

# ARROW DWA TACTICAL FUND

## A SYSTEMATIC RS GLOBAL MACRO STRATEGY

### Highlights

- Provides access to a tactical global macro strategy
- Long and inverse exposure to U.S. and international stocks, with global exposure to fixed income, commodities and currencies
- Core strategy with a strict relative strength buy and sell discipline
- Access to the technical analysis expertise of Dorsey Wright & Associates

### Objective

Seeks long-term capital appreciation with capital preservation as a secondary objective

### Investment Time Horizon

At least 5 years

### Fund Type

Tactical Global Macro

### Portfolio Manager

Dorsey Wright & Associates

### Minimum Investment

- \$5,000 non-qualified account
- \$2,000 retirement account
- \$250 subsequent investments

CLASS	SYMBOL	CUSIP
A-Shares	DWTFX	66537T521
C-Shares	DWTTX	66537T513



### Focused Approach for Global Markets

The DWA Tactical Fund is managed by Dorsey Wright & Associates using a proprietary global macro relative strength (RS) process. While most global macro models rely on macroeconomics to implement their investment strategies, the management team will strictly monitor and focus on the relative strength of price movements in equity, fixed income, real estate, currency and commodity instruments to execute the fund's investment strategy.

The systematic process continuously seeks relative strength across multiple global markets using a strict buy/sell discipline. Rather than focusing on specific securities, such as individual stocks and bonds, the fund holds approximately ten broad-based positions to eliminate manager bias and reduce individual security risks.

### Responsive to Changing Market Conditions

The DWA Systematic RS Global Macro process works by reallocating to various market segments in response to the changing patterns of returns across global market segments. The fund follows a tactical approach by overweighting the market segments showing the strongest relative strength. The table below shows the fund's three market segments, a description of the strategy exposure and the potential allocation ranges for each:

Market Segment	Description	Min	Max
<b>Equities</b>	Provides long/short exposure to domestic, international and emerging market equities. Short (or inverse) exposure will generally not exceed an allocation of 30%.	0%	100%
<b>Fixed Income</b>	Provides exposure to domestic, international and emerging fixed income markets, including corporate, government and agency bonds.	0%	100%
<b>Alternatives</b>	Includes global exposure to real estate, currencies and commodities. Allocations will generally not exceed 30% for each of these individual alternative strategies.	0%	90%

*Portfolio allocations are based on initial investment amounts and may vary with market fluctuation.*

### Exposure to Multiple Global Assets

Global macro strategies are generally not limited to a particular market segment. With fewer constraints, these strategies are able to pursue a focused investing style. The advisor will monitor twelve unique investment strategies across three market segments. The goal is to systematically identify and provide exposure to leading global market strategies. When a strategy has been selected, the advisor will use ETFs, along with futures and/or other exchange traded products, to gain exposure to the asset classes. The following table highlights the global macro strategies that are monitored within the three market segments:

Equities	Fixed Income	Alternatives
U.S. Style Rotation	Global Inflation	Commodity Rotation
U.S. Sector Rotation	U.S. Treasury Rotation	Currency Rotation*
International Rotation	Global Income	Global REIT
Global Dividend		
Global Alpha		
Global Inverse*		

*\*The fund may use futures to provide exposure to these strategies.*

**Standard deviation** is a statistical measurement of volatility based on historical returns. **Correlation** measures how closely two securities' movements are associated, ranging from 1.0 (highly correlated) to -1.0 (inversely correlated).

**This fund may not be suitable for all investors.** The fund may invest in commodity related securities, which may be subject to greater volatility than investments in traditional securities. The fund may invest in international and emerging market securities, which may be subject to special risks including fluctuations in currency, government regulation, differences in accounting standards and liquidity. Investing in small-cap securities may have special risks, including wider variations in earnings and business prospects than larger, more established companies. The fund may invest in real estate related securities, which may be subject to mortgage-related risks and real estate market fluctuations. The fund may invest in fixed-income securities, which are subject to risks including interest rate, credit and inflation. The fund is nondiversified as there are a limited number of underlying funds available and each holding has the potential for a greater impact on the return. However, the underlying funds have access to a wide array of investments providing the additional diversification benefits discussed in the prospectus. Diversification does not assure a profit or protect against loss in a declining market. Portfolio holdings are subject to change and should not be considered investment advice.

Before investing, please read the fund's prospectus and shareholder reports to learn about its investment strategy and potential risks. Mutual fund investing involves risk including loss of principal. An investor should also consider the fund's investment objective, charges, expenses, and risk carefully before investing. **This and other information about the fund is contained in the prospectus, which can be obtained by calling 1-877-277-6933.** Please read the prospectus carefully before investing. Distributed by Northern Lights Distributors, LLC, member FINRA/SIPC.

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TARGETING PORTFOLIO SOLUTIONS

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## PORTFOLIO STATISTICS AS OF 12/31/2009

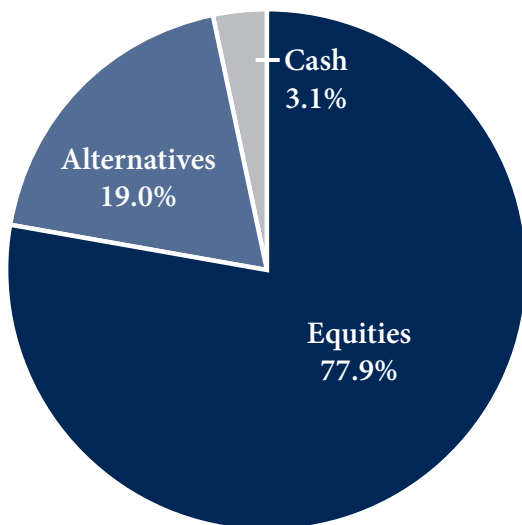
### Fund Performance

Class	YTD	Three Month	One Year	Annualized		Since Inception	
				Three Year	Inception 5/30/08	Standard Deviation	Correlation (vs S&P 500)
A-Shares	23.60%	7.03%	23.60%	N/A	-12.48%	23.60%	0.88
C-Shares	22.73%	6.82%	22.73%	N/A	-13.09%	23.63%	0.88
Benchmark	31.95%	4.37%	31.95%	--	-7.09%	25.34%	0.92
S&P 500	26.46%	6.04%	26.46%	--	-11.22%	37.51%	1.00

**Past performance does not guarantee future results.** For periods less than one year, performance is not annualized. The performance data quoted represents past performance at net asset value and current returns may be lower or higher. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. To obtain performance information current to the most recent month end, please call 1-877-277-6933. The maximum sales charge for A-Shares is 5.75% and may be eligible for a reduction in sales charges. The Fund charges a fee of 1.00% on redemptions of shares held less than 30 days. The total fund expenses are 3.10% for A-Shares and 3.86% for C-Shares. After a contractual fee waiver of 0.65% and 0.66% (respectively, effective at until at least 11/30/2010), the net annual operating expense is 2.00% for A-Shares and 2.75% for C-Shares, plus acquired fund fees of 0.45%.

Benchmark: Dow Jones Moderately Aggressive Portfolio Index is a global asset allocation benchmark. 80% of the benchmark is represented equally with nine Dow Jones equity indexes. 20% of the benchmark is represented with five Barclays Capital fixed income indexes. The indexes are unmanaged, do not include fees and are not available for investment.

### Portfolio Allocation



### Holdings

11.35%	ISHARES S&P LATIN AMERICA 40
10.37%	ISHARES MSCI EMERGING MKT
9.85%	TECHNOLOGY SELECT SECTOR
9.64%	ISHARES S&P MIDCAP 400/GROWTH
9.63%	CONSUMER DISCRETIONARY SEL
9.63%	FIRST TRUST DJ GL SEL DIV
8.77%	SPDR S&P INTERNATIONAL DIV
8.65%	ISHARES MSCI PACIFIC EX JPN
10.27%	POWERSHARES DB BASE METALS
8.69%	POWERSHARES DB SILVER FUND
3.14%	HIGHMARK TREAS PLUS MM (CASH)

### Strategy Analysis

EQUITIES		FIXED INCOME		ALTERNATIVES	
30.38%	International Rotation	N/A	Global Income	N/A	Currency Rotation*
18.40%	Global Dividend	N/A	Global Inflation	18.97%	Commodity Rotation
19.48%	U.S. Sector Rotation	N/A	U.S. Treasury Rotation	N/A	Global REIT
9.64%	U.S. Style Rotation				
N/A	Global Alpha				
N/A	Global Inverse*				

\*The fund may use futures to provide exposure to these strategies.

For additional information, visit our web site at [www.arrowfunds.com](http://www.arrowfunds.com)