rate

ARROW **ec income** ADVANTAGE ALTERNATIVE ETF

Arrow Capital Management Inc.

OVERVIEW | As of 2024-03-31

The Fund is a long/short credit strategy that seeks to generate attractive risk-adjusted returns with low correlation to interest rates and a focus on capital preservation. The actively managed portfolio is predominately comprised of high quality corporate bonds from issuers in Canada and the United States. The Fund has low duration thereby protecting investors from capital losses due to rising interest rates.

1. High Credit Quality Fixed Income
2. Low Duration
3. Enhanced Yield

Portfolio Management Team

Mike MacBain

Alim Harji, CFA

Risk Rating

Portfolio Details

Ticker	RATE
Portfolio Assets (millions)	$ 586
NAV (Mo-End)	20.82
Series ETF Management Fee	0.95%
Inception Date	June 15, 2021
Monthly Distribution (¢)*	8.1¢
Monthly Distribution (%)*	4-5%

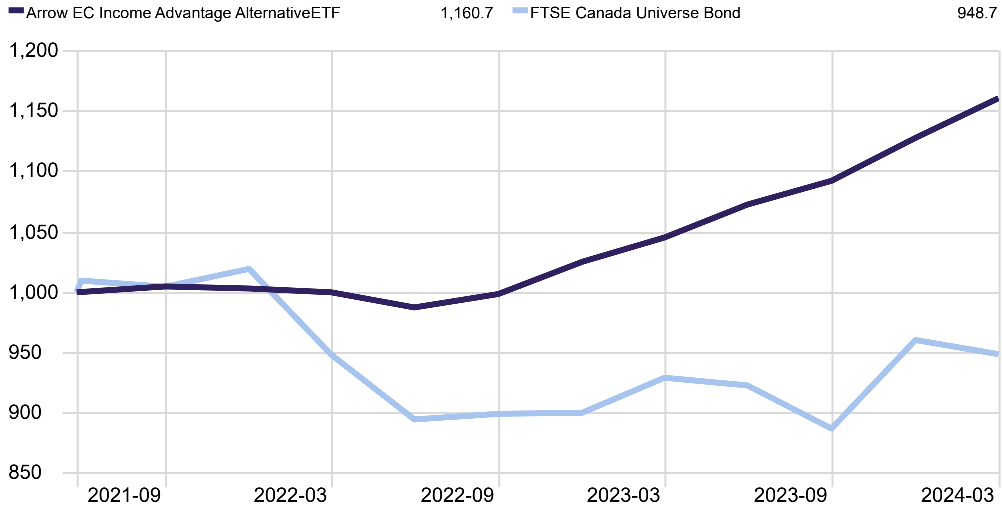
Correlations: Adding Fund to Portfolio Improves Diversification

FTSE TMX Universe	0.32
FTSE TMX Corporate	0.44

As of March 31, 2024

Investment Growth

Time Period: 2021-06-25 to 2024-03-31



ETF Solution Benefits

Average Credit Quality	Duration	Current Portfolio Yield
A-	0.33	6.43%

As of March 31, 2024

Trailing Returns

	1 mo	3 mo	6 mo	YTD	1 yr	ITD
Arrow EC Income Advantage AlternativeETF	0.33	2.92	6.26	2.92	11.04	5.56
FTSE Canada Universe Bond	0.49	-1.22	6.94	-1.22	2.10	-2.24

Performance Statistics

Time Period: 2021-07-01 to 2024-03-31

	Fund Series ETF	FTSE Canada Universe Bond
Cumulative Return	16.05	-6.04
Annualized Return	5.56	-2.24
Std Dev	2.58	7.30
Alpha	3.11	0.00
Beta	0.10	1.00
Correlation	0.32	1.00
Up Capture Ratio	35.30	100.00
Down Capture Ratio	-19.80	100.00
Max Drawdown	-1.74	-13.03
Sharpe Ratio	1.14	-0.67
Sortino Ratio	2.13	-0.88

Note: This page is not complete without disclaimers on the last page.

Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2024	1.38	1.19	0.33										2.92
2023	2.01	1.03	-1.07	1.35	0.56	0.68	0.84	0.46	0.53	0.17	1.50	1.55	10.01
2022	-0.16	-0.65	0.50	-0.99	-0.28	0.01	0.63	0.81	-0.31	0.11	1.56	0.99	2.21
2021							0.20	0.07	0.18	-0.13	-0.02	-0.03	

Rating Exposure

As of March 31, 2024

High Yield	-0.7%
Investment Grade	100.7%
AAA	4.0%
AA	3.7%
A	42.8%
BBB	52.8%
CDXIG	-2.6%
BB	-0.2%
<BB	-0.5%

Geographic Exposure

As of March 31, 2024

Canada	84.2%
U.S.	13.3%
Other	2.5%

Portfolio Snapshot

As of March 31, 2024

Sector Group	%
Banks	48.8%
Pipelines	13.2%
Insurance	7.1%
Telecommunications	6.8%
Auto Manufacturers	5.0%
Diversified Finan Serv	3.8%
REITS	1.8%
Beverages	0.0%
Other	13.5%

The Series ETF Units of the Arrow EC Income Advantage Alternative Fund were launced on June 15, 2021 and are listed on the TSX with the ticker "RATE". On June 26, 2020, the East Coast Investment Grade Income Fund (TSX: ECF.UN) was converted from a closed end fund into an open-end alternative mutual fund, renamed Arrow EC Income Advantage Alternative Fund and delisted from the TSX. Details of the conversion are outlined in the information circular which is available at www.sedar.com. Unitholders of Fund had their units redesignated as Series FD Units.

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 compounded 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 dividends/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 current portfolio yield represents the expected annual portfolio return and comprises the weighted average yield to convention of each of the portfolio's holdings, less the aggregate cost of funding.

The risk level of a fund has been determined in accordance with a standardized risk classification methodology in National Instrument 81-102, that is based on the fund's historical volatility as measured by the 10-year standard deviation of the fund's returns. Where a fund has offered securities to the public for less than 10 years, the standardized methodology requires that the standard deviation of a reference mutual fund or index that reasonably approximates the fund's standard deviation be used to determine the fund's risk rating. Please note that historical performance may not be indicative of future returns and a fund's historical volatility may not be indicative of future volatility.

Portfolio holdings and sectors will fluctuate over the life of the mutual fund as the portfolio holdings and market value of each security changes. The portfolio manager(s) may change the portfolio allocations in some or all of the sectors.

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. The “Investment Growth” chart shows the final value of a hypothetical $1,000 investment in securities in this series of the fund as at the end of the investment period indicated and is not intended to reflect future values or returns on investment in such securities. 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. There are various important differences that may exist between the fund and the stated indices 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.

More information about the fund can be found on our website www.arrow-capital.com. Published April 2024.