December was another good month to finish up what turned out to be a very positive year. The fund rose +0.35% in December, which lagged the Canadian market where the TSX rose 1.27%, but beat the US markets where the S&P 500 was up only 0.05%. Strongest contributors to our fund's gains in December were from Electrovaya, Quipt, Abacus, Kits Eyecare, and Profound Medical, all of whom rose by over 18% during the month.

This finished up a strong year, that saw the fund rise 23.20%, lagging the TSX at 31.62%, but ahead of the S&P 500 which was up only 12.44% in Canadian dollars. The year was led to the upside by very strong gains from the gold miners which more than doubled and held back by weaker performance from industrial and consumer stocks. December's results bring our 5 year returns to +137.65% (18.90% annualized CAGR), which is well ahead of our TSX benchmark, which returned 111.36% (16.15% CAGR) over the same time frame.

## QUIPT HOME MEDICAL TO BE TAKEN PRIVATE, STOCK RISES 46%

The highlight of December were strong 3rd quarter results and the concurrent announcement by Quipt Home Medical that the company was to be taken private at $3.65US/share, a 50% premium to where the stock had been trading at recently. Quipt provides in-home monitoring and disease management services, with a specific focus on respiratory solutions and sleep therapy solutions in the US. In the 3rd quarter the company had excellent results, growing 11% through a combination of organic and acquisition growth.

Public markets have not rewarded small home healthcare companies in the last 2 years due to policy and regulatory headwinds resulting in these stocks trading at very low valuations, causing frustration among shareholders. After a year of extensive strategic reviews by the board, the company has decided the best near term solution for shareholders was a take-private offer from private equity firms Forager Capital and Kingswood Capital.

This is just another example of the undervaluation among the holdings in the Conservative Growth portfolio. While Quipt management had been methodically building long-term value in the firm through a combination of acquisitions and organic growth initiatives, the short-term policy and regulatory headwinds dominated public shareholder sentiment causing the stock to trade at very low valuations. As always happens, if the depressed valuation lasts for too long, ultimately good firms attract the attention of industry competitors and/or private equity buyers, who are only too happy to come in with higher bids for these substantially undervalued firms.

The takeover is taking place at a still extremely compelling valuation of just 4.1 times our expectations of 2026 EBITDA and a 15 times free cash flow multiple, which explains why private equity was eager to bid for Quipt. We still believe there is a possibility for a higher bid to surface before the takeover closes, so we will hold our shares until that time. Quipt is just the latest in a string of takeovers we have seen in our fund holdings in recent years due to the compelling businesses we own at low valuations. We look for gains to come in coming years as the public market recognizes the great values in the fund and bid the stocks up, or failing that we expect more takeovers, similar to the Quipt takeover.

## THE OUTLOOK FOR 2026

2025 turned out to be an excellent year for the portfolio, with at 23.2% gain. This was achieved thanks to excellent performance from the many companies we own in the portfolio, despite what was a somewhat chaotic political and regulatory environment created by the current US presidency. While low tax policy and red tape cutting by the Trump administration has been helpful, this has been offset by inconsistent tariff, trade, and foreign policy.

We look for more of the same to occur in 2026 albeit with a slightly weaker global economy than we saw last year. This likely leads to a choppy year for financial markets as we will see a new US Federal Reserve Chairman this year and as we approach the mid-term US elections. While trade issues have created drag in some segments of the economy, many areas of the economy continue to thrive and grow, which continues to create opportunities for many companies to build value. The Conservative Growth portfolio is full of many of these excellent companies providing the basis for good returns in the coming years.

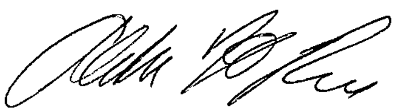
## MORE INSIDER BUYING IN DECEMBER

December saw more buying by insiders at a number of our companies. The largest purchases occurred at Northland Power, Freehold Royalties, Tourmaline Oil, GO Residential REIT, and Interfor. Insiders seem to be seeing the same great upside opportunity that we do. Buying of stock by insiders at our companies is just one more point of support for the value opportunity present in our holdings, as these are the very people that know their businesses best.

## JANUARY 31ST…. NEXT LP CLOSING

The next closing for the NR Conservative Growth Fund LP is January 31st, 2026. Please feel free to contact Daria Krikun at 416-364-8591 or Aaron Sniderman at 416-847-3979 for more information or to set up an appointment or call 416-323-0477 to speak with any one of us directly concerning the Conservative Growth LP. Our toll-free number is 1-877-327-6048.

Warmest Regards,



**Alex Ruus, CFA, MBA, P.Eng**
Portfolio Manager
Arrow Capital Management Inc

| Historical Performance | 1 yr | 3 yr | 5 yr | 10 yr | ITD |
|---|---|---|---|---|---|
| NR Conservative Growth Fund LP | 23.20 | 11.19 | 18.90 | 10.22 | 9.68 |

Returns as of December 31, 2025

Commissions, trailing commissions, management fees, performance fees, and expenses all may be associated with investment funds. Please read the offering memorandum 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.

This document is not to be construed as a public offering of securities in any jurisdiction in Canada. Offering of units in the L.P. are made pursuant to the Confidential Offering Memorandum (offering memorandum) only to those investors in all jurisdictions of Canada who meet certain eligibility or minimum purchase requirements. Important information about the L.P. including the L.P.’s fundamental investment objective, is contained in the offering memorandum, a copy of which may be obtained from Arrow Capital Management Inc.

This document is confidential and is intended solely for the information of the person to which it has been delivered. More information about the Fund can be found on our website www.arrow-capital.com. Published January 2026.