

THE HISTORY OF ASSET CLASSES

20 YEARS OF ASSET CLASS PERFORMANCE

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REITs 35.27%	U.S. Stocks 33.36%	U.S. Stocks 28.58%	Emerg Markets 66.41%	Com-modity 31.84%	REITs 13.93%	Com-modity 25.91%	Emerg Markets 56.28%	REITs 31.58%	Emerg Markets 34.54%	REITs 35.06%	Emerg Markets 39.82%	Mngd Futures 14.09%	Emerg Markets 79.02%	REITs 27.95%	REITs 8.28%	REITs 19.70%	U.S. Stocks 32.39%	REITs 28.03%	Cur-rencies 4.74%
Com-modity 23.17%	REITs 20.26%	Intl Stocks 20.33%	Hedge Funds 31.29%	REITs 26.37%	Bonds 8.44%	Mngd Futures 12.36%	Intl Stocks 39.17%	Emerg Markets 25.95%	Com-modity 21.36%	Emerg Markets 32.55%	Com-modity 16.23%	Bonds 5.24%	Intl Stocks 32.46%	Emerg Markets 19.20%	Bonds 7.84%	Emerg Markets 18.63%	Intl Stocks 23.29%	U.S. Stocks 13.69%	REITs 2.83%
U.S. Stocks 22.96%	Hedge Funds 16.79%	Bonds 8.69%	Intl Stocks 27.30%	Bonds 11.63%	Hedge Funds 4.62%	Bonds 10.25%	REITs 37.13%	Intl Stocks 20.70%	Intl Stocks 14.02%	Intl Stocks 26.86%	Intl Stocks 11.63%	Cur-rencies 3.50%	REITs 27.99%	Com-modity 16.83%	Cur-rencies 2.25%	Intl Stocks 17.90%	Hedge Funds 9.13%	Mngd Futures 7.60%	U.S. Stocks 1.38%
Hedge Funds 21.10%	Cur-rencies 11.35%	Mngd Futures 7.01%	Com-modity 24.35%	Mngd Futures 7.86%	Cur-rencies 2.71%	Cur-rencies 6.29%	U.S. Stocks 28.68%	U.S. Stocks 10.88%	REITs 12.16%	U.S. Stocks 15.79%	Hedge Funds 9.96%	Hedge Funds -19.03%	U.S. Stocks 26.46%	U.S. Stocks 15.06%	U.S. Stocks 2.11%	U.S. Stocks 16.00%	REITs 2.86%	Bonds 5.97%	Bonds 0.55%
Mngd Futures 9.12%	Mngd Futures 10.89%	Cur-rencies 5.71%	U.S. Stocks 21.04%	Hedge Funds 4.98%	Mngd Futures 0.84%	REITs 3.82%	Com-modity 23.93%	Com-modity 9.15%	Hedge Funds 9.30%	Hedge Funds 12.89%	Mngd Futures 7.66%	Com-modity -35.65%	Hedge Funds 19.98%	Hedge Funds 10.25%	Mngd Futures -3.10%	Hedge Funds 6.36%	Cur-rencies 0.87%	Hedge Funds 3.33%	Intl Stocks -0.39%
Cur-rencies 6.69%	Bonds 9.65%	Hedge Funds 2.62%	Cur-rencies 3.12%	Cur-rencies 4.45%	Emerg Markets -2.37%	Hedge Funds -1.45%	Hedge Funds 19.55%	Hedge Funds 9.03%	U.S. Stocks 4.91%	Bonds 4.33%	Bonds 6.97%	U.S. Stocks -37.00%	Com-modity 18.91%	Intl Stocks 8.21%	Hedge Funds -5.25%	Bonds 4.21%	Mngd Futures -1.14%	Cur-rencies 3.31%	Mngd Futures -0.91%
Intl Stocks 6.36%	Intl Stocks 2.06%	REITs -17.50%	Bonds -0.82%	U.S. Stocks -9.10%	U.S. Stocks -11.89%	Emerg Markets -6.00%	Cur-rencies 11.08%	Bonds 4.34%	Bonds 2.43%	Mngd Futures 3.55%	U.S. Stocks 5.49%	REITs -37.73%	Bonds 5.93%	Mngd Futures 7.03%	Intl Stocks -11.73%	Cur-rencies 1.71%	Bonds -2.02%	Emerg Markets -1.82%	Hedge Funds -1.02%
Emerg Markets 6.03%	Com-modity -3.39%	Emerg Markets -25.34%	Mngd Futures -1.19%	Intl Stocks -13.96%	Com-modity -19.51%	Intl Stocks -15.66%	Mngd Futures 8.67%	Mngd Futures 3.31%	Mngd Futures 1.71%	Com-modity 2.07%	Cur-rencies 2.59%	Intl Stocks -43.06%	Cur-rencies 0.91%	Bonds 6.54%	Com-modity -13.32%	Com-modity -1.06%	Emerg Markets -2.27%	Intl Stocks -4.48%	Emerg Markets -14.60%
Bonds 3.63%	Emerg Markets -11.59%	Com-modity -27.03%	REITs -4.62%	Emerg Markets -30.61%	Intl Stocks -21.21%	U.S. Stocks -22.10%	Bonds 4.10%	Cur-rencies 2.36%	Cur-rencies -1.21%	Cur-rencies -0.12%	REITs -15.69%	Emerg Markets -53.18%	Mngd Futures -0.10%	Cur-rencies 3.45%	Emerg Markets -18.17%	Mngd Futures -1.10%	Com-modity -9.52%	Com-modity -17.01%	Com-modity -24.66%

Past performance does not guarantee future returns. The table above displays calendar year index performance as representative proxies for asset classes (defined on the next page). Index returns assume reinvestment of dividends, but do not include fees. Indexes are not available for direct investment. Source: Index data, as publicly reported, compiled and calculated with FactSet. For more information, call Arrow Funds at (877) 277-6933.

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The History of Asset Classes

Definitions and Performance: 1996-2015



Asset Class	Proxy Index	Annualized Return	Standard Deviation	Index Description
U.S. Stocks	S&P 500 Index	8.19%	15.29%	Consisting of 500 U.S. equities, a common broad-based benchmark used to represent the domestic stock market.
Bonds	Barclays Capital U.S. Aggregate Bond Index	5.34%	3.46%	A common bond benchmark used to represent broad-based fixed income exposure.
International Stocks	MSCI EAFE Index	4.83%	16.72%	A broad benchmark to measure the performance of established international (non-U.S.) equity markets across Europe, Australia and Asia.
Emerging Markets	MSCI Emerging Markets Index	5.45%	23.61%	An index designed to measure equity market performance in global emerging markets of developing economic countries and regions.
REITs	FTSE NAREIT All Equity REITs	10.88%	20.24%	Designed as a comprehensive real estate investment trust (REIT) index that spans the commercial real estate space across multiple investment and property sectors.
Commodity	Bloomberg Commodity Index	0.99%	16.26%	Formerly the Dow Jones-UBS Commodity Index (before July 2014), composed of a broad array of futures contracts on physical commodities.
Managed Futures	Barclay CTA Index	4.59%	7.01%	Net performance index of more than 500 managed programs (CTAs) designed to reflect the overall managed futures industry with regard to trading style and overall market exposure.
Currencies	Barclay Currency Traders Index	3.74%	4.84%	An equal-weighted composite of managed programs that specifically trade currency futures/forwards in the global interbank market.
Hedge Funds	HFRI Fund Weighted Composite Index	7.66%	6.95%	Net performance index of more than 2000 monthly reporting hedge funds with at least \$50 million or an active track record greater than twelve months.

Past performance does not guarantee future returns. Index returns assume reinvestment of dividends, but do not include fees. Indexes are not available for direct investment. Source: Index data, as publicly reported, compiled and calculated via FactSet. **Standard Deviation** is a statistical measurement of volatility based on historical returns. The indexes above are shown as common proxies for various asset classes, as described. Other indexes may exist to serve as alternate proxies for the asset classes. All investment methodologies have risks, both general and product-specific, including the risk of loss of principal. Alternative investments, such as hedge funds and managed futures, may have additional risks not typically associated with traditional asset classes. The information provided is intended to be general in nature, not specific to any investor profile, and should not be construed as investment advice. This information is subject to change at anytime, based on market volatility and other conditions, and should not be considered as a recommendation of any specific security. Always read the prospectus or offering memorandum before making any investment. Arrow Funds are distributed by Archer Distributors, LLC (member FINRA).

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