



Investor Update

Friday March 20, 2020

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Investment Performance – Returns as of March 18th, 2020

Name	Total Ret MTD	Total Ret YTD
Arrow Global Advantage Alternative F	0.64	2.24
Exemplar Growth and Income Ser F	-2.52	-1.17
Arrow Canadian Advantage Alt CI F	-8.58	-7.75
MSCI World NR USD	-17.11	-24.58
S&P/TSX Composite TR	-21.85	-25.17
S&P 500 TR USD	-14.29	-21.37
Russell 2000 TR USD	-24.96	-33.48

Source: Morningstar Direct 2020



Investment Performance – Returns as of February 29th, 2020

Name	1 Month	3 Months	6 Months	1 Yr	3 Yr	5 Yr
Arrow Global Advantage Fund (Class F)	1.12	3.24	0.65	3.01	2.80	4.96
Exemplar Growth and Income Ser F	0.01	1.12	0.15	6.46	7.21	
Arrow Canadian Advantage Alt CI F	-1.69	1.98	2.72	9.11	5.29	3.69
S&P/TSX Composite TR	-5.90	-3.83	0.44	4.89	4.98	4.42
S&P 500 TR USD	-8.23	-5.50	1.92	8.19	9.87	9.23
Russell 2000 TR USD	-8.42	-8.80	-0.52	-4.92	3.52	5.12
MSCI World NR USD	-8.45	-6.28	0.88	4.63	7.24	5.88

Source: Morningstar Direct 2020



Asset Allocation Snapshot – As of March 18th, 2020

Exemplar Growth & Income Fund

Long	31.9%
Short	-3.4%
Net Equities	28.6%
Bonds	20.9%
Cash	50.6%

Arrow Global Advantage Alt Fund

Long	11.6%
Short	-0.1%
Net Equities	11.5%
Bonds	10.0%
Cash	80.6%

Exemplar Performance Fund

Long	76.0%
Short	-3.0%
Net Equities	73.0%
Bonds	-0.5%
Cash	27.5%

Arrow Canadian Advantage Alt Fund

Long	67.7%
Short	-9.1%
Net Equities	58.6%
Bonds	0.3%
Cash	32.7%

Arrow Performance Fund

Long	33.2%
Short	-1.9%
Net Equities	31.3%
Bonds	11.5%
Cash	60.8%

Source: Arrow Capital



Asset Allocation Model – Where are we in the Economic Cycle?

▲ GDP Growth

Quad 1: GDP ↗ Inflation ↘

Real Growth

Exposure: Fully Invested

Overweight: Growth Equities

Neutral: Bonds

+

Quad 2: GDP ↗ Inflation ↗

Inflationary Growth

Exposure: Fully Invested

Overweight: Cyclical Equities

Underweight: Bonds

-

Quad 4: GDP ↘ Inflation ↘

Deflation/Disinflation

Exposure: Partially Invested

Overweight: Bonds

Underweight: Equities

-

Quad 3: GDP ↘ Inflation ↗

Stagflation

Exposure: Partially Invested

Overweight: Cash

Neutral: Equities

+

▲ Inflation

Current Environment



Monetary and Fiscal Updates – March 2020

- The FED cut rates to 0-0.25% - Zero Lower bound (ZLB).
- Announcement of real QE -- \$60 Billion of monthly purchases across maturities and securities.
- Forward guidance as well is supportive (i.e. we won't bump rates higher after this passes at a fast rate).
- Bazooka jump in Repo funding availability from the Fed to \$1.5 Trillion (not a typo) in 1 and 3 month tranches
- US Congress debating \$1.2 Trillion in aid including direct payment to Americans
- Canadian Government to seek up to \$30 Billion in fiscal stimulus.



Contact Information

For more information, please contact:

www.arrow-capital.com

info@arrow-capital.com

T: (416) 323-0477 | TF: (877) 327-6048

Arrow Capital Management Inc.

36 Toronto Street, Suite 750

Toronto, Ontario

M5C 2C5

