

RCM OPPORTUNITIES FUND



Commentary - February 2011

Focus • Risk Management • Integrity

	1 mo	3 mons	6 mons	YTD	Cum. ITD
RCM Opportunities Fund ¹	1.7%	11.6%	16.5%	6.8%	11.8%
S&P/TSX (CAD)	4.3%	9.1%	18.7%	5.2%	15.8%

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 Hedge Partners 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 Hedge Partners 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.

* Returns are annualized.

The RCM Opportunities Fund returned 1.7% for the month of February compared to 4.3% for the S&P/TSX and 3.2% for the S&P 500.

Geopolitical uncertainty in the Middle East and the tragic events in Japan have once again brought a return to asset price volatility and the "risk on/risk off" market sentiment that we witnessed so much of in 2010. While we have been reducing market exposure prior to as well as in response to these developments, we are nonetheless extremely comfortable with the Fund's core holdings as each have material upside, a margin of safety on the downside, and numerous catalysts and events within the next few months that we believe will crystallize our investment thesis. We will review these as well as our pipeline in our Q1 Update.

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