



PRESS RELEASE FROM ARROW CAPITAL MANAGEMENT

ARROW HEDGE REBRANDS AS ARROW CAPITAL MANAGEMENT

- **C\$1.2bn AUM asset manager expands its' horizons to European market with joint venture**
- **Significant lessons should have been learned by the industry; transparency and capital protection are absolutely key**
 - **Launch new website at www.arrow-capital.com**

(TORONTO – 09 MAY 2011) – To strengthen their goal of offering leading investment products globally, Canadian asset management veteran, Arrow Hedge Partners, is expanding its presence in the UK through new firm, Generation Asset Management (G2AM).

The move coincides with a full corporate rebrand. After ten years as Arrow Hedge, the successful Canadian fund manager is changing its name to Arrow Capital Management ("Arrow").

The firm was founded in 1999 by Jim McGovern, former CEO and co-founder of BPI Financial Corporation ("BPI"), a Canadian based investment manager; with the belief that true, active management would lead to superior investment results, through down-side protection and solid, long-term growth. This is an approach that Arrow believes relies more on manager skill, than on market direction, to produce investment returns.

This belief has never changed. Consequently, Arrow has grown to one of the largest and most experienced alternative investment managers in Canada, managing over C\$1.2bn. The Arrow offering consists of four principal funds that use a fund of hedge funds approach to investing. Arrow also offers 14 single-manager hedge funds that invest following specialized investment mandates. Arrow's flagship fund, Arrow Diversified Fund, returned 8% last year.

Jim McGovern, CEO of Arrow Capital Management, said: "We are very excited to be entering a joint venture with Generation Asset Management in London. It is a great opportunity for us to extend the institutional platform that we have built in Canada to European investors. We are exceedingly optimistic about the strength of the combined teams."

"In all of our products, we aim to continue offering best-in-class and innovative solutions to meet our investors' ever-changing investment needs. Capital protection is our first priority, and transparency is at the core of everything we do. These principles will be mirrored in our partnership with Generation" added Mark Purdy, Managing Director & CIO of Arrow.

Arrow's views of the importance of transparency are as follows:

- There is no other way to monitor risk within a strategy.
- It is the only way you can monitor style drift – holdings may not be consistent with the strategy.

- It is the only way you can roll up the fund of fund to monitor both exposure and risk.
- Allows you to better “pair up” strategies when possible, leading to a better risk/return for the investor.

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Enquiries: Max Hilton/Daniel Jason, Peregrine Communications

Tel (Direct): +44 20 3178 6873/+44 20 3178 2496

Tel (Mobile): +44 7950 003 138/+44 7941 225 651

max.hilton@peregrinecommunications.co.uk

daniel.jason@peregrinecommunications.co.uk

ABOUT ARROW CAPITAL MANAGEMENT

The team has an established process for screening and identifying highly skilled managers globally. These managers are vetted and put through Arrow’s rigorous due-diligence process, with the objective of each manager aligning with Arrow’s philosophy and core values (skill, integrity, experience and focus on risk management). With research offices around the globe, Arrow has an extensive network of resources and intelligence that allowed the firm to develop a unique top-down global perspective. This macro view is combined with a comprehensive bottom-up process in manager selection in order to generate Arrow’s portfolio construction.

With capital protection paramount to Arrow’s proposition, the firm offers multi-manager portfolios to form the core of a client’s investment portfolio, and single manager mandates for clients looking to complement an existing portfolio. Arrow can also create bespoke customized portfolios designed to meet a client’s investment objectives.

Through our funds of hedge funds, Arrow has created the opportunity to invest with talented investment managers globally. Arrow’s globally diversified client base includes pension funds and institutions, as well as family offices and high net worth investors.

With transparency at the root of Arrow’s investment case, the team is made up of seasoned portfolio managers, giving clients access to some of the world’s best alternative investment fund managers. Arrow currently employs 31 staff and 5 principals.