

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

Performance

February 29, 2024

Arrow Long/Short Alternative Class (F Class):

MTD 0.09%

YTD 1.85%

S&P TSX Composite

MTD 1.63%

YTD 1.93%

S&P 500:

MTD 5.17%

YTD 6.84%

Fund Commentary

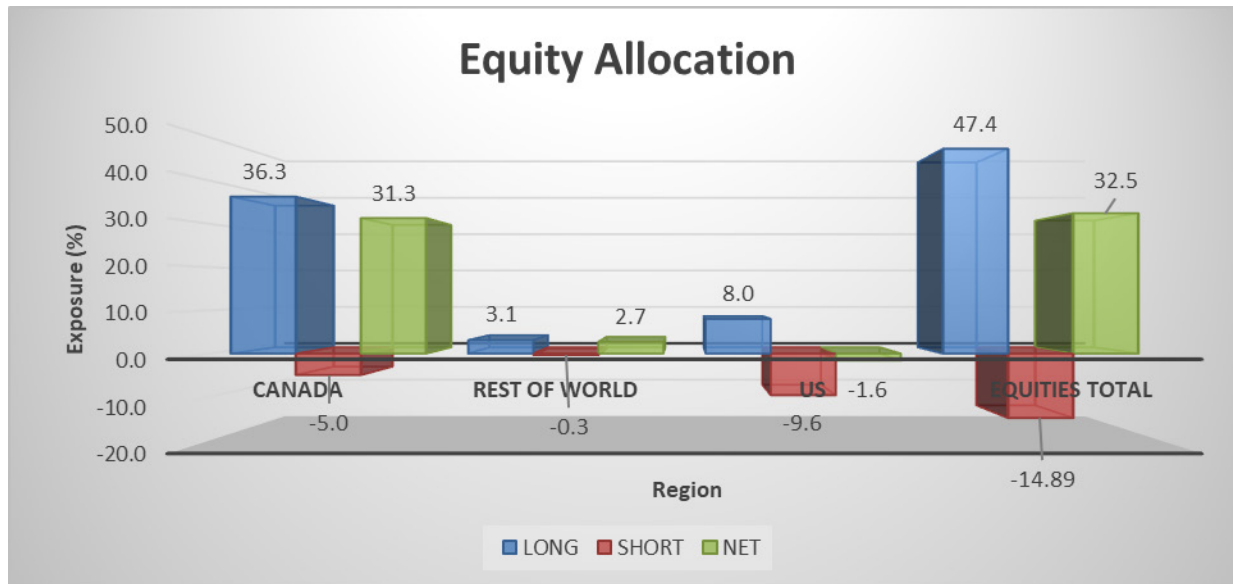
New all-time highs for the S&P and NDX were reached last week after the market digested an in-line PCE print on Thursday and surprisingly weak ISM manufacturing data, which led to a rally in bonds on Friday. The composition of the ISM report was weak, with decreases in the new orders, production, and employment components. Some weakness can be explained by seasonality, but not all of it. Optimism around global growth continues to be the backbone for risk, and this is one of the few data points year-to-date that supports a weaker economic outlook. Despite this, breadth continued to widen in the market as small caps closed the week up 3%, marking their best week so far this year.

Oil was +5% for the week, and Energy positioning remains light, with Goldman's PB L/S ratio in the sector hitting new 5-year lows. We are approaching \$80 WTI compared to ~\$76 for consensus expectations for the year. If we see continued momentum, positive earnings revisions may come in H2, potentially exacerbating price moves with positioning unwinds. We continue to believe Energy offers a solid risk-reward profile while also serving as an inflation hedge for the portfolio. Gold is also catching investors' attention, up 2% w/w and quietly approaching new highs. Gold equities have significantly lagged, with GDXJ down ~15% YTD vs GLD flattish. It's possible this signals a short term top in rates/USD, in which case, we'd look for Gold stocks to catch up.

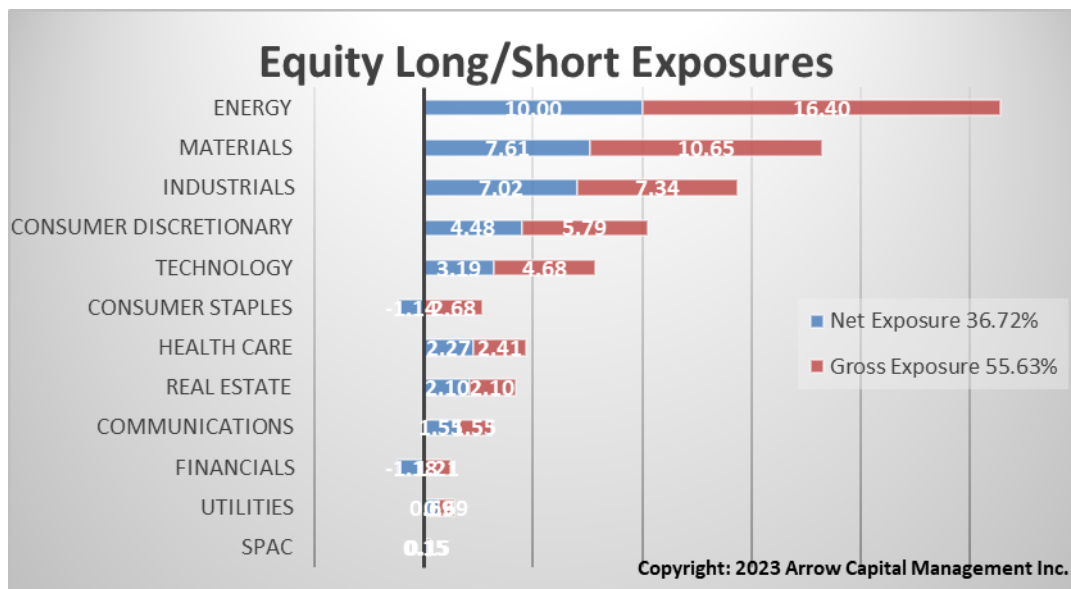
The Fund benefited from strength in Engineering and Construction names (ATRL/WSP) on the back of earnings. End market strength across both the US and Canada led to beats and raises. We continue to believe the infrastructure theme has legs as fiscal funding is only just beginning to flow into end markets. ATRL is our favorite name given the valuation and re-rating potential.

This week is information-heavy, including the US Services ISM on Tuesday, US JOLTs, Powell House Testimony on Wednesday, and NFP on Friday. A number of our core holdings will also be reporting this week.

Equity Allocation (% Total Portfolio including Futures)



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



We look forward to reporting back next week.

Thanks,
Arrow Investment Team

Historical Performance – As of February 29, 2024

	1-Year	3-Year	5-Year	10-Year
ALSAC - Series F	1.57%	2.73%	10.45%	7.58%

Published March 4, 2024

Effective June 15, the Fund was renamed Arrow Long/Short Alternative Class (formerly Arrow Canadian Advantage Alternative Class).

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.