

	1 mo	3 mos	6 mos	YTD	1 yr*	3 yr*	5 yr*	Ann. ITD	Cum. ITD
Enso Global Fund ¹	2.8%	(19.4%)	(25.7%)	(27.0%)	19.1%	7.1%	7.3%	8.3%	104.8%
MSCI Total Return Net World Index (CAD)	(2.9%)	(4.8%)	(3.6%)	(0.7%)	9.8%	(1.7%)	(1.6%)	1.3%	12.7%

¹ Unless otherwise stipulated returns are net of all fees, in Canadian dollars, reflect class "A" units and assume reinvestment of all distributions. This document is not to be construed as a public offering of securities in any jurisdiction in Canada. The offering of units of the Fund is made pursuant to the Offering Memorandum only to those investors in all jurisdictions of Canada who meet certain eligibility of minimum purchase requirements. Important information about Arrow Funds, including statement of each fund's fundamental investment objective, is contained in their respective offering memorandum, a copy of which may be obtained from Arrow Capital Management Inc. Please read the applicable offering memorandum carefully before investing. The information and materials in this document are for informational purposes only. They are not intended as investment, financial or other advice. The information included in this document is not an offer to sell. While the information and material in this document are believed to be accurate at the time they are prepared, Arrow Capital Management Inc. (and its affiliates, subsidiaries or sub-advisors) cannot give any assurance that they are accurate, complete or current at all times. Past returns are not necessarily indicative of future performance. Actual results will vary. This document is confidential and is intended solely for the information of the person to which it has been delivered.

* Returns are annualized.

This month we would like to focus on our investment in NovaGold Resources (NGCN). NovaGold holds ownership stakes in three world-class mining projects in North America (two in Alaska and one in British Columbia). Both the size and quality of the deposits are quite amazing for a junior company. We believe NovaGold is a compelling investment as the stock trades at a large discount to the cumulative valuation of its assets, there is massive upside to eventual resource numbers, and there are numerous catalysts that should crystallize this value over the next year.

NovaGold owns stakes in three assets: a 50% stake in Donlin Gold, a 50% stake in Galore Creek and a 100% stake in Ambler. In aggregate, NovaGold's attributable resource base includes almost 17 million ounces of gold reserves (with another ~10 million resource ounces), over 6 billion pounds of copper resources and almost 100 million ounces of silver resources. While all three projects are at different stages of development, these are impressive numbers for a junior mining company at a time when the scarcity of large, quality deposits is becoming more of an issue. We believe these estimates represent the tip of the iceberg and that further exploration will prove out resource numbers that could be multiples higher.

The two main assets in NovaGold's portfolio, Donlin Gold and Galore Creek, both have strong joint venture partners to help steer the projects into production. Barrick Gold holds 50% of Donlin Gold, which is NovaGold's most advanced project. Donlin has almost 34 million ounces of gold reserves and should produce over 1.3 million ounces per year over its expected 25 year mine life when it commences production in a few years. Donlin is not only one of the largest gold deposits in the world but also is relatively high grade (2.2 grams per tonne) for its size. There is high probability of resource extension at Donlin and we do not think it is a stretch for the resource estimate to eventually double from here. Galore Creek, the second most advanced project in NovaGold's portfolio, is being developed alongside 50% partner Teck Resources. A prefeasibility study was just released on Galore Creek showing robust production estimates. Galore Creek is primarily a copper deposit and the mine should

produce over 300 million pounds of copper per year with operating costs of less than \$0.50/lb. when gold and silver by-product credits are included.

Ambler is at an earlier stage than both Donlin and Galore but as it hosts a large, highgrade base metal deposit, it certainly has high strategic value. Ambler currently holds over two billion pounds of copper and over 3 billion pounds of zinc. It is the copper grade that really makes the deposit stand out as it is currently averaging around 4% copper, which places it among the highest grade copper deposits in the world. A preliminary economic assessment was recently performed on Ambler and the initial operating numbers were very impressive. While initial work has been focused on one deposit, we think Ambler eventually turns out to be a district with many more similar deposits discovered in the next few years.

The market is applying a massive valuation discount to NovaGold on a sum-of-the-parts basis. Donlin Gold, alone, is almost worth as much as the entire company is valued in the market today (market cap is currently ~\$2.1 billion). We also believe both Galore Creek and Ambler are worth well over \$1 billion each. Our estimates are based on relatively conservative metal pricing and we think the value of these properties will end up commanding a premium as there is a scarcity of world-class copper and gold projects in developed countries. We believe that current valuation of NovaGold is an indication that the story is not well understood and that are misplaced worries that the company will have to raise capital via a highly diluted equity raise. Management has made it clear that they are looking at other, more attractive financing options including selling precious metals streams, spinning off Ambler into a separate company, and possible further strategic stake sales.

NovaGold should present many catalysts over the next year including an updated feasibility for Donlin Gold, a feasibility study for Galore Creek and a potential spin-off or sale of Ambler. We think that if NovaGold's valuation does not increase drastically in the next year, it will likely become targeted by a major mining company or it may be broken up since any one of the projects could support

a company on a stand-alone basis. We believe that NovaGold represents an extremely attractive investment opportunity due to significant near-term catalysts and a depressed valuation that should disappear when the market realizes the strategic value of the company's three world-class deposits.

Thank you for your continued interest in the Fund. For further information, please contact your regional Arrow Capital representative.