

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

Performance

June 7, 2024

Arrow Long/Short Alternative Class (F Class):

WTD 0.10%
 MTD 0.10%
 YTD 4.33%

S&P TSX Composite

WTD -1.18%
 MTD -1.18%
 YTD 5.00%

S&P 500:

WTD 1.32%
 MTD 1.32%
 YTD 12.10%

Fund Commentary

The US markets experienced a week of mixed performance. The SPX and NDX notched record highs midweek, driven again by large-cap tech stocks, particularly Nvidia. This strength in large-cap tech continued to narrow market breadth, with the equal-weighted SPX underperforming by 2%. Elsewhere, commodities broadly continued to consolidate on the back of USD strength, with a firm jobs print on Friday leading to a risk off day in cyclicals....good news continues to be bad news. In Canada, the BoC cut by 25 basis points, as expected. This doesn't really change much for us. We remain cautious on real estate as an asset class, and by extension the Canadian economy.

Overall, the Fund was up small for the week compared to -1% for the TSX. Notably, Secure (SES) had a nice move post completion of its Substantial Issuer Bid and Saputo (SAP) rallied on cautiously optimistic commentary off very poor sentiment. Our largest sector weightings remain Utilities, Energy, and Industrials. With the recent outperformance in Utilities, we believe the market is starting to catch up to our view, although we still like the upside potential from here.

Below is Piper Sandler’s bullish stance on the sector...we agree with much of their analysis.

5 Reasons Utilities Can Be The “Iron Man” Sector

AI Overview

Learn more

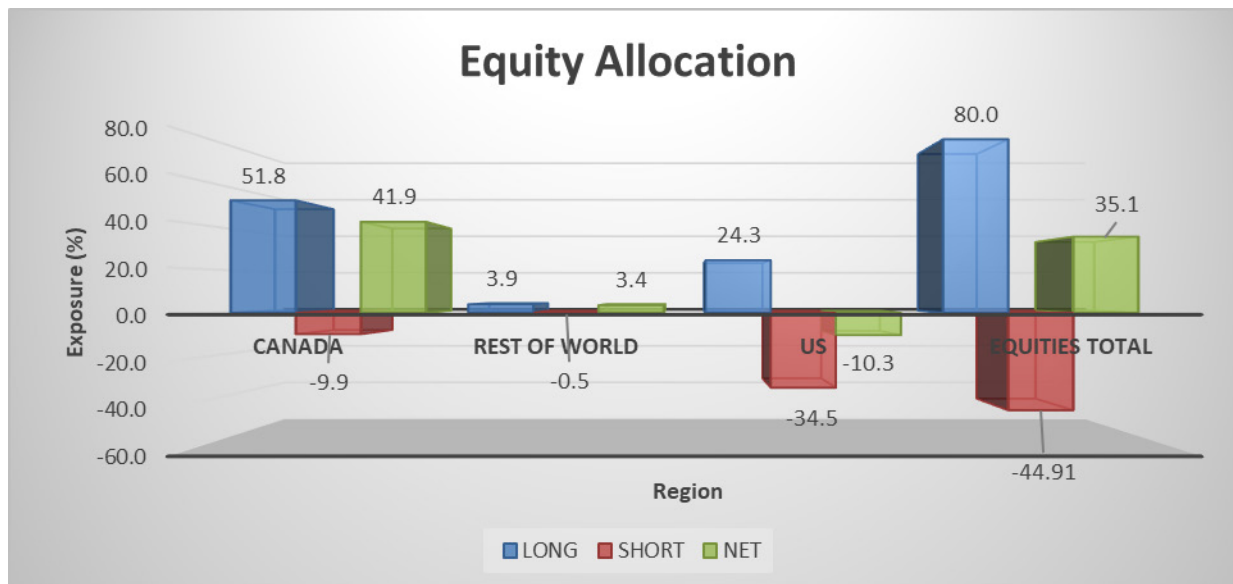
In American football, "iron man football" is a rule-based substitution pattern where players play both offense and defense continuously. In this system, players who are substituted out are unable to play for the remainder of the half until 1932, or the quarter until 1941.

- 1 Utilities Benefit From Lower Interest Rates
- 2 Utilities Are A “Bad News Is Bad” Hedge
- 3 Utilities Are An AI Play
- 4 Utilities Market Weight At 100 Year Low
- 5 Utilities Are One Of The Least Crowded Sectors

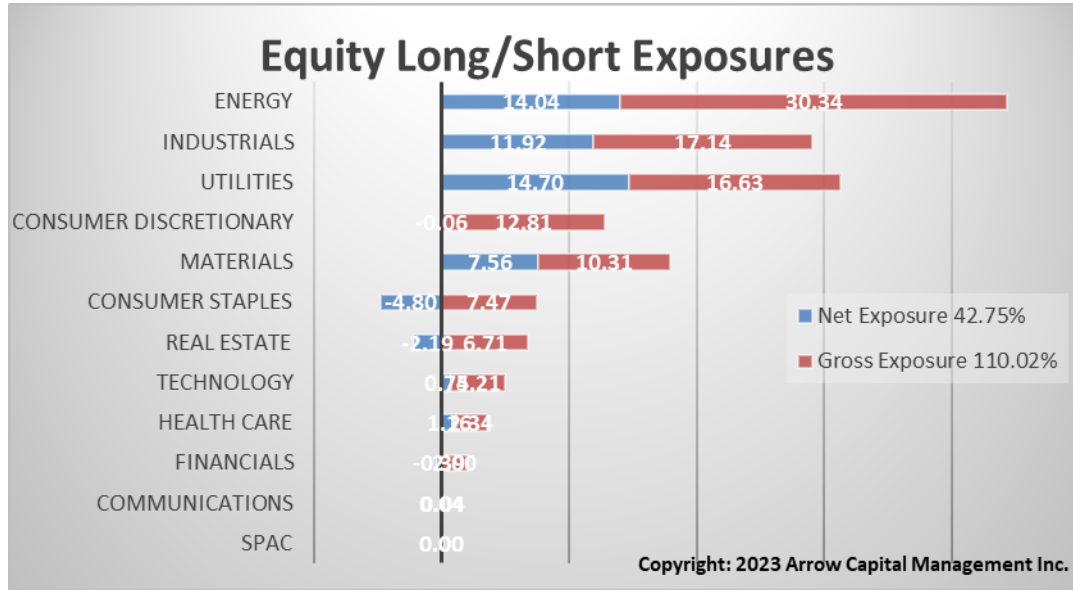
Source: Piper Sandler

Despite US markets being within a sniff of all time highs, economic data and market breadth are flashing some cautious signs. We continue to be tactical and prudent in our overall positioning. This week, all eyes will be on US CPI/PPI and the FOMC June meeting

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 May 31, 2024

	1-Year	3-Year	5-Year	10-Year
ALSAC - Series F	4.61%	2.72%	10.00%	7.41%

Published June 10, 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.