

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

Performance

September 6, 2024

Arrow Long/Short Alternative Fund (Series F):

WTD 1.10%
 MTD 0.21%
 YTD 5.05%

S&P TSX Composite

WTD 3.58%
 MTD 1.12%
 YTD 14.92%

S&P 500:

WTD 4.06%
 MTD -0.33%
 YTD 19.13%

Fund Commentary

Last week, broad markets pretty much recovered all of what it lost the prior week, as a “positive” update from NVDA and a growing expectation of a 50 bp rate cut took markets higher. A number of media reports from perceived “fed whisperers” including Bill Dudley, Nick Timiros, and Greg Ip helped spur the idea of larger front end Fed move. This took yields and USD lower, and risk tolerance higher.

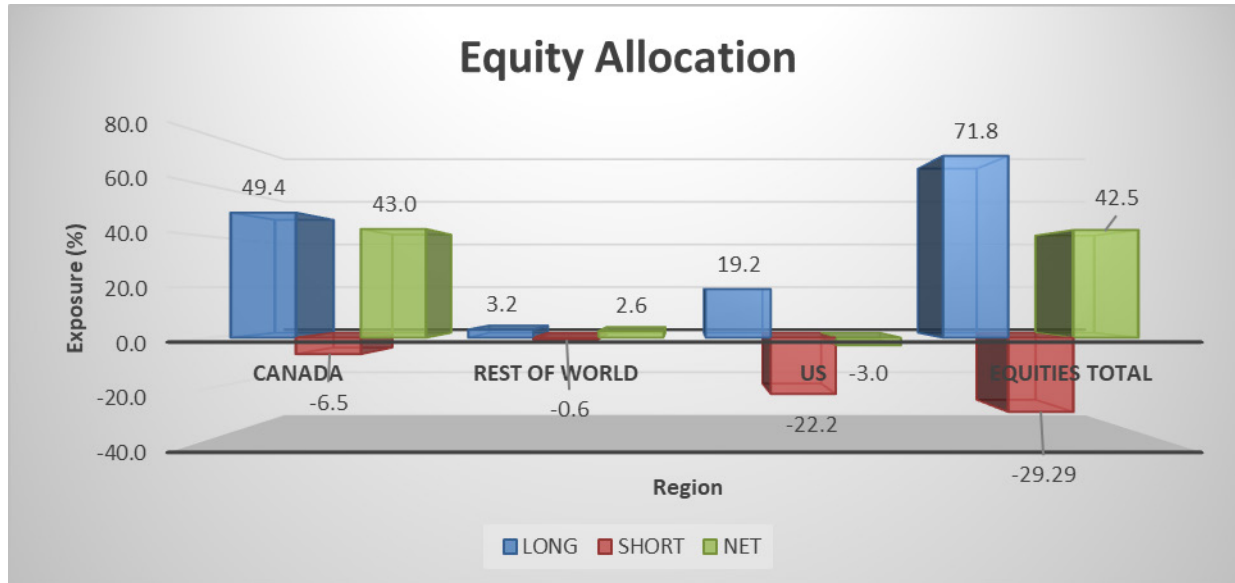
We’ve been of the view that a 25 bp cut was more likely, as the Fed didn’t want to surprise the market. But at this point, it seems a larger cut has been socialized into expectations, and we could actually see the Fed going either way. There are merits to both paths, but longer term, it does make us wonder if more aggressive cuts set the Fed up for repeating some of the errors from the 70’s, declaring a victory over inflation prematurely.

Portfolio wise, we had the chance to receive an update from a number of our portfolio companies as part of an investor

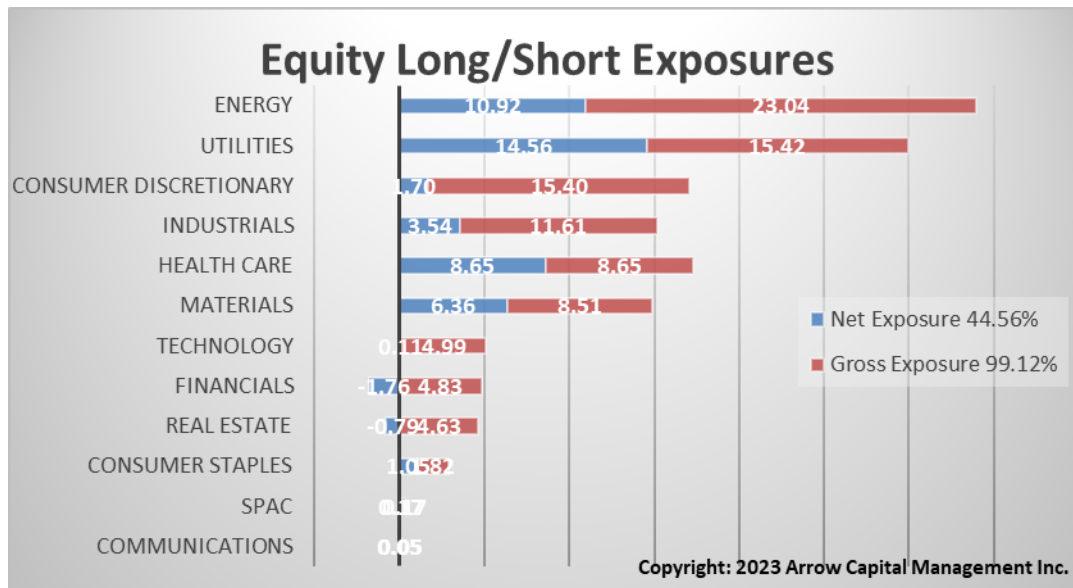
conference. We continue to like the power theme...specifically CPX and TA, as Alberta looks ripe to benefit from the incremental power needs to support AI/data centre development. Separately, Altius Renewables (ARR) was taken private at \$12/sh, which gives us mixed feelings. Although nice to get the short term benefit of the takeout, we believe the longer term upside in the company is materially higher.

Have a good week.

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 August 31, 2024

	1-Year	3-Year	5-Year	10-Year
ALSAF - Series F	6.39%	2.45%	9.76%	7.03%

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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).

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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.