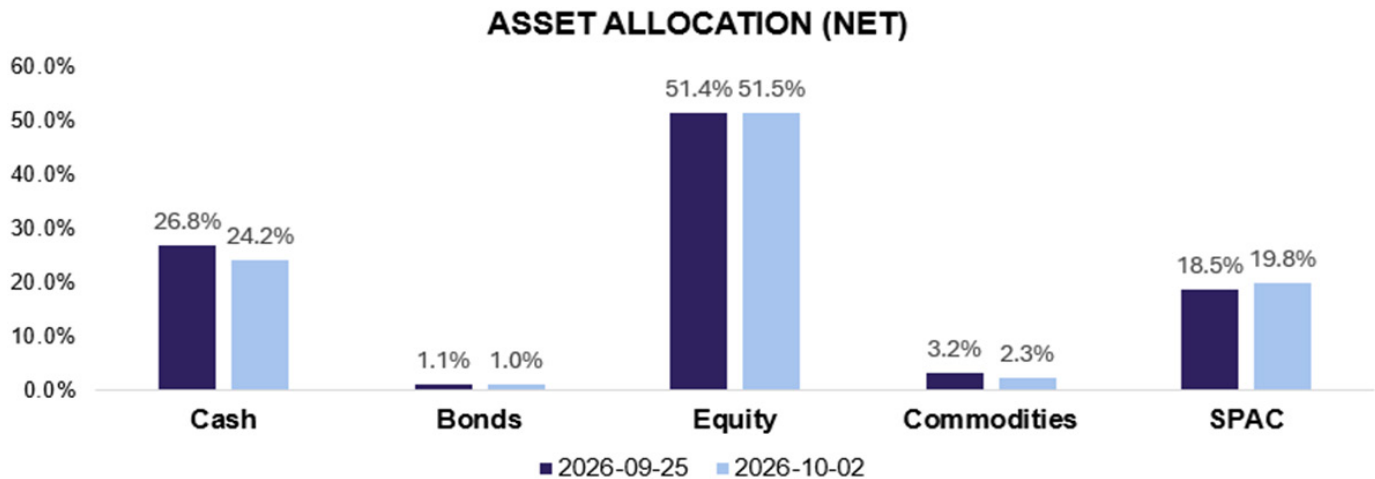


ARROW LONG/SHORT ALTERNATIVE FUND

commentary – Week ending October 2, 2026



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

Performance

October 2, 2026

Arrow Long/Short Alternative Fund (F Class):

WTD -0.25%

MTD 0.24%

YTD 9.45%

S&P/TSX 60 (XIU ETF):

WTD -0.57%

MTD 0.82%

YTD 14.17%

S&P 500 (SPY ETF):

WTD -0.22%

MTD 0.92%

YTD 13.74%

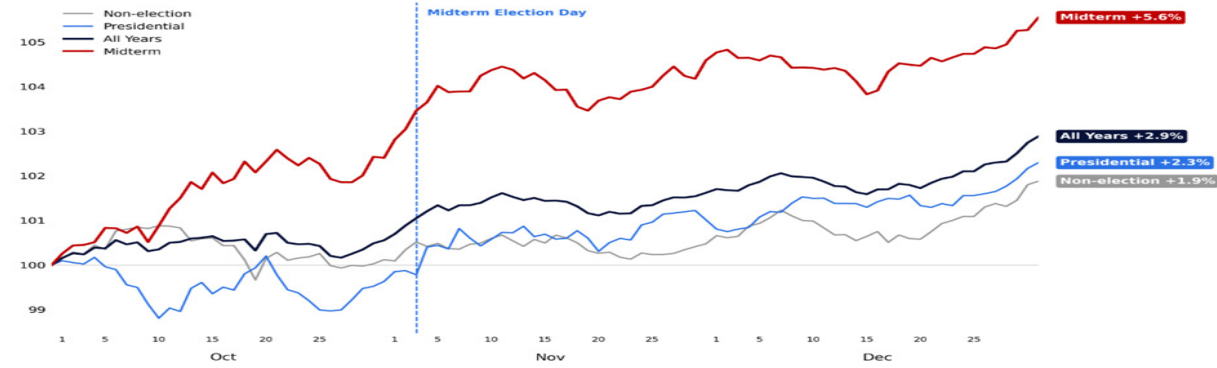
Fund Commentary

North American markets were flat to down last week, with Technology/Nasdaq serving as a positive outlier. Yields continue to drive markets, with some relief on Friday following a softer jobs report. Meanwhile, markets have almost completely priced out a hike in October, with probabilities now down to 20% from 70% a week ago. A number of Fed members have indicated that patience is appropriate on further hikes, and markets have interpreted this as tacit guidance. We maintain our view that an October hike is low probability given its proximity to the midterms.

As we enter October, we turn the page to more positive historical seasonal trends. To be clear, we are typically not huge fans of seasonality, but we do pay attention to historical analogs and the potential to layer onto near-term fundamental setups. For context, since 1930 the S&P 500 has averaged a 5.6% gain in Q4 in midterm years, compared with 2.9% across all years. The strength is also weighted heavily towards October and November (see chart below).

Q4 Has Historically Been Strongest in Midterm Years

S&P 500 Average Q4 Path by Election Cycle, 1930 – 2022



Source: Bloomberg as compiled by Citadel Securities, Global Market Intelligence, as of September 30, 2026. Figures are for illustrative purposes only. Past performance figures do not guarantee future results.

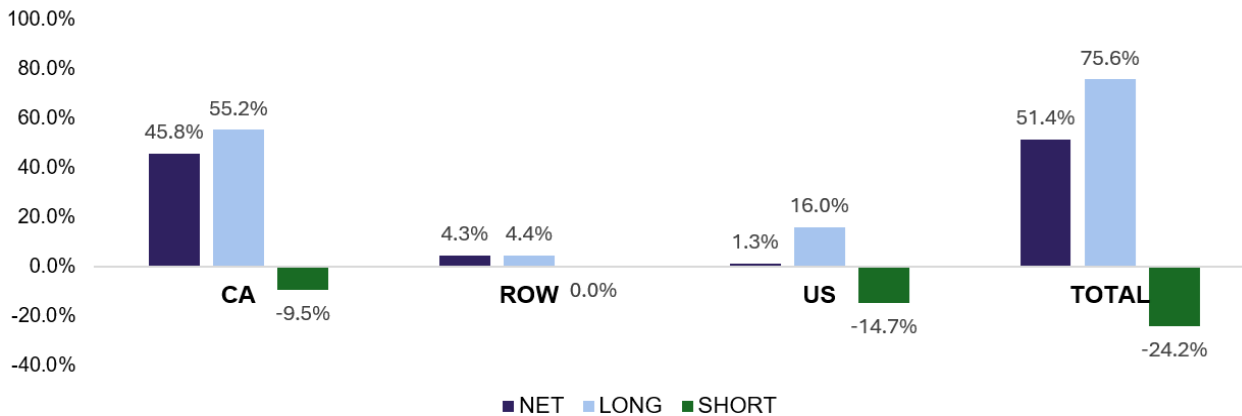
On the portfolio, Enerflex (EFX) signed a 450 MW behind the meter power generation contract last week. Although full financial details were not disclosed, we view this quite positively as it demonstrates proof of concept in entering the data centre market and adds a new growth lever. In the near term, this could enhance growth by 5%+, and it also opens the door to further similar deals, with the company's pipeline building materially over the past year. Still trading at ~6x EV/EBITDA, the stock remains undervalued, with strong upside optionality as it executes on this new leg of its corporate strategy.

On MSG Sports (MSG), the board signed off last week on the spinoff of the Rangers into a new trading entity. The Knicks and Rangers are expected to trade as standalone companies by the end of the month, and from there we see a decent chance of a partial monetisation transaction for one of the teams.

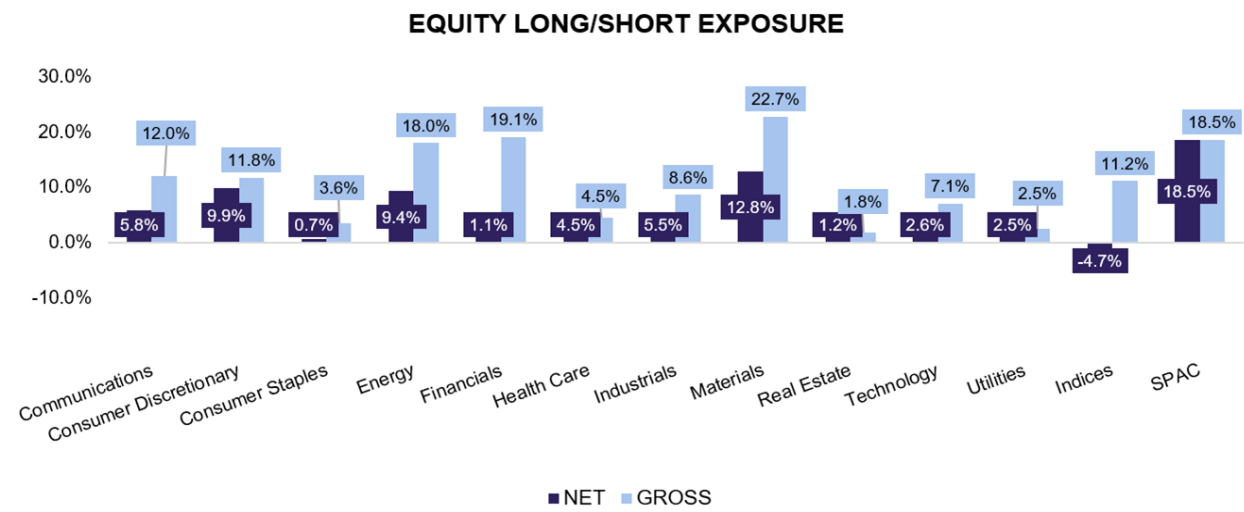
Cineplex (CGX) announced a strategic review last week. This is not a major surprise given the chatter around a possible transaction over the past year, but we do see a reasonable probability that the company is ultimately acquired, with potential upside in the range of 20% to 50% from current levels. Importantly, in the event a sale does not materialize, we believe the fundamental valuation provides downside support, which makes the risk/reward attractive from here.

Equity Allocation (% Total Portfolio including Futures)

EQUITY REGION BREAKDOWN



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



We look forward to reporting back next week.

Thanks,
Arrow Investment Team

Historical Performance – As of September 30, 2026

	1-Year	3-Year	5-Year	10-Year	ITD
ALSAF - Series F	13.05%	10.20%	6.61%	8.80%	9.61%

Published October 5, 2026

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.