

June saw the fund drop 1.11% in mixed equity markets that saw Canadian markets down with the fund outperforming the TSX, which fell -1.42%, but saw US market rise with the S&P500 up 3.59% and the Dow30 up 1.23%. This brings our year to date return to +5.31%, behind the index, but puts our longer term 3 year return to + 23.67% (+7.34% CAGR) which continues to solidly outperform our benchmark index.

June's market returns were led on the upside by continued momentum buying of the technology giants, while the rest of the market was left well behind or sold off. The materials and energy markets were surprisingly the worst sectors, as most of the underlying commodities continue to trend to the upside and have very solid underlying demand support. Fund returns were held back by pullbacks across the board from our energy and material holdings, but those negative returns were offset by some compelling returns to the upside from our holdings in Neo Performance Materials, Profound Medical, and Boyd Group, all of which rose double digits during the month on solid fundamental news.

NEO PERFORMANCE ANNOUNCES STRATEGIC REVIEW

Neo Performance Materials is a holding we initiated in the portfolio several years ago and have recently added to. The company is a leader in advanced material science, engineering & manufacturing, with a focus on rare earth magnetics and other critical materials. Neo products are key inputs for the rapidly growing electric vehicle, solar, and wind industries, all key areas of growth for the coming decade. The company operates globally and is a key cog in the magnetic supply chain.

We were attracted to the company by its established market leading businesses with a track record of profitability through economic cycles with an attractive valuation, solid dividend, and excellent balance sheet. When the stock fell earlier this year to a 5-year low, despite its excellent position in the market, we increased our position to a top 15 position. We view the company as extremely undervalued trading at under 6x EBITDA and 12x out expected earnings, alongside an attractive 5.5% dividend yield, all substantial discounts to what comparable companies trade at.

On June 14th, the management and the board concurred with us that the stock was just ridiculously undervalued and announced the initiation of a strategic review process to surface the value of this excellent company that the public markets have completely ignored. The company's comparable valuations would suggest the company is worth in excess of more than double its current price. The strategic review could result in many different outcomes (sale of all or part of the company, stock buybacks, etc.) all of which will likely drive the shares higher over the coming months.

The announcement of the strategic review drove the stock up 20% immediately in June, but we believe the stock is still extremely undervalued and will continue to hold for what we believe will be compelling higher returns to come. We would not be surprised to see an outright sale of the company occur as the current public equity markets are extremely momentum driven and only focused on the expensive tech giants currently, while they overlook the many quality smaller companies, like Neo, trading at extreme discounts to their intrinsic values. Do not be surprised to see more value generated for the Growth fund over the coming year, as our portfolio is full of many similarly mispriced securities. The outlook for the portfolio over the coming year is excellent.

ADDITIONAL INSIDER BUYING IN JUNE

June was another round of insiders buying at a number of our portfolio holdings. The largest corporate insider buying occurred at Tamarack Valley, Freehold Royalties, Doman Building Materials, Mullen Group, and North American Construction. Insiders clearly 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.

July 31st... NEXT LP CLOSING

The next closing for the NR Conservative Growth Fund LP is July 31st, 2024. 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

Historical Performance	1 yr	3 yr	5 yr	10 yr	ITD
NR Conservative Growth Fund LP	8.83	7.34	11.85	6.71	8.74

Returns as of June 30, 2024

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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