

	1 mo	3 mons	6 mons	YTD	1 year	Cum. ITD
RCM Opportunities Fund ¹	(4.6%)	(9.0%)	(12.5%)	(6.5%)	1.9%	(2.2%)
S&P/TSX (CAD)	(1.4%)	(7.5%)	(9.7%)	(5.0%)	7.2%	4.6%

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 Capital Management 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 Capital Management 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 declined by 4.6% for the month of August.

While extreme volatility and market fear weighed on the Fund's performance in August, we continue to be conservatively positioned with both low net and gross exposure. Having focused the portfolio on our highest conviction opportunities while maintaining meaningful cash balances to pursue new opportunities that are being created through this market turmoil, we feel the Funds are well positioned to achieve attractive rates of returns over the coming months. While this positioning does not prevent drawdowns on existing names, it certainly helps to mitigate overall portfolio losses. Moreover and most importantly, as a significant amount of our portfolio management time is being spent on proactively managing a favourable outcome on existing investments, we believe that the Funds have significant upside optionality that may not necessarily be reflected in the current quoted prices for these securities. As an example of this, Open Range Energy, a core position we have discussed extensively in the past, has appreciated by approximately 40% MTD (and approximately 400% since we have made the investment) on news that the company plans to spin-off a high growth, dividend paying oil field services company and a highly economic and prospective upstream E+P business to investors. This process and outcome has been consistent with our investment thesis from the outset. We continue to maintain this security as a core position, as we believe that the implied dividend yield on the services business of approximately 15% is far too high based on the current business outlook and the upstream E&P business is significantly undervalued both in absolute terms and relative to its closest peers which trade at multiples materially higher for the same set of assets.

Additionally, during August we filed a dissident circular and initiated a proxy contest to replace the board of directors of

portfolio holding Augyva Mining Resources Inc. On August 29th, 2011 we were successful in replacing the board and we look forward to updating you on this opportunity in next month's Quarterly letter.

As we have discussed with many of you, RCM is favourably positioned in the Canadian market place, given our rigorous and multi-disciplinary approach to "special situation" investing, extensive network and relationships developed over the years while working in Canada, and attractive competitive dynamics within the local hedge fund industry and our target market. With the stable outlook for the Canadian economy, banking system and fiscal situation, we believe the Fund offers a compelling investment and diversification strategy.

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