

This document contains key information you should know about Arrow EC Income Advantage Alternative Fund, Series FD units. You can find more detailed information in the fund's simplified prospectus. Ask your representative for a copy, contact Arrow Capital Management Inc. ("Arrow") at 1-877-327-6048 or visit www.arrow-capital.com.

Before you invest in any fund, consider how the fund would work with your other investments and your tolerance for risk.

Effective September 1, 2020, East Coast Asset Management SEZC will become sub-advisor for the fund.

This mutual fund is an alternative mutual fund. It has the ability to invest in asset classes or use investment strategies that are not permitted for conventional mutual funds. The specific strategies that differentiate this fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the fund's investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

This Fund has obtained exemptive relief to permit it to utilize market-neutral investment strategies pursuant to which the Fund may engage in the short selling of securities with a market value of up to a maximum of 100% of the net asset value of the Fund (subject to a combined limit on short selling and cash borrowing of 100% of its net asset value). The Fund has also obtained an exemption that allows it to short sell up to 300% of the Fund's net asset value in "government securities". This short selling limit is greater than the limits permitted under applicable securities legislation for conventional mutual funds as well as alternative mutual funds.

QUICK FACTS

Fund code: AHP3015

Date series started: April 26, 2012

Total value of fund on April 30, 2020: \$109.3 million

Management expense ratio (MER): 2.43%

Fund manager: Arrow Capital Management Inc.

Portfolio manager: Arrow Capital Management Inc.

Sub-advisor: East Coast Fund Management Inc.

Distributions: Each month based on a target annualized rate of between 4.0% and 5.0% (depending on market conditions) of the NAV per unit at the end of the prior year and annually each December (if applicable); capital gains, income and/or return of capital. Automatically reinvested in additional units, unless cash distributions elected for non-registered accounts.

Minimum investment: \$1,000 initial, \$100 subsequent

Purchases and Redemptions: Weekly, on the last business day of each week (the "Transaction Processing Frequency").

**** The Fund was originally established as an investment fund on April 26, 2012 and converted to an open-end mutual fund on June 26, 2020.**

WHAT DOES THE FUND INVEST IN?

The investment objective of the Arrow EC Income Advantage Alternative Fund is to generate income and preserve capital by investing in a diversified portfolio of primarily North American investment grade corporate bonds.

The fund will use leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's aggregate exposure is calculated as the sum of the following, and must not exceed 300% of its net asset value: (i) the aggregate market value of the fund's outstanding indebtedness under any borrowing arrangements; (ii) the aggregate market value of all securities sold short; and (iii) the aggregate notional amount of the fund's specified derivatives positions, minus the aggregate notional amount of the specified derivative positions that are hedging transactions.

Shareholder approval (given by a majority of votes cast at a meeting of shareholders) is required prior to a change of investment objectives.

The charts below give you a snapshot of the fund's investments on April 30, 2020. The fund's investments will change over time.

Top 10 investments (April 30, 2020)

1. Government of Canada 1.5% 2023-06-01	-39.2%
2. Merrill Lynch & Co. Inc., Variable Rate, Callable 2.8026% 2022-05-30	25.4%
3. Government of Canada 2% 2023-09-01	-23.9%
4. Government of Canada 0.5% 2022-03-01	-23.1%
5. Government of Canada 2.75% 2022-06-01	-18.8%
6. Government of Canada 0.75% 2021-03-01	-18.3%
7. Morgan Stanley, Floating Rate, Callable 2.2875% 2023-02-03	18.2%
8. Government of Canada 2.5% 2024-06-01	-16.5%
9. Wells Fargo & Co., Callable 3.184% 2024-02-08	15.8%
10. Government of Canada 0.75% 2021-09-01	-14.0%
Total percentage of top 10 investments	-94.4%

Total number of investments: 145

Investment mix (%) (April 30, 2020)

	Long	Short
Equities	5.9	-
Corporate Bonds	326.2	(7.8)
Federal Bonds	5.1	(207.3)
Derivatives	-	(0.6)
Cash and Cash Equivalents	7.9	(28.1)
Other Net Assets	-	(1.3)
Total	345.1	(245.1)

HOW RISKY IS IT?

The value of the fund can go down as well as up. You could lose money.

One way to gauge risk is to look at how much a fund's returns change over time. This is called "volatility".

In general, funds with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. Funds with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

Risk rating

The Manager has rated the volatility of this fund as **low to medium**.

This rating is based on how much the fund's returns have changed from year to year. It doesn't tell you how volatile the fund will be in the future. The rating can change over time. A fund with a low risk rating can still lose money.



For more information about the risk rating and specific risks that can affect the fund's returns, see "What are the Risks of Investing in the Fund?" in the fund's simplified prospectus.

No guarantees

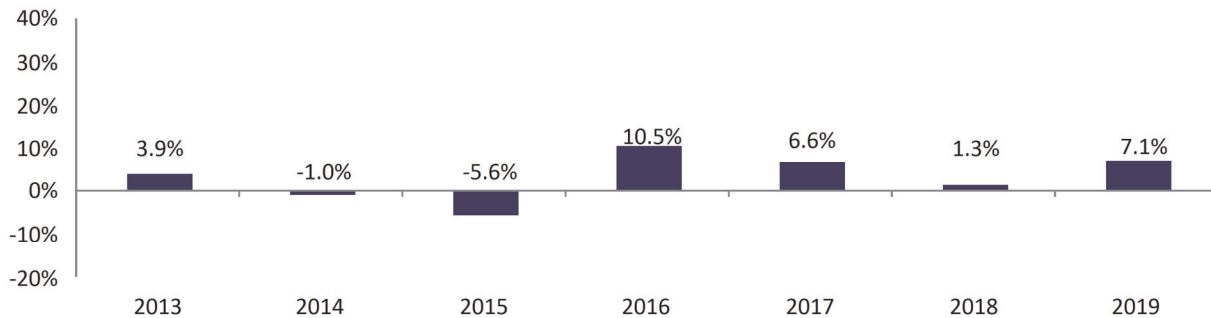
Like most mutual funds, this fund doesn't have any guarantees. You may not get back the amount of money you invest.

HOW HAS THE FUND PERFORMED?

This section tells you how Series FD units of the fund have performed over the past 7 years. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

Year-by-year returns

This chart shows how the fund has performed in each of the past 7 years. The fund dropped in value in 2 of the 7 years. The range of returns and change from year to year can help you assess how risky the fund has been in the past. It does not tell you how the fund will perform in the future.



Best and worst 3-month returns

This table shows the best and worst returns for Series FD units of the fund in a 3-month period over the past 7 years. The best and worst 3-month returns could be higher or lower in the future. Consider how much of a loss you could afford to take in a short period of time.

	Return	3 months ending	If you invest \$1,000 at the beginning of the period
Best Return	7.7%	April 30, 2016	Your investment would rise to \$1,077
Worst Return	-12.7%	March 31, 2020	Your investment would fall to \$873

Average return

A person who invested \$1,000 in the fund on April 26, 2012 would have \$1,179 on April 30, 2020. This works out to an annual compound return of 2.1%.

WHO IS THIS FUND FOR?

The fund is suitable for investors who:

- Are looking for a regular monthly income
- Are looking for a medium to long term investment
- Want to invest in a diversified portfolio of primarily investment grade fixed income securities
- Are comfortable with a low to medium risk level

This fund processes purchase, switch and redemption orders on a weekly basis as at the last valuation date of each week (the “**Transaction Processing Frequency**”). This fund is only suitable for investors who can accept the Transaction Processing Frequency.

A WORD ABOUT TAX

In general, you'll have to pay income tax on any money you make on a fund. How much you pay depends on the tax laws where you live and whether or not you hold the fund in a registered plan, such as a Registered Retirements Savings Plan or a Tax-Free Savings Account.

Keep in mind that if you hold your fund outside a registered plan, fund distributions are included in your income for tax purposes, whether you get them in cash or have them reinvested. If you hold your fund inside a registered plan, you will include fund distributions and other amounts you withdraw from your registered plan in your income for tax purposes. Different rules apply for Tax-Free Savings Accounts.

HOW MUCH DOES IT COST?

The following tables show the fees and expenses you could pay to buy, own and sell Series FD units of the fund.

The fees and expenses – including any commissions – can vary among series of a fund and among funds. Higher commissions can influence representatives to recommend one investment over another. Ask about other funds and investments that may be suitable for you at a lower cost.

Sales charges

No sales charges apply when you purchase Series FD units of the fund.

Fund expenses

You don't pay these expenses directly. They affect you because they reduce the fund's returns.

As of December 31, 2019, the fund's expenses were 3.62% of its value. This equals \$36.20 for every \$1,000 invested.

	Annual Rate (as a %)
Management expense ratio (MER) This is the total of the fund's management fee, performance fee and operating expenses.	2.43%
Trading expense ratio (TER) These are the fund's trading costs.	1.19%
Fund expenses	3.62%

Performance fee

The fund will pay to Arrow in respect of each calendar year of the fund a performance fee per unit equal to 15% of the amount by which the Adjusted Net Asset Value (as defined in the prospectus) per unit at the end of the fiscal year exceeds the highest year end Adjusted Net Asset Value per unit previously achieved. The performance fee will be estimated and accrued each Valuation Date. If any units of the fund are redeemed prior to the end of a calendar year, a performance fee will be payable on the redemption date in respect of each such units.

More about the trailing commission

There is no trailing commission payable by Arrow in respect of Series FD units of the fund.

Other fees

You may have to pay other fees when you buy, hold, sell or switch units of the fund.

Fee	What you pay
Investment advisory fee	Series FD units of the fund are only available to investors who have a fee-based account with their representative's firm and whose representative's firm has signed an agreement with Arrow. You pay a fee to your representative's firm for investment advice and other services.
Short-term trading fee	Up to 2% of the value of units you sell or switch within 90 days of buying them. This fee goes to the fund.

WHAT IF I CHANGE MY MIND?

Under securities law in some provinces and territories, you have the right to:

- Withdraw from an agreement to buy mutual funds within two business days after you receive a simplified prospectus or Fund Facts document, or
- Cancel your purchase order within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, annual information form, Fund Facts document or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

FOR MORE INFORMATION

Contact Arrow or your representative for a copy of the fund's simplified prospectus and other disclosure documents. These documents and the Fund Facts make up the fund's legal documents.

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To learn more about investing in mutual funds, see the brochure **Understanding mutual funds**, which is available on the website of the Canadian Securities Administrators at www.securities-administrators.ca.