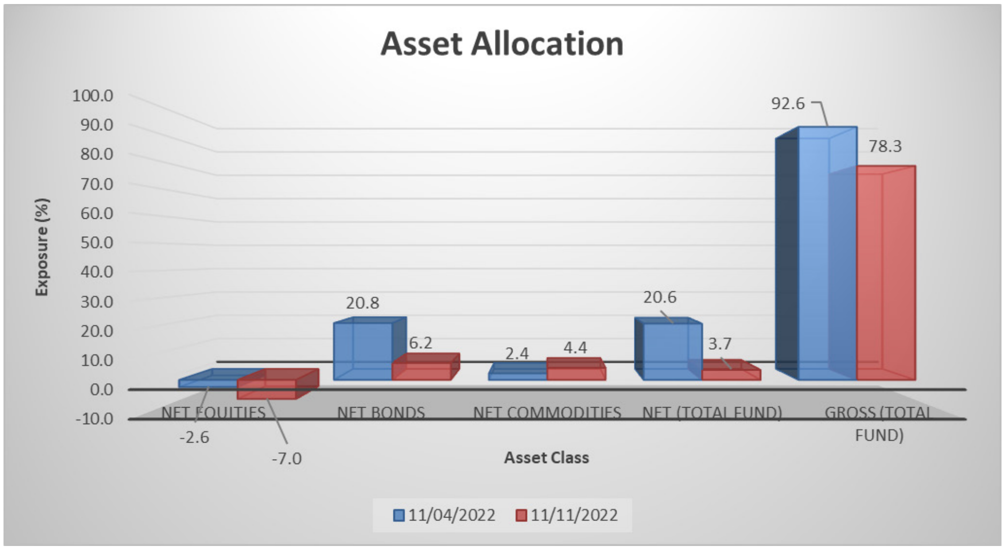


Monthly performance, macro context, current positioning and future expectations.

Performance
November 11th, 2022

Arrow Canadian Advantage Alternative Class (F Class):
WTD -2.05%
MTD -1.99%
YTD 1.05%

S&P TSX Composite:
WTD 3.40%
MTD 3.53%
YTD -5.24%

S&P 500:
WTD 5.90%
MTD 3.12%
YTD -16.22%

Fund Commentary

The Fund had a challenging week falling a little over 2%. The good news was that we have been running a very "light" balance sheet and can now look to add to our core positions at better prices.

The trigger for the huge rally on Thursday and Friday was the softer than expected core CPI release. MoM it came in at 0.27% and if you are bullish and annualize that one data point you can get pretty excited that the end of inflation is nigh! The market ran with that sort of narrative as the USD, defensive equities and bond yields across the curve fell dramatically. So is this the big pivot? Well the Fed Funds curve says we have 100 bps of hikes to come by the end of Q1, 2023. We would also point to the fact that this is one number – it can be "noisy". As we saw this past summer when the core CPI came in lighter than expected and markets ripped only to have the rug pulled with subsequent bigger prints (see chart below). So will this be a repeat? We think there is a decent probability that this will in fact be the case – we are still in the camp of 'higher for longer' but clearly the market is reassessing the timeline for hikes and cuts -ending in March and cutting to start in June!. We are sure the FED cannot be happy with the big easing in financial conditions as they feel the job is not done on inflation. To be sure, the reaction on Thursday and Friday was more

QUAD 1 than QUAD 4. In terms of asset allocation, if we are going to add risk it will likely be in 5yr. UST's – they should do best if the FED is sincere in pushing inflation down to the 2% range or if in fact the FED was to cancel the QT program in a worst case scenario. The USD was clobbered with the DXY down to support at the 107 level. We have reduced FX positions generally as the risk-rewards look better in other asset classes like bonds.

Finally, the FTX scandal is worth a note. Our view is this is another example of the tide going out and SBF was found to be naked (and likely negligent and possibly fraudulent). We reviewed all the different feeds and as always after the fact is was sooo obvious! Smart people and institutions not really doing enough due diligence while those that did share the "horror" stories of what they saw that prevented them from investing. These situations are all the same throughout history. As for the impact on markets, it is not likely to be systemic but who knows – the quantum of net liabilities could be anywhere from $10 bn to $50 bn but nobody is really sure yet. On the bright side perhaps we finally get some regulation which would help restore confidence – in particular the knock on fallout in bitcoin (which is not sh*t coin) may provide some opportunities for us to consider adding it more formally to our asset allocation.

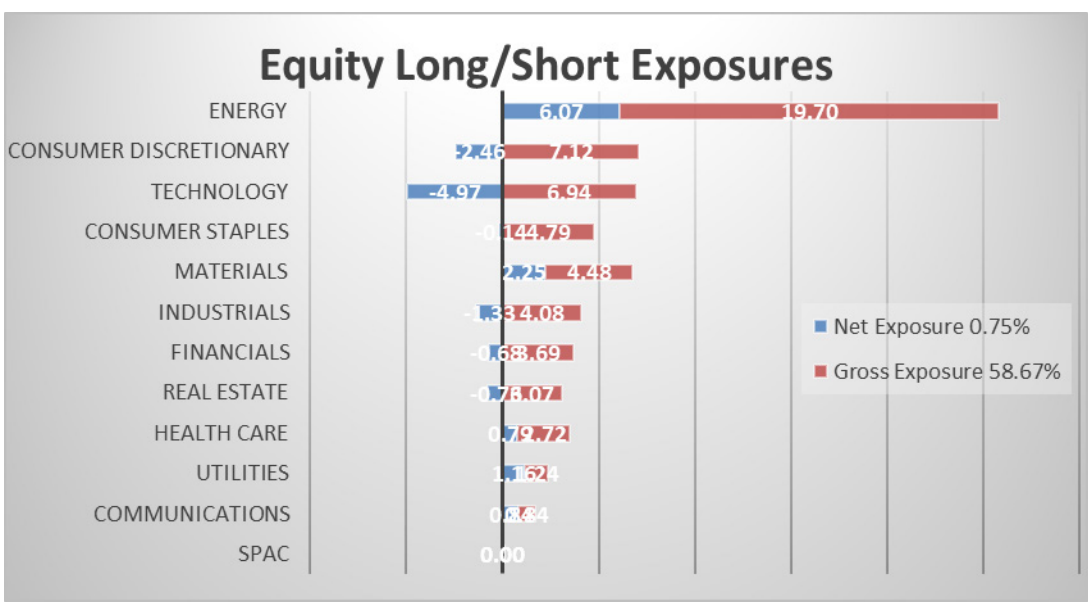
The coming week we will get PPI, retail sales, TIC data and housing data in the US. In Canada will get October CPI and the Teranet/NBF HPI.

Geographic Equity Exposures (% Total Portfolio including Futures)

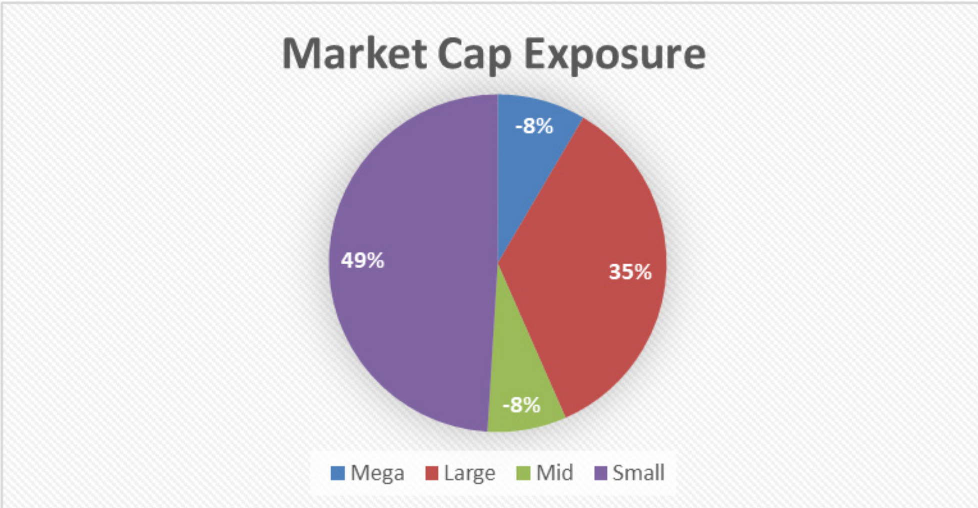
ASSET ALLOCATION	NET	GROSS	LONG	SHORT
US	-8.1	34.7	13.3	-21.4
Canada	1.1	31.4	16.2	-15.1
Rest of World	0.1	1.8	1.0	-0.9
Equities Total	**-7.0**	**67.9**	**30.5**	**-37.4**
Bonds	6.2	6.7	6.4	-0.2
Commodities	4.4	4.4	4.4	0.0
Total	**3.7**	**79.0**	**41.3**	**-37.7**

Net equity exposure was reduced from -2.6% to -7.0%.
Canada net exposure was reduced by 1.1%.
US net exposure was reduced from -5% to -8.1%.
Rest of World net exposure was reduced by 0.1%.
Net bond exposure was reduced by 14.6%.
Net commodity exposure was increased by 2%.
Total fund gross exposure was reduced by 13.6%. Total fund net exposure was reduced by 16.9%.

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



Market Cap Breakdown



FX Exposures:

FX EXPOSURE	%
CAD	70.8
USD	31.0
Other	-1.8
DXY	0.0
Total Fund	100.0%

As a reminder, we view foreign exchange as active "bets" that are used to either generate alpha or act as a hedge to the overall portfolio. The Fund's reference currency (except for the USD class) is the Canadian dollar so any exposures other 100% Canadian dollars are considered "active" positions.

CAD was increased by 2.3%. USD was reduced by 1.4%.

We look forward to reporting back next week.

Thanks,

Arrow Investment Team

Historical Performance – As of October 31, 2022

	1-Year	3-Year	5-Year	10-Year
ACAA - Series F	3.62%	16.46%	11.14%	10.43%

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.