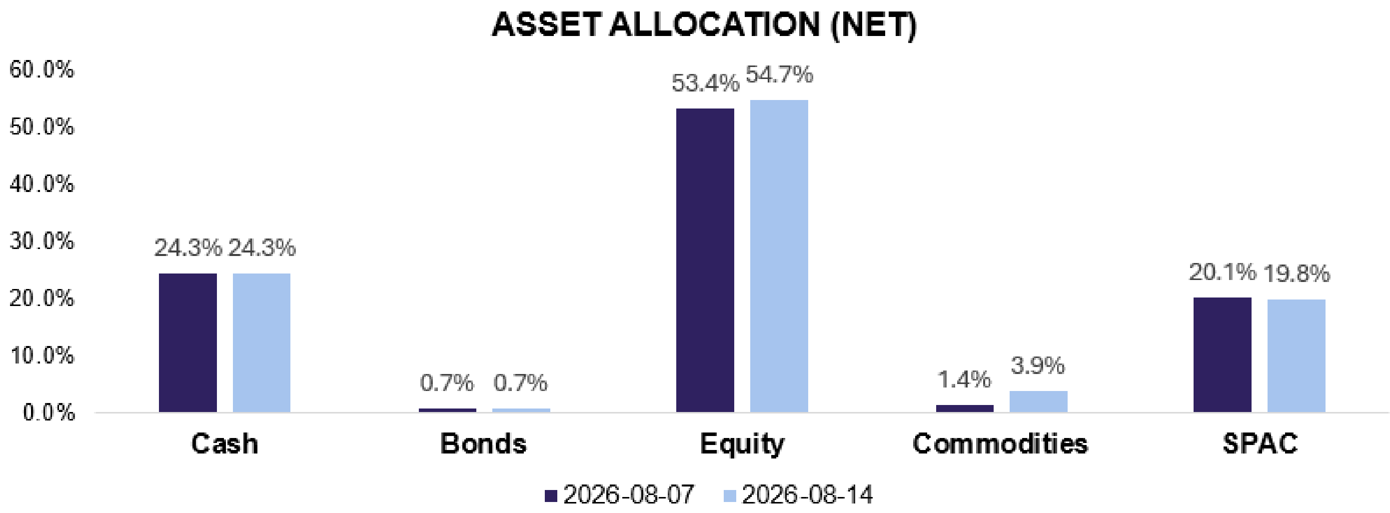
ARROW LONG/SHORT ALTERNATIVE FUND commentary - Week ending August 14, 2026



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

Performance

August 14, 2026

Arrow Long/Short Alternative Fund (F Class):

WTD 1.15%
MTD 2.11%
YTD 10.11%

S&P/TSX 60 (XIU ETF):

WTD 1.25%
MTD 3.90%
YTD 17.94%

S&P 500 (SPY ETF):

WTD 0.40%
MTD 3.92%
YTD 14.45%

Fund Commentary

It was a quiet week across North American markets while broad markets continued to hit highs. Unsurprisingly, volumes were light as earnings season is largely behind us and we are squarely in the Summer doldrums. Look for this to continue as we approach Labour Day.

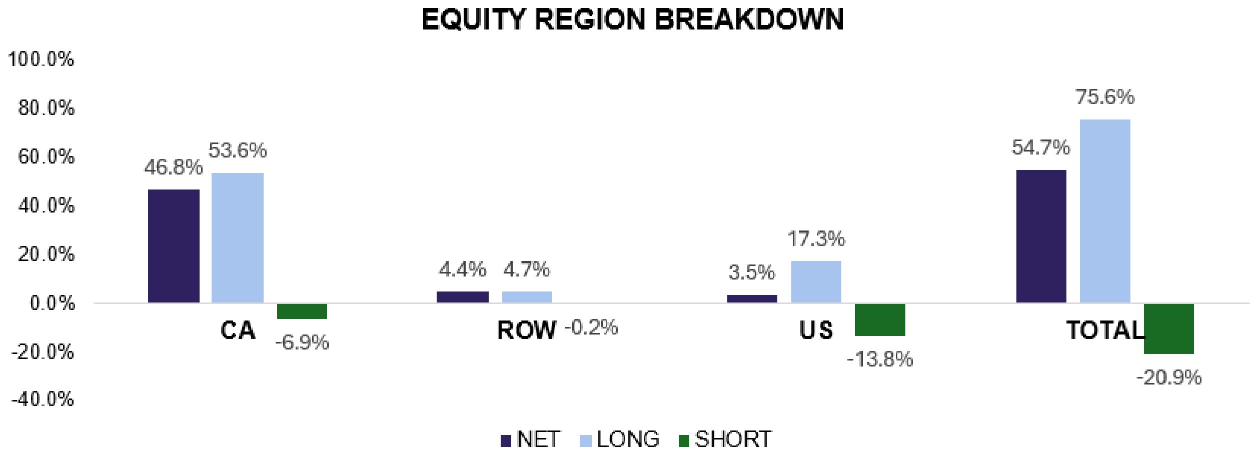
For us, one of last week's most interesting transactions had nothing to do with equities, rates, or macro. Former Disney CEO Bob Iger and Thrive Capital founder Josh Kushner (Jared's brother) agreed to purchase the Los Angeles Lakers for a record $12.5B. The context is what's striking. In mid 2025, Guggenheim's Mark Walter purchased the franchise for a then record $10B. In just over a year, the franchise appreciated 25%. So what, you say?

If you've followed our Funds, we've had a long-standing position in Madison Square Garden Sports (MSGS) as a way to express a thematic view on sports franchises. MSGS owns the New York Knicks and New York Rangers...two trophy franchises (like the Lakers) anchored in the world's largest media market. Our thesis is straightforward: live sports is among the last truly valuable content mediums, and we've seen this manifest through escalating franchise values and media rights. With PE participation now coming and a growing institutional class, we see this steady march up to continue. From a public equity standpoint however, the ways to express a direct view is scarce: MSGS, Atlanta Braves (BATRA/BATRK), Manchester United (MANU), and Formula One (FWONK).

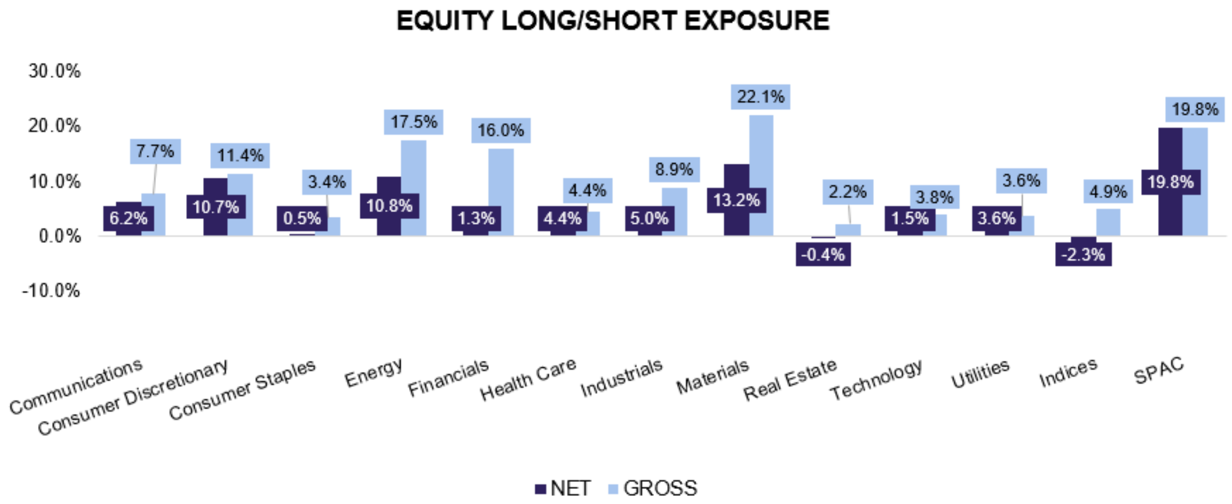
We initiated a position when MSGS traded at a 50%+ discount to its private market value. This is a classic underappreciated small cap stock that has limited broker coverage, hence the discount. With the company planning a separation of the two franchises, and the theme starting to enter the investment zeitgeist, the discount has materially compressed, although there's still room to go. Sportico currently values the Knicks at $9.85 billion and the Rangers at $3.65 billion, or $13.5 billion total - compare this to MSGS's EV of $10.8B, a 20% discount. The Lakers transaction has already triggered some revisions, with JPMorgan now estimating the Knicks alone to be worth $11.75B...effectively covering the current EV, and so basically getting the Rangers for free. There is also some speculation that the separation of the franchises could portend a sale of one of them. We view this as a free option, not something we are paying for.

Closer to home, Rogers (RCI/B) now owns 100% of the Maple Leafs, Raptors, Argonauts, Toronto FC, and Blue Jays after completing its C$4.35B acquisition of Larry Tanenbaum's remaining MLSE stake in July. This is going according to management's plan, with the next move to sell a minority stake in the total sports assets for a target valuation of C$25B+. Proceeds will go directly to debt reduction and an announcement is targeted for H1/2027. The market, however, does not appear to believe them. If we value the telecom and cable assets at a peer multiple and give credit for the C$25 billion target, the implied share price is 50%+ higher. At this point, markets are in wait and see mode. But we view the risk/reward as quite interesting, with prospect of a value unlocking catalyst in the next 6 months. We are long RCI/B.

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.