

The RCM Opportunities Fund increased by 2.3% for the month of November.

November was another volatile month for asset prices, with broad declines for most of the month punctuated by a sharp rally on the back of globally coordinated central bank intervention. The Funds performed well for the month with positive attribution across many of our holdings on both the long and short side throughout the month. Of particular note, Trioil Resources ("TOL"), which we have discussed in previous letters over the last year, has now begun to validate our early conviction by i) disclosing additional results that we believe provide further evidence of the economics of their core Lochend Cardium oil play and ii) acquiring a second strategic land position. TOL is now up 78% from its September close (22% in November) and we consider the investment to have significant optionality at this juncture that has yet to be priced in. On a portfolio basis, our positioning has not changed significantly over the last couple of months, with net exposure at 40% and higher than normal cash levels. We expect to maintain this positioning until both the opportunity set and market conditions warrant otherwise. As we close out this year, we look forward to updating you on the year that was and our outlook for 2012 in January.

We wish you all the best for the holiday season, and a happy, healthy and prosperous New Year.

We very much appreciate your interest in the Fund. For further information, please contact your regional Arrow Capital representative.

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.