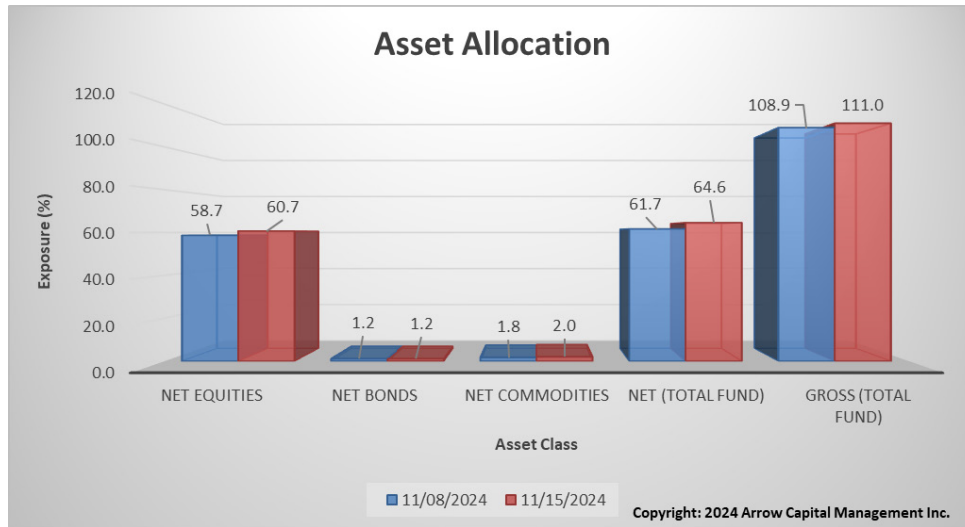


# ARROW LONG/SHORT ALTERNATIVE FUND commentary – WEEK ENDING NOVEMBER 15, 2024



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

## Performance

November 15, 2024

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

**WTD -0.32%**

**MTD 1.13%**

**YTD 9.30%**

### S&P TSX Composite

WTD 0.60%

MTD 3.13%

YTD 21.92%

### S&P 500:

WTD -2.05%

MTD 2.97%

YTD 24.55%

## Fund Commentary

Risk-off tones dominated markets last week as major U.S. indices declined, giving up much of the prior week's gains. Yields remained steady, approaching the key 4.50% level, while the USD continued its ascent. The USD is quite overbought, and we would not be surprised to see it top out here short term...this should support commodities/cyclicals. The market weakness occurred despite U.S. inflation data coming in line with expectations and weaker-than-anticipated retail sales figures.

Following Trump's presidential victory, market attention has quickly shifted to potential policy changes, with a focus on who will lead key government departments. Trump made several appointments last week, including Elon Musk and Vivek Ramaswamy to head the Department of Government Efficiency (DOGE). However, likely one of the most controversial picks is Robert F. Kennedy Jr. heading up the Health and Human Services (HHS). Given his lack of formal healthcare experience and outspoken views on vaccines and public health, the market is wrangling with the knock on effects of such a scenario.

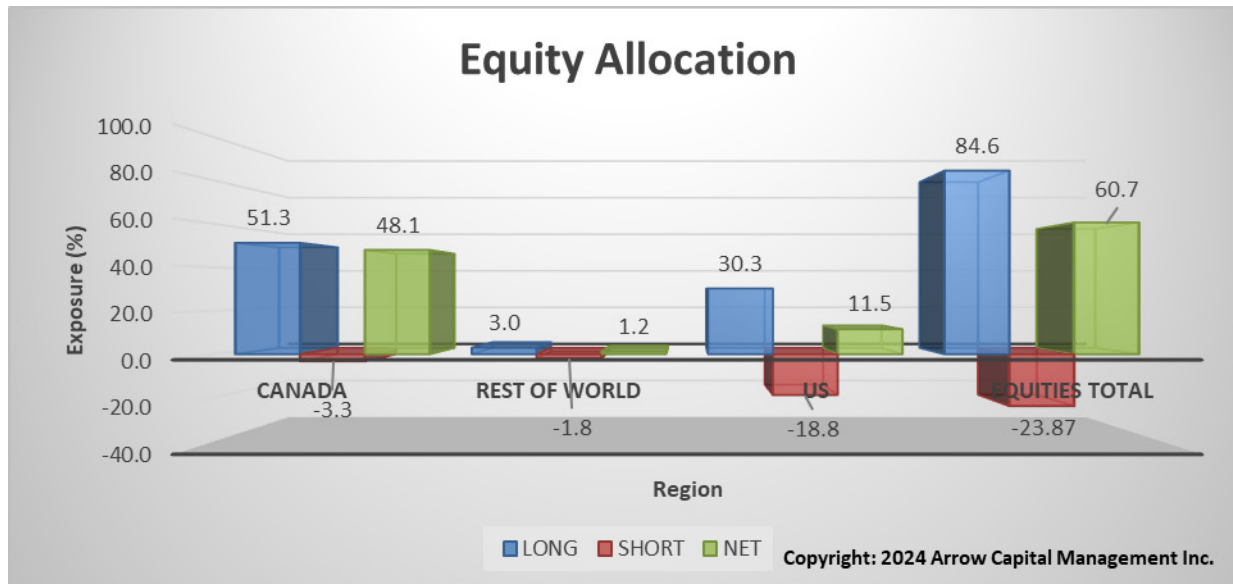
We are pretty much at the end of Q3 earnings season, and we are pleased with the performance of most of our key names. Last week, two of our most recent additions, Enerflex (EFX) and Chemtrade (CHE-U) reported strong quarters. Although in different industries, there are some similarities on the setup.

EFX is a nat gas infrastructure company. It has been in the penalty box for over a year, post a sizeable acquisition and choppy numbers. However, it looks to be turning the corner, reporting the second straight quarterly beat, with emphasis on debt paydown and free cash flow generation. Its recent checkered history depressed the stock's valuation, taking it down to ~4x EV/EBITDA vs comps at closer to 7-8x. Given our bullish view on nat gas into 2025, we could see a further sector tailwind on this recovery name. EFX is also on the cusp of entering the TSX composite. Shares closed up 16% last week.

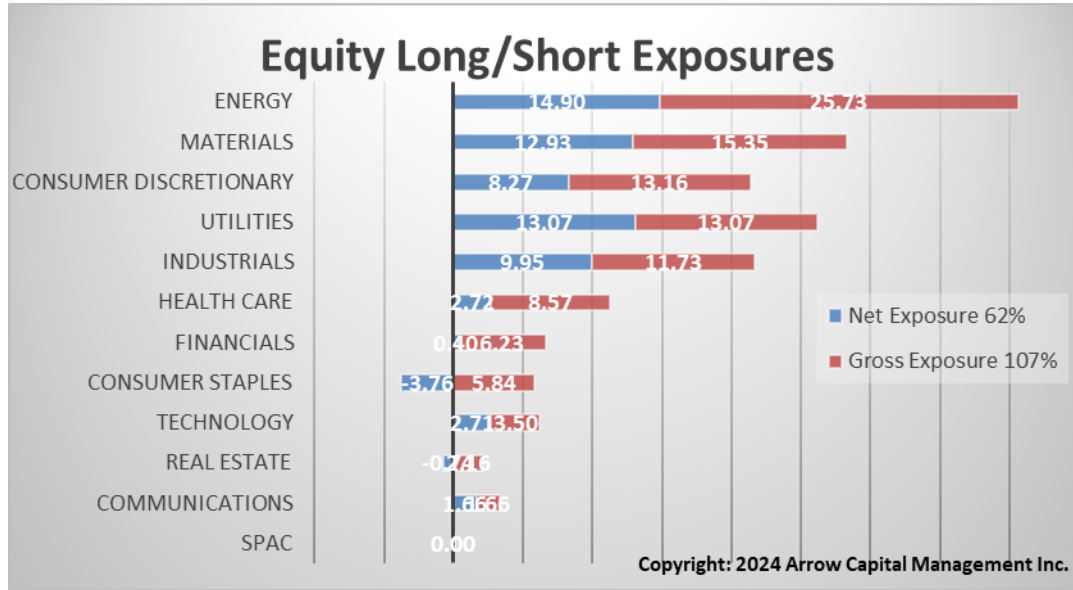
CHE-U operates a diversified chemicals business, currently enjoying incremental demand driven by semiconductor applications. With an attractive 5% yield, an active buyback program, a discounted valuation (~5x EV/EBITDA), and potential index inclusion (like EFX), the risk-reward profile looks favourable heading into 2025. The company will provide 2025 guidance (typically in January), which could serve as a catalyst to increase numbers. Shares closed up 4% last week.

This week features a light macroeconomic calendar, so focus will likely shift to corporate earnings reports from companies like NVDA, WMT, and TGT. On the back of that, look for the market to start looking ahead to Black Friday/Xmas spending trends.

**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 October 31, 2024

	1-Year	3-Year	5-Year	10-Year
ALSAF - Series F	7.69%	3.01%	10.75%	7.31%

Published November 18, 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.

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