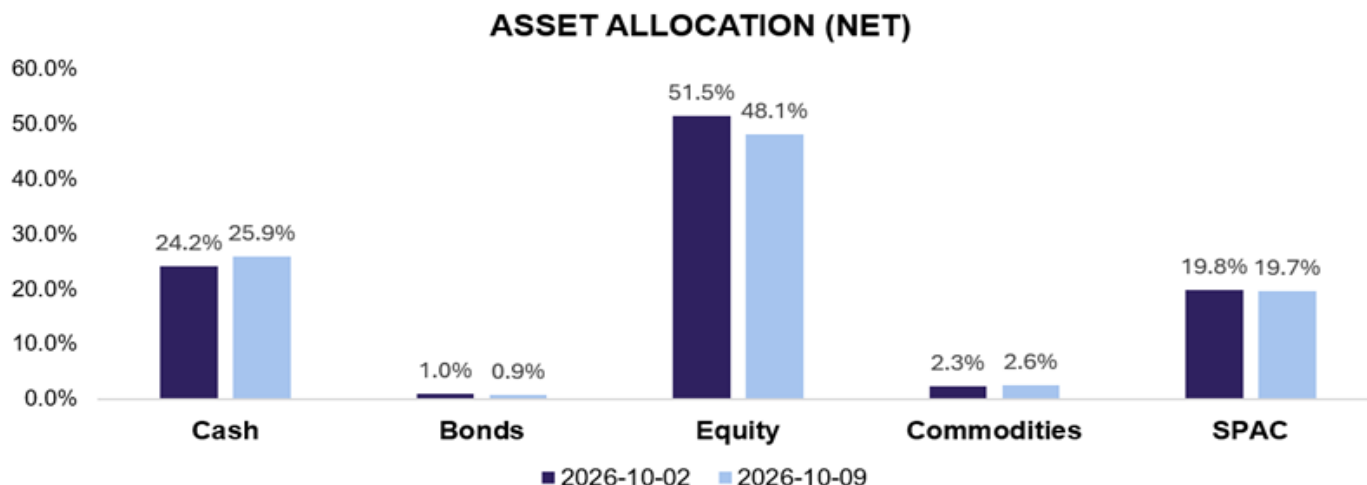


ARROW LONG/SHORT ALTERNATIVE FUND

commentary – Week ending October 9, 2026



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

Performance

October 9, 2026

Arrow Long/Short Alternative Fund (F Class):

WTD -0.65%

MTD -0.41%

YTD 8.74%

S&P/TSX 60 (XIU ETF):

WTD 0.57%

MTD 1.39%

YTD 14.82%

S&P 500 (SPY ETF):

WTD 1.16%

MTD 2.09%

YTD 15.06%

Fund Commentary

Although markets were generally flat to up last week, we did see some notable divergences, the most interesting being genuine weakness in the AI trade. A handful of discrete events contributed to it:

- Reports surfaced that OpenAI's annualized revenue was running closer to \$50 billion than the roughly \$70 billion previously circulated
- Firmus, an Nvidia backed Australian data centre operator, pulled a multibillion-dollar ASX listing at the eleventh hour
- New memory competition out of China hit the entire memory and broader chip complex

In short, semi's were down 4%+ on the week, and although we do have to take this in the context of recent outperformance,

we did take note of the volatility and underperformance, which gives us some clues on sentiment, positioning and crowding, even if it's just in the short term. This is worth keeping front of mind as we await details on the Anthropic IPO, which will be a key test of how much risk appetite remains for the theme. Along with this, we are keeping a close eye on other market events over the next month, including Friday's quarterly options expiry, Q3 earnings season, the next Fed meeting, and the November midterms. Each has the potential to inject volatility, and collectively they make the next few weeks an unusual event dense stretch.

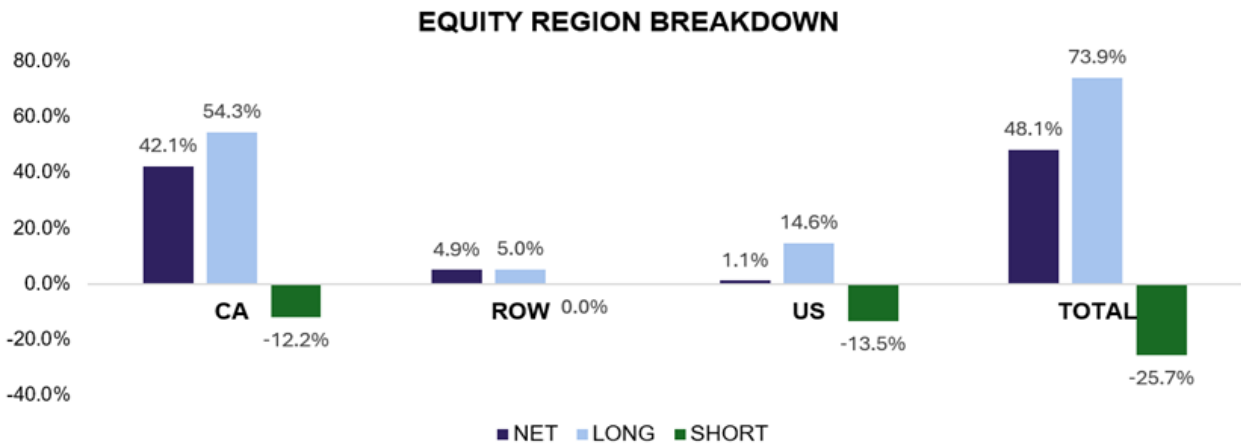
On the portfolio, we had a couple of updates worth flagging.

Enerflex (EFX) announced this morning that it had signed another power gen contract, this one for 1GW+, on top of the 450MW deal they signed a couple of weeks ago. This further solidifies their power gen strategy, which is incremental to their base business and not fully factored into go forward numbers. Still trading ~6x EV/EBITDA, the stock remains undervalued with attractive risk/reward.

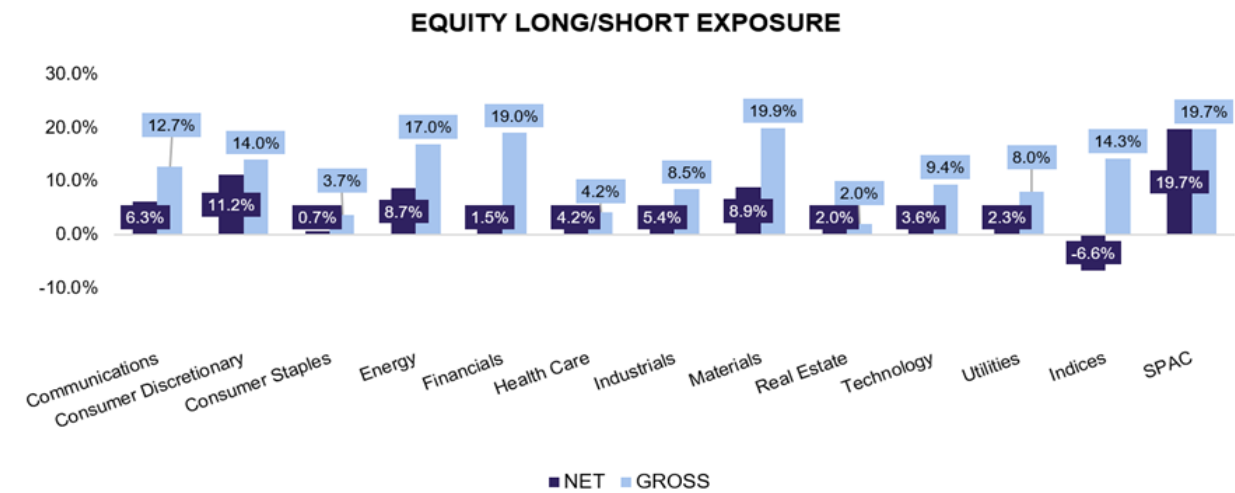
Last week also saw a big deal struck between Emera (EMA), Canadian Utilities (CU), and ATCO (ACO/X), under which EMA will combine with CU and ACO/X's industrial services businesses will be spun out into a new public company. We were long ACO/X going into this, on the view that these industrial assets were being undervalued inside the broader corporate structure.

Management clearly agreed, as the transaction crystallizes that value by spinning those assets into their own entity. We like owning the Spinco and have structured the position as a long ACO/X, short EMA expression. On our math, at last week's close, the Spinco is trading at 5-6x EV/EBITDA, well below comparables such as Black Diamond (BDI) and Dexterra (DXT), which trade closer to 10x. New ACO/X is also well positioned to benefit from the broader "buy Canada" theme. The deal will take a number of quarters to close, but as the market grows more familiar with the standalone story, we see material upside from here.

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 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 13, 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.

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