

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

### Performance

March 15, 2024

#### Arrow Long/Short Alternative Class (F Class):

WTD 0.12%

MTD 0.84%

YTD 2.70%

#### S&P TSX Composite

WTD 0.51%

MTD 2.27%

YTD 4.25%

#### S&P 500:

WTD -0.13%

MTD 0.41%

YTD 7.28%

### Fund Commentary

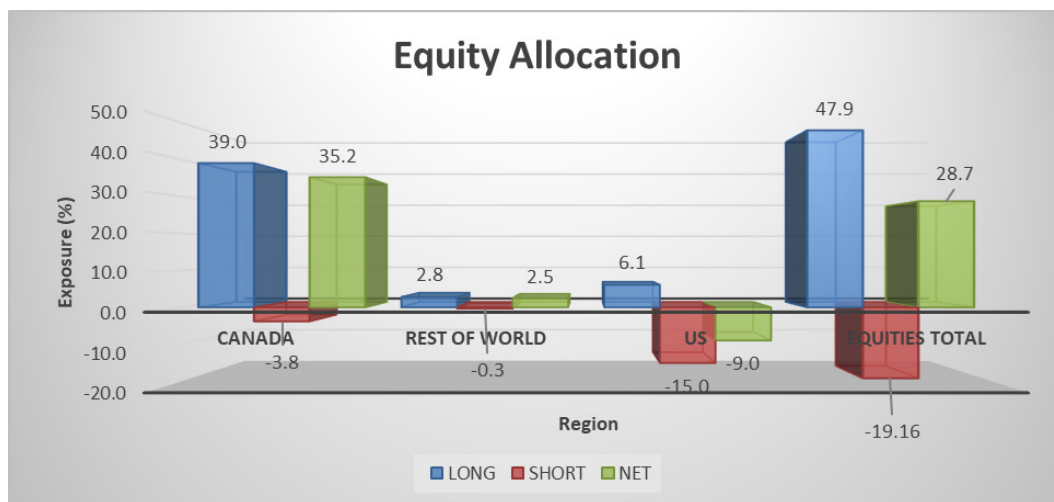
Last week, economic data supported the idea of stagflation, as core retail sales were weak and key inflation gauges exhibited unexpected strength. Retail sales fell 0.4% below consensus expectations, while headline spending also showed weaker growth than anticipated. Both CPI and PPI came in hotter than expected, notably PPI on Thursday. We do worry that risk of stagflation is being underpriced in markets.

Rhyming with the inflationary theme, cyclical commodities traded well. Oil was up approximately 4% last week on a report from the IEA upgrading their global demand forecasts for the year while simultaneously indicating a potential supply deficit for the commodity. Copper also broke out, rising ~4% last week. This rhymes with a potential bottoming in China, which closed up 2.5% w/w. Our largest sector weights are Energy, Materials, and Industrials, so the Fund should benefit if this recent trend continues (which we are cautiously optimistic on).

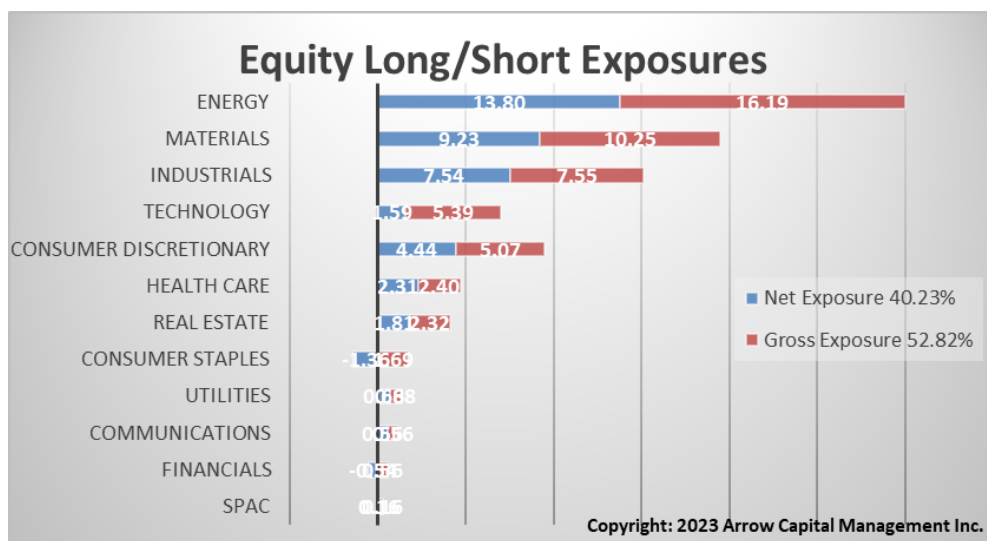
The biggest event this week will be the FOMC meeting on Wednesday. Given recent relatively 'hot' inflation prints, the market seems to be front running the possibility of a walk back of dovish policy...the 10 year's move from 4.08% to 4.31% reflects this. Although this is a risk down the road, we'd be surprised if JPow says anything materially variant from recent rhetoric. However, as always the devil is in the details and interpretation.

We continue to find interesting bottom up, undervalued, idiosyncratic ideas. One such name is Mattr Corp (MATR) which used to be called Shawcor (SCL). With a new management team in place, the company has streamlined the business through asset sales, and refocused on higher potential opportunities. With this, the shareholder base has also turned over, providing an opportunity for new investors (like us) to come at it with fresh eyes. Now a less volatile business, with tailwinds from infrastructure spend, we see runway to grow 10-15% for the foreseeable future. Trading sub 5x EV/ EBITDA and a clean balance sheet, the stock is undervalued and only now getting on the radars of investors as they execute on their new strategy.

## 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 18, 2024

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

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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](http://www.arrow-capital.com).