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ARROW FUNDS ADDS ACTIVE FIXED INCOME ETF TO ITS EXCHANGE TRADED FUND LINEUP

The Arrow Reserve Capital Management ETF (ARCM) seeks to offer a smarter cash management strategy for financial advisors, funds of ETFs and other institutional investors.

Tuesday, April 4, 2017 – LAUREL, MD – Arrow Funds, including the exchange traded product line ArrowShares, today announced the launch of the Arrow Reserve Capital Management ETF (BATS: ARCM) on the Bats Global Markets Exchange. A diversified, ultra-short term maturity fixed income portfolio that seeks capital preservation with maximum income, ARCM offers a sensible alternative to traditional money market funds and bank deposits.

“The current market environment has heightened the demand for compelling cash management strategies,” said Joseph Barrato, CEO and Director of Investment Strategy at Arrow. “ARCM should appeal to financial advisors and institutional investors, including funds of ETFs, who are looking for a choice beyond lower yielding money markets and non-yielding cash positions.”

Sub-advised by Halyard Asset Management, LLC, ARCM seeks to maximize returns and income potential without substantially increasing portfolio risk. To achieve that end, the fund invests in a variety of fixed income securities that offer acceptable yield and return potential for a given level of credit risk and maturity. ARCM’s exposure has an average duration of eighteen months, which may vary based on the sub-advisor’s interest rate forecast.

“Regulatory changes in the money market space combined with a low interest rate environment have driven many investors to take a closer look at their cash management strategies,” said Michael Kastner, Principal at Halyard Asset Management. “For the past ten years we have worked closely with family offices and institutional investors to offer a strategy that seeks to provide a competitive yield and return, but with a lower level of volatility compared to the ultra-short term bond universe. We are now pleased to partner with Arrow to make the Reserve Capital Management strategy more widely available in a convenient ETF structure.”

ARCM represents the latest active exchange traded fund in Arrow’s growing ETF lineup which includes the passive Arrow Dow Jones Global Yield ETF (GYLD), the active Arrow DWA Tactical ETF (DWAT) and the self-indexed Arrow QVM Equity Factor ETF (QVM).

About Arrow Investment Advisors: Arrow Investment Advisors, LLC, the advisor to Arrow Funds and ArrowShares, is an investment management firm dedicated to providing investment solutions, education and research to financial intermediaries. Arrow identifies and develops investment products that seek to enhance returns and mitigate risk, while providing the highest level of customer service. To learn more, visit www.ArrowFunds.com.

Before investing, please read the prospectus and shareholder reports to learn about the investment strategy and potential risks. Investing involves risks, including the potential for loss of principal. An

investor should consider the investment objective, charges, expenses and risks carefully before investing. This and other information is contained in the prospectus, which can be obtained by calling 1-877-277-6933.

Arrow Reserve Capital Management ETF may not be suitable for all investors. New funds have a limited performance record. Shares of exchange traded products are bought and sold at market price, not NAV, and are not individually redeemed from the fund. Buying and selling shares generally results in brokerage commissions which will reduce returns. The market price may be higher (premium) or lower (discount) than the Net Asset Value (NAV). The fund's portfolio may underperform its benchmark and/or other asset classes. The fund's use of fixed income securities are subject to risks including interest rate, credit, prepayment, issuer-specific, regulatory and inflation. The fund's use of derivatives such as futures, options and swap agreements may expose the fund to additional risks that it would not be subject to if it invested directly in the securities underlying those derivatives. The fund's use of asset-backed and mortgage-backed securities are subject to risks including non-payment of borrows resulting the potential for undercollateralized debt valuations and payments. This fund is not a money market.

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