

April was a tough month for the fund, which fell 5.73% in a negative market following US President Trump's "Tarriff Liberation Day" and a surprise increase in oil production from OPEC. In comparison, the TSX fell -0.09% and the S&P 500 fell -0.68%. Trump's continuing tariff shenanigans are leading to lowered economic outlooks around the world which are dragging profit estimates and the markets lower. Additionally, OPEC announced a surprise increase in oil production for the summer which drove a short term panic in the market for energy equities and specifically drove many smaller cap energy equities down by over 20% during the month as the spot oil price fell below \$60 for the first time since the COVID pandemic.

April's results brings our 5 year returns to +120.96% (17.18% annualized CAGR) which is well ahead of our TSX index benchmark which returned 96.09% (14.42% CAGR) over the same time. Fund performance was dragged back by the large double digit pullbacks from most of our energy equities despite continuing strong fundamentals. These large pullbacks more than offset the solid positive returns we saw from our top performers in the month: Neo Performance Materials, 5N Plus, Tenaz, Medexus Pharmaceuticals, and Osisko Gold Royalties all of which rose over 10% during the month.

ENERGY STOCKS PULLBACK IRRESPECTIVE OF FUNDAMENTALS

While the small production increase in oil from OPEC (less than 0.4% of global consumption) was a negative surprise for the energy markets, the short term reaction has been fast to the downside by the markets as the announcement coincided with Trump's Tarriff Liberation Day, which caused an all out short term panic. Energy stocks came under indiscriminate selling pressure, which saw smaller cap, lower liquidity stocks particularly driven to the downside. Differences between more and less resilient companies, such as royalty companies (which make money in any price scenario) versus producers (which have higher costs) went largely unrecognized.

This relative disregard for fundamental qualities in the selloff is creating some great long-term buying opportunities. While the selloff has driven most energy equities to now factor in oil prices around \$50 range (15% below the current spot price and 30% below the long-term price of \$70), in particular cases, such as Freehold Royalties (-10% in April) and Secure Waste (-16% in April), the market is factoring in prices much lower which is creating a great buying opportunity in these and other specific equities. These are just two of the holdings in the portfolio which we have discussed over the last year that are now good opportunities for additions.

SECURE WASTE FALLS 16% IN APRIL DESPITE HUGE BUYBACK

Secure Waste is a top 10 holding in the fund that we discussed last fall as the company re-oriented from being primarily an energy services company to being primarily a waste management company with a substantially more stable flow of business. The stock was a solid performer last year as the company started to attract some new shareowners and the company's fundamentals continued to improve. Unfortunately, despite continuing excellent results coming from the company this year, a number of investors have just blindly sold the stock during April driving the stock down 16% for the month in the selling panic ignoring the excellent fundamentals.

During the first quarter of 2025, Secure has continued to prosper with rising profits and solid growth. The company added to its metal recycling business with an accretive acquisition and also signed contracts for two new produced water processing and disposal facilities at strong returns to continue to build up their dependable midstream business. Additionally, as the company agrees with us that it's stock is very undervalued by the market, they bought back approximately 2% of the outstanding shares during the first quarter under a normal course issuer bid.

Finally, with an underlevered balance sheet and the continuing undervaluation of the shares, Secure recently announced

a Substantial Issuer Bid (SIB) to buyback another 6-7% of the outstanding shares at a value of up to \$14.50 per share (10% above current price) from shareholders who don't see the long-term intrinsic value of the company, which we believe is above \$20. Buying back the stock at current discounted values is extremely accretive to the current shareholders as they will continue to own a larger proportion of the long term profits as other shareholder exit. Look for more good returns to come from our holding in Secure. Secure is typical of the energy holdings in the fund, which are positioned to prosper long-term even in lower oil price periods.

NEO PERFORMANCE RISES 30% IN APRIL

The highlight of April was the 30% gain from our holding in Neo Performance Materials. Neo is a global leader in the innovation and manufacturing of rare earth and metal-based functional materials, which are essential inputs to high-technology, high-growth, and future-facing industries.

Rare earth materials are a key input to many key defence and technology products in the west, yet the vast majority of the supply and processing of these materials is dominated by China. The US has made it a strategic priority to increase the production and processing of these materials in western countries. Neo is one of a very few companies in the west that has these capabilities and is hence a strategically important company that could be the target of an acquisition.

Neo recently reported excellent 4th quarter results that were substantially ahead of expectations. The company produced over \$60 million in EBITDA in 2024, and we expect an even better year to come. So while the stock has risen by 30% this month, it still trades at a very discounted valuation of less than 7 times EBITDA and pays an almost 4% dividend. Look for more gains to come from Neo over the coming year.

MARKET VOLATILITY IN 2025

As we discussed last month, we expect 2025 to be a volatile year in the markets, which we have already witnessed so far this year. While the ups and downs can be disconcerting at times, by focusing on the intrinsic value, we are already uncovering some very compelling value opportunities for the fund to invest in. The attractive valuation we highlighted above in Secure Waste is just one such opportunity, but we expect there to be many more for the fund by sticking with our investment discipline.

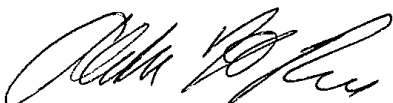
MORE INSIDER BUYING IN APRIL

Despite the volatility, April again saw buying from insiders at many of our companies. The largest purchases occurred at Whitecap Resources, Tamarack Valley, North American Construction, Canfor, and Secure Waste. Insiders clearly are looking through the volatility in the market and seeing the great upside opportunity that we do. Buying of stock by insiders at our companies is just one more point of support for the value opportunity present in our holdings, as these are the very people that know their businesses best.

APRIL 30TH.... NEXT LP CLOSING

The next closing for the NR Conservative Growth Fund LP is May 31st, 2025. Please feel free to contact Daria Krikun at 416-364-8591 or Aaron Sniderman at 416-847-3979 for more information or to set up an appointment or call 416-323-0477 to speak with any one of us directly concerning the Conservative Growth LP. Our toll-free number is 1-877-327-6048.

Warmest Regards,



Alex Ruus, CFA, MBA, P.Eng

Historical Performance	1 yr	3 yr	5 yr	10 yr	ITD
NR Conservative Growth Fund LP	4.41	2.30	17.18	6.95	8.51

Returns as of April 30, 2025

Commissions, trailing commissions, management fees, performance fees, and expenses all may be associated with investment funds. Please read the offering memorandum before investing. The indicated rates of return are the historical annual compound total returns net of fees and expenses payable by the fund (except for figures of one year or less, which are simple total returns) including changes in security value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. The rates of return are used only to illustrate the effects of the compound growth rate and are not intended to reflect future values or returns on investment in an investment fund.

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The comparison presented is intended to illustrate the historical performance of the Fund as compared with the historical performance of a widely quoted market index or a weighted blend of widely quoted market indices or other investments. There are various important differences that may exist between the Fund and the stated indices or other investments that may affect the performance of each. The objectives and strategies of the Fund result in holdings that do not necessarily reflect the constituents of and their weights within the comparable indices. Indexes are unmanaged and their returns do not include any sales charges or fees. It is not possible to invest directly in market indices. Certain statements contained in this communication are based in whole or in part on information provided by third parties and Arrow Capital Management has taken reasonable steps to ensure their accuracy. Market conditions may change which may impact the information contained in this document.

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