
Arrow Hedge Partners Inc. Launches First Principal Protected Equity Long/Short Note for Canadian Investors

Arrow Hedge announces two Principal protected Notes linked to the Arrow Multi-Strategy Hedge Fund and the Arrow Global Long/Short Hedge Fund, both Funds of Hedge Funds. The Notes provide investors with the upside potential of two fund of funds portfolios, with managers selected by Arrow Hedge Partners Inc., combined with the security of principal repayment guarantee at maturity, from BNP Paribas S.A.

Toronto, Canada - January 11th, 2005 - Jim McGovern, Managing Director and CEO of Arrow Hedge Partners Inc. of Toronto, Canada, is pleased to announce the launch of the Arrow Multi-Strategy Notes, Series 6 and the Arrow Global Equity Long/Short Notes, Series 1. **Both offerings will only be available for purchase now through March 24th, 2005.**

The Arrow Multi-Strategy Notes, Series 6 has an annual absolute return objective of 7-9%, after all fees. The underlying Fund is designed to deliver consistent monthly returns regardless of market conditions, with low volatility, and low correlation to traditional stock and bond markets. Note holders also benefit from style and global diversification through one investment vehicle. The Multi-Strategy product offers a fully diversified pool of 20-25 hedge fund managers across proven investment strategies.

The success of previous Arrow Multi-Strategy Note offerings has led to the demand for an equity long/short alternative. The launch of the Arrow Global Equity Long/Short Notes, Series 1 marks the first time in Canada that a Guaranteed Note product has been offered that is linked exclusively to a diversified portfolio of Equity Long/Short hedge fund managers. The underlying Fund is a well-diversified pool of 13 equity long/short hedge fund managers, has a return objective to outperform the MSCI World Equity Index over a market cycle, but with half of the volatility. The underlying Fund is truly global with managers based in Toronto, New York, Chicago, London, Hong Kong, Sydney and elsewhere.

Investors in either Note will have the assurance of guaranteed principal repayment, the benefit of consistent return potential through two well-diversified funds of hedge funds, and comprehensive risk management from an

industry leader. Both products are available with a low minimum investment of \$5,000 that is tax efficient and fully RRSP eligible.

All of Arrow's underlying hedge fund managers employ stringent risk management procedures. In addition, Arrow performs qualitative and quantitative analysis, rigorous manager due diligence and ongoing monitoring at both the individual fund, and fund of funds level. Arrow has 100% transparency with each manager and uses sophisticated risk management tools, such as RiskMetrics™, which further strengthens the risk management process.

About BNP Paribas

BNP Paribas (Canada) is a Schedule II bank under the *Bank Act* (Canada) that is licensed to operate as a bank in Canada with full banking powers and is incorporated as a foreign bank subsidiary. BNP Paribas (Canada) is a wholly owned Subsidiary of BNP Paribas, SA. The BNP Paribas group of companies (the "Group") is one of France's leading banking groups in terms of market capitalization.

The Group has offices in 85 countries and employs more than 85,000 personnel. At June 30, 2002, the Group had consolidated assets in excess of €730.4 billion, consolidated gross total customer items in excess of €235.9 billion, consolidated customer deposits (including retail and negotiable certificates of deposit) of €269 billion and stockholders' equity (the Group share including income for the year 2001) of €25.7 billion. Net income (before taxes, non-recurring items and amortization of goodwill) for the year ended December 31, 2001 was over €6.6 billion.

BNP Paribas, SA currently has long-term senior debt ratings of "Aa2" with positive outlook from Moody's, "AA" with stable outlook from Standard & Poor's and "AA" with stable outlook from Fitch. Moody's has also assigned BNP Paribas, SA a Bank Financial Strength rating of "B+" and Fitch has assigned BNP Paribas SA an individual rating of "B".

About Arrow

Arrow Hedge Partners Inc. is an investment management company that specializes in providing access to high quality hedge fund managers and multi-

manager fund of funds to a wide range of clients including family offices, institutions, pension funds and high net worth individuals.

Arrow Hedge distinguishes itself as a hedge fund leader in Canada by adhering to three key principles - **Focus, Risk Management, Integrity** - in its products, investment philosophy, rigorous manager selection process, ongoing monitoring and risk management procedures.

Arrow Hedge maintains its commitment to investors, through monitoring each fund's composition, strategy and execution on a daily basis. We also provide investors with reliable and frequent fund reporting. This helps investors better understand and appreciate our investment strategies and expected results.

Arrow Hedge Partners Inc. is a member of AIMA (Alternative Investment Management Association) and is a substantial co-investor in its own funds.

Arrow Hedge Partners Inc. is headquartered in Toronto, Canada, with sales offices in Vancouver, Calgary, Ottawa, Montreal and Geneva. Arrow Hedge currently manages over CDN\$400 million on behalf of Canadian retail and institutional investors.

More information on Arrow Hedge Partners and its products can be found on www.arrowhedge.com, the company's website, or contact us at 1-877-327-6048.

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