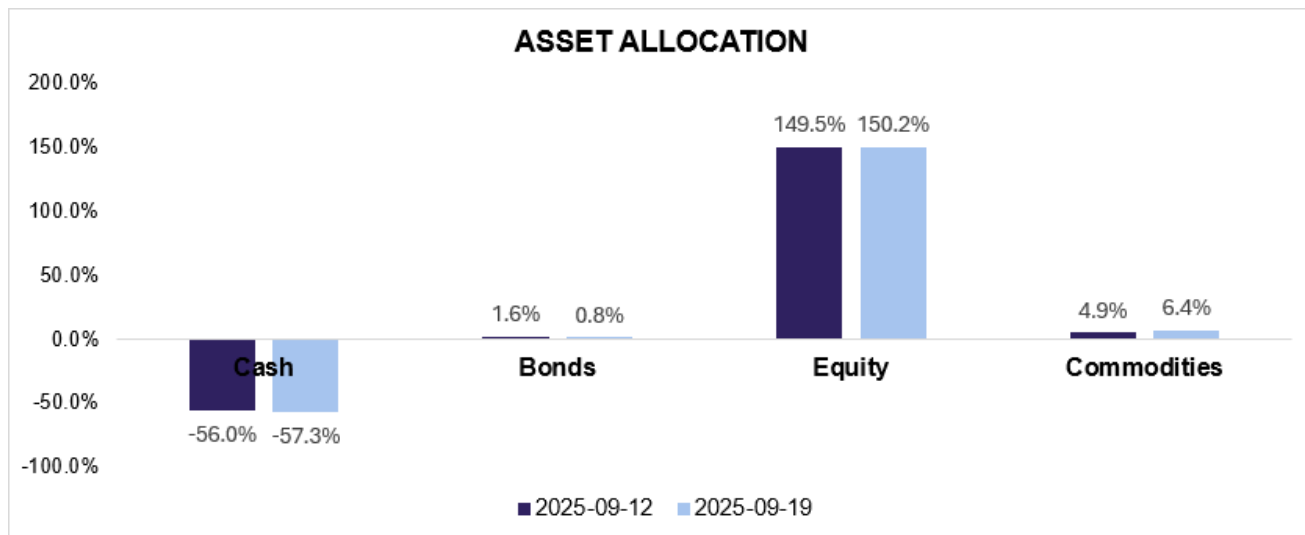


# ARROW LONG/SHORT ALTERNATIVE FUND

## commentary – Week ending September 19, 2025



Weekly performance, macro context, current positioning, and future expectations.

### Performance

September 19, 2025

#### Arrow Long/Short Alternative Fund (Series F):

WTD 1.31%

MTD 2.17%

YTD 3.94%

#### S&P TSX Composite

WTD 1.73%

MTD 4.39%

YTD 22.74%

#### S&P 500:

WTD 1.25%

MTD 3.25%

YTD 14.39%

### Fund Commentary

Markets were firm last week as the Federal Reserve and the Bank of Canada each delivered interest rate cuts, as expected. A key takeaway from the meeting was the Fed's emphasis on the growth part of their dual mandate. Markets have been sniffing this out for a bit, but the recent meeting reinforced this view. For now, bad news continues to be good news and there's a growing consensus building to once again "not fight the Fed". Major US indices hit new highs, with Gold and Silver continuing their gravity defying moves.

We've benefited from the move in precious metals the past couple of months, but we've hedged out a large portion of our exposure with this recent move. That said, we remain bullish on the complex longer term, as broad investor interest is only now starting to pick up and valuations remain modest in the context of this price environment. To illustrate, at spot Gold pricing, many senior producers are trading below NAV, with small/mid cap equities trading at <0.5x NAV and 10%+ FCF yields. If you're bullish on the underlying commodity, there remains considerable re-rating potential to multiples.

Note: This page is not complete without disclaimers on the last page.

Remember, last cycle Gold equities were consistently trading at 1.5-2x NAV, supported by the commodity 'super cycle' and the idea of scarcity.

One Gold name we wanted to highlight is Asante Gold (ASE). Asante owns two producing gold mines in Ghana, however operations have been underperforming due to balance sheet constraints. The company just completed a ~\$500M financing package that clears the way for them to re-focus on execution and normalize operations. So, what could that look like? The company's initial goal is to produce 450K oz of Gold, with upside to 500K oz in the medium term. Management believes they could achieve ~\$1500/oz AISC, with a path to \$1200/oz.

If we translate this to financials, assuming US\$3500/oz Gold, see below for the significant cash flow potential:

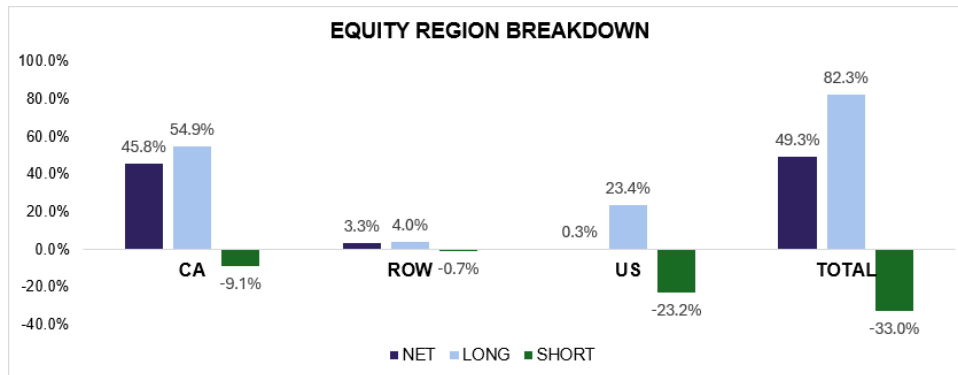
450K oz prod'n @ \$1500/oz AISC = US\$900M CF, or C\$1.2B

500K oz prod'n @ \$1200/oz AISC = US\$1.15B CF, or C\$1.6B

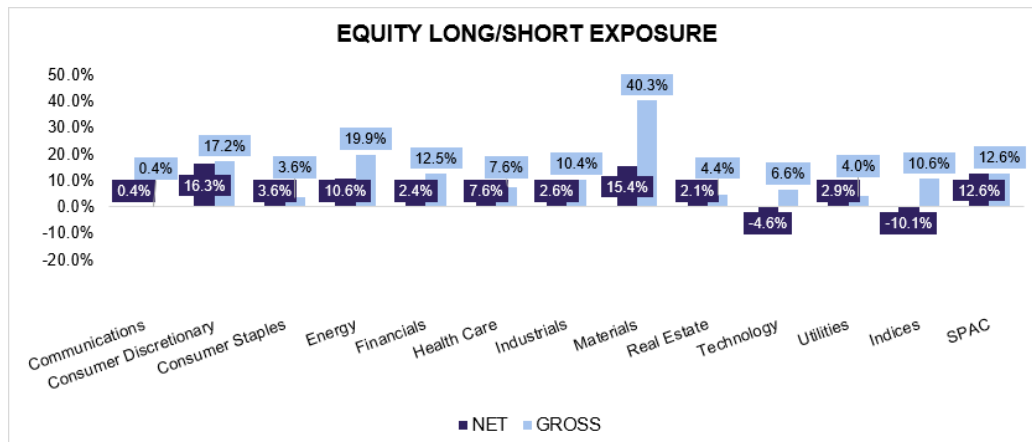
ASE's current EV is ~C\$2B, implying the **stock is trading at sub 2x CF, and maybe closer to 1x on a normalized basis**. In this gold environment, **we would argue the stock should trade closer to 5-8x CF on a normalized basis**. Of note, there is very limited broker coverage (although we think this will change), which is another reason for the discount... it's very under the radar. As the company executes and shows their path to normalization, this discount will close.

Looking ahead in the US, the key release is core PCE on Friday, the Fed's preferred inflation gauge. Fed speakers this week may offer additional clarity on the rate path as well. Earnings season continues in the background, with COST set to report on Thursday.

## Equity Allocation (% Total Portfolio including Futures)



## Sector Exposures (% Long / Short Portfolio of individual companies)



We look forward to reporting back next week.

Thanks,  
Arrow Investment Team

Historical Performance – As of August 31, 2025

	1-Year	3-Year	5-Year	10-Year
ALSAF - Series F	8.28%	4.06%	9.34%	7.17%

Published September 21, 2025

Effective June 25, 2024 Arrow Long/Short Alternative Class was merged into Arrow Long/Short Alternative Fund as part of the corporate class fund merger. Effective June 15, 2023, the Fund was renamed Arrow Long/Short Alternative Class (formerly Arrow Canadian Advantage Alternative Class).

Commissions, trailing commissions, management and performance fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compound total returns net of fees and expenses payable by the fund (except for figures of one year or less, which are simple total returns) including changes in security value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

The rates of return are used only to illustrate the effects of the compound growth rate and are not intended to reflect future values or returns on investment in an investment fund.

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The comparison presented is intended to illustrate the historical performance of the Fund as compared with the historical performance of a widely quoted market index or a weighted blend of widely quoted market indices or other investments. There are various important differences that may exist between the Fund and the stated indices or other investments that may affect the performance of each. The objectives and strategies of the Fund result in holdings that do not necessarily reflect the constituents of and their weights within the comparable indices. Indexes are unmanaged and their returns do not include any sales charges or fees. It is not possible to invest directly in market indices. Certain statements contained in this communication are based in whole or in part on information provided by third parties and Arrow Capital Management has taken reasonable steps to ensure their accuracy. Market conditions may change which may impact the information contained in this document.

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