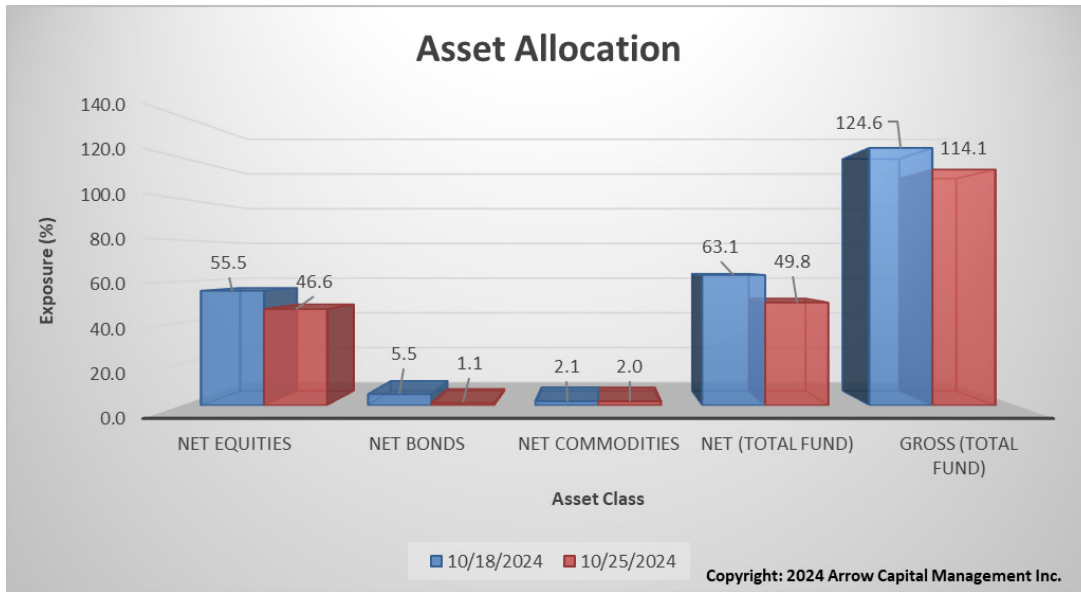


# ARROW LONG/SHORT ALTERNATIVE FUND commentary - WEEK ENDING OCTOBER 25, 2024



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

## Performance

October 25, 2024

### Arrow Long/Short Alternative Fund (Series F):

WTD -0.37%

MTD 1.11%

YTD 7.60%

### S&P TSX Composite

WTD -1.39%

MTD 2.09%

YTD 19.68%

### S&P 500:

WTD -0.96%

MTD 0.86%

YTD 23.12%

## Fund Commentary

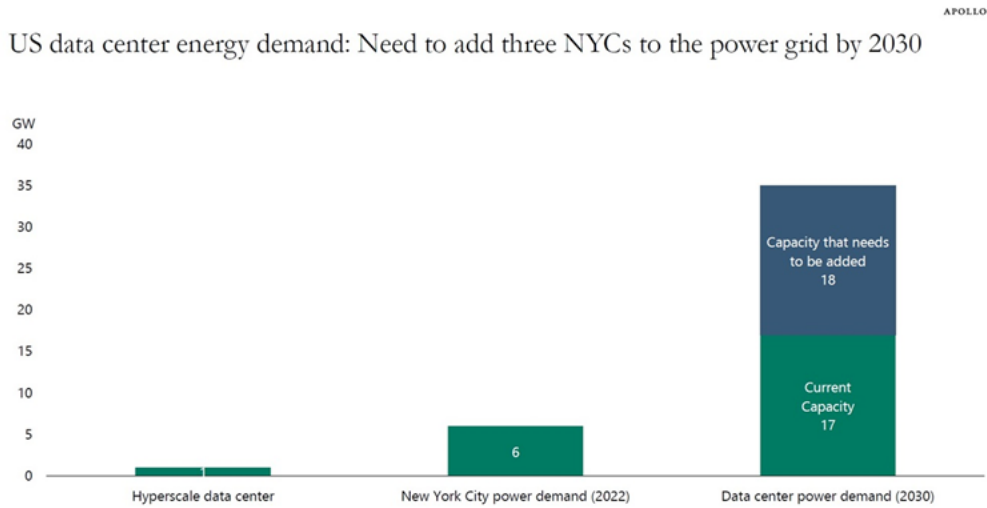
Last week, we observed a significant divergence between small caps and large-cap tech (IWM/QQQ), with IWM closing down 3% for the week, while the QQQ was up approximately 15bps. Despite encouraging PMI data, cyclicals struggled to gain traction. Industrials, Materials, and Financials were the worst-performing sectors as higher yields may be starting to worry markets again. It also appears the market continues to pre-position for a Trump victory, as can be seen from the ~300% rise in DJT US since its September lows. We could see yields continuing to rise post election, with the inflation/reflation narrative coming back to the fore.

As we moved through the first week of earnings season, SPX companies in aggregate, reported earnings growth of 3.5% YoY, beating expectations by an average of 5%. Despite some volatile reactions to certain reports where expectations

may have been overly optimistic, U.S. companies continue to grow profits despite recession fears.

This upcoming week will be busy, with 41% of the S&P 500 market cap scheduled to report (GOOG, META, MSFT, APPL, AMZN), and the last week of trading pre-election. Alongside earnings, we have employment (JOLTS/ADP/NFP) and GDP data on the agenda in the US. We are also entering a seasonally strong period for markets which may come more into focus post election.

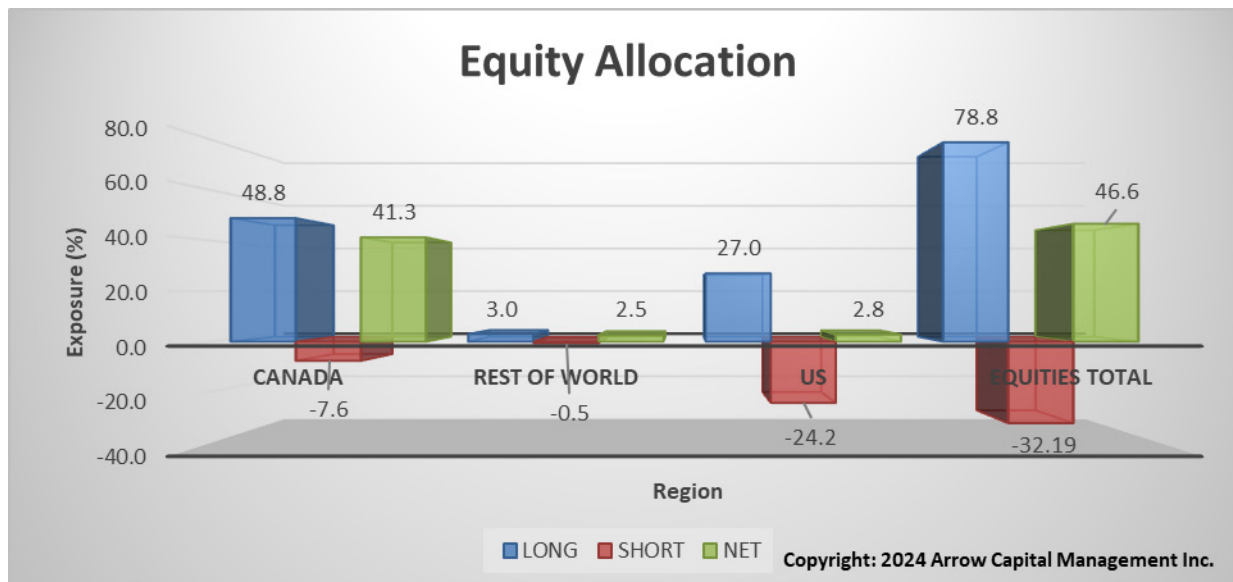
On the data centre power theme, we came across a chart last week from Apollo that illustrates the incremental power requirements for data centers. The market is slowly coming around to this thematic, with recent Uranium deals re-invigorating interest in that sub sector. We continue to believe Nat Gas will be part of this power solution, and as we look into 2025, we really like the risk/reward in the group.



Note: Current capacity as of 2022, [Why invest in the data center economy | McKinsey](#), [Systems – NYC Mayor’s Office of Climate and Environmental Justice](#), [Data Center Power: Fueling the Digital Revolution, US data center power consumption to double by 2030 – DCD](#). Source: NYISO 2022, McKinsey, Nextgen, [datacenterknowledge.com](#), Apollo Chief Economist

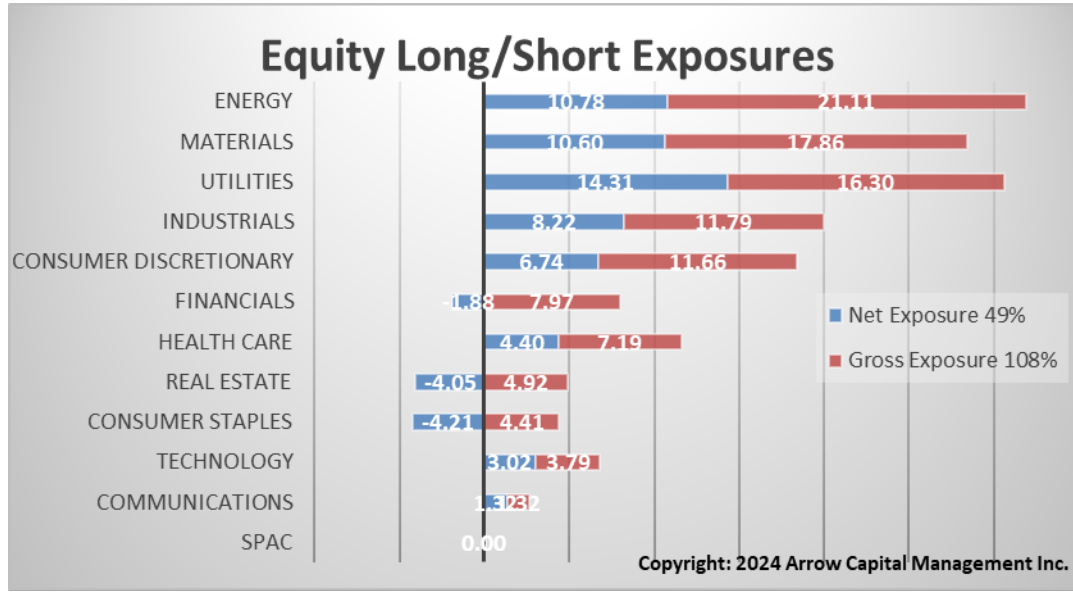
Source: Apollo

**Equity Allocation (% Total Portfolio including Futures)**



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

Sector Exposures (% Long / Short Portfolio of individual companies)



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	10-Year
ALSAF - Series F	6.38%	3.06%	10.39%	7.32%

Published October 28, 2024

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](http://www.arrow-capital.com).