

April was another good month for the Conservative Growth LP. The fund rose 1.83% during April, substantially outperforming the broader markets, which all fell during the month (TSX down 4.96% and S&P 500 down -8.72%). This brought the 1-year return to +31.45%. Best returns came from our energy and short positions, which substantially outperformed and offset the overall weight of a falling market. Strongest individual contributors during the month came from Secure Energy, Trican, and Baytex, all of which appreciated by north of 20% during the month.

Historical Performance	1 yr	3 yr	5 yr	10 yr	ITD
NR Conservative Growth Fund LP	31.43	18.31	10.23	9.88	9.67

Returns as of April 30, 2022

RUSSIA-UKRAINE CONFLICT CONTINUES

The Russian assault on Ukraine continued for a 3rd month with mixed results for for both the Russians and the global economy. The Ukrainians continue to put up a valiant fight and regardless of the final outcome, this conflict is increasingly looking to be a very large problem for Russian President Putin and the Russian economy. Russia looks to now be at the start of a serious recession and is experiencing serious casualties and loss of equipment on the battlefield.

Increasing Western sanctions on Russia are starting to heavily tax the Russian economy, but also are starting to have side effects on the rest of the global economy. Largest effects are in the commodity markets, which generally were already showing signs of supply shortages in many areas, and now are seeing escalating prices as the West attempts to reduce Russian exports of many products where feasible.

The combined effects of the Russia-Ukraine conflict, higher inflation, rising interest rates, and COVID lockdowns in parts of China are making the 2022 outlook increasingly hazy and we expect increased market volatility over the coming months. The combination of a weaker outlook for the global economy along with higher interest rates increases our previous conviction to be cautious in the industrial, consumer discretionary, and technology sectors of the market, all of which have extremely low weightings in the portfolio.

Meanwhile, the combination of a decade of underinvestment in oil and gas combined with the pressure to squeeze Russia out of its position as a major exporter of 10% of the worlds oil are leading to an increasingly strong outlook for energy. This high price scenario for oil and gas is not just for the near term, but likely for several years as evidence continues to surface that OPEC does not have nearly as much spare capacity as many believed. Along with the likelihood that, regardless of the outcome for the war, most nations will not want to be dependent on supply of the world's most important commodity from a warring, unpredictable dictatorship means that the world is short of oil supply. The combination of the outlook for higher for longer pricing along with a stock market that continues to undervalue these generators of massive amounts of free cash flow means this sector continues to be our largest exposure.

SUNCOR ATTRACTS INTERNATIONAL ATTENTION FOR ITS LOW VALUE

While Secure, Trican, and Baytex were our star performers for the month, the most interesting development came from Suncor, who we discussed in a letter a little over a year ago as being substantially undervalued. In April, global activist investor, Elliott Asset Management, also recognized the massive undervaluation in Suncor as well and accumulated a 3.5% position. They announced their ownership to the board and have asked to appoint 5 board members to help the company accelerate realization of the hidden value of Suncor's many assets.

As we pointed out last year in our investor letter, Suncor does indeed have many world class assets that the market has overlooked and which we believed would indeed come to light over the coming years. Among Suncor's most attractive assets are:

1. The world's largest ownership of long-life premium oil sands assets with massive reserves
2. One of the most profitable refinery operations in North America

3. Canada's largest fuel retailing operation with 1,600 locations
4. One of the most profitable offshore oil field portfolios in the Atlantic

Not only are these highly valuable strategic assets undervalued relative to the overall market, but they also have been trading at a discount to other large oil companies globally, despite what are most definitely superior assets. We feel that the company deserves a much higher valuation in the market. Board changes or even the threat of board changes should nudge management and the current board to do a better job of managing these tremendous assets for the benefit of all.

Since we added Suncor to the portfolio, the stock has almost doubled in value, but the stock continues to be undervalued relative both the overall market as well as comparable companies within the energy sector. Look for more appreciation to come from this valuable asset in the growth fund.

ADDITIONAL INSIDER BUYING IN APRIL

Once again, April saw insider buying at a number of our portfolio holdings. During the month, we saw corporate insiders at ECN Capital, Tamarack Valley, Profound Medical, Canadian Tire, and Freehold Royalties buying stock in their own companies as they see the same substantial upside opportunity that we do. Buying of stock by insiders at our companies is just one more point of support for the value opportunity of our holdings, as these are the very people that know their businesses best.

MAY 31ST.... NEXT LP CLOSING

The next closing for the NR Conservative Growth Fund LP is May 31st, 2022. 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
Portfolio Manager
Arrow Capital Management Inc

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