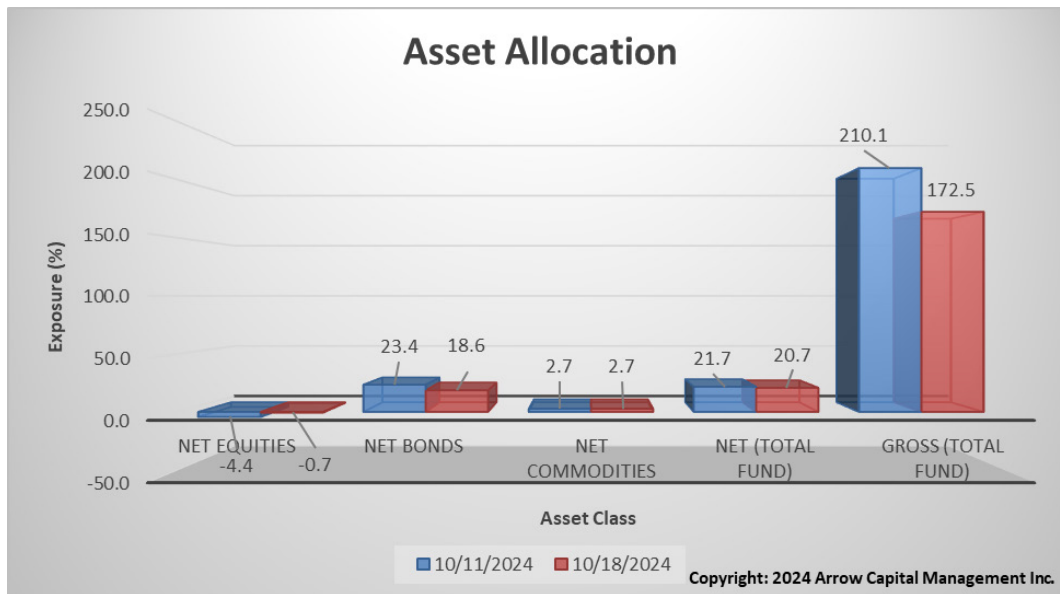


# ARROW GLOBAL MULTI-ASSET ALT FUND

## commentary - WEEK ENDING OCTOBER 18, 2024



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

### Performance

October 18, 2024

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

WTD -0.30%

MTD 0.61%

YTD 5.19%

### Global Market Summary

As we wrote about in our last weekly, a series of macro events is steadily unfolding across markets. US politics, Chinese economic policy, central bank actions and earnings reports alongside the omnipresent economic data calendar all had some impact on prices last week, in both relative and absolute terms.

US hard and soft data broadly pointed to continued economic strength and measures of GDP – ahead of the formal advance report for Q3 growth on October 30 – indicate that this series is tracking well above 3% vs. a trend rate of growth of just 2%. Given the recently declared FOMC easing bias and the subsequent degree of expected policy rate reduction priced into markets, fixed income ultimately struggled in the face of this news. Given this uncertainty, we are neutral on fixed income at this juncture as it unclear where the terminal overnight rate will settle. The GDP report and November 1st's non-farm payrolls releases will be critical inputs to the guidance the FOMC is expected to offer at its next meeting.

Meanwhile the USD surged aided by a more dovish outlook from the heretofore skeptical ECB, joining the broadening consensus in several other DMs for lower rates. We remain mildly positioned for a higher USD over the medium-term but did reduce some of our CAD short on this move, not least because the Big Dollar may be temporarily over-extended from a technical perspective. All else being equal though, it is difficult to see a material fundamental weakening in the USD from the perspective of the divergence in measures of national output between the US and elsewhere in developed economies. However, political outcomes may alter this landscape, and we will like many be guided by these as they crystallize.

Risk assets continued to enjoy broadening sponsorship, with evidence over the last week that markets have begun to

consider a US election outcome heavily favouring the Republican party. This latter rotation was not something we expected to occur quite so rapidly, and it obliged us to exit a bearish expression on small caps. Elsewhere, some of the ongoing strength in Gold is articulating this potential political scenario as too is the equal-weighted S&P500. We remain positioned for additional gains in Chinese stocks.

In our opinion, the current broad multi-asset setup allows no room for complacency about valuations, particularly those that have had robust and extended moves, fueled to some extent by pure momentum-based participants.

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%

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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).

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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.