

# Alternative Income



As of Dec 31, 2025

## ARB Highlights

ARB declined -0.4% in December, bringing its 2025 return to 10.3%. Notably, ARB had a trailing 12-month volatility of just 3.8%, in line with its low-risk mandate. In addition, since inception, ARB has a beta of 0.09 and a correlation with equities of 0.15 (the closer to 0.0, the better), while exhibiting a downside participation of -25.4% (negative downside participation indicates that when the equity market goes down, the Fund went up more often than not).

Several dynamics contributed to the above-target return in 2025. First, record merger and acquisition activity provided an attractive investment opportunity set with generally compelling yields. Second, upside optionality returned to the SPAC market, allowing the Fund's SPAC arbitrage portfolio to contribute meaningfully to Fund returns. Third, a friendlier regulatory environment led to the Fund's first year with no merger terminations (knock on wood!).

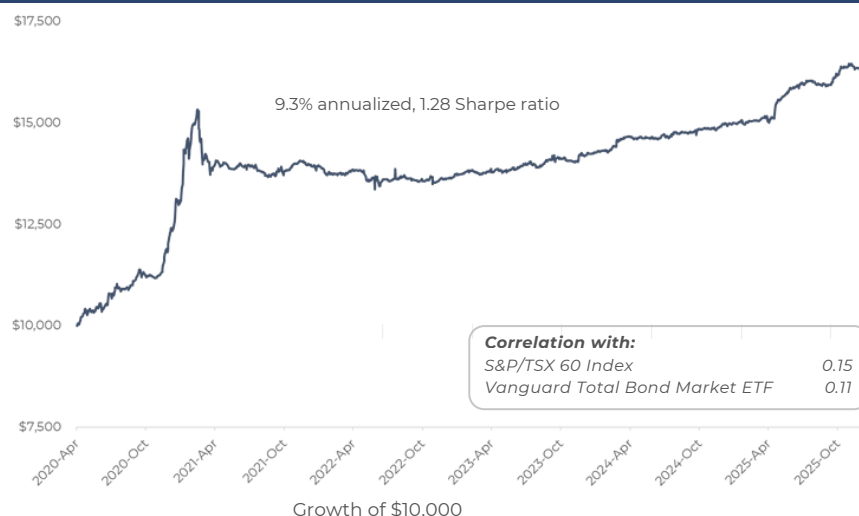
ARB is currently allocated 68% to SPAC arbitrage and 32% to merger arbitrage (consisting of 14% strategic M&A and 18% LBOs). The Fund is 168.4% long and -8.0% short (176.4% gross exposure).

<b>Type</b> Event-driven	<b>Structure</b> Alternative ETF	<b>Date Started</b> April 07, 2020	<b>Management Fee</b> 0.95%	<b>ARB NAV</b> \$27.78
<b>Investment Manager</b> Accelerate	<b>Distribution</b> \$0.26 per quarter	<b>Exchange</b> TSX	<b>Currency</b> CAD	<b>Distribution Yield</b> 3.7%
<b>Risk Rating</b> Low	<b>Performance Fee</b> None			

<b>1 Month</b> -0.4%	<b>3 Months</b> 1.2%	<b>YTD</b> 10.3%	<b>1 Year</b> 10.3%	<b>3 Years</b> 6.7%	<b>5 Years</b> 5.1%	<b>Inception</b> 9.3%
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Monthly Returns													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2025	-0.1%	0.7%	0.5%	3.2%	1.9%	1.4%	0.3%	-0.4%	1.2%	1.6%	-0.1%	-0.4%	10.3%
2024	0.5%	0.9%	1.8%	-0.2%	0.1%	0.3%	0.7%	0.0%	0.4%	0.3%	0.4%	0.5%	5.8%
2023	0.6%	-0.2%	0.4%	0.0%	0.4%	0.8%	-0.1%	0.6%	0.7%	-0.6%	1.5%	-0.1%	4.0%
2022	-1.4%	0.0%	0.5%	-0.1%	-1.1%	-0.3%	0.1%	0.1%	-0.4%	0.7%	-0.4%	0.9%	-1.5%
2021	10.4%	1.5%	-4.8%	1.3%	-0.9%	0.5%	-0.8%	-1.2%	0.9%	1.3%	0.4%	-0.7%	7.4%
2020				3.9%	0.8%	3.2%	0.4%	1.4%	2.7%	-1.1%	6.4%	9.2%	29.9%

## Investment Growth Time Period: April 6, 2020 to Dec 31, 2025



DISCLAIMER: Past performance is not indicative of future results. Performance is net of all estimated trading fees and performance fees. Investing involves varying degrees of risk and there can be no assurance that the future performance of any investment strategy will be profitable. This does not constitute investment advice. For a full list of securities, please go to [www.AccelerateShares.com](http://www.AccelerateShares.com).

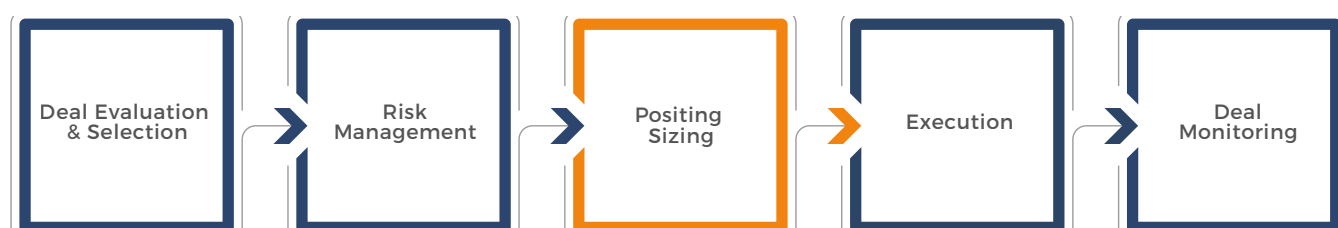
## About the Fund

The Accelerate Arbitrage Fund (TSX: ARB) is a merger arbitrage investment strategy. The Fund aims to generate consistent, low-volatility returns by investing in listed equity, debt or derivative securities of target companies involved in mergers or corporate actions, while selling short certain listed equity, debt or derivative securities of acquirer companies involved in mergers or corporate actions, where applicable.

## What is Merger Arbitrage?

Merger Arbitrage is an investment strategy that capitalizes on the spread between a company's current share price and the consideration paid for its acquisition in light of an announced merger transaction. The merger risk premium—or the spread between the acquisition price and the trading price of a stock—compensates the arbitrageur for the risk of the acquisition failing to close. The merger arbitrageur's goal is to "lock in" the spread earned upon deal closing and to profit from buying a takeover stock at a discount to its acquisition price.

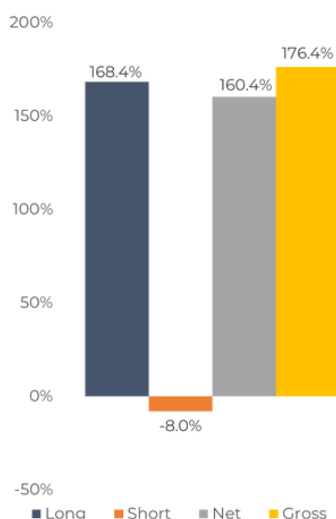
Five steps are followed when selecting deals and executing trades in ARB:



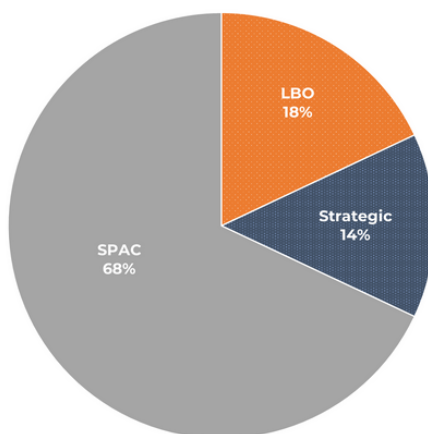
## Investment Objectives

- Outperform the S&P Merger Arbitrage Index
- Provide an attractive distribution yield
- Generate consistent, low-volatility returns

Fund Exposure



Deal Type Exposure



Top 20 Long Positions

Top 20 Long Positions	Weight
Electronic Arts Inc	4.8%
Air Lease Corp	4.5%
Hillenbrand Inc	3.9%
InterRent Real Estate Investment Trust Units	3.5%
TXNM Energy Inc	3.5%
Hologic Inc	3.3%
ECN Capital Corp	3.2%
Confluent Inc	3.0%
NuVista Energy Ltd	3.0%
Eventbrite Inc	3.0%
Keyera Corp Rights	2.9%
Avidity Biosciences Inc	2.9%
Guardian Capital Group Ltd	2.8%
CyberArk Software Ltd	2.7%
Sapiens International Corporation NV	2.7%
CSLM Digital Asset Acquisition	2.5%
Amicus Therapeutics Inc	2.5%
Bitcoin Infrastructure Acquisition Corp Ltd Units	2.4%
Centurion Acquisition Corp	2.3%
GP-Act III Acquisition Corp	2.2%

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