

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

Performance

April 12, 2024

Arrow Long/Short Alternative Class (F Class):

WTD -0.26%
MTD 0.76%
YTD 4.25%

S&P TSX Composite

WTD -1.64%
MTD -1.20%
YTD 4.49%

S&P 500:

WTD -1.56%
MTD -2.49%
YTD 7.41%

Fund Commentary

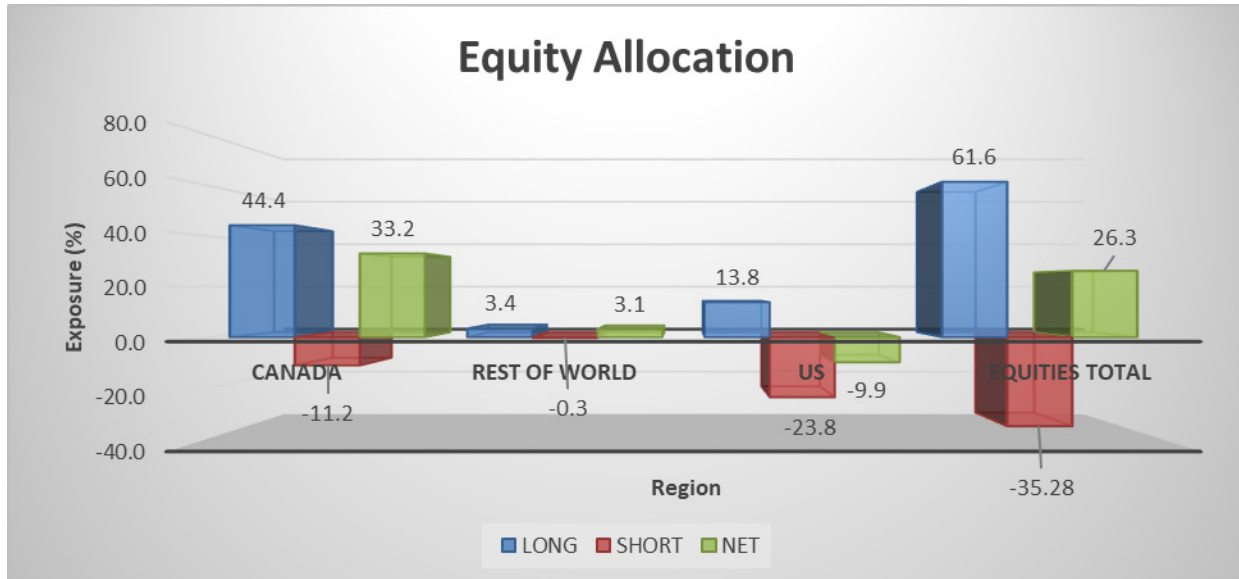
US equity market volatility has noticeably increased since the start of Q2 amid a confluence of factors, including heightened geopolitical tension and evidence of stickier inflation, leading to a repricing higher in rates. Core CPI was the focal point last week, printing hotter than expectations and making it tougher for the Fed to cut interest rates. Against this risk-off backdrop, the largest Tech stocks reasserted their dominance. The QQQ outperformed IWM by ~220bps last week.

The CPI print marked the third straight monthly 'beat' vs. expectations. The first two months were explained away by seasonal factors, but with another hot print, the market is increasingly pricing in a higher for longer scenario. We have written about this risk for the past few months and have positioned the portfolio accordingly. The market is starting to feel similar to Q1/22 when inflation linked sectors started to outperform. And with Middle East tensions increasing, there is risk for added volatility between sectors ala the Ukraine invasion. Last week, the market traded in a true risk-off manner,

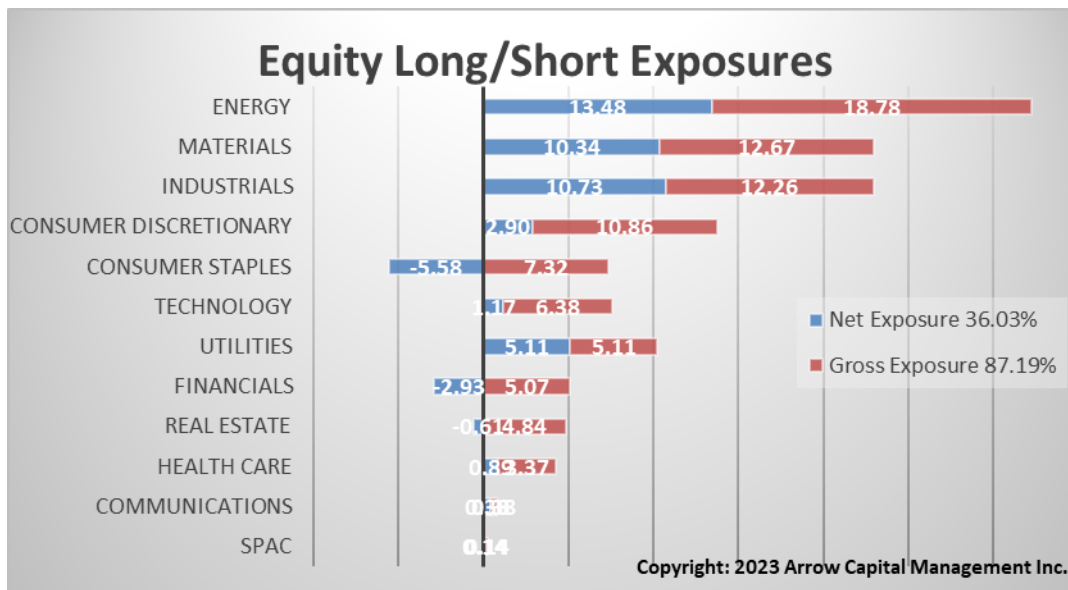
as strength in yields and the dollar led to equity market underperformance and a spike in equity volatility. All things considered, our portfolio held up well, down 26 bps.

Positioning wise, we trimmed some Energy given the recent run and will look to opportunistically add back exposure. We have also added shorts/hedges - specifically in areas that would underperform during a resurgence in inflation including restaurants, consumer staples, and financials.

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 March 31, 2024

	1-Year	3-Year	5-Year	10-Year
ALSAC - Series F	3.33%	3.28%	10.38%	7.52%

Published April 15, 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.