

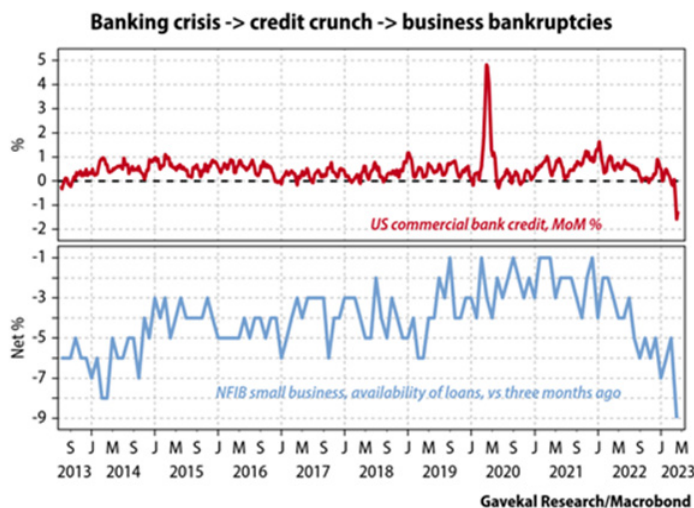
The Fund was 0.29% in April and is -0.81% YTD. We remain defensively positioned and our conviction of a recession has grown given the turmoil in US regional banks. Our exposures remain very low, and at the margin, we have added to Gold and reduced our Energy weightings. We remain net short Consumer, Industrials, Financials, and Technology.

An update of our market views:

- o High likelihood of recession - higher conviction given banking crisis
- o leading indicators continue to roll
- o market breadth is narrow
- o consumer is starting to show weakness
- o earnings estimates remain too high

A CREDIT CRUNCH COULD BE DEVELOPING

In our view, the failure of SVB and other regional banks have increased the likelihood of a recession. Specifically, the regional bank failures have shined a light on the fragility of the group, as they are at a structural disadvantage vs the larger strategically important financial institutions (SIFIs). In order to stay competitive, the smaller banks will have to raise deposit rates, eroding margins, and ultimately the multiple investors will be willing to pay for the stocks. A likely symptom will be a broad credit tightening, of which we may be starting to see the early signs. As seen in the below chart, credit availability has abruptly slowed and we don't believe this will abate anytime soon.



A recent WSJ article (link below) also speaks to this, taking snippets from a sobering interview with ex Dallas Fed president Robert Kaplan about the potential path of the current regional bank crisis. A couple of notable quotes:

“the problem is that more bank executives realize they may faces losses down the road on riskier commercial real-estate loans and commercial and industrial longs for which they haven’t set aside enough of a cushion”

“the current bank crisis is in the second or third inning, not the seventh inning”

“I’m afraid we’ve got something coming that we don’t fully understand”

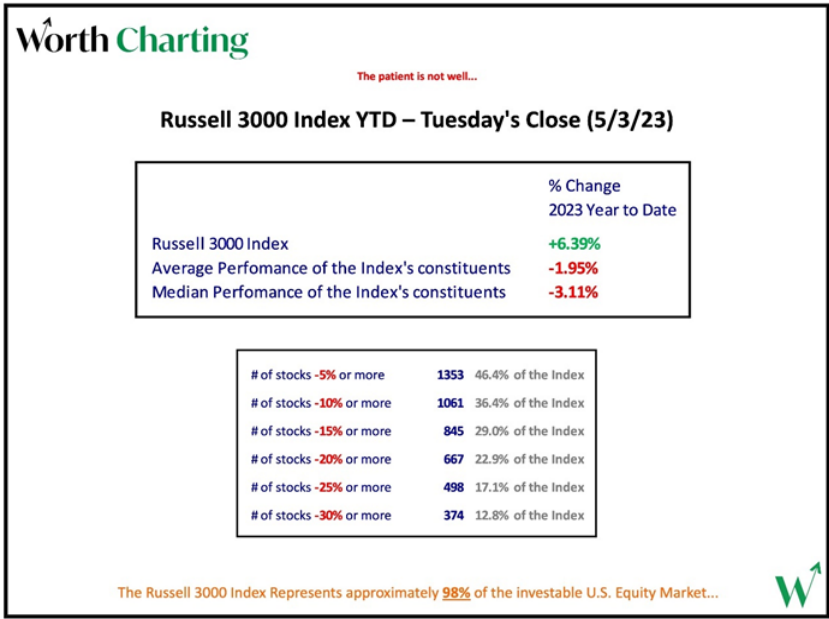
Robert Kaplan – ex Dallas Fed president interview – April 13, 2023

[Watch the interview on YouTube here.](#)

[Why the Banking Mess Isn’t Over - The Wall Street Journal](#)

Q1 EARNINGS SEASON AND BREADTH

We've long held the belief that earnings estimates are too high, and their eventual deterioration will coincide with lower equity prices. That said, we have yet to see this play out, as a tight labour market and excess savings continue to buoy the economy. It appears this earnings season is setting up similar to recent ones, as numbers come in 'better than feared' and spark a short term relief rally. Despite this, there are worrying signs, with multiple companies calling out a sharp drop in activity in March, after a strong Jan/Feb...see CDW, UPS. Market signals are supporting this weakness, as market breadth is awful...ie the Russell 3000 which represents 98% of the investable US universe is up 6%+ YTD, yet the average performance of each stock is -2%. This is not what a healthy market looks like.



Thank you for your continued interest in the Fund.

Sincerely,

Chung Kim
Portfolio Manager
Arrow Capital Management Inc.

Historical Performance	1 yr	3 yr	5 yr	ITD
Exemplar Performance Fund Ser F	-9.42	10.14	7.47	7.57

Returns as of April 30, 2023

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 Exemplar Performance Fund (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 May 2023.