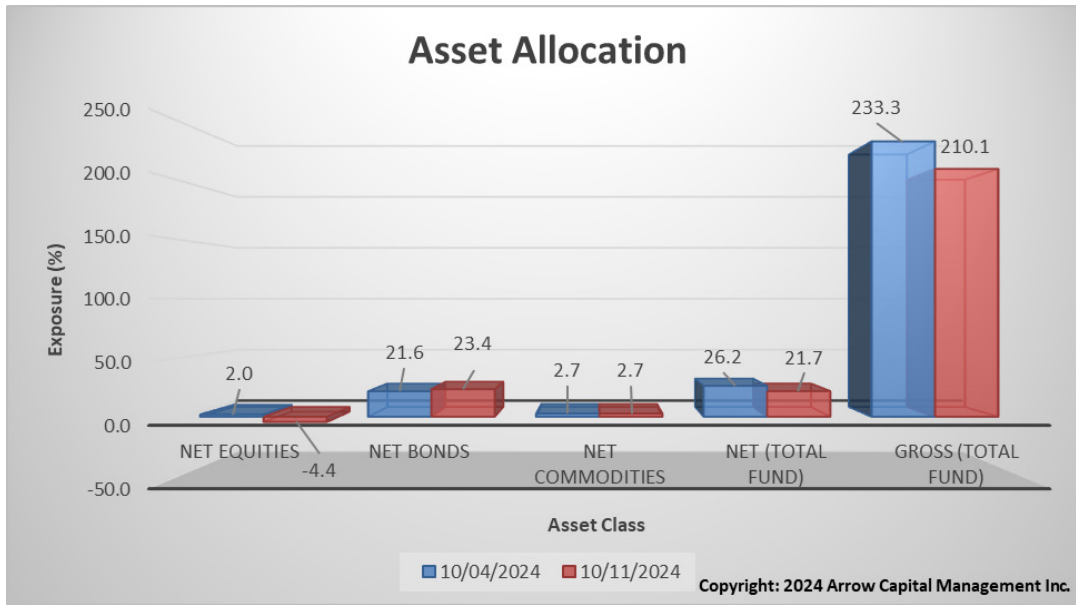


# ARROW GLOBAL MULTI-ASSET ALT FUND

## commentary - WEEK ENDING OCTOBER 11, 2024



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

### Performance

October 11, 2024

### Arrow Global Multi-Asset Alternative Fund (Series F):

WTD 0.59%

MTD 0.92%

YTD 5.51%

### Global Market Summary

John F. Kennedy once famously said: “Change is the law of life. And those who look only to the past or present are certain to miss the future.”, recognizing that change was inevitable. This quote clearly has relevance and applicability within financial markets, especially in the aftermath of the pandemic which has ushered in generational policy change. Concomitantly, market structure has undergone change in terms of leadership, products, participation, and multi-asset correlations. All these factors combined underscore our thesis that active management is essential to delivering more consistent portfolio diversification and resilience. By no means does this invalidate the merits of harvesting risk premia, e.g., whether via the equity risk premium or credit spreads, but it does illustrate that sources of diversification have changed.

We share these observations as markets enter a likely more challenging near-term phase ahead with US elections, geopolitics, Chinese policy shifts and increasingly worrying news from Europe’s core nations of Germany and France all having the potential to significantly impact asset prices. Despite positive performance YTD, we note the rather mixed outcome of a broad representation of assets since their respective midsummer peaks (see table below):

ASSET CLASS (ETF PROXY)	SUMMER HIGH	SPOT	~% CHG
Equities Large Cap (SPY)	565	578	2.3
Equities Small Cap (IWM)	229	220.5	-3.8
Bonds (IEF)	98.58	95.86	-2.8
Commodities (DBC)	23.91	23.29	-2.6
Gold (GLD)	229	245.5	7.2

Note: This page is not complete without disclaimers on the last page.

We have heard narratives about protecting gains for the year and know that risk budgets have been lowered since the brief August volatility spike and that those same budgets will not return to prior levels until next year. Combined, all these considerations indicate a risk that uncertainty increases as we approach the last two trading months of the year. Measures of volatility, despite broad equity gains on the week, remain firmly underpinned.

This macro framework is informing our tactical asset allocation. We are managing our risk very tightly and carefully structuring our exposures to minimize drawdowns in this environment but to also participate in several possible outcomes. Our long USD FX exposure has benefited from capitulation by dollar bears as US data has continued to show relative strength and as the Fed sustains its seemingly constant equivocation over the appropriate monetary policy pathway. Having played China from the long side two weeks ago, we had set up for some disappointment as local markets reopened this past week. We monetized these exposures as FXI tested support and then reversed our position as our research in China suggests that policymakers are intent on bolstering equity valuations, and we expect additional policy measures to be announced. Markets can still provide further gains into the end of the year but we simply caution that the path, as laid out above, may not be linear.

We look forward to reporting back next week.

Thanks,

Arrow Investment Team

**Historical Performance** – As of September 30, 2024

	1-Year	3-Year	5-Year	ITD
AGMAAF - Series F	4.71%	1.03%	3.57%	2.96%

Published October 15, 2024

Effective June 25, 2024, Arrow Global Multi-Asset Alternative Class was merged into Arrow Global Multi-Asset Alternative Fund as part of the corporate class fund merger. Effective June 15, 2023, the Fund was renamed Arrow Global Multi-Asset Alternative Class (formerly Arrow Global 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.

This document is provided as a general source of information and should not be considered personal, legal, accounting, tax or investment advice, or construed as an endorsement or recommendation of any entity or security discussed. Every effort has been made to ensure that the material contained in this document is accurate at the time of publication. Market conditions may change which may impact the information contained in this document. All charts and illustrations in this document are for illustrative purposes only. They are not intended to predict or project investment results. Individuals should seek the advice of professionals, as appropriate, regarding any particular investment. Investors should consult their professional advisors prior to implementing any changes to their investment strategies.

Certain statements in this document are forward-looking. Forward-looking statements (“FLS”) are statements that are predictive in nature, depend upon or refer to future events or conditions, or that include words such as “may,” “will,” “should,” “could,” “expect,” “anticipate,” “intend,” “plan,” “believe,” or “estimate,” or other similar expressions. Statements that look forward in time or include anything other than historical information are subject to risks and uncertainties, and actual results, actions or events could differ materially from those set forth in the FLS. FLS are not guarantees of future performance and are by their nature based on numerous assumptions. Although the FLS contained herein are based upon what Arrow Capital Management and the portfolio manager believe to be reasonable assumptions, neither Arrow Capital Management nor the portfolio manager can assure that actual results will be consistent with these FLS. The reader is cautioned to consider the FLS carefully and not to place undue reliance on FLS. Unless required by applicable law, it is not undertaken, and specifically disclaimed that there is any intention or obligation to update or revise FLS, whether as a result of new information, future events or otherwise.

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.