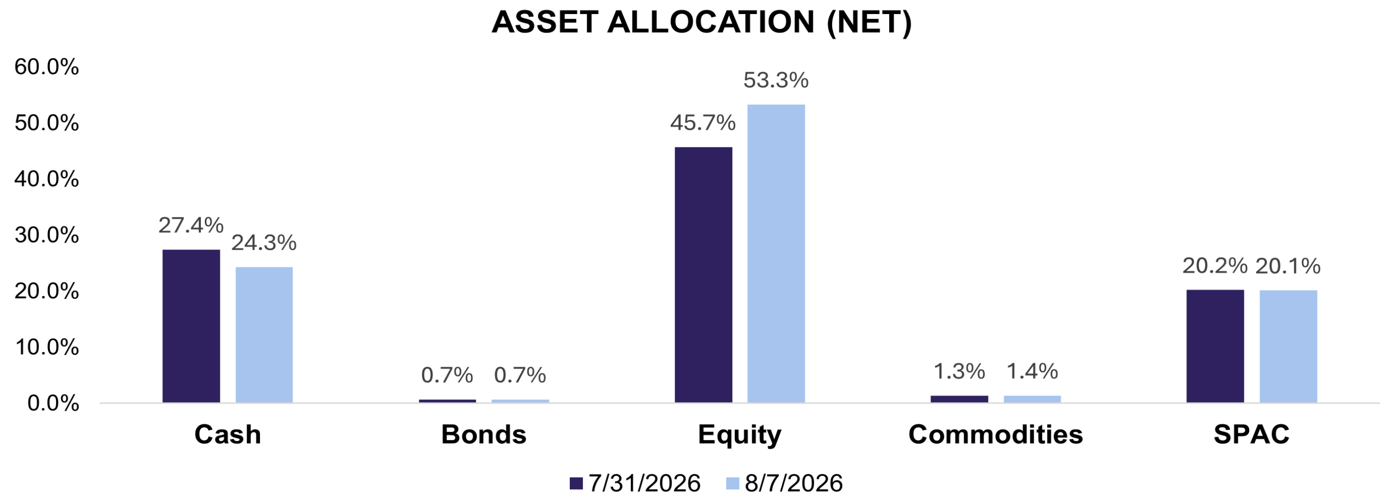
ARROW LONG/SHORT ALTERNATIVE FUND
commentary - Week ending August 7, 2026



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

Performance

August 7, 2026

Arrow Long/Short Alternative Fund (F Class):

WTD 0.95%
MTD 0.95%
YTD 8.86%

S&P/TSX 60 (XIU ETF):

WTD 2.62%
MTD 2.62%
YTD 16.49%

S&P 500 (SPY ETF):

WTD 3.51%
MTD 3.51%
YTD 14.00%

Fund Commentary

Markets extended its recovery, with SPX hitting new highs post the Situational Awareness “clearing event”. Fear has quickly turned to Greed with some of the highest beta areas of the market leading the ascent. This once again serves a useful reminder of how positioning, liquidity, and crowding can drive short term price action, while fundamentals have become less reliable as near term price signals.

A notable outperformer last week was Gold, surging ~7%. There was no obvious catalyst for the move, although we suspect the re-emergence of questions about Fed independence, as well as increasing government intervention into public markets (Yen, yields) could be re-stoking the narratives that drove Gold higher last year... specifically, de-basement and a “Sell America” thesis.

The co-ordinated actions we observed over recent weeks are quite striking. Treasury Secretary Bessent signed off on US support to help Japan prop up the yen - the first such co-ordinated foreign exchange intervention in almost 30 years. Bessent said the US will do “whatever it takes” to support Tokyo. Oh by the way, Japan is the single largest holder of US treasuries... just saying.

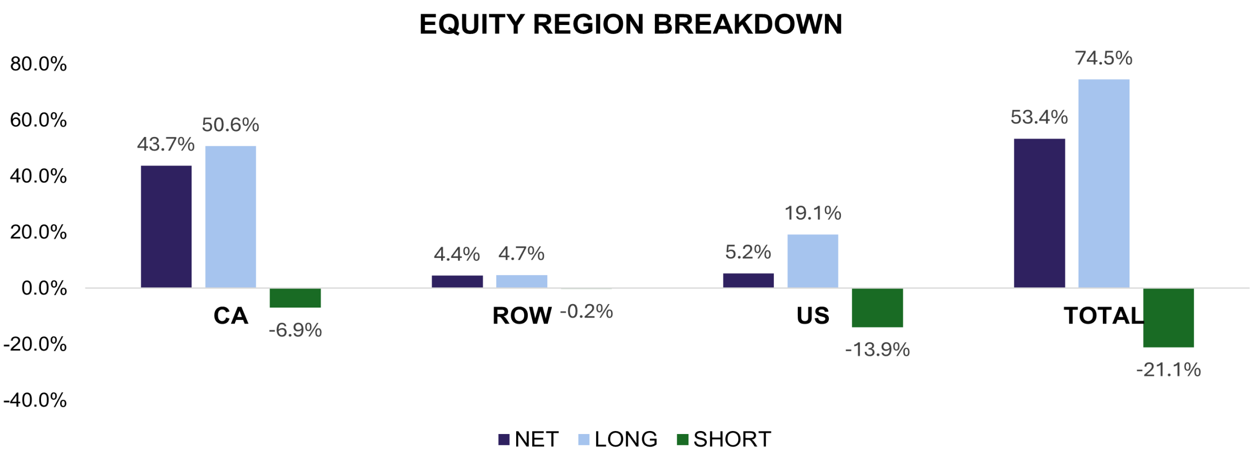
There are also signs that long term yields are becoming a concern and the administration is looking for ways to control this (see article below). The collective picture - an interventionist Treasury, questions about Fed Chair independence, and long term yields breaking to new highs - reminds us a bit of early 2025 when the “Sell America” narrative was strong and the de-basement trade was getting going. If this is true, by extension, we could see this providing support for the commodity complex as a whole.

https://finance.yahoo.com/economy/policy/articles/behind-bessent-moves-wall-street-133600816.html

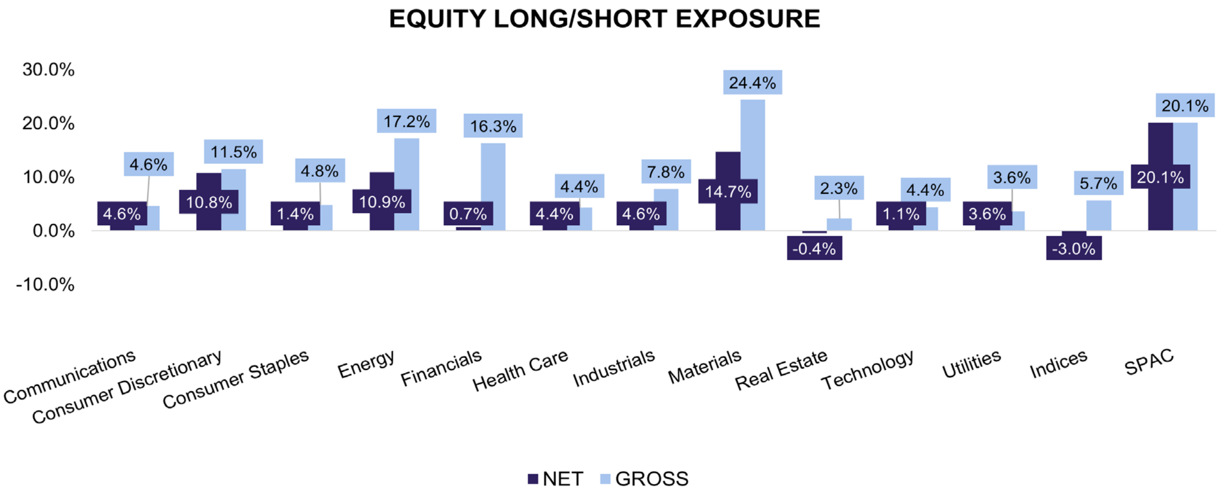
To be clear, we have no idea if the above is true, but we are of the firm view that price action is the only thing that matters in markets, and ultimately narratives are constructed to support or explain market movements. What’s more important however for the commodities complex is that they are cyclical assets that are ultimately driven by the laws of supply and demand, and as we have talked about prior, we do believe we are in the midst of a new commodity bull market. We’ve been judiciously adding length here over the past few weeks and are looking for more opportunities as we get confirmation of the recent constructive price action.

It was a busy week for earnings across the book, with the majority of our core positions printing results that met or exceeded expectations. Whilst price action was somewhat muted in response - a pattern we observed more broadly this earnings season, where beats are being met with indifference rather than re-ratings - we are not reading too much into this. These are longer term, conviction positions, and one quarter’s price action does not alter our longer term fundamental views.

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 July 31, 2026

	1-Year	3-Year	5-Year	10-Year	ITD
ALSAF - Series F	20.43%	10.43%	6.50%	8.75%	9.63%

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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.

More information about the Fund can be found on our website www.arrow-capital.com.