

## **Arrow Hedge Partners Inc. Announces an Increase in the Maximum Issue Size of the Arrow Multi-Strategy Notes, Series 3 Issue**

***Based on positive market reception, the maximum size of the offering has been increased to \$60 million, from the original \$35 million (CAD).***

**Toronto, Canada – March 3rd, 2004** - Jim McGovern, Managing Director and CEO of Arrow Hedge Partners Inc. of Toronto, Canada, is pleased to announce that due to the positive market reception of the Arrow Multi-Strategy Notes, Series 3, Arrow and BNP Paribas SA have decided to increase the maximum size of the issue to \$60 million (CAD). “Arrow has already received orders for over \$30 million in the Series 3 Notes product, and with several weeks left until the closing, it is likely that the original maximum size of the issue of \$35 million (CAD) would have restricted investors from accessing this product offering,” stated McGovern.

“The success of the first two offerings of the Arrow Multi-Strategy Notes product has led to great demand for the Series 3 product,” stated Mr. McGovern. “The Arrow Multi-Strategy Notes, Series 1 was launched June 20, 2003 and posted a net positive performance of 9.3% as of February 27th, 2004; while the Arrow Multi-Strategy Notes, Series 2 posted a net positive performance of 3.9% in its first four months since its launch date of October 24, 2003.”

The Notes are linked to the Arrow Multi-Strategy Hedge Fund (“The Fund”) and offer guaranteed principal repayment at maturity, plus any appreciation in the value of the Fund. The Notes are guaranteed by BNP Paribas SA. **The Arrow Multi-Strategy Notes, Series 3 will be available for purchase from January 12, 2004 until March 19, 2004.**

“Investors will have the assurance of guaranteed principal repayment, the benefit of consistent return potential through a fully diversified fund of hedge funds, and comprehensive risk management from an industry leader. All with a low minimum investment of \$5,000 that is tax efficient and fully RRSP eligible”, stated Mark Purdy, Managing Director.

Note holders are guaranteed principal repayment at maturity plus any appreciation in the value of the Fund. The Notes are issued by BNP Paribas (Canada) and guaranteed by BNP Paribas SA. BNP Paribas is the largest banking

-2-

group in France (based on total assets), and is located in 85 countries. Long-term debt obligations of BNP Paribas SA are rated AA- by Standard & Poor's and Aa2 by Moody's.

The Notes' performance is linked to the Arrow Multi-Strategy Hedge Fund, which has an annual absolute return objective of 7-9%, after all fees. The Fund is designed to deliver consistent monthly returns regardless of market conditions, with low volatility, and low correlation to traditional stock and bond markets.

Note holders also benefit from style and global diversification through one investment vehicle. The Fund expects to allocate to 20-25 hedge fund managers across 9 different investment strategies, which include, but are not limited to: long/short equity, equity market neutral, high yield hedge, risk arbitrage, convertible arbitrage, fixed income arbitrage, distressed securities, managed futures, and global macro.

Each underlying hedge fund manager employs stringent risk management procedures. In addition, Arrow performs qualitative and quantitative analysis, rigorous manager due diligence and ongoing monitoring at both the individual fund, and fund of funds level. Arrow has 100% transparency with each manager and uses sophisticated risk management tools, such as RiskMetrics™, to further strengthen the risk management process.

### **About BNP Paribas**

BNP Paribas (Canada) is a Schedule II bank under the *Bank Act* (Canada) that is licensed to operate as a bank in Canada with full banking powers and is incorporated as a foreign bank subsidiary. BNP Paribas (Canada) is a wholly owned Subsidiary of BNP Paribas, SA. The BNP Paribas group of companies (the "Group") is one of France's leading banking groups in terms of market capitalization.

The Group has offices in 85 countries and employs more than 85,000 personnel. At June 30, 2002, the Group had consolidated assets in excess of €730.4 billion, consolidated gross total customer items in excess of €235.9 billion, consolidated customer deposits (including retail and negotiable certificates of deposit) of €269 billion and stockholders' equity (the Group share including income for the year 2001) of €25.7 billion. Net income (before taxes, non-recurring items and

-3-

amortization of goodwill) for the year ended December 31, 2001 was over €6.6 billion.

BNP Paribas, SA currently has long-term senior debt ratings of “Aa2” with positive outlook from Moody’s, “AA-” with stable outlook from Standard & Poor’s and “AA” with stable outlook from Fitch. Moody’s has also assigned BNP Paribas, SA a Bank Financial Strength rating of “B+” and Fitch has assigned BNP Paribas SA an individual rating of “B”.

### About Arrow

Arrow Hedge Partners Inc. is an investment management company that specializes in providing access to high quality hedge fund managers and multi-manager fund of funds to a wide range of clients including family offices, institutions, pension funds and high net worth individuals.

Arrow Hedge distinguishes itself as a hedge fund leader in Canada by adhering to three key principles - **Focus, Risk Management, Integrity** - in its products, investment philosophy, rigorous manager selection process, ongoing monitoring and risk management procedures.

Arrow Hedge maintains its commitment to investors, through monitoring each fund's composition, strategy and execution on a daily basis. We also provide investors with reliable and frequent fund reporting. This helps investors better understand and appreciate our investment strategies and expected results.

**Arrow Hedge Partners Inc., is a member of AIMA (Alternative Investment Management Association) and is a substantial co-investor in its own funds.**

Arrow Hedge Partners Inc. is headquartered in Toronto, Canada, with sales offices in Vancouver, Calgary, and Montreal and Geneva. Arrow Hedge currently manages over CDN\$230 million on behalf of Canadian retail and institutional investors.



-4-

More information on Arrow Hedge Partners and its products can be found on [www.arrowhedge.com](http://www.arrowhedge.com), the company's website, or contact:

Mr. Jim McGovern  
Managing Director, CEO  
Arrow Hedge Partners Inc.  
(416) 323-0477, ext. 222  
[jmcgovern@arrowhedge.com](mailto:jmcgovern@arrowhedge.com)

Mr. Mark Purdy  
Managing Director, CFA  
Arrow Hedge Partners Inc.  
(416) 323-0477, ext. 223  
[mpurdy@arrowhedge.com](mailto:mpurdy@arrowhedge.com)