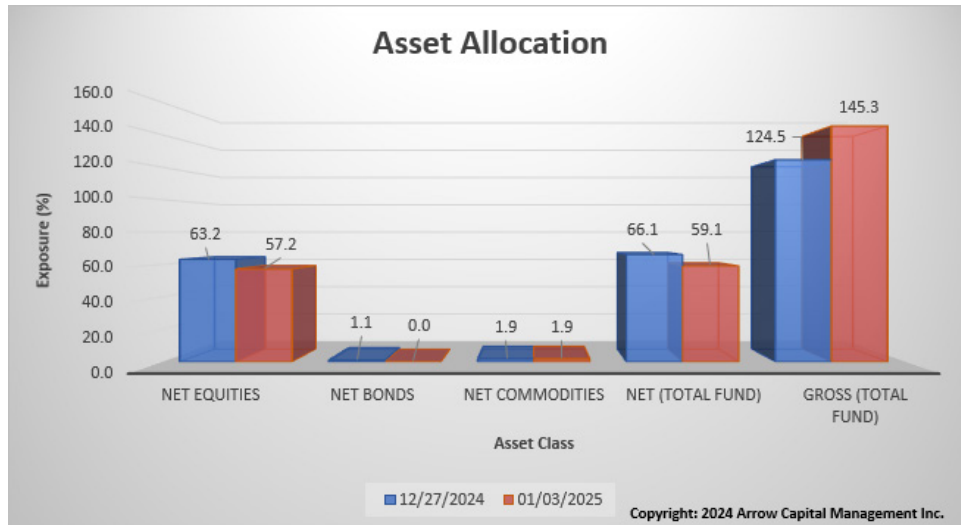


ARROW LONG/SHORT ALTERNATIVE FUND commentary - WEEK ENDING January 3, 2025



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

Performance

January 3, 2024

Arrow Long/Short Alternative Fund (Series F):

WTD 1.18%

MTD 0.62%

YTD 0.62%

S&P TSX Composite

WTD 1.37%

MTD 1.19%

YTD 1.19%

S&P 500:

WTD 1.03%

MTD -0.45%

YTD -0.45%

Fund Commentary

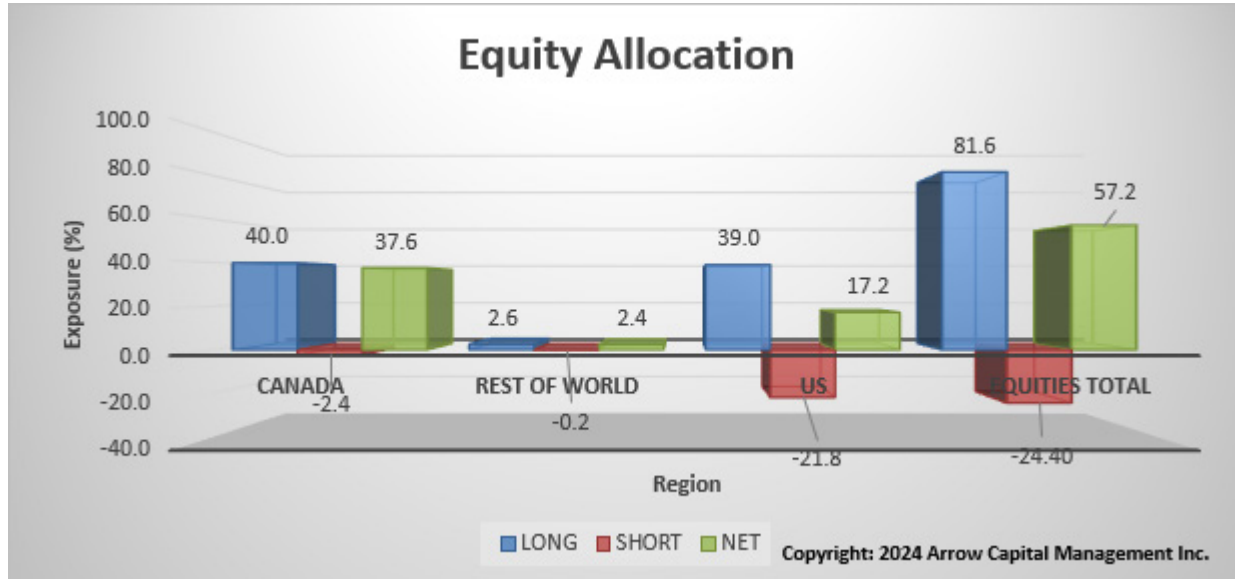
We want to start by wishing you and your loved ones a Happy New Year! Last week was not the typical January effect as equity indices experienced a sell-off, however, there was a clear bias towards smaller cap stocks and cyclicals. Energy was by far the best performing sector, with the XLE closing up 3.4% on the week while the SPY was down 1.5%. The performance of energy equities was aided by the price of oil, which was up approximately 4% last week. Despite the weakness at the index level, shorts were being covered, as evidenced by Goldman's most short basket increasing by 1% on the week. On balance, the price action and breadth were positive despite mega-cap tech weighing down indices.

As we enter the new year, we have adjusted our portfolio to focus on our higher conviction ideas. We've had an impressive run in markets the past 2 years, and if history is a guide, this year will be more challenging, with stock picking coming at a premium. As we approach Trump's inauguration, the honeymoon period could be coming to an end. Trump's budget proposal is expected to be unveiled in early February, which will provide the first look at potential spending cuts which could be a negative catalyst for pockets of the market. Central among the market risks is a re-emergence of

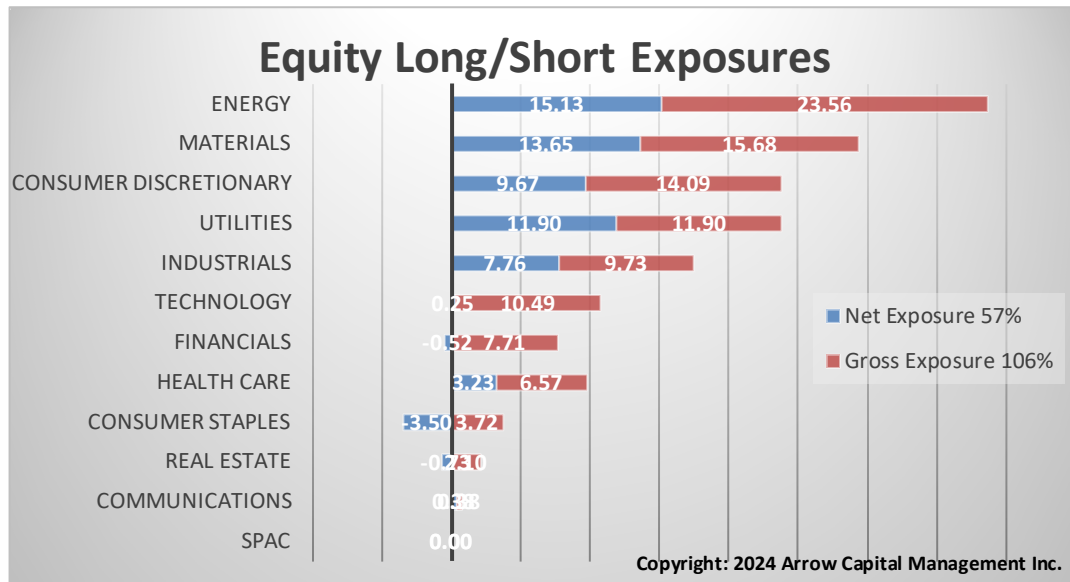
inflation which the Fed subtly (or not so much) alluded to in their last meeting. At the margin, we have shifted our portfolio to benefit from another round of inflation, with positive skews in Energy, Materials, and Industrials.

This week, we will receive employment data consisting of JOLTS, ADP, claims, and Non-Farm Payroll (NFP) in the US. Canada will also release its employment data. Both sets of data should serve as key inputs for the market's forecasts of interest rates, making them worth watching closely.

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 December 31, 2024

	1-Year	3-Year	5-Year	10-Year
ALSAF - Series F	11.58%	3.94%	10.75%	7.59%

Published January 6, 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.

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.

More information about the Fund can be found on our website www.arrow-capital.com.