory until we see a series of these, really see convincing evidence, compelling evidence, that inflation is coming down. ...frankly, we saw last year—inflation came down over the course of the summer and then turned right around and went back up. So I think we’re going to be careful about declaring victory.”

Taking this at face value, this implies it is premature to call for a Fed pivot, and the current market expectations that a Fed cut could come as early as Q1/23 are misguided in our view. If anything, the robust jobs number reported in early August provides the Fed more impetus and cover to be more hawkish than current expectations. There are 2 more CPI readings as well as Jackson Hole coming up prior to the Fed's next meeting in September, so we will have more signals and data to work with over the next few weeks.

Despite extensive talk of a recession, we believe the market has not fully factored this in, as earnings estimates remain near historic highs. We believe there is still significant downside risk to equity markets, as we have yet to see the economic impacts of the current tightening policy flow through. There appears to be a false sense of security building in the markets as Q2 earnings are coming in 'better than feared'...we however believe the worst is yet to come.

All this to say, we continue to believe capital preservation is of paramount importance and our portfolio positioning is reflective of our cautious views.

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	4.6	35.2	38.59

Returns as of July 31, 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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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 August 2022.