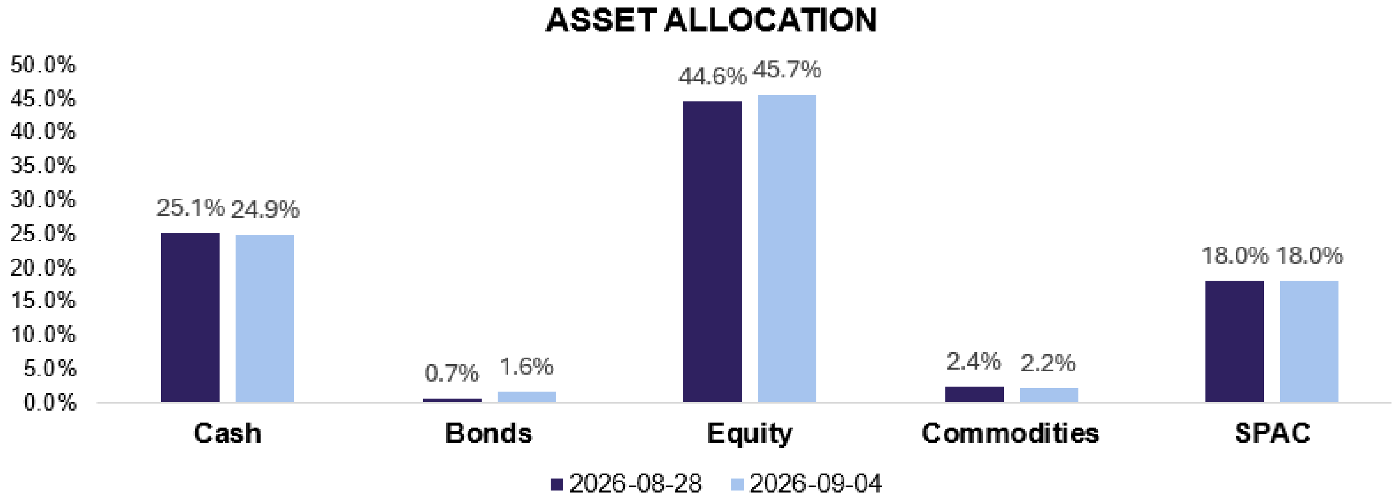
ARROW LONG/SHORT ALTERNATIVE FUND commentary - Week ending September 4, 2026



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

Performance

September 4, 2026

Arrow Long/Short Alternative Fund (F Class):

WTD 0.23%
MTD 0.40%
YTD 10.47%

S&P/TSX 60 (XIU ETF):

WTD 0.11%
MTD 0.86%
YTD 17.05%

S&P 500 (SPY ETF):

WTD 0.11%
MTD 0.41%
YTD 13.54%

Fund Commentary

North American markets were essentially flat last week as we approached the end of the summer. There was some action, however, with Warsh's first Jackson Hole symposium as Fed chair. After a muddled July press conference, Warsh did a better job communicating his message. He emphasized price stability as the key near term issue and reiterated that inflation remains too high. He also notably spoke at length about AI, the potential economic impacts, and the flowthrough to Fed policy. Significant capex investment and downstream productivity impacts could ultimately reshape the Fed's playbook, however things are quite fluid and Warsh continued to emphasize an optionality based approach anchored to incremental data. In the short term, markets took the speech as incrementally hawkish, with probabilities of a rate hike increasing from 50% to 60% for the September meeting.

It's interesting to compare Warsh's remarks to an interview he did prior to becoming Fed chair with Sadi Khan, CEO of Aven Financial, a fintech on whose advisory board he served. Below is a link to the interview summary, but a key takeaway was that he believes AI “is the most productivity enhancing wave of our lifetimes - past, present, future”. Ultimately, we see these views as net dovish in that AI will be a disinflationary force.

https://www.aven.com/blog/kevin-warsh-artificial-intelligence-us-ai-lead/

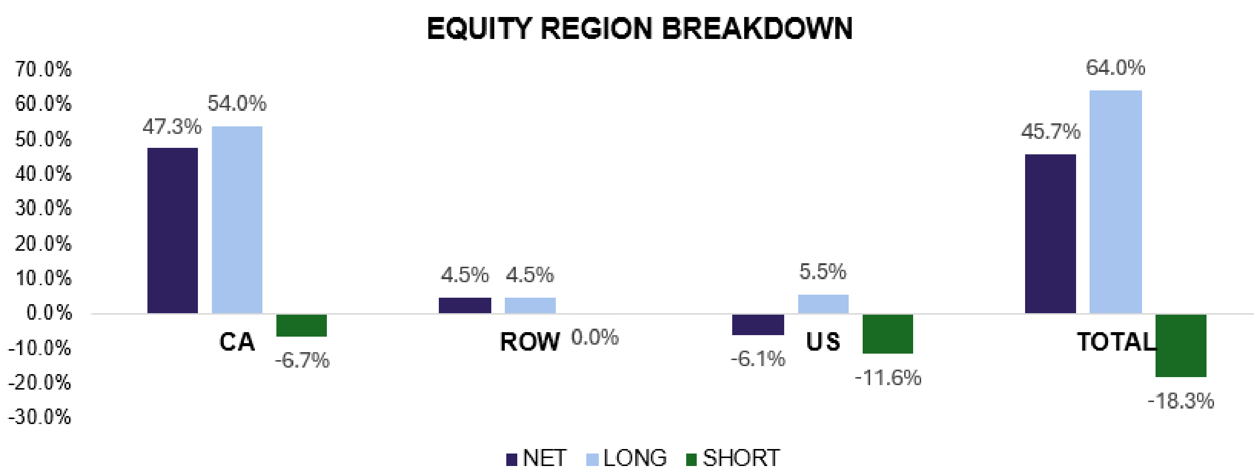
This week, market participants are back at their desks and we’ll have some consequential data later in the week in CPI/PPI readings. This will likely be the last important reading prior to the September Fed meeting. Our bias is that the Fed will hike in September, as the October meeting sits too close to the midterm elections. This could provide some short term volatility, although we wouldn’t be surprised if it proves a near term clearing event given the broad anticipation.

On some themes we are following, there was another sports franchise sale, with the LA Angels selling for a record breaking $4B. This represents the highest valuation for an MLB team, and 43% above the last estimated value of $2.8B in early 2026. Notably, CNBC upgraded the value of all MLB franchises by 37% from its March estimates. We are long MSGS, BATRA, and RCI/B as a way to express this theme.

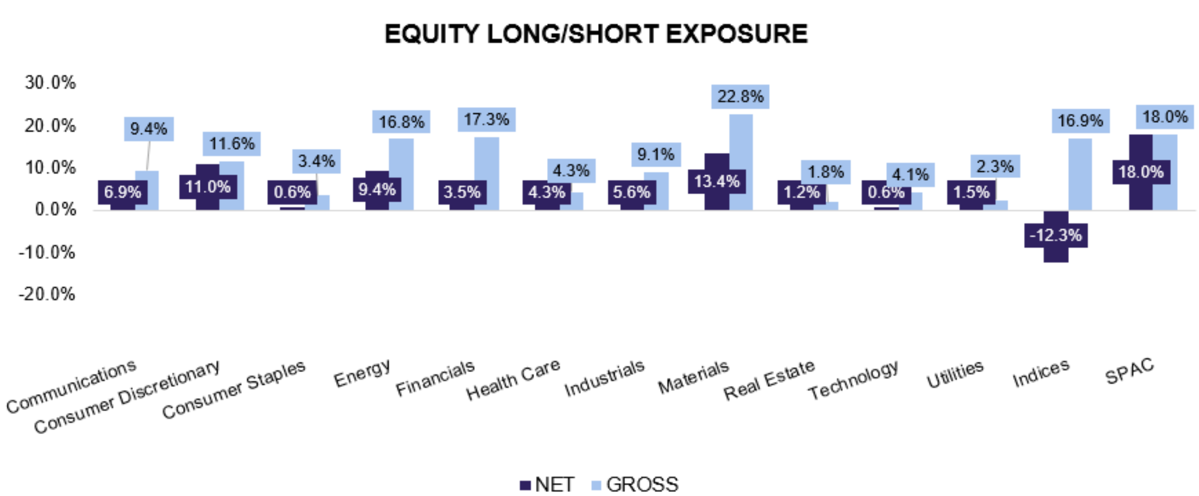
https://www.cnbc.com/2026/09/02/the-los-angeles-angels-are-being-sold-for-a-record-4-billion-heres-what-every-mlb-team-is-now-worth.html

Portfolio wise, we continue to have a more neutral stance ahead of historically weak seasonality, the prospect of a rate hike, the Anthropic IPO, and midterm elections. As always, we are open minded in our approach, constantly challenging our assumptions, and keeping an eye on opportunistic setups.

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%

Published September 8, 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).

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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.