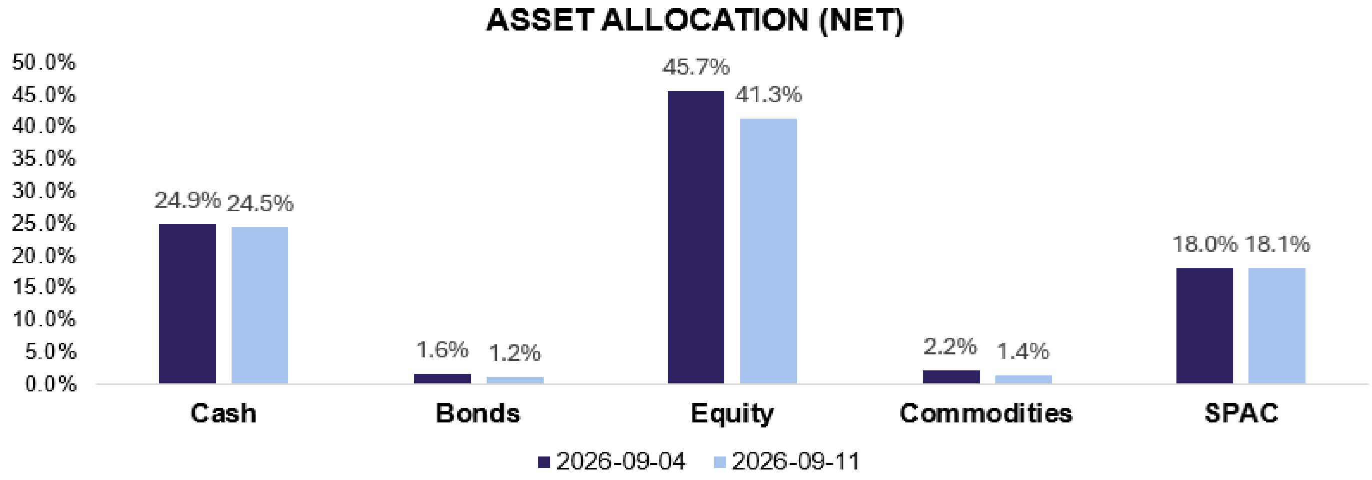
ARROW LONG/SHORT ALTERNATIVE FUND
commentary - Week ending September 11, 2026

Arrow Capital Management Inc.



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

Performance

September 11, 2026

Arrow Long/Short Alternative Fund (F Class):

WTD -0.83%
MTD -0.43%
YTD 9.56%

S&P/TSX 60 (XIU ETF):

WTD -2.20%
MTD -1.36%
YTD 14.47%

S&P 500 (SPY ETF):

WTD -0.77%
MTD -0.36%
YTD 12.67%

Fund Commentary

Markets were choppy last week, with major U.S. indices down about 1%, while Canada underperformed (-2.2%). Bond yields were again the primary driver, moving in lockstep with continued strength in oil with no clear resolution to the Iran conflict in sight.

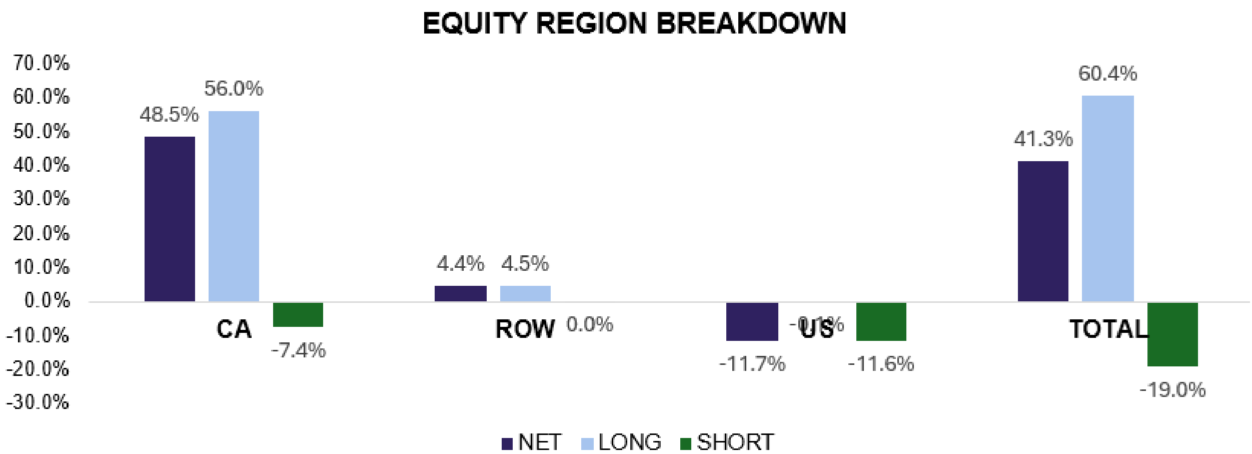
The highlight of the week for us was the chance to see Stan Druckenmiller in person in NYC. It is becoming rarer to see a legendary investor of his stature in the flesh, and we always come away with something worth thinking about. Our main takeaways and interpretations are as follows:

- Markets, turned more cautious - for the past several years, Druck has characterized it as a time to lean in and make money. Primary source of returns has been AI, a technology he remains a firm believer in, both in its efficacy and its world changing nature. Yet he has cut his own AI exposure by roughly 80% over the past few months. He is now more in protecting capital mode as he believes markets may be getting a bit complacent on inflation expectations and regulatory/political forces may start impacting the AI trade. This latter notion was reinforced over the weekend when Anthropic's Dario Amodei published an essay calling on the industry to deliberately slow the pace of development and submit to third-party oversight, a call quickly echoed by Sam Altman and Elon Musk.

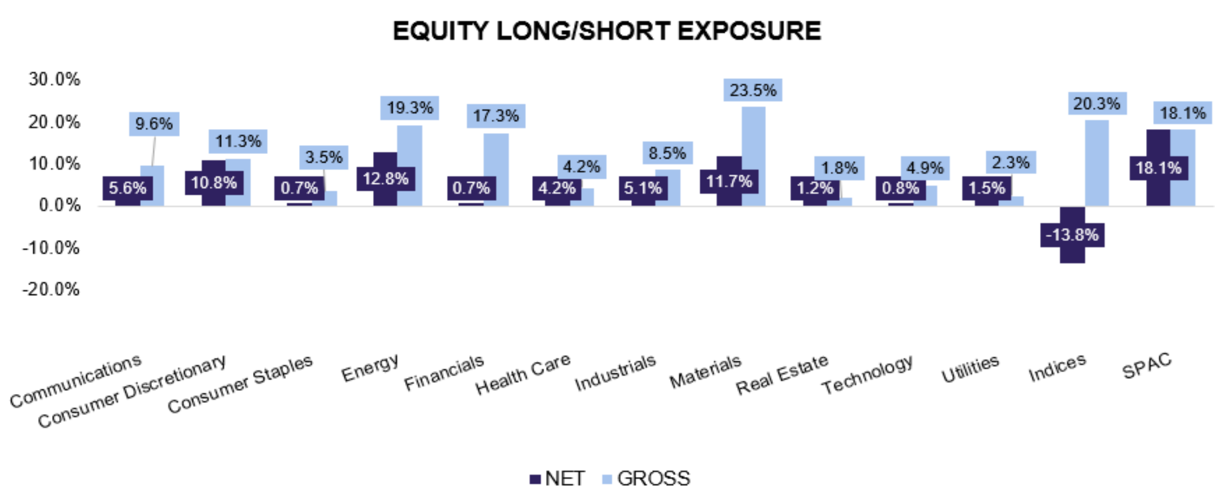
• Fed thoughts, still too accommodative - On the Fed, Druck considers Kevin Warsh a close personal friend and someone with the potential to be an excellent Fed Chair. He also views current financial conditions as quite loose, and without saying so explicitly, left us with the impression that he would be supportive of hikes here, which would give the Fed greater flexibility down the road. This dovetails with his concern that markets may be growing complacent on inflation and that AI may first be inflationary before it becomes deflationary. He also drew a loose parallel to the 1970s, when inflation expectations became truly unanchored only on the second wave, a corollary he sees, cautiously, in today's environment.

Admittedly, it was comforting that some of Druck's high level views aligned with ours. As a reminder, going into the Fed meeting this week, our base case is that they will hike 25 bps. After an in-line CPI print last week, it seems the market is now pricing in the same, with a 90% probability of a hike, up from ~70%. What will be interesting, however, is how the markets will react to a hike. We are open minded to the idea that ultimately, this could serve as a clearing event.

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 August 31, 2026

	1-Year	3-Year	5-Year	10-Year	ITD
ALSAF - Series F	18.86%	11.04%	6.72%	8.86%	9.67%

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