

Arrow Capital Pty Ltd

**88 Phillip Street
Suite 28.03, Aurora Place
Sydney, NSW, Australia 200**

October 2024

This “**Brochure**” provides information about the qualifications and business practices of Arrow Capital PTY Ltd (hereinafter “**Arrow Capital**”, “**we**”, “**us**”, “**our**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”), Tim Bolger, by email at tb@arrow-cap.com. Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Arrow Capital is applying to be a Registered Investment Adviser with the SEC. Registration as an investment adviser does not imply that Arrow Capital or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about Arrow Capital is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This Brochure is Arrow Capital's initial Form ADV Part 2A which has been submitted with our application for registration with the SEC; therefore, there are no material changes to report.

To the extent that future amendments of this Brochure contain material changes from our last annual update, this Item 2 will identify and discuss such changes.

We will ensure that you receive a copy of each annual update and summary of any material changes to the Brochure within 120 days of the close of the June 30th fiscal year end. We will further provide you with a new Brochure as necessary based upon material changes to existing information or when new material information is added.

Item 3: Table of Contents

Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Advisory Business	4
Item 5: Fees and Compensation	4
Item 6: Performance-Based Fees and Side-By-Side Management	6
Item 7: Types of Clients.....	6
Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss.....	6
Item 9: Disciplinary Information	8
Item 10: Other Financial Industry Activities and Affiliations	12
Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading	12
Item 12: Brokerage Practices.....	13
Item 13: Review of Accounts	14
Item 14: Client Referrals and Other Compensation	14
Item 15: Custody	14
Item 16: Investment Discretion.....	14
Item 17: Voting Client Securities.....	15
Item 18: Financial Information.....	15

Item 4: Advisory Business

Arrow Capital Pty Ltd (hereinafter “**Arrow Capital**”, “**we**”, “**us**”, “**our**” or the “**Firm**”) was formed in 2017 as a proprietary limited company in Australia with a principal place of business in Sydney, Australia.

We serve as the investment adviser, with discretionary trading authority, to a sleeve of privately pooled investment vehicles (the “**Sub-Advisory Vehicles**”) on a discretionary basis, as well a Separately Managed Account (“**SMA**”) and may manage private, pooled investment vehicles in the future, the securities of which would be offered through a private placement memorandum to US investors that are accredited investors, as defined under the Securities Act of 1933 (the “**Securities Act**”).

The Sub-Advisory Vehicles, the SMA, and any other accounts that Arrow Capital may manage will be referred to herein as the “**Clients**” or the “**Accounts**”. Several of the Sub-Advisory Vehicles we sub-advise are private pooled investment vehicles of other registered investment advisers.

Our investment decisions and advice with respect to each Client is to each Client’s investment objectives and guidelines, as set forth in the investment management agreements (“**Investment Management Agreement**”).

This Brochure generally includes information about Arrow Capital and its relationships with its Clients and affiliates. While much of this Brochure applies to all such Clients and affiliates, certain information included herein applies to specific Clients or affiliates only.

This Brochure does not constitute an offer to sell, or solicitation of an offer to buy, any securities.

We do not currently participate in any Wrap Fee Programs.

As of September 23, 2024, Arrow Capital manages \$749,471,894 in regulatory assets under management on a fully discretionary basis, \$498,398,263 of which is attributable to non-U.S. clients. We do not manage any non-discretionary assets.

Item 5: Fees and Compensation

The fees applicable to the Clients are set forth in detail in their Investment Management Agreements. A brief summary of such fees is provided below.

Management Fees paid by the Clients are agreed upon between Arrow Capital and the Clients and may range up to 2%. Management Fees are generally paid monthly in arrears in accordance with the terms of each Investment Management Agreement.

Generally, Arrow Capital may, in its discretion, reduce or waive all or part of the Management Fees certain or all of its Clients and/or shareholders at any time.

Other Types of Fees or Expenses

The below expenses may not be applicable to each Client. To the extent permitted under the applicable Investment Management Agreement, each Client generally bears their own

expenses including, without limitation: the following: transaction-related expenses (which include all transaction-based expenses incurred in executing investments including brokerage and prime brokerage fees, commissions, and expenses; expenses relating to reorganizations, restructurings and workouts; expenses relating to short sales, clearing and settlement charges; expenses associated with consummating bank debt trades, dealer spreads, custodial fees and expenses, bank service fees, interest expenses and fees related to financings or refinancings; and fees and expenses of third-party professionals, including consultants, investment bankers, attorneys and accountants associated with any potential transaction); third-party investment sourcing fees; due diligence expenses including consulting and appraisal fees; investment-related travel expenses (which are travel expenses related to the purchase, sale or transmittal of, or due diligence regarding investments, whether or not such investments are consummated, incurred by the Investment Manager or the General Partner); third party professional fees and expenses (including, without limitation, expenses of consultants, valuation service providers, risk aggregators, investment bankers, attorneys, accountants and other experts and third party liquidation service specialists); fees and expenses relating to research and market data and information technology hardware and connectivity hardware (e.g., fiber optic lines), software tools, programs or other technology utilized in managing the Accounts (including, without limitation, third-party costs of software licensing, implementation, data management and recovery services and custom development costs and expenses) used to research investments, evaluate and manage risk, facilitate valuations, facilitate accounting functions, facilitate compliance with the rules of any self-regulatory organization or applicable law (including reporting obligations), facilitate and manage the order execution of investments or otherwise manage the Accounts, such as Bloomberg terminals, portfolio management systems, risk management systems and order management systems; research and market data (including any computer hardware and connectivity hardware (e.g., fiber optic lines) incorporated into the cost of obtaining such research and market data); expert networks; administrative expenses (including fees and expenses of the Administrator and the Sub-Administrator); fees and expenses relating to the trade claim database; legal expenses in connection with the Accounts' ongoing operations (including the processing of transfer requests, negotiations with prospective investors and extraordinary legal expenses, such as those related to litigation or investigations or proceedings involving activities of the Accounts or any trading vehicle; fees and expenses of third-party risk management products, models and services; external accounting and valuation expenses (including pricing services and the cost of accounting software packages); third party audit and tax preparation and filing expenses; costs related to errors and omissions insurance and directors and officers insurance for the General Partner and the Firm and their respective affiliates and governing board and any AML officers; fees and expenses of any governing board; costs of preparing and distributing offering materials, reports and notices; taxes; corporate licensing; fees and expenses related to compliance with the rules of any self-regulatory organization or applicable law in connection with the activities of the Accounts or any trading vehicle, including without limitation, legal fees, any governmental, regulatory, licensing, filing or registration fees or taxes (including filing fees and expenses associated with FATCA compliance, if any, and fees and expenses incurred in connection with the preparation and filing of Form PF, Section 13 filings, Section 16 filings and other similar regulatory filings); fees and expenses (including director registration fees) of any trading vehicle's directors and officers (including any AML Officers); organizational and reorganizational expenses; expenses incurred in connection with the offering and sale of the Accounts' interests (including, without limitation, legal fees, registration and other filing fees and expenses incurred in connection with negotiating and complying with provisions of any side letter agreement, but excluding travel expenses) and other similar expenses related to the Accounts (other than any fees payable to any placement agent, which will be paid by the Firm either directly or indirectly by

reducing the Management Fees owed to the Firm); extraordinary expenses, including the following: indemnification expenses, fees and expenses incurred in connection with any tax audit by any taxing authority, including any related administrative settlement and judicial review; and fees and expenses incurred in connection with the reorganization, dissolution, winding-up or termination of an Account.

“FATCA” refers to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), known as the U.S. Foreign Account Tax Compliance Act (together with any regulations, rules and other guidance implementing such Code sections and any applicable intergovernmental agreement or information exchange agreement and related statutes, regulations, rules and other guidance thereunder).

If any of the expenses listed above are incurred jointly for the account of more than one Client, such expenses will be allocated among such Clients in proportion to each Client's net assets or the size of the investment made by each to which such expense relates, or in such other manner as the Board of Directors or Arrow Capital, as applicable, considers fair and equitable.

Neither the Firm nor its employees accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

Item 6: Performance-Based Fees and Side-By-Side Management

Arrow Capital is entitled to a performance-based fee of 20-30% of the increase in the net asset value of each Client, subject to a high water mark, as described in the Investment Management Agreements.

Generally, Arrow Capital may, in its discretion, reduce or waive all or part of the Performance Fees certain or all of its Clients and/or shareholders at any time.

Performance-based allocation arrangements may create an incentive for Arrow Capital to recommend investments which may be riskier or more speculative than those which we would recommend under a different arrangement in an effort to receive a greater performance-based compensation.

Item 7: Types of Clients

Our Clients are the Sub-Advisory Vehicles and SMA as described in Item 4 above. In order to establish an Account with Arrow Capital, a minimum investment of \$20,000,000 is generally required. However, the Firm, in its sole discretion, may accept a lower minimum investment amount from time to time.

Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss

The descriptions set forth in this Brochure of specific advisory services that we offer to Clients, and investment strategies pursued and investments made by us on behalf of our Clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each Client's investment objectives and guidelines as set forth in the Offering Documents. The investment strategies we pursue are speculative and entail substantial risks. Clients should be prepared

to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.

Investment Objective

Investments in Arrow Capital's Accounts will be substantially similar to the Arrow Mercury Master Fund, (also referred to as the "**Fund**"), which is a foreign vehicle that has not and will not be registered under the U.S. Investment Company Act of 1940. The Participating Shares in the Fund have not been registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), the securities laws of any state thereof or the securities laws of any other jurisdiction, nor is such registration contemplated. The Fund has not been and does not intend to be registered under the U.S. Company Act and therefore is not required to adhere to certain investment policies under the U.S. Company Act. The Fund relies on the exclusion from registration provided in Section 3(c)(7) of the U.S. Company Act.

The Fund is a global equity market neutral investment fund principally investing in listed equities in Australia and internationally. The Fund also extensively uses short sales with the objective of generating absolute returns and to hedge the exposure of the portfolio. The Fund may also invest in commodities, options, futures, bonds and various debt instruments.

The investment strategy of the Fund is based on identifying structural or cyclical themes. The Firm will use top-down analysis to identify trends and themes, then detailed bottom-up analysis to select investments that are materially exposed to each theme. These may be short as well as long investments. The Firm then seeks to build a diversified portfolio of investments on this basis. Some investments may be tactical and shorter-term in nature. There is currently no maximum limit on how much the fund may borrow but it is envisaged that the gross exposure will typically be between 100-200% and not more than 400% of the Fund's net assets.

Risk Management

The Adviser intends to apply a risk management approach that it believes is appropriate for its Clients. The application of any risk management approach involves numerous judgments and qualitative assessments. No risk management system is fail-safe, and no assurance can be given that the risk control framework will achieve its objectives. From time to time, without notice to the Participating Shareholders the Adviser may modify or change the Fund's risk management system and procedures. If you have any questions regarding the risk management approach undertaken, please contact the Investment Manager.

There has been an increase in governmental, as well as self-regulatory, scrutiny of the alternative investment industry. Such scrutiny may increase the exposure of the Fund, the Adviser, and their respective affiliates to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight and scrutiny can also impose administrative burdens on the Investment Manager and disrupt its business including, without limitation, responding to investigations and examinations and implementing new policies and procedures. Certain regulatory inquiries or actions, even in the absence of wrongdoing, can lead to adverse impacts on the Fund, including serious reputational harm, or affect its ability to carry out its investment strategy.

Risk Factors

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the clients advised by us. These risk factors include only those risks we believe to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by us.

An investment involves significant risks, and is suitable only for those persons who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investment, and who have met the conditions set forth in the Offering Documents. There can be no assurances that we will achieve our investment objectives. An investment carries with it the inherent risks associated with investments in publicly traded stocks, options, and related instruments, including, without limitation, the risks described below.

Strategy & Investment Risks

Concentration of Investments. The Fund may invest a relatively high percentage of its assets in a limited number of securities, or in securities in a limited number of industries, which may cause the value of the Fund's investments to be more affected by any single adverse economic, political or regulatory event than the investments of a more diversified investment portfolio.

Liquidity Risk. The Fund's investments may be illiquid or may become illiquid after transacting. There may be times when there is a limited secondary market for the securities in which the Fund may invest, and this may affect the ability of the Fund to realize investments or to meet withdrawal requests. The Investment Manager does not guarantee the liquidity of the Fund's investments or your investment in the Fund. The Investment Manager will attempt to mitigate the liquidity risk factor by ensuring sufficient cash exposure in the Fund to meet liquidity requirements. The Investment Manager reserves the right to suspend the evaluation of Units during periods where the Fund's investments may not be easily valued or sold. The payment of withdrawal proceeds may also be suspended during such periods.

Foreign Currency Risk. The Fund may have exposure to foreign assets or assets with foreign currency earnings. These assets and earnings may be subject to current fluctuations between the Australian dollar and the currency in which the investment is denominated which may cause the value of an investment in the Fund to fall. The Investment Manager will evaluate foreign exchange exposure of the Fund and may choose to undertake transactions that aim to reduce the impact of movements in exchange rates on the value of the Fund's assets. However, there is no guarantee that the strategy will be successful or that currency risks will be mitigated. It may not be possible or practicable to hedge successfully against currency exposure in all circumstances. The cost of hedging is an expense that is borne by the Fund.

Liquidity is beneficial to the Fund in that the Fund will be able to adjust relative asset allocations, maintain desired target allocations or add diversity and new classes of investments to the existing portfolio. The Fund can modify its liquidity as it may exist any given time by selling various of its positions in investments, or by raising additional capital from existing or new investors. Sale of existing positions would involve transaction costs and may adversely affect investment performance of the Fund. The ability of the Fund to increase its liquidity to respond to potential circumstances encountered in the market would be adversely affected if it is unable to raise additional capital from existing or new investors. Factors that the Directors and Investment Manager cannot control, such as disruptions in the financial markets or general economic conditions, could impair the Fund's ability to raise additional

capital. Participating Shareholder redemptions, while subject to certain limitations outlined in this Memorandum or other governing document, may nonetheless reduce available liquidity. The foregoing considerations relating to the potential inability of the Investment Manager to generate liquidity may prevent the Fund from properly adjusting relative asset allocations, maintaining desired target allocations or properly diversifying the portfolios of the Fund, which may, in turn, affect investment performance.

Other Investment Strategies or Opportunities. The Investment Manager may, from time to time, without prior notice to the Fund or its Participating Shareholders, utilize additional investment strategies and sub-strategies, including investment strategies and sub-strategies that are not discussed herein, and/or remove, substitute or modify their stated investment strategies and sub-strategies or any of the types of investments then being utilized. Any such addition or change may result in the Investment Manager investing the assets of the Fund in other markets, securities and instruments than those described herein. Unexpected changes to the Investment Manager's investment strategies may adversely affect a Participating Shareholder's portfolio and may result in the Investment Manager making investments in an area in which it has limited experience or knowledge. There can be no assurance that the Investment Manager's attempt to engage in other investment strategies or sub-strategies will be successful or will not otherwise have an adverse effect on the assets of the Fund managed by the Investment Manager.

Failure of Investment Strategies. Investment strategy risk is the risk that the Investment Manager's investment strategy could fail to achieve the Fund's investment objective and could result in a decrease in the value of an investment in the Fund. The Fund may (in consultation with the Investment Manager) in its discretion adopt the investment, trading and risk management strategies and methods it determines are most appropriate in the market circumstances. However, there can be no assurance that these strategies will be successful. The Fund may employ additional strategies or change strategies following an assessment of market and other conditions and investment opportunities available to the Fund.

Prime Brokers and Custodians risk. The Fund's investments may be borrowed, lent, pledged, charged, rehypothecated, disposed of or otherwise used by the Prime Brokers and Custodians for its own purposes, whereupon such assets will become the absolute property of the Prime Brokers and Custodians or become subject to the charge created by such charge, pledge or rehypothecation as the case may be. The Investment Manager will have a right against the Prime Brokers and Custodians for the return of equivalent assets and will rank as an unsecured creditor in relation thereto.

Trading Error Risk. Trading errors are an intrinsic factor in any complex investment process, and will occur, notwithstanding the execution of due care and special procedures designed to prevent such errors. If trading errors do occur, they are for the account of the Fund, unless they are the result of conduct inconsistent with the standard of care set forth in the material contracts.

Hedging Transactions. The Fund may use hedging strategies to reduce exposure to certain risks. The success of any hedging strategies of the Fund will be subject to the Investment Manager's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Fund's hedging strategy will also be subject to the Investment Manager's ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner.

While the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance than if it had not engaged in any such hedging transactions. For a variety of reasons, the Investment Manager may not seek to hedge certain (or any) portfolio holdings or may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Fund to risk of loss.

It should be noted that the Fund will always be exposed to certain risks that cannot be hedged or fully hedged, including, but not limited to, credit risk (relating both to particular securities and counterparties), equity price risk, interest rate risk, volatility risk, currency risk and liquidity risk.

New Issues. The Fund may invest in New Issues. Such investments offer the opportunity for significant appreciation; however, they are speculative and involve a high degree of risk. It is characteristic of the initial public offerings market that certain companies may be extremely successful, while a much higher percentage of new public companies fail. Thus, the risk of investing in initial public offerings is substantially greater than investing in the stock market as a whole. New Issues Restricted Persons may be precluded from participating, in whole or in part, in the Fund's investments in New Issues, subject to the "de minimis" exception under the New Issues Rules. To the extent that a potential Participating Shareholder is "restricted" or "covered," an investment in the Fund may not yield the performance results that may be achieved by those investors that are entitled to receive allocations with respect to New Issues. Any Participating Shareholder who does not provide the Fund with sufficient information to show that such Participating Shareholder is not a restricted person or a covered person will be presumed to be a restricted person or a covered person and may receive reduced allocations with respect to New Issues and any profit therefrom.

Derivatives. Derivatives are financial contracts whose value depends on, or is derived from, an underlying product, such as the value of an index. The risks generally associated with derivatives include the risks that: (1) the value of the derivative will change in a manner detrimental to the Fund; (2) before purchasing the derivative, the Fund will not have the opportunity to observe its performance under all market conditions; (3) another party to the derivative may fail to comply with the terms of the derivative contract; (4) the derivative may be difficult to purchase or sell; and (5) the derivative may involve indebtedness or economic leverage, such that adverse changes in the value of the underlying asset could result in a loss substantially greater than the amount invested in the derivative itself or in heightened price sensitivity to market fluctuations.

Derivatives markets can be highly volatile. The profitability of investments by the Fund in the derivatives markets depends on the ability of the Investment Manager to analyze correctly these markets, which are influenced by, among other things, changing supply and demand relationships, governmental, commercial and trade programs and policies designed to influence world political and economic events. In addition, the assets of the Fund may be pledged as collateral in derivatives transactions. Thus, if the Fund defaults on such an obligation, the counterparty to such transaction may be entitled some or all of the assets of the Fund as a result of the default.

Short Sales. The Fund may engage in "short sale" transactions. A short sale involves the sale of a security that the Fund does not own in the hope of purchasing the same security (or a security exchangeable therefor) at a later date at a lower price. To make delivery to the buyer,

the Fund must borrow the security, and the Fund is obligated to return the security to the lender, which is accomplished by a later purchase of the security by the Fund. Short selling can result in profits when the prices of the securities sold short decline. In a generally rising market, the Fund's short positions may be more likely to result in losses because the environment would be more conducive for the securities sold short to increase in value. The possible losses from selling short a security differ from losses that could be incurred from each investment in the security; the former may be unlimited, whereas the latter can only equal the total amount of the cash investment. Short selling activities are also subject to restrictions imposed by the federal securities laws and the various national and regional securities exchanges, which restrictions could limit the Fund's investment activities. There can be no assurance that securities necessary to cover a short position will be available for purchase. A short sale involves the theoretically unlimited risk of an increase in the market price of the securities sold short. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Real Estate and REIT Risk. The Fund may invest in REITs. The value of the Fund's investments in REITs may change in response to changes in the real estate market such as declines in the value of real estate, lack of available capital or financing opportunities, and increases in property taxes or operating costs. Participating Shareholders of the Fund will indirectly be subject to the fees and expenses of the individual REITs in which the Fund invests.

Other Risks

Foreign Taxation. The Fund trades in markets located in many jurisdictions around the world with different tax regimes some which may subject the Fund to withholding or other taxation, which may impact the Fund's returns.

In Australia, the availability of tax concessions under the investment manager regime ("IMR") may impact the Australian tax outcome for the Fund and the Feeder Fund. Eligibility for the IMR tax concessions is evaluated annually. Should the Fund and the Feeder Fund not qualify for the IMR tax concessions in a particular year, the Fund and Feeder Fund may be subject to greater Australian taxation for that year which could have a material adverse effect on returns from investments.

Valuation of the Fund's Investments. Valuation of the Fund's investments may involve uncertainties and judgmental determinations, and if such valuations should prove to be incorrect, the Net Asset Value per Participating Share could be adversely affected.

The Fund may have some of its assets in investments which may be difficult to accurately value. Additionally, independent pricing information may not at times be available regarding certain of the Fund's investments. To the extent that the value assigned by the Fund to any such investment differs from the actual value, the Net Asset Value per Participating Share may be understated or overstated.

If the Net Asset Value per Participating Share is either understated or overstated, a Participating Shareholder who redeems all or part of its Participating Shares may be paid, and new investors (or existing Participating Shareholders making additional investments) could pay, an amount that is more or less than the value designated by the Fund (as the case may be).

None of the Directors of the Fund or the Feeder Fund, the Administrator or the Investment Manager shall have any liability in the event that any price or valuation, used in good faith in connection with the above procedures, proves to be an incorrect or an inaccurate estimate or determination of the price or value of any part of the property of the Fund.

Illiquidity of Participating Shares. An investment in the Fund provides limited liquidity. Participating Shareholders may only redeem their Participating Shares in accordance with the terms specified in the Subscriptions and Redemptions section. In particular, Participating Shareholders may redeem their Participating Shares only on a specified Redemption Day. The Directors have the power to suspend or reduce redemptions in certain circumstances. There are also restrictions on transferring Participating Shares.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to an Investor's or prospective investor's evaluation of our advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

Neither we nor our management persons are registered as broker-dealers, and neither of us has any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

We do not recommend or select other investment advisers for our Clients.

Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

Code of Ethics

Arrow Capital has adopted a “**Code of Ethics**” that establishes the high standard of conduct that we expect of our employees and procedures regarding our employees’ personal trading of securities. Our employees are required to certify their adherence to the terms set forth in the Code of Ethics upon commencement of employment and annually thereafter. Employees also are required to provide quarterly certifications of compliance with certain Code of Ethics provisions.

The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

- Employees must at all times place the interests of the Clients first;
- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics’ Employee Personal Investment Policy (described below); and
- Employees should not take inappropriate advantage of their position at the Firm.

Employees required to receive approval from CCO prior to participating in Initial Public Offerings (“**IPOs**”). Employees are prohibited from personally, or on behalf of a Client, purchasing or selling securities that appear on the Firm’s Restricted List.

Employees must obtain pre-approval from the CCO before: (i) engaging in any outside business activities; (ii) making any private investments; or (iii) making political contributions.

We will provide a copy of our Code of Ethics to our Investors, or any prospective investor, upon request, to be viewed on the premises.

Item 12: Brokerage Practices

As the Fund invests primarily in liquid securities, the Adviser anticipates that investments in non-publicly traded securities will be infrequent occurrences (e.g., money market instruments pending investment in a portfolio company, securities held as a result of initial public offerings of portfolio companies, going-private transactions, etc.). However, to meet its fiduciary duties to the Fund, the Adviser has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling non-publicly traded securities. Selection of Brokers and Dealers for the Fund, if applicable, sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. In placing each transaction for the Fund involving a broker-dealer, the Adviser will seek “best execution” of the transaction except to the extent it may be permitted to pay higher brokerage commissions in exchange for brokerage and research services (as discussed below). “Best execution” means obtaining for the accounts the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer. Best execution is not limited solely to the consideration of the best available commission rate. In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, the Adviser’s investment professionals take into account all factors that they deem relevant to the broker’s or dealer’s execution capability, including, by way of illustration, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction taking into account market prices and trends, the reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions. In addition, the Adviser may consider the use of Electronic Communications Networks (“ECNs”) when placing trades on behalf of the Clients. When purchasing or selling over-the-counter securities with market makers, the Adviser generally seeks to select market makers it believes to be actively and effectively trading the security being purchased or sold. In order to monitor best execution, the Adviser’s investment professionals, in consultation with the Adviser’s CCO, will periodically monitor broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of the Adviser and the Fund.

Soft Dollars

Arrow Capital currently utilizes soft dollars. The Clients may bear, via soft dollar payments, the costs of certain benefits or services received by the Clients or by Arrow Capital and its affiliates, within the safe harbour provided by Section 28(e) of the US Securities Exchange Act of 1934. The Adviser considers the use of soft dollars in the context of best execution and in its choice of execution brokers. Brokers do not facilitate the use of soft dollars for the payment of costs and expenses outside the safe harbour of Section 28(e). If there were changes to Section 28(e), or if there were changes to the use of soft dollars that would permit their use for costs and expenses currently outside the current safe harbour, the Adviser has the ability to use soft dollars in a manner that is currently not permissible.

The Adviser participates in soft dollar arrangements with its broker-dealer counterparties to facilitate payments for investment research and related services. We have adopted appropriate internal policies and procedures around the use of soft dollars, including

methodologies for the valuation, budgeting, and allocation of investment research and associated costs.

To the extent the Adviser engages in any soft dollar arrangements, research and/or other services or products obtained with soft dollars generated by one Client or Account's transactional activity may be used by the Adviser to service another Client or Account. The Adviser also may have an incentive to select a broker-dealer based on its interest in receiving the research or other products or services, rather than on the Clients' interest in receiving most favorable execution. The Adviser also uses broker-dealers with which it does not have soft dollar arrangements, and may receive and use research provided by these broker-dealers.

Item 13: Review of Accounts

Our Portfolio Manager and investment professionals continuously monitor and analyze the transactions, positions, and investment levels of the Fund to ensure that they conform with the investment objectives and guidelines that are stated in the Fund's Offering Documents. In these reviews, the Firm pays particular attention to any changes in the investment's fundamentals, overall risk management and changes in the markets that may affect price levels.

Account Reporting

We perform various periodic reviews of each client's portfolio. Such reviews are conducted by our officers.

We will distribute an audited financial report with respect to the previous fiscal year to all Investors within 120 days of fiscal year end. We may also distribute quarterly unaudited net asset value statements, quarter-end performance reports, and a quarterly investor letter to all Investors.

Item 14: Client Referrals and Other Compensation

We do not receive economic benefits from non-clients for providing investment advice and other advisory services. Neither we nor any of our related persons, directly or indirectly, compensate any person who is not a supervised person for client referrals.

Item 15: Custody

This section is not applicable, as the advisers of the Clients we sub-advise maintain custody of the assets in those vehicles.

Item 16: Investment Discretion

While we do not maintain custody over the Clients we manage as mentioned in Item 15, we do have full discretionary investment authority with respect to the Accounts, including authority to make decisions with respect to which securities to be bought and sold, as well as the amount and price of those securities.

Item 17: Voting Client Securities

Arrow Capital does not vote proxy for client accounts, however if Arrow Capital decides to vote proxy for client accounts in the future, the Adviser will implement the appropriate policies and procedures.

Item 18: Financial Information

We are not required to include a balance sheet for our most recent fiscal year, are not aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to Clients, and have not been the subject of a bankruptcy petition at any time during the past ten years.