June was a down month for the fund, which was down -0.89%, bringing our 1 year return to a gain of +36.02%. This put us behind the Canadian markets (TSX up 0.44%) but ahead of the US markets (S&P 500 down -0.96%) for the month. While we remain solidly ahead of both markets over the last year (TSX up 32.93% and S&P 500 up 22.29%). June was led by gains from Financials, Semiconductors, and Consumer Staples stocks, while being held back by falling stocks in Materials, Communications, Software, and Energy.

Fund performance for June was restrained by pullbacks from our holdings in a number of Software, Gold, and Energy stocks as short-term momentum trading dominated the markets in June. These pullbacks were partially offset from strong gains from our holdings in Medexus Pharmaceuticals, Neo Performance Materials, Abacus Global, and Polaris Renewables, all of which rose over 15% during the month.

MEDEXUS REPORTS SOLID GROWTH OF GRAFAPEX LEADING TO 31% GAIN

The highlight of June came from our holding in Medexus Pharmaceuticals. The company reported its most recent fiscal quarter during June which showed a nice increase in EBITDA, but more importantly gave us early indications of an accelerating ramp in the sales of its new drug, Grafapex, with sales of $3.4 million during the quarter. Grafapex is the first and only FDA (Federal Drug Administration) approved regimen for allogeneic Hematopoietic stem cell transplantation in patients with acute myeloid leukemia or myelodyslastic syndromes.

Grafapex was approved by the FDA last year and Medexus has been busy bringing the drug to market, attaining acceptance by doctors and hospitals, and getting reimbursement approvals from government and private insurance payors. As of June, the company has received orders from 55 treatment centers (about 30% of the 180 transplant centers in the US) so far. This resulted in sales starting to accelerate. The company now expects over $30 million of sales of high-margin Grafapex in the coming year, which will accelerate profits.

Grafapex, which has 7 year orphan drug exclusivity in the US, should see annual sales of in excess of over $100 million within the next 5 years, which is a huge win for a company which currently has total sales of roughly the same amount. As the sales of Grafapex and other drugs from Medexus grow over the coming years, profits should grow significantly. We believe that even after the current gains, the stock still trades at a discounted single digit multiple of its earnings in 2027. Look for more strong gains to come from this exciting small cap Canadian holding in your Conservative Growth portfolio.

PUZZLING PULLBACK IN ENERGY STOCKS CONTINUED IN JUNE

As we discussed last month, we continue to be surprised by the significant pullback in oil and energy stocks recently. Energy stocks fell again in June after President Trump claimed an end to the Iran war was at hand driving oil prices downward along with many oil stocks, despite a continuation of reduced oil supply to global markets since the announcement.

Global inventories of oil and oil products are now at 40 year lows and continue to decline weekly as global consumption continues in excess of current supply levels. Despite Trump's claim of an end to the war, shipments through the straight of Hormuz continue at less than half of normal levels, while the Iranian Revolutionary Guard continues to threaten shippers and shoot at vessels. During peacetime, the straits facilitate the export of 20% of the world's oil supply to global markets. Since the onset of the conflict, more than half of the supply from the straits has been and continues to be stopped.

The result of the closure has been a shortfall in global oil production of over 1 billion barrels since the war started. This resulted in the price of oil rising from $60 per barrel pre-war to over $100 in April. This has since fallen back to a surprisingly low $70 level, despite the continuing delivery shortfalls and falling inventory levels.

Look for the price of oil to rebound in the second half of the year as the supply shortfall overwhelms the short-term momentum trading of some commodity speculators. Energy stocks have moved in the opposite direction to what the fundamentals are indicating in recent months. Look for much stronger results from the energy stocks in our portfolio to come. The conflict continues to be unresolved and thanks to damage to energy production facilities the recovery of production once resolution is reached is likely to be much slower than the market is currently discounting.

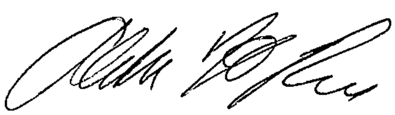
MORE INSIDER BUYING DURING JUNE

June once again witnessed some strong stock purchases from many of the insiders at several of our holdings. The largest purchases occurred at Tourmaline Oil, Sylogist, GO Residential, Capital Power, and Parex Resources. Insiders seem to be seeing the same great upside opportunity that we do. Buying of stock by insiders at our companies is just one more point of support for the value opportunity present in our holdings, as these are the very people that know their businesses best.

JULY 31ST…. NEXT LP CLOSING

The next closing for the NR Conservative Growth Fund LP is July 31st, 2026. Please feel free to contact Daria Krikun at 416-364-8591 or Aaron Sniderman at 416-847-3979 for more information or to set up an appointment or call 416-323-0477 to speak with any one of us directly concerning the Conservative Growth LP. Our toll-free number is 1-877-327-6048.

Warmest Regards,



Alex Ruus, CFA, MBA, P.Eng
Portfolio Manager
Arrow Capital Management Inc

Historical Performance	1 yr	3 yr	5 yr	10 yr	ITD
NR Conservative Growth Fund LP	36.02	18.03	13.32	11.50	10.04

Returns as of June 30, 2026

Commissions, trailing commissions, management fees, performance fees, and expenses all may be associated with investment funds. Please read the offering memorandum 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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