



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

Performance

April 12, 2024

Arrow Global Multi-Asset Alternative Class (Series F):

WTD -0.48%

MTD -1.01%

YTD 2.52%

Global Market Summary

The Multi-Asset fund lost some ground last week. However, for comparison, SPX gave up over 150bps while bonds offered no safety, notwithstanding a mild recovery in prices on Friday, as the asset class retraced a similar amount to equities - both doing so on the back of stronger than expected US CPI. Further along the capital structure, small caps weakened even more, receding ~280bps on the week as the CPI-induced rates sell-off undermined the recent heavily sponsored risk broadening and rotation trade. Commodities, however, continued their recent momentum accompanied by strength in the USD which, perhaps importantly, produced a noticeable shift in their correlation.

This shift in USD-Commodities correlation occurred alongside a 10% rally in volatility (VIX) futures. We shared in our last weekly that we had observed signals in the volatility market that we considered as warning flags which, in turn, compelled us to reduce our “risk - on” exposures and to position for a rise in volatility. This contributed to our relative outperformance last week and helped to offset some of the returns we gave up in bonds where we had elected to retain a long bias through the CPI data, based on our research into the release and our tactical volatility view.

FX markets are increasingly offering meaningful macro signals. Monetary policy divergence is rearing its head because of further evidence that major economies are not all on the same path. Both the Bank of Canada and European Central Bank’s statements last week underscored this developing theme which we had already highlighted a few weeks ago as a likely Q2 occurrence. We can add the Bank of Japan and Swiss National Bank into this mix. Accordingly, we continue to allocate to FX structures that reflect this thesis. Finally, In the event we see markets reduce risk further and seek out safer assets, we view European government bonds as offering the best risk-reward especially when compared to their North American peers.

We look forward to reporting back next week.

Thanks,
Arrow Investment Team

Historical Performance – As of March 31, 2024

| | 1-Year | 3-Year | 5-Year | ITD |
|-------------------|--------|--------|--------|-------|
| AGMAAC - Series F | 3.48% | 1.05% | 3.54% | 3.06% |

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Effective June 15, the Fund was renamed Arrow Global Multi-Asset Alternative Class (formerly Arrow Global Advantage Alternative Class).

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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.