

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

Performance

July 19, 2024

Arrow Long/Short Alternative Fund (Series F):

WTD -0.86%
 MTD 0.46%
 YTD 3.88%

S&P TSX Composite

WTD 0.07%
 MTD 3.72%
 YTD 8.26%

S&P 500:

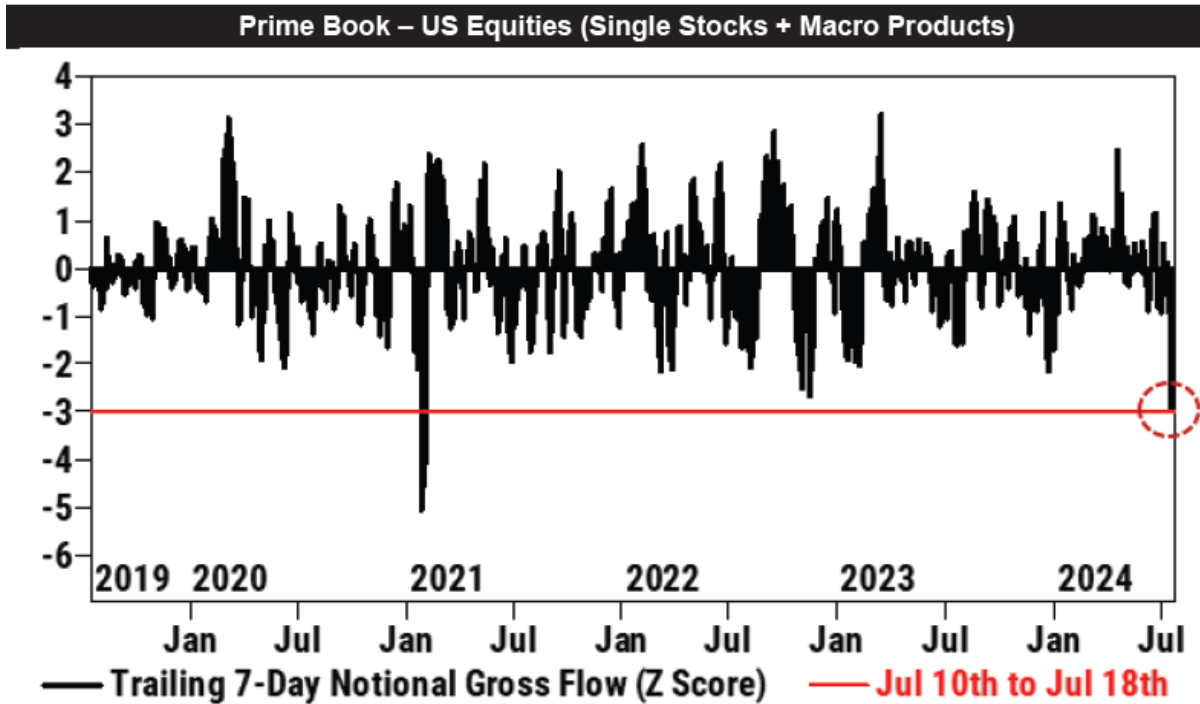
WTD -1.97%
 MTD 0.82%
 YTD 15.41%

Fund Commentary

Last week saw volatile trading with broad risk-off sentiment across markets. The VIX spiked 30% over the week, indicating continued de-grossing as the QQQs sold off while the IWM posted gains. The most crowded pockets of the equity market, particularly big tech, semi's, and momentum experienced the steepest declines, while the most shorted sectors like small caps (represented by IWM) caught a bid. The simultaneous strength in yields and the dollar exacerbated risk-averse behavior, with weakness also evident across commodities.

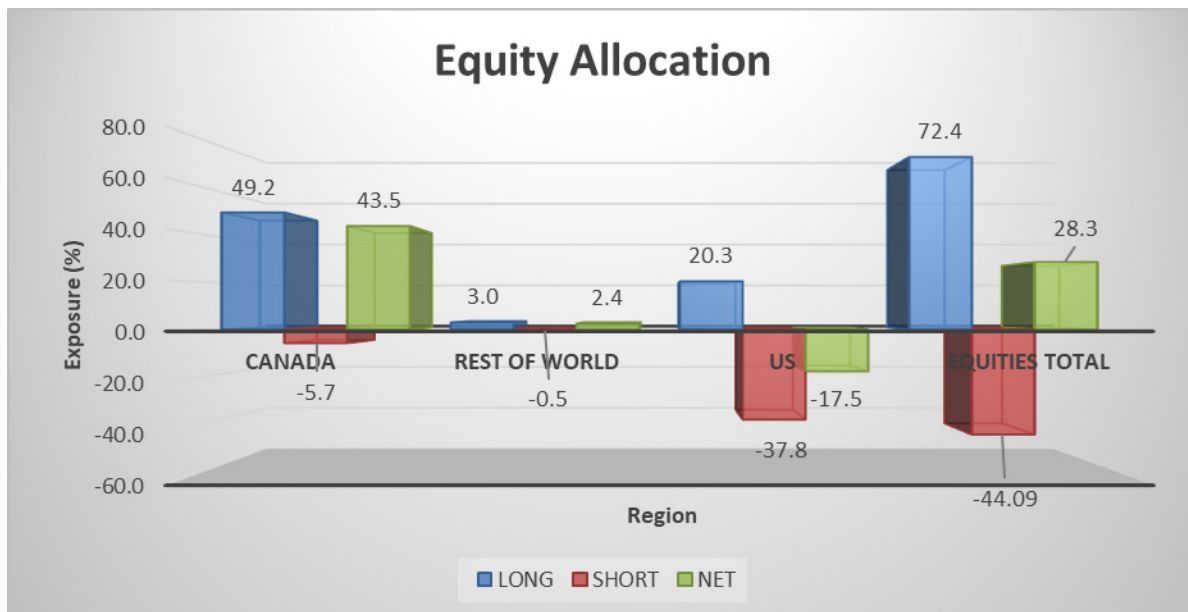
To us, this looks to be a violent unwinding of positioning, as Goldman estimated this as the largest 7 day de-grossing of exposure since the GME Jan/21 meme craze (see below). For more context, July 11-17 represented the worst 5 day stretch for QQQ/IWM since 2002 (-12.4%). Clearly, volatility was exacerbated by election uncertainty, as the market appeared to be positioning for a potential GOP sweep. Throughout the week, speculation mounted that Biden would step down, culminating in the official announcement on Sunday. Now, markets are left to predict who will challenge Trump and what implications this might have for the economic outlook. Currently, Kamala Harris, endorsed by Biden, appears

to be the frontrunner. This all said, the positioning unwind was already starting to happen prior to the assassination attempt on Trump.

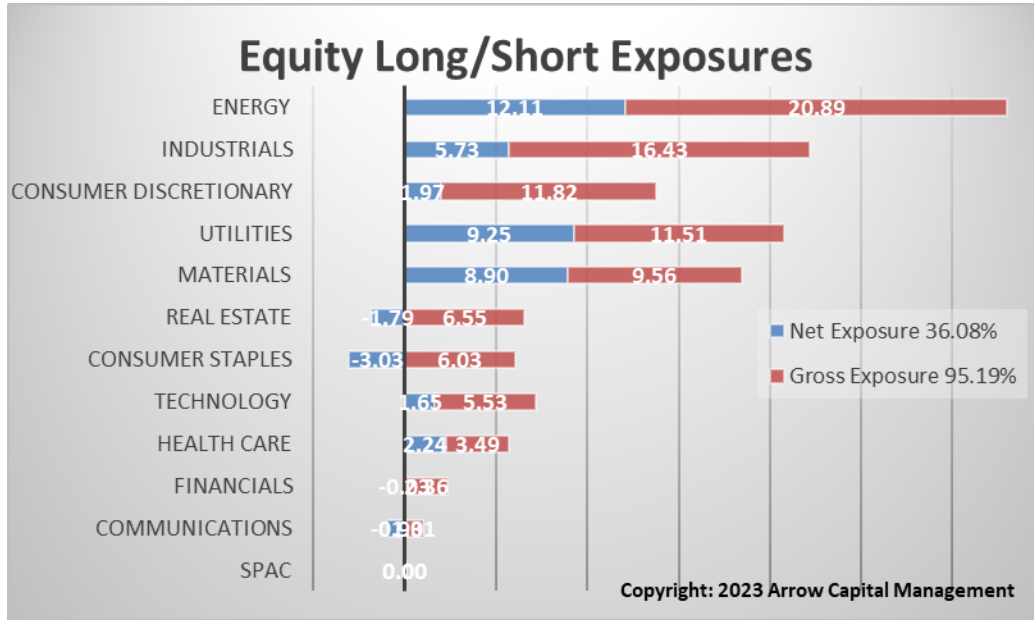


This week, earnings will really get going, with 23% of the S&P500 to report, including GOOGL. This should provide some sign of where we are on the de-grossing. Economic data wise, we will get short-cycle PMI data, the initial look at US Q2 GDP, and the rate decision from the Bank of Canada.

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 June 30, 2024

	1-Year	3-Year	5-Year	10-Year
ALSAF - Series F	5.71%	1.75%	9.78%	7.05%

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Effective June 25, 2024 Arrow Long/Short Alternative Class was merged into Arrow Long/Short Alternative Fund as part of the corporate class fund merger. Effective June 15, 2023, 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.