

November was a difficult month for the portfolio as extreme market volatility continued. Much of the relief seen in October quickly faded and, once again, resource companies were hit especially hard. Our biggest loser for the month was our position in San Leon (formerly Realm Energy). Realm was purchased by San Leon and the deal closed during the month. As the deal was executed mainly with shares, many of the Canadian holders of Realm Energy aggressively sold their San Leon shares (listed in London) causing a large sell-off in San Leon shares. We believe much of this pressure has dissipated and that, from this level, San Leon has great prospects over the next year. Goldman Sachs just initiated coverage on the company in the past week with a 25.1p price target (160% upside from the current share price). We believe this will end up being a conservative estimate of value as they have many catalysts over the next year to crystallize value in their European shale gas acreage.

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

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