

ARROW EC EQUITY ADVANTAGE ALTERNATIVE FUND

august 2025



| | Aug 2025 Return | YTD Return | ITD Return | Std. Dev (Inception) |
|----------------------|--------------------|------------|------------|-------------------------|
| AECEAAF – Ser X | 3.19% | 7.33% | 14.32% | 3.91% |
| S&P/TSX 60 (XIU ETF) | 4.79% | 16.49% | 22.73% | 9.84% |

The AECEAA strategy is designed to manage equity risk effectively while still participating meaningfully in market upside. It aims to deliver strong, stable returns with lower drawdowns, making it an attractive core diversifier in client portfolios.

The strategy combines two core components:

- a Market Neutral Alpha Engine, and
- a Strategic Equity Allocation (via the XIU ETF)

The allocation to XIU provides exposure to Canadian equities and is expected to deliver roughly half the return and volatility of the TSX. The Alpha Engine, designed to be market-neutral, aims to enhance overall returns without significantly increasing risk. The Arrow EC Equity Fund currently has a 'Founder's Class' which has reduced management and performance fees for the first \$50 million AUM.

August marked a resilient month for North American equity markets, buoyed by robust corporate earnings, cooling inflation, and anticipation of Federal Reserve rate cuts. Both U.S. and Canadian indices posted gains amid global trade optimism and steady economic data, though concerns over tariffs and AI productivity lingered. The period saw record highs across major benchmarks, reflecting broadening participation beyond mega-cap tech. Sector performance broadened: 9 of 11 S&P 500 sectors rose, led by Materials (+5.6%) on commodity rebounds and Communication Services (+3.2%), while Utilities dipped -2.0% amid rate cut bets.

Canada's S&P/TSX Composite delivered stronger returns, climbing approximately 5.13% to end August. Year-to-date gains hit around 15%, outpacing U.S. peers, as energy and materials sectors—comprising over 30% of the index—benefited from elevated oil prices (WTI near \$85/barrel) and a Chinese stimulus-fueled commodity uptick. Financials added support with solid bank earnings, while tech lagged slightly. Broader tailwinds mirrored the U.S., including Bank of Canada rate cut expectations and U.S. trade truce extensions with China, which eased export pressures. However, domestic headwinds like softening housing data and political uncertainty in Europe indirectly weighed on sentiment.

[Arrow EC Equity Advantage Alt Fund - Series X](#)

[Arrow EC Equity Advantage Alt Fund - Series F](#)

| Historical Performance | 1 yr | ITD |
|--|-------|-------|
| Arrow EC Equity Advantage Alternative – Ser X | 14.07 | 14.32 |
| Arrow EC Equity Advantage Alternative – Ser F | 11.87 | 12.95 |
| Arrow EC Equity Advantage Alternative – ADIV ETF | 14.06 | 14.31 |

Returns as of August 31, 2025

The Series ETF Units of the Arrow EC Equity Advantage Alternative Fund were launched on December 31, 2023 and are listed on the TSX under the ticker ‘ADIV’.

Commissions, trailing commissions, management and performance fees and expenses all may be associated with mutual fund and exchange-traded fund (ETF) investments. Please read the prospectus and Fund Facts for Arrow EC Equity Advantage Alternative Fund carefully before investing before investing. Unless otherwise indicated, 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 and ETFs are not guaranteed, their values change frequently and past performance may not be repeated. You will usually pay brokerage fees to your dealer if you purchase or sell securities of an ETF on recognized Canadian exchanges. If the securities are purchased or sold on these Canadian exchanges, investors may pay more than the current net asset value when buying securities of the ETF and may receive less than the current net asset value when selling them.

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 Arrow EC Income Advantage Alternative Fund as compared with the historical performance of a widely quoted market index or a weighted blend of widely quoted market indices or other investment funds. There are various important differences that may exist between the Fund and the stated indices or other investment funds 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. Published September 2025.