

.AMENDMENT NO. 1
dated February 12, 2019
to the **ANNUAL INFORMATION FORM** dated December 31, 2018,
in respect of
ARROW ADVANTAGE ALTERNATIVE CLASS (Series A, F and ETF units)

I. SUMMARY OF AMENDMENTS

This document qualifies for distribution Series U shares and Series G shares of Arrow Global Advantage Alternative Class. As a result, the annual information form dated December 31, 2018 (the “**Annual Information Form**”), relating to the offering of mutual fund shares of the Arrow Global Advantage Alternative Class, is hereby amended as set out below.

All defined terms in this Amendment No. 1 shall have the meanings ascribed to them in the Annual Information Form unless otherwise specifically defined in this Amendment No. 1.

II. SPECIFIC AMENDMENTS

(1) Front Cover

- (a) The front cover of the Annual Information Form is amended by adding references to Series U shares and Series G shares of the fund as follows:

ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS (Series A, F, U, G and ETF units)

(2) Purchases

- (b) On page 8, under the subheading “Purchases”, the table is replaced with the following:

Series	Feature
Series A and U Shares	Series A and U Shares are available to all investors. You may purchase Series A and U Shares by way of the front-end sales charge (the “ Front-End Shares ”). You may be required to pay your dealer a sales charge when you buy these shares. This sales charge is negotiable between you and your dealer. Series U Shares are designed for investors who wish to make their investment in U.S. Dollars. See below for more information about the Series U Shares.
Series F and G Shares	Series F and G Shares are generally only available to investors who are enrolled in a dealer sponsored fee-for-service or “wrap” program and who are subject to an annual advisory or asset-based fee rather than commissions for each transaction. Series F and G Shares are not subject to sales charges. Series G Shares are designed for investors who wish to make their investment in U.S. Dollars. See below for more information about the Series G Shares.

- (c) On page 8, under the subheading “Purchases”, the following is added under the table:

Series U and G shares (each a “**U.S. Option Series**”) are designed for investors who wish to make their investment in U.S. Dollars. Funds offering U.S. Option Series hedge those

series against changes in the U.S. currency relative to the Canadian currency and in doing so attempt to eliminate fluctuations between Canadian and U.S. Securities such that the performance of the U.S. Option Series are expected to be substantially the same performance as the performance of Series A and F shares, respectively, purchased using the Canadian dollar pricing option. However, there may be factors beyond a Fund's control such as derivative transaction costs and performance fees which may cause there to be differences in the performance of the series. In addition, there may be circumstances, from time to time, in which a Fund may not be able to fully hedge its Canadian exposure back to U.S. dollars in respect of a U.S. Option Series.

(3) Minimum Balance

- (d) On page 12, under the heading "Minimum Balance", the second paragraph is deleted and replaced with the following:

If we become aware that you no longer qualify to hold Class F or G Shares of the Fund, we may change your securities to Class A or U Shares of the Fund, respectively, after we give your representative 30 days' notice.

**CERTIFICATE OF THE FUNDS
AND OF ARROW CAPITAL MANAGEMENT INC. AS MANAGER AND PROMOTER**

This Amendment No. 1 dated February 12, 2019, together with the annual information form dated December 31, 2018 and the simplified prospectus dated December 31, 2018 and the documents incorporated by reference into the simplified prospectus, as amended, constitute full, true and plain disclosure of all material facts relating to the shares offered by the simplified prospectus, as amended, as required by the securities legislation of all provinces and territories of Canada and do not contain any misrepresentations.

DATED: February 12, 2019

“JAMES MCGOVERN” (Signed)
James McGovern
Chief Executive Officer of
Arrow Capital Management Inc.

“ROBERT MAXWELL” (Signed)
Robert Maxwell
Chief Financial Officer of
Arrow Capital Management Inc.

On behalf of the Board of Directors
of ARROW CAPITAL MANAGEMENT INC.
as Manager and Promoter of the Funds

“FREDERICK DALLEY” (Signed)
Frederick Dalley
Director of Arrow Capital Management Inc.

“MARK PURDY” (Signed)
Mark Purdy
Director of Arrow Capital Management Inc.



ARROW ALTERNATIVE MUTUAL FUND

Annual Information Form

ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS (Series A, F and ETF Shares)

December 31, 2018

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

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NAME, FORMATION AND HISTORY OF THE FUND

The Fund

The Arrow Global Advantage Alternative Class is one class of shares of Exemplar Portfolios Ltd., a mutual fund corporation, which was formed by articles of incorporation under the laws of Ontario. There are two other classes of shares of Exemplar Portfolios Ltd. which are issued under a separate prospectus. This annual information form relates to the Arrow Global Advantage Alternative Class (the “**Fund**” or, collectively with the other classes, the “**Funds**”).

The year-end of the fund for financial reporting purposes is December 31.

This annual information form contains details about the Fund. It is intended to be read along with the simplified prospectus of the Fund you’re investing in. If you have questions after reading these documents, please contact your representative or us. The Fund is managed by:

Arrow Capital Management Inc.
36 Toronto Street, Suite 750
Toronto, Ontario M5C 2C5

The address of the Fund is the same as Arrow Capital Management Inc.

Fund Name	Name Changes	Date of original articles of incorporation or date of articles of amendment creating the share class	Amendments made to these documents
Exemplar Portfolios Ltd.		Exemplar Portfolios Ltd. was incorporated on March 18, 2008 . Each of its share classes was created either in the original articles or by articles of amendment, the date of which is listed below.	<p>April 23, 2008 – to change the number of directors from a minimum of one and a maximum of eleven to a minimum of three and a maximum of eleven</p> <p>April 28, 2011 – to create new classes of shares</p> <p>September 18, 2012 – to cancel a class of shares and to authorize the issuance of future classes of shares</p>
Arrow Global Advantage Alternative Class		December 31, 2018 – Series A, F and ETF Shares	

History of the Manager

As described below, Arrow Capital Management Inc. (“**Arrow**”, “**us**”, “**our**”, “**we**” or the “**Manager**”) is the manager of the Fund:

<u>Effective Date</u>	<u>Event</u>
February 23, 2010	BluMont Capital Corporation (“ BluMont ”) acquired all of the shares of Northern Rivers Capital Management Inc.
April 1, 2010	Northern Rivers Capital Management Inc. and BluMont were amalgamated.
December 2, 2013	Arrow acquired all the outstanding shares of BluMont, resulting in a change of control of BluMont.
April 1, 2014	BluMont and Arrow were amalgamated and Arrow Capital Management Inc. became the manager of the Fund.

INVESTMENT RESTRICTIONS

Restrictions under NI 81-102

Subject always to compliance with their fundamental investment objectives, the Fund has adopted and is managed in accordance with the standard investment restrictions and practices set out in securities legislation, including National Instrument 81-102 – *Investment Funds* (“**NI 81-102**”) (being the code established by the Canadian Securities Administrators to generally govern investment funds whose securities are offered by prospectus in Canada), which are designed in part to ensure that the Fund’s investments are diversified and relatively liquid and to ensure the proper administration of the Fund.

The Fund is considered an “alternative mutual fund”, as defined in NI 81-102. This permits it to use strategies generally prohibited by conventional mutual funds, such as the ability to invest more than 10% of its net asset value in securities of a single issuer, the ability to invest in physical commodities or specified derivatives, to borrow cash, to short sell beyond the limits prescribed for conventional mutual funds and to generally employ leverage.

Investing in Permitted ETFs

The Fund has obtained permission from the regulators to invest up to 10% of its net assets (taken at market value at the time of the investment) in exchange traded funds listed on a Canadian or United States stock exchange that seek to replicate the daily performance of either: (a) a widely-quoted market index (i) in an inverse multiple of 100%, or (ii) by a multiple of up to 200% or an inverse multiple of up to 200% (in either case, a “**Leveraged ETF**”); or (b) gold or silver on an unlevered basis (a “**Commodity ETF**” and, together with Leveraged ETFs, “**Permitted ETFs**”). In each case: (a) the investment will be made by the Fund in accordance with its investment objective; (b) the Fund will not short sell securities of any Permitted ETF; (c) the aggregate investment by the Fund in Leveraged ETFs will not exceed 10% of the Fund’s net asset value, taken at market value at the time of purchase; (d) the Fund will not purchase securities of a Permitted ETF or short sell securities of any issuer if, immediately after such purchase or short sale, more than 20% of the net assets of the Fund, taken at market value at the time of the transaction, would consist of, in aggregate, securities of Permitted ETFs and all securities sold short by the Fund; and (e) the Fund will not purchase securities of a Commodity ETF if, immediately after such purchase, more than 10% of the net assets of the Fund, taken at market value or market exposure at the time of the purchase, would consist of, in aggregate, gold, silver, permitted gold certificates, permitted silver certificates, specified derivatives of which the underlying interest is gold or silver, and Commodity ETFs.

Relief with Respect to the Offering of Series ETF Shares

The Fund has obtained relief from applicable securities laws in connection with the offering of Series ETF Shares to:

- (i) relieve the Fund from (a) the requirement to prepare and file a long form prospectus for the Series ETF Shares in accordance with National Instrument 41-101 – *General Prospectus Requirements* in the form prescribed by Form 41-101F2 *Information Required in an Investment Fund Prospectus*, subject to the terms of the relief, provided that the Fund files a prospectus for the Series ETF Shares in accordance with the provisions of National Instrument 81-101 – *Mutual Fund Prospectus Disclosure*, other than the requirements pertaining to the filing of the fund facts document;
- (ii) relieve the Fund from the requirement that a prospectus offering Series ETF Shares contain a certificate of the underwriters;
- (iii) relieve a person or company purchasing Series ETF Shares of the Fund in the normal course through the facilities of the Toronto Stock Exchange (“**TSX**”) or another exchange from the take-over bid requirements of Canadian securities legislation;
- (iv) permit the Fund that offers Series ETF Shares to borrow cash from the custodian of the Fund (the “**Custodian**”) and, if required by the Custodian, to provide a security interest over any of its portfolio assets as a temporary measure to fund the portion of any distribution payable to shareholders that represents, in the aggregate, amounts that are owing to, but not yet been received by, the Fund; and
- (v) treat the Series ETF and the mutual fund series of the Fund as if such series were two separate funds in connection with their compliance with the provisions of Parts 9, 10 and 14 of NI 81-102.

Additionally, certain dealers of the Fund, including the Designated Brokers (as defined below) and ETF Dealers (as defined below), have received relief from the Canadian securities regulatory authorities from the requirement that a dealer, not acting as agent of the purchaser, who receives an order or subscription for a security offered in a distribution to which the prospectus requirement of the securities legislation of the provinces and territories applies, send or deliver to the purchaser or its agent, unless the dealer has previously done so, the latest prospectus and any amendment either before entering into an agreement of purchase and sale resulting from the order or subscription, or not later than midnight on the second business day after entering into that agreement. As a condition of this relief, the dealer is required to deliver a copy of the ETF summary document of the fund to a purchaser if the dealer does not deliver a copy of the fund’s simplified prospectus.

Changes To Fundamental Investment Objectives

A change in the Fund’s investment objectives may only be made after first obtaining the consent of a majority of votes cast by that Fund’s investors and proxyholders present at a meeting called to consider the change. However, in order to reduce the Funds’ costs, you will not receive notice of routine administrative or compliance changes that would not have an adverse monetary impact on your investment. Please see “Fundamental Changes” for details of the matters which may not be effected without shareholder approval.

Registered Tax Plans

Shares of the Fund are qualified investments for registered plans.

For these purposes, a registered plan means a trust governed by such plans as:

- Locked-in Retirement Accounts (LIRAs);
- Registered Retirement Savings Plans (RRSPs);
- Locked-in Registered Retirement Savings Plans (LRSPs);

- Registered Retirement Income Funds (RRIFs);
- Locked-in Retirement Income Funds (LRIFs);
- Life Income Funds (LIFs);
- Deferred Profit Sharing Plans (DPSPs);
- Registered Education Savings Plans (RESPs);
- Prescribed Retirement Income Funds (PRIFs);
- Tax-Free Savings Accounts (TFSA);
- Registered Disability Savings Plans (RDSPs); or
- Québec Education Savings Incentive (QESI).

Note that not all registered plans are available in all provinces or territories. The Fund may be eligible for other registered plans offered through your representative's firm.

YOUR RIGHTS AS AN INVESTOR

As an investor, you have the right to share in any distributions (other than management fee distributions and distributions paid in respect of a different class of shares that are intended to constitute a return of capital) that the Fund makes. You can sell your shares and switch from the Fund to another fund at any time. If the Fund stops operating, you have the right to share in the Fund's net assets after it has paid any outstanding debts. You can pledge your shares as security, but you may not transfer or assign them to another party. Pledging securities held in a registered plan may result in adverse tax consequences.

You are entitled to receive notice of shareholder meetings, where you will have one vote for each whole share you own. You have the right to vote on the following matters:

- a change in the method of calculating, or the introduction of, a fee or expense charged to the Fund if the change could increase the charges to the Fund or its shareholders
- appointment of a new manager, unless the new manager is an affiliate of the current manager
- a change in the Fund's fundamental investment objective
- any decrease in the frequency of calculating the net asset value per share of the Fund
- in certain circumstances, a merger with, or transfer of assets to, another issuer if:
 - the Fund will be discontinued, and
 - investors in the discontinued Fund will become investors in the other issuer
- a merger with, or acquisition of assets from, another issuer if:
 - the Fund will continue
 - investors in the other issuer will become investors in the Fund
 - the transaction would be a significant change to the Fund
- a restructuring of the Fund into a non-redeemable investment fund or into an issuer that is not an investment fund.

If you own shares of any class of the Fund, you will be entitled to vote at any meeting of shareholders of that class, for example, to change the management fee payable by that class. You will also be entitled to vote at any meeting called that affects the Fund as a whole, for example, to change the investment objective of the Fund. A change to the investment objective of the Fund would require a majority of votes cast at a meeting of shareholders.

If the Fund invests in an underlying fund we will not vote any of the securities it holds of the underlying fund. However, we may arrange for you to vote your share of those securities.

CALCULATION OF NET ASSET VALUE

Whether you are buying, selling, transferring or converting the Fund, we base the transaction on the value of the Fund share. The price of a share is called the “*net asset value*” or “NAV” per share, or the “*share value*”. We calculate a separate NAV per share for each series of the Fund by taking the value of the assets of the class of the Fund, subtracting any liabilities of the class of the Fund and dividing the balance by the number of shares held by investors in that class of the Fund.

We calculate NAV at 4:00 p.m. Eastern time on each “*valuation day*”. A valuation day is any day that the Toronto Stock Exchange is open for trading. When you buy, sell, transfer or switch shares of the Fund, the price is the next NAV we calculate after receiving your order. When you place your order through a representative, the representative sends it to us. If we receive your properly completed order before 4:00 p.m. Eastern time on a valuation day, we will process it using that day’s NAV. If we receive your order after that time, we will use the NAV on the next valuation day. The valuation day used to process your order is called the “*trade date*”.

The NAV and the NAV per share are available at www.arrow-capital.com and upon request by any shareholder, at no cost, by calling 1-877-327-6048.

VALUATION OF PORTFOLIO SECURITIES

In calculating the NAV, the Fund values the various assets as described below. We may deviate from these valuation practices in circumstances where this would be appropriate, for example, if trading in a security is halted because of significant negative news about the company.

Type of Asset	Method of Valuation
Liquid assets, including cash on hand or on deposit, accounts receivable and prepaid expenses	Valued at full face value unless we determine the asset is not worth full face value, in which case we will determine a fair value.
Money market instruments	The purchase cost amortized to the instrument’s due date.
Bonds, term notes, shares, subscription rights and other securities listed or traded on a stock exchange	The latest available sale price reported by any means in common use. If a price is not available, we determine a price at the average of the closing bid and ask price or the latest available sale price. If the securities are listed or traded on more than one exchange, the Fund calculates the value in a manner that we believe accurately reflects fair value. If we believe stock exchange quotations do not accurately reflect the price the Fund would receive from selling a security, we can value the security at a price we believe reflects fair value.
Bonds, term notes, shares, subscription rights and other securities not listed or traded on a stock exchange	The price quotation or valuation that we believe best reflects fair value.
Restricted securities as defined in NI 81-102	The market value of securities of the same class which are not restricted, multiplied by the percentage that the Fund’s acquisition cost was of the market value of such securities at the time of acquisition, provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restrictions will be lifted is known or such lower value as may be available from reported quotations in common use.

Long positions in clearing corporation options, options on futures, over-the-counter options, debt-like securities and listed warrants	The current market value.
Premiums received from written clearing corporation options, options on futures or over-the-counter options	Treated as deferred credits and valued at an amount equal to the market value that would trigger closing the position. The deferred credit is deducted when calculating the net asset value of the Fund. Any securities that are the subject of a written clearing corporation option or over-the-counter option will be valued as described above.
Futures contracts, forward contracts and swaps	Valued according to the gain or loss the Fund would realize if the position were closed out on the day of the valuation. If daily limits are in effect, the value will be based on the current market value of the underlying interest.
Assets valued in foreign currency, deposits, contractual obligations payable to the Fund in foreign currency and liabilities and contractual obligations the fund must pay in foreign currency	Valued using the exchange rate from a publicly disseminated quotation service.
Precious metals	Precious metals (certificates or bullion) and other commodities are valued at their fair market value, generally based on prevailing market prices as reported on exchanges or other markets.
Securities of other mutual funds	The value of the securities will be the net asset value per security on that day or, if the day is not a valuation day of the mutual fund, the net asset value per security on the most recent valuation day for the mutual fund.

National Instrument 81-106 *Investment Fund Continuous Disclosure* (“**NI 81-106**”) requires the Fund to calculate its net asset value by determining the fair value of its assets and liabilities. CIBC Mellon Global Securities Services Company has been appointed to perform valuation services for us. Any valuation services will be done using the methods of valuation described above.

DESCRIPTION OF SECURITIES OFFERED BY THE FUND

The Fund is sold in shares, each representing an equal interest in the related series of the Fund. You will find a list of all of the series of shares the Fund offers on the front cover of this annual information form. In this document, all series of shares, except for Series ETF Shares, are collectively referred to as the “Mutual Fund Series” Shares.

PURCHASE, SWITCHES AND REDEMPTIONS

You may purchase or switch Mutual Fund Series Shares from the Fund to other funds managed by Arrow or redeem your Mutual Fund Series Shares in the Fund through registered dealers in each of the provinces and territories of Canada. You can contact Arrow for the names of registered dealers in your province or territory of residence.

Series ETF Shares are available to investors that purchase such shares on the TSX or another exchange or marketplace.

Purchases

Mutual Fund Series

The Fund has multiple series available for investors. Different purchase options require investors to pay different fees and expenses and, if applicable, the choice of purchase options affects the amount of compensation paid by Arrow to your dealer.

You can invest in the Fund by completing a purchase application, which you can get from your representative. Your initial investment in the Fund must be at least \$1,000. Any subsequent purchase must be at least \$100.

Series	Feature
Series A Shares	Series A Shares are available to all investors. You may purchase Series A Shares by way of the front-end sales charge (the “ Front-End Shares ”). You may be required to pay your dealer a sales charge when you buy these shares. This sales charge is negotiable between you and your dealer.
Series F Shares	Series F Shares are generally only available to investors who are enrolled in a dealer sponsored fee-for-service or “wrap” program and who are subject to an annual advisory or asset-based fee rather than commissions for each transaction. Series F Shares are not subject to sales charges.

Payment for shares of the Fund must be received within three business days of your order or we will redeem your shares on the next business day. If the proceeds are greater than the payment you owe, the Fund is required by securities regulation to keep the difference. If the proceeds are less than the payment you owe, your dealer must pay the difference (and your dealer may seek to collect this amount plus expenses from you).

We may reject your purchase order within one business day of receiving it. Any monies sent with your order will be returned immediately.

Series ETF Shares

Series ETF Shares of the Fund will be issued and sold on a continuous basis and there is no maximum number of Series ETF Shares that may be issued. Series ETF shares of the Fund can be bought in Canadian dollars only. The Manager, on behalf of Arrow Global Advantage Alternative Class, will apply to list the Series ETF Shares of Arrow Global Advantage Alternative Class on the TSX. Subject to receiving conditional approval and satisfying the TSX’s original listing requirements, the Series ETF Shares will be listed on the TSX and holders of Series ETF Shares will be able to buy or sell Series ETF Shares on the TSX or another exchange or marketplace through registered brokers and dealers in the province or territory where the shareholder resides.

Shareholders may incur customary brokerage commissions in buying or selling Series ETF Shares. No fees are paid by a shareholder to the Manager or the Fund in connection with the buying or selling of Series ETF Shares on the TSX or another exchange or marketplace.

To Designated Brokers and ETF Dealers

The Manager, on behalf of the Fund that offers Series ETF Shares, has entered or will enter into a designated broker agreement with a designated broker (a “**Designated Broker**”) pursuant to which the Designated Broker has agreed, or will agree, to perform certain duties relating to the Series ETF Shares of the Fund including, without limitation: (i) to subscribe for a sufficient number of shares to satisfy the applicable exchange’s original listing requirements; (ii) to subscribe for shares when cash redemptions of shares occur; and (iii) to post a liquid two-way market for the trading of shares on the applicable exchange. In accordance with the designated broker agreement, the Manager may require the Designated Broker to subscribe for Series ETF Shares for cash.

Generally, all orders to purchase Series ETF Shares directly from the Fund must be placed by a Designated Broker or an “ETF Dealer”, which is a registered dealer (that may or may not be a Designated Broker) that has entered into an agreement with us authorizing the dealer to subscribe for, purchase and redeem Series ETF Shares from the Fund on a continuous basis from time to time.

We reserve the absolute right to reject any subscription order placed by a Designated Broker or ETF Dealer in connection with the issuance of Series ETF Shares. If we reject your order, we will immediately return any money received, without interest.

No fees or commissions will be payable by the Fund to a Designated Broker or ETF Dealer in connection with the issuance of Series ETF Shares. On the listing, issuance, exchange or redemption of Series ETF Shares, we may, in our discretion, charge an administrative fee to a Designated Broker or ETF Dealer to offset the expenses incurred in listing, issuing, exchanging or redeeming the shares.

After the initial issuance of Series ETF Shares to the Designated Broker(s) to satisfy the applicable exchange’s original listing requirements, a Designated Broker or ETF Dealer may place a subscription order for a Prescribed Number of Series ETF Shares (and any additional multiple thereof) of the Fund on any day on which a session of the exchange or marketplace on which the Series ETF shares of the Fund are listed is held (a “**Trading Day**”), or such other day as determined by us. “Prescribed Number of Series ETF Shares” means the number of Series ETF shares of the Fund determined by us from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes. The cut-off time for Series ETF Shares of the Funds is 11 a.m. (Toronto time) on a Trading Day (the “**Cut-Off Time**”). If the TSX’s trading hours are shortened or changed for other regulatory reasons, we may change the Cut-Off-Time. Any subscription order that is received by the Cut-Off Time will be deemed to be received on that Trading Day and will be based on the net asset value per share determined on such Trading Day. Any subscription order received after the Cut-Off Time on a Trading Day will be deemed to be received on the next Trading Day and will be based on the net asset value per share determined on such following Trading Day.

For each Prescribed Number of Series ETF Shares issued, an ETF Dealer must deliver payment consisting of, in our discretion: (i) cash in an amount equal to the aggregate net asset value per share of the Prescribed Number of Series ETF Shares next determined following the receipt of the subscription order; (ii) a group of securities or assets representing the constituents of, and their weightings in, the Fund (“**Basket of Securities**”) or a combination of a Basket of Securities and cash, as determined by us, in an amount sufficient so that the value of the securities and cash received is equal to the aggregate net asset value per share of the Prescribed Number of Series ETF Shares next determined following the receipt of the subscription order; or (iii) securities other than Baskets of Securities or a combination of securities other than Baskets of Securities and cash, as determined by us, in an amount sufficient so that the value of the securities and cash received is equal to the aggregate net asset value per share of the Prescribed Number of Series ETF Shares next determined following the receipt of the subscription order.

We will make available to the Designated Brokers and ETF Dealers information as to the Prescribed Number of Series ETF Shares and any Basket of Securities for the Fund for each Trading Day. We may, in our discretion, increase or decrease the Prescribed Number of Series ETF Shares from time to time.

To Designated Brokers in special circumstances

Series ETF Shares may also be issued by the Fund to Designated Brokers in certain special circumstances, including when cash redemptions of Series ETF Shares occur.

Management Fee Rebate Program

The Manager reserves the right to offer a reduced management fee (which is negotiable with the Manager) to selected purchasers who purchase shares and after giving effect to such purchase would hold shares of the Fund having values that exceed certain thresholds. This is achieved by reducing the management fee charged to the Fund based on the aggregate Share Value of the shares held by such a purchaser and distributing the amount of the reduction (a “**Management Fee Distribution**”), payable in cash or in additional shares of the Fund (subject to the capacity of the Fund’s service providers to effect payment in each form) to the purchaser. Management Fee Distributions, where applicable, will be calculated and accrued on each day on which the Fund is valued. The level of reduction in the management fee is negotiable between the investor and the Manager and will be based on a case by case review of the size of the investor’s account and the extent of services required by the investor. Reductions will not necessarily be based upon purchases over a specified period of time or on the value of an investor’s account at a particular point in time.

Switches

You can switch your shares, except for Series ETF Shares, between the Fund and another fund in our group of funds, including shares of any new mutual fund which is created and offered by Arrow after the date of this document (provided that shares of the new mutual fund have been qualified for sale in your province or territory of residence). A switch involves the redemption of the shares of the Fund and a purchase of shares in another permitted fund. You cannot switch Series ETF Shares for shares of another series of the same Fund or for shares of another fund.

The switch of shares by a shareholder from one fund to another fund will constitute a disposition of such securities for purposes of the *Income Tax Act* (Canada) (the “**Tax Act**”). As a result, a taxable shareholder will generally realize a capital gain or capital loss on such shares. The capital gain or loss for tax purposes in respect of the shares will generally be the difference between the share price of such shares at that time (less any fees) and the adjusted cost base of those shares.

You can change or convert your shares of one series to shares of another series of the same fund by contacting your representative. No fees apply. You can only change shares into a different series if you are eligible to buy such shares. Changing or converting shares from one series to another series of the same fund is generally not a disposition for tax purposes.

Redemptions

Mutual Fund Series Shares

You may redeem your Mutual Fund Series Shares in the Fund at the net asset value of such shares on demand by providing written notice. Your dealer is required to forward your redemption order to our offices on the same day the dealer receives it from you. Your written redemption order must have your signature guaranteed by a bank, trust company or dealer for your protection.

If we do not receive all of the documentation we need from you to complete your redemption order within ten business days, we must repurchase your shares. If the sale proceeds are greater than the repurchase amount, the Fund is required by securities regulation to keep the difference. If the sale proceeds are less than the repurchase amount, your dealer will be required to pay the Fund the difference (and your dealer may seek to collect this amount plus expenses from you).

No redemption charges apply to Front-End Shares, unless the shares are subject to the short-term trading redemption charge described below.

Series ETF Shares

Redemption of Series ETF Shares in any number for cash

You may choose to redeem Series ETF Shares of the Fund on any Trading Day. When you redeem Series ETF Shares of the Fund, you receive the proceeds of your sale in cash at a redemption price per share equal to 95% of the closing price of the Series ETF Shares on the effective date of redemption, subject to a maximum redemption price of the applicable net asset value per share. As shareholders will generally be able to sell Series ETF Shares at the market price on the TSX or another exchange or marketplace through an ETF Dealer subject only to customary brokerage commissions, shareholders are advised to consult their brokers, dealers or investment advisers before redeeming their Series ETF Shares for cash.

For such a cash redemption to be effective on a Trading Day, a cash redemption request in the form prescribed by us from time to time must be delivered to the Fund at the offices of the Manager through a registered dealer or other financial institution that is a participant in CDS Clearing and Depository Services Inc. (“CDS”) and that holds Series ETF Shares on behalf of beneficial owners of such shares (a “CDS Participant”). Any cash redemption request that is received by the Cut-Off Time will be deemed to be received on that Trading Day. Any cash redemption request received after the Cut-Off Time on a Trading Day will be deemed to be received on the next Trading Day. Payment of the redemption price will be made by no later than the second Trading Day after the effective day of the redemption (or such shorter period as may be determined by us in response to changes in applicable laws or general changes to settlement procedures in applicable markets). The cash redemption request forms may be obtained from us.

If the Manager hasn't received all the required documents within 10 business days of receiving your redemption request, the Manager will issue the same number of shares on the 10th business day after the redemption request. If the issue price is less than the sale proceeds, the Fund will keep the difference. If the issue price is more than the sale proceeds, your ETF Dealer must pay the shortfall. Your ETF Dealer may have the right to collect it from you.

If you are redeeming more than \$25,000 of the Fund, your signature must be guaranteed by your bank, trust company or ETF Dealer. In some cases, the Manager may require other documents or proof of signing authority. You can contact your registered representative or us to find out the documents that are required to complete the sale.

The Manager reserves the right to cause the Fund to redeem the Series ETF Shares held by a shareholder at a price equal to the net asset value per share on the effective date of such redemption if the Manager believes it is in the best interests of the Fund to do so.

Exchange of Prescribed Number of Series ETF Shares

On any Trading Day, you may exchange a minimum of a Prescribed Number of Series ETF Shares (and any additional multiple thereof) for cash or, with our consent, Baskets of Securities and cash. To effect an exchange of Series ETF Shares, you must submit an exchange request, in the form prescribed by the Manager from time to time, to the Fund at its head office. The exchange price will be equal to the aggregate net asset value per share of the Prescribed Number of Series ETF Shares on the effective day of the exchange request, payable by delivery of cash or, with our consent, Baskets of Securities (constituted prior to the receipt of the exchange request) and cash. On an exchange, the Series ETF Shares will be redeemed. On an exchange we will require you to pay the Fund an exchange transaction fee of 0.25%, or such other amount as we may determine from time to time, which approximates the brokerage expenses, commissions, transaction costs, costs or expenses related to market impact and other costs or expenses incurred or expected to be incurred by a Series ETF Share in effecting securities transactions on the market to obtain the necessary cash for the exchange. The exchange transaction fee may be higher if the costs and expenses incurred or expected to be incurred by a Series ETF Share is higher than generally expected. In certain circumstances and at our discretion, we may waive or reduce the exchange transaction fee.

Any exchange request that is received by the Cut-Off Time will be deemed to be received on that Trading Day and will be based on the net asset value per share determined on such Trading Day. Any exchange request received after the Cut-Off Time on a Trading Day will be deemed to be received on the next Trading Day and will be based on the net asset value per share determined on such following Trading Day. Settlement of exchanges for cash or Baskets of

Securities and cash, as the case may be, will be made by no later than the second Trading Day after the effective day of the exchange request (or such shorter period as may be determined by us in response to changes in applicable laws or general changes to settlement procedures in applicable markets).

The Manager will make available to the Designated Brokers and ETF Dealers information as to the Prescribed Number of Series ETF Shares and any Basket of Securities for each Fund for each Trading Day. The Manager may, in its discretion, increase or decrease the Prescribed Number of Series ETF Shares from time to time.

If securities held in the portfolio of the Fund are cease traded at any time by order of a securities regulatory authority or other relevant regulator or stock exchange, the delivery of such securities to a shareholder on an exchange may be postponed until such time as the transfer of the securities is permitted by law.

Exchange and redemption of Series ETF Shares through CDS Participants

The exchange and redemption rights described above must be exercised through the CDS Participant through which you hold Series ETF Shares. Beneficial owners of Series ETF Shares should ensure that they provide exchange and/or redemption instructions to the CDS Participants through which they hold shares sufficiently in advance of the cut-off times set by CDS Participants to allow such CDS Participants to notify us, or as we may direct, prior to the relevant cut-off time.

Minimum Balance

If the value of your shares in the Fund is less than \$1,000, we may sell your shares and send you the proceeds. We will give your representative 30 days' notice first.

If we become aware that you no longer qualify to hold Class F Shares of the Fund, we may change your securities to Class A Shares of the Fund after we give your representative 30 days' notice.

The minimum balance amounts described above are determined from time to time by us in our sole discretion. They may also be waived by us and are subject to change without notice.

Short-Term Trading

Arrow has adopted policies and procedures to detect and deter short-term trading. Short-term trades are defined as a combination of a purchase and redemption within a short period of time that Arrow believes is detrimental to other investors in the Fund.

The interests of shareholders and the Fund's ability to manage its investments may be adversely affected by short-term trading because, among other things, these types of trading activities can dilute the value of shares, can interfere with the efficient management of the Fund and can result in increased administrative costs to the Fund. While Arrow will actively take steps to monitor, detect and deter short-term trading, it cannot ensure that such trading activity will be completely eliminated.

If a shareholder switches or redeems shares of the Fund within 90 days of purchase (including shares received on the automatic reinvestment of distributions within such 90-day period), the Fund may charge a short-term trading fee of up to 2% of the net asset value of the shares switched or redeemed. Short-term trading fees do not apply to redemptions or switches of Series ETF Shares.

Arrow may take such additional action as it considers appropriate to prevent further similar activity by an investor who utilizes short-term trades. These actions may include the delivery of a warning to the investor, placing the investor on a watch list to monitor his/her trading activity and the subsequent refusal of further purchases by the investor if the investor continues to attempt such trading activity and closure of the investor's account.

Suspending your right to buy, switch and redeem shares

Securities regulations allow the Manager to temporarily suspend your right to redeem your Fund shares and postpone payment of your sale proceeds:

- during any period when normal trading is suspended on any exchange on which securities or derivatives that make up more than 50% of the Fund's value or its underlying market exposure are traded and there's no other exchange where these securities or derivatives are traded, or
- with the approval of securities regulators.

The Manager will not accept orders to buy Fund shares during any period when the Manager has suspended investors' rights to redeem their shares.

You may withdraw your redemption or exchange request before the end of the suspension period. Otherwise, the Manager will redeem your shares at the net asset value per share next calculated when the suspension period ends.

Special considerations for shareholders

The provisions of the so-called "early warning" reporting requirements in Canadian securities legislation do not apply if a person or company acquires 10% or more of the Series ETF Shares of the Fund. The Fund has obtained relief to permit shareholders to acquire more than 20% of the Series ETF Shares of the Fund without regard to the takeover bid requirements of applicable Canadian securities legislation.

OPTIONAL SERVICES

This section tells you about services that are available to investors in Mutual Fund Series Shares of the Fund. These services are not available to investors in Series ETF Shares of the Fund.

Registered Tax Plans

Registered tax plans may be available through Arrow or a shareholder's broker, dealer or advisor. Shareholders should contact Arrow or their broker, dealer or advisor directly about these services.

Pre Authorized Payment Plan

Under a pre-authorized payment plan, you can indicate a regular amount of investment (not less than \$100) to be made on a periodic basis, the Fund in which the investment is to be made, and the bank chequing account from which the investment amount is to be debited. You may suspend or terminate such a plan on ten days' prior written notice to us. The minimum initial subscription amount is \$1,000.

Automatic Withdrawal Plan

You can establish an automatic withdrawal plan, provided you are not investing through a retirement savings plan and your account has a minimum value of \$10,000. Under an automatic withdrawal plan, you can indicate a regular amount of cash withdrawal (not less than \$100) to be made on a periodic basis, the Fund from which the investment is to be withdrawn, and the bank chequing account to which the withdrawn amounts are to be credited. Withdrawals will be made by way of redemption of shares, and it should be noted that if withdrawals are in excess of distributions and net capital appreciation, they will result in encroachment on, or possible exhaustion of, your original capital. If you choose the automatic withdrawal plan, all distributions declared on shares held under such a plan in respect of the Fund must be reinvested into additional shares of the Fund. You may modify, suspend or terminate an automatic withdrawal plan on ten days' prior written notice to us.

RESPONSIBILITY FOR OPERATION OF THE FUND

Manager

Arrow Capital Management Inc.
36 Toronto Street, Suite 750
Toronto, Ontario M5C 2C5
1-877-327-6048
www.arrow-capital.com

As Manager, we are responsible for managing the day-to-day undertakings of the Fund. We provide all general management and administrative services, including valuation of fund assets, accounting and keeping investor records. You will find details about our management agreement with the Fund under “*Material contracts – Management agreement*” below.

Directors and Executive Officers of the Manager

The following is a list of the names, municipalities of residence, present positions and principal occupations during the past five years of the directors and senior officers of Arrow, the Manager of the Fund. The Fund is not obligated to pay any remuneration to the directors and officers of Arrow.

Name and Municipality of Residence	Position with Arrow	Principal Occupation
JAMES McGOVERN Toronto, Ontario	Managing Director and Chief Executive Officer and Director	Managing Director and Chief Executive Officer of Arrow
MARK PURDY Ajax, Ontario	Managing Director and Chief Investment Officer and Director	Managing Director and Chief Investment Officer of Arrow
ROBERT MAXWELL Toronto, Ontario	Managing Director, Chief Financial Officer and Corporate Secretary and Director	Managing Director and Chief Financial Officer of Arrow
FREDERICK DALLEY Toronto, Ontario	Managing Director, Portfolio Management and Director	Managing Director, Portfolio Management of Arrow
MARK KENNEDY Toronto, Ontario	Chief Compliance Officer	Chief Compliance Officer of Arrow

Directors and Executive Officers of Exemplar Portfolios Ltd.

The following is a list of the names, municipalities of residence, present positions and principal occupations during the past five years of the directors and senior officers of the Company. The Funds are not obligated to pay any remuneration to the directors and officers of the Company.

Name and Municipality of Residence	Position with the Company	Principal Occupation
JAMES McGOVERN Toronto, Ontario	Chief Executive Officer and Director	Managing Director and Chief Executive Officer of Arrow
VERONIKA HIRSCH Toronto, Ontario	Chief Investment Officer and Director	Until March 31, 2014, Chief Investment Officer of BluMont and from January 1, 2014 to present, Executive Vice-President and Portfolio Manager of Arrow
ROBERT MAXWELL Toronto, Ontario	Chief Financial Officer and Director	Managing Director and Chief Financial Officer of Arrow

As of the date of this annual information form, of the 100 issued and outstanding (voting) Management Shares of the Company, 50 Management Shares are held in trust by James McGovern, Robert Parsons and Mark Kennedy for the benefit of the holders from time to time of the non-voting Shares of the Company and 50 Management Shares are held in trust by Robert Maxwell, Mark Purdy and Frederick Dalley for the benefit of the holders from time to time of the non-voting Shares of the Company.

Portfolio Advisor

As portfolio advisor, Arrow is responsible for providing or arranging for the provision of investment advice to the Fund.

The following individuals are principally responsible for managing the Fund. The investment decisions made by the individual portfolio managers are not subject to the oversight, approval or ratification of a committee; however, we are ultimately responsible for the advice given.

Name and Title	Fund	Length of Service with Portfolio Advisor	Principal Occupation in Last 5 Years
JAMES McGOVERN, Managing Director and Chief Executive Officer, Arrow	Arrow Global Advantage Alternative Class	19 years	Managing Director and Chief Executive Officer of Arrow
EDWARD WHITEHEAD, Managing Director and Senior Portfolio Manager, Arrow	Arrow Global Advantage Alternative Class	1 year	Managing Director and Senior Portfolio Manager, Arrow since April 2, 2018 Before April 2, 2018, Senior Portfolio Manager, Manulife Asset Management

BROKERAGE ARRANGEMENTS

The portfolio advisors are responsible for placing orders to effect portfolio transactions (i.e. purchase and sell securities) on behalf of the Fund. The portfolio advisors are responsible for selecting brokers and dealers for the execution of their Fund's portfolio transactions and, when applicable, the negotiation of commissions in connection therewith.

Purchase and sale orders are usually placed with brokers who are selected by the portfolio advisor as able to achieve “best execution” of such orders. “Best execution” means prompt and reliable execution at the most favourable securities price, taking into account the other provisions hereinafter set forth. The determination of what may constitute best execution and price in the execution of a security transaction by a broker involves a number of considerations, including, without limitation, the overall direct net economic result to the Fund, the efficiency with which the transaction is effected, the availability of the broker to stand ready to execute transactions, and the financial strength and stability of the broker.

From time to time, Arrow may allocate brokerage business to brokers who provide or have provided general investment research, including provision of industry and company analysis, economic reports, statistical data pertaining to the capital markets, portfolio reports and portfolio analytics, trading data and other services that assist Arrow in carrying out the investment decision-making process. Arrow will attempt to allocate these transactions with appropriate regard to the principles of a reasonable brokerage fee, the benefit to the Fund and best execution.

Arrow does not have any contractual arrangement with any person or company for any exclusive right to purchase or sell securities.

Arrow does not conduct business with affiliated entities in regards to brokerage transactions involving client brokerage commissions.

Certain third party companies may provide goods and services (other than order execution) to Arrow, including general investment research, industry and company analysis, economic reports and statistical data. A list of the dealers and third parties to whom any brokerage commissions of the Fund have been or might have been directed in return for goods and services (other than order execution) since the date of this annual information form filing, will be provided upon request by contacting Arrow at the toll-free telephone number or at the address indicated on the back cover of this annual information form, or by emailing Arrow at info@arrow-capital.com.

CUSTODIAN

The Custodian of the assets of the Fund is CIBC World Markets (“**CIBC**”), pursuant to a custodial services agreement dated December 31, 2018 (the “**Custodial Agreement**”). Any party may at any time terminate the Custodial Agreement without any penalty by giving at least 90 days’ notice to the other parties of such termination. The fees of the Custodian are payable by the Fund.

AUDITOR

The auditor of the Fund is PricewaterhouseCoopers LLP, Toronto, Ontario. Although the approval of shareholders of the Fund is not required before changing the auditor of the Fund, shareholders will be sent a written notice at least 60 days before the effective date of such change.

REGISTRAR AND TRANSFER AGENT AND VALUATION AGENT

CIBC Mellon Global Securities Services Company in Toronto is the valuation agent for the Fund.

RBC Investor Services Trust in Toronto is the service provider for record keeping services for Mutual Fund Series Shares of the Fund.

TSX Trust Company in Toronto is the registrar and transfer agent for the Series ETF Shares of the Fund.

SECURITIES LENDING AGENT

CIBC is the securities lending agent (the “**Securities Lending Agent**”) for the Fund. The Securities Lending Agent is independent of the Manager. The Manager has appointed the Securities Lending Agent under the terms of a written agreement between the Manager and the Securities Lending Agent on behalf of the Fund in order to administer any securities lending, repurchase and reverse repurchase transactions for the Fund. See “Policies and Procedures –

Securities Lending, Repurchase or Reverse Repurchase Transactions” on page 19 for additional information regarding the Securities Lending Agent and securities lending practices of the Fund.

Pursuant to the Securities Lending Agreement, the Fund will indemnify the Securities Lending Agent, and the Securities Lending Agent and affiliates will indemnify the Fund, from all claims, losses, damages, liabilities, costs and expenses (including reasonable counsel fees and expenses but excluding consequential or indirect damages), suffered by any party arising from: (i) the failure of the indemnifying party to perform any of its obligations under the Securities Lending Agreement, (ii) any inaccuracy of any representation or warranty made by the indemnifying party in the Securities Lending Agreement, or (iii) any fraud, bad faith, wilful misconduct, gross negligence or reckless disregard of duties by the indemnifying party, in connection with or relating to the Securities Lending Agreement. The Securities Lending Agreement may be terminated at any time at the option of either party upon 30 days’ prior written notice to the other party.

PRINCIPAL HOLDERS OF SECURITIES

On December 31, 2018, Arrow seeded the Arrow Global Advantage Alternative Class with a purchase of 500 Series A Shares, 14,000 Series F Shares and 500 Series ETF Shares. As of December 31, 2018, this represents 100% of the Shares outstanding.

Manager: As at the date hereof, the directors and senior officers of the Manager owned, directly or indirectly, in aggregate, 83.2% of the outstanding shares of the Manager.

Independent Review Committee: As at the date hereof, none of the members of the IRC own any Shares of the Fund.

FUND GOVERNANCE

Arrow has responsibility for governance of the Fund. Arrow is registered under the *Securities Act* (Ontario) as a portfolio manager, investment fund manager, exempt market dealer and commodity trading manager. As both an advisor and a dealer, Arrow maintains reasonable policies and procedures to minimize the potential for conflict resulting from its activities as both an advisor and a dealer and discloses that it provides both services, and its policies relating to potential conflicts in its adopted Statement of Policies, which is available for review on Arrow’s website.

Independent Review Committee

National Instrument 81-107 – *Independent Review Committee for Investment Funds* (“**NI 81-107**”) requires all publicly-offered investment funds, such as the Fund, to establish an IRC. The IRC is required to be comprised of a minimum of three members, each of whom must be independent of the Manager and the Fund. The current members of the independent review committee of the Manager are Ross MacKinnon (chair), Harvey Naglie and John Anderson. Below is a brief profile of each committee member.

Ross MacKinnon was director of financial markets with the Bank of Canada from February 2000 until February 2009. Mr. MacKinnon began his employment with Nesbitt Burns in February 1985 and held the position of Senior Vice President and Director from September 1987 until June 1999. Mr. MacKinnon received an Honours Business Administration degree from the University of Western Ontario in 1972.

John Anderson has over 30 years of financial and corporate governance experience including 14 years as a partner at Ernst & Young from 1979 to 1992. Mr. Anderson was the Chief Financial Officer of LPBP Inc., a company which formerly invested in health science-focussed partnerships, since May 2004. Mr. Anderson was the Chief Financial Officer of TriNorth Capital Inc. from June 2009 to December 2009 and the Chief Financial Officer of Impax Energy Services Income Trust, an income trust, from June 2006 to May 2009. From 2005 to June 2006, Mr. Anderson was self-employed. Previously, he was the Chief Financial Officer of The T. Eaton Company Limited. Mr. Anderson currently serves as a director of Pivot Technology Solutions Inc. (CVE:PTG). Mr. Anderson was formerly the Chairman of the Board of Directors of Ridley College. Mr. Anderson holds a Bachelor of Arts degree from the University of Toronto and is a chartered professional accountant, regulated by the Canadian Institute of Chartered

Accountants in Canada. In 2006, Mr. Anderson obtained the ICD.D designation by graduating from the Rotman Institute of Corporate Directors at the University of Toronto.

Harvey Naglie MA, MBA, LLM. is a director of the Consumer Council of Canada and a member of both the Ontario Securities Commission Investor Advisory Panel (IAP) and the Ombudsman of Banking and Investment Services Consumer and Investor Advisory Committee. Mr. Naglie is also a Certified Director. Prior to retiring in November 2016, Mr. Naglie was a senior policy advisor working for the government of the Province of Ontario. Previously, he held senior positions as Vice President of Business Development at Mount Sinai Hospital, President of Financial Executives International and President of BT Bank of Canada.

The Manager's IRC acts in accordance with applicable securities law, including NI 81-107. The mandate of the IRC is to review and provide either its approval or recommendations, as the case may be, to the Manager on conflict of interest matters that the Manager has referred to the IRC for review. For greater certainty, unless specified, the mandate of the IRC does not include broader oversight functions with respect to the Fund, including compliance matters, audit functions or administrative functions.

The IRC has adopted a written charter, which it follows when performing its functions, and is subject to requirements to conduct regular assessments. In performing their duties, members of the IRC are required to act honestly, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The IRC reports annually to the shareholders of the Fund. These reports will be available free of charge upon request by calling the Manager toll-free at 1 (877) 327-6048 or (416) 323-0477 or by email at info@arrow-capital.com.

The IRC members perform a similar function as the independent review committee for other investment funds managed by us. IRC members are paid a fixed annual fee for their services. The annual fees are determined by the IRC and disclosed in its annual report to shareholders of the Fund. For the year ended December 31, 2017, members of the IRC were paid, in aggregate, \$46,000 and individually as follows: Mr. MacKinnon: \$18,000; Mr. Naglie: \$14,000; and Mr. Anderson: \$14,000. Members of the IRC are also reimbursed for their expenses which are typically nominal and associated with travel and the administration of meetings. Members of the IRC did not make any claims for reimbursement for these expenses for the year ended December 31, 2017. Their annual fees were allocated across all investment funds managed by us with the result that only a small portion of such fees were allocated to any single fund.

Policies and Procedures – Conflict of Interest

NI 81-107 requires the Manager to have policies and procedures relating to the management of any conflicts of interest. The Manager has existing policies, procedures and guidelines including, but not limited to, investment trade allocation, portfolio monitoring, soft dollar arrangements, proxy voting, and pricing of illiquid or restricted securities that are applicable to its management of conflicts of interest. The Manager is required to identify conflict of interest matters inherent in its management of the Fund and request input from the IRC in respect of how it manages those conflicts of interest, as well as its written policies and procedures outlining its management of those conflicts of interest.

Policies and Procedures – Expense Allocation

Specifically, the Manager has a policy on the allocation of costs and expenses that the Fund's reimburse to the Manager. The policy ensures that the costs and expenses are generally limited to: (i) costs and expenses necessarily incurred in the daily operation of the Fund; (ii) reasonable costs and expenses that are reasonably incurred in the operation of the Fund; (iii) expenses that are closely linked to the specific operation of the Fund; and (iv) the proportionate share of the allocated expenses can be accurately and readily determined.

Policies and Procedures – Derivatives

The objectives and goals for derivative trading are described in the simplified prospectus and risk management procedures in connection therewith are regularly reviewed by the Manager. The Fund follows the investment restrictions and practices set out in NI 81-102 with respect to the use of derivatives for hedging and non-hedging

purposes. The Manager monitors trading activities in conjunction with the portfolio advisor and sub-advisors and is responsible for applying trading limits, if any, and other controls, if required.

Except as described above, there are no other written policies with respect to derivative use. The portfolio advisor and sub-advisors of the Fund are responsible for establishing trading limits and other controls on derivative trading. The risk exposure of the Fund's derivatives trades are not generally independently monitored and risk measurement procedures or simulations are not currently used to test the portfolio under stress conditions.

Policies and Procedures – Short Selling

The Fund may short sell as permitted by securities regulations. A description of short selling, how the Fund intends to engage in short selling, and the risks associated with short selling can be found in the Fund's current simplified prospectus.

The Manager has established and maintains written policies and procedures that set out the objectives and goals for short selling and the applicable risk management procedures. Such policies are the responsibility of senior management at the Manager and as such will be reviewed on a regular basis by senior management. Compliance monitoring of the short-selling policy and its associated procedures is the responsibility of the operations group at the Manager. Risk measurement procedures or simulations are not currently used to test the portfolio under stress conditions.

Policies and Procedures – Securities Lending, Repurchase or Reverse Repurchase Transactions

The Fund may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions. For details about how the Fund engages in these transactions, see Part A of the simplified prospectus. The Fund may enter into these transactions only as permitted under securities law.

The Fund will not enter into a securities lending transaction or a repurchase transaction if, immediately thereafter, the aggregate market value of all securities loaned by the Fund and not yet returned to it or sold by the Fund in a repurchase transaction and not yet repurchased would exceed 50% of the total assets of the Fund (exclusive of collateral held by the Fund for securities lending transactions and cash held by the Fund for repurchase transactions).

The risks associated with these transactions will be managed by requiring that the Securities Lending Agent to enter into such transactions for the Fund with reputable and well-established Canadian and foreign brokers, dealers and institutions. The Securities Lending Agent is required to maintain internal controls, procedures and records including a list of approved third parties based on generally accepted creditworthiness standards, transaction and credit limits for each third party, and collateral diversification standards. Each day, the Securities Lending Agent will determine the market value of both the securities loaned by the Fund under a securities lending transaction or sold by the Fund under a repurchase transaction and the cash or collateral held by the Fund for such transactions. If on any day the market value of the cash or collateral is less than 102% of the market value of the borrowed or sold securities, on the next day the borrower will be required to provide additional cash or collateral to the Fund to make up the shortfall.

Arrow and the Securities Lending Agent review at least annually the policies and procedures described above to ensure that the risks associated with securities lending, repurchase and reverse repurchase transactions are being properly managed. Risk measurement procedures or simulations are not currently used to test the portfolio under stress conditions.

Proxy Voting Guidelines

The following guidelines summarize the corporate governance principles, which the Fund will generally support through the exercise of votes.

- Resolutions that promote the effectiveness of boards in acting in the best interests of shareholders.

- The election of directors, the appointment of auditors and the approval of the recommended auditor compensation where the issuer's audit committee and the majority of board members are independent.
- Compensation arrangements that are tied to long-term corporate performance and shareholder value.
- Changes in capitalization where a reasonable need for the change is demonstrated.

The Manager will generally oppose proposals, regardless of whether they are advanced by management or shareholders, whereby the purpose or effect of which is to entrench management or dilute shareholder ownership. Stock option plans that are overly generous or excessively dilutive to other shareholders will not be supported.

Other issues, including those business issues specific to the issuer or those raised by shareholders of the issuer, are addressed on a case-by-case basis with a focus on the potential impact of the vote on value to the Fund. Any conflict of interest must be resolved in a way that most benefits shareholders. We take our responsibility to exercise our votes very seriously and use our best efforts to exercise this right in all cases. However, in some circumstances it may be impractical or impossible for us to vote. Such circumstances include when we have loaned securities to a third party and are unable to recall the securities in sufficient time to vote. As well in international markets where share blocking applies we typically will not vote due to liquidity constraints.

The policies and procedures that the Fund follows when voting proxies relating to portfolio securities are available on request, at no cost, by calling the Manager toll-free at 1 (877) 327-6048 or (416) 323-0477 or by email at info@arrow-capital.com.

The proxy voting record for the Fund for the most recent 12-month period ended June 30 of each year will be available free of charge to any shareholder of the Fund upon request at any time after August 31 of that year. The proxy voting record for the Fund will also be available on the Fund's website at www.arrow-capital.com.

Reporting to Shareholders

The fiscal year end of the Fund is December 31. The Funds will deliver or make available to shareholders: (i) audited comparative annual financial statements; (ii) unaudited interim financial statements; and (iii) annual and interim management reports of fund performance.

Each shareholder will also be mailed annually, by his, her or its broker, no later than March 31, information necessary to enable such shareholder to complete an income tax return with respect to amounts paid or payable by the Fund owned by such shareholder in respect of the preceding taxation year of the Fund.

INCOME TAX CONSIDERATIONS FOR INVESTORS

The following is a general summary of the principal Canadian federal income tax considerations applicable to an individual (other than a trust) who, for the purposes of the Tax Act, is resident in Canada, deals at arm's length with and is not affiliated with the Fund or Arrow, and holds shares as capital property. Generally, your investment in the Fund will be capital property unless you are considered to be trading or dealing in securities or have acquired your investment in a transaction considered to be an adventure or concern in the nature of trade. Certain shareholders can file an election to treat all future dispositions of certain property, including shares of the Fund, to be capital property.

This summary is based on the current provisions of the Tax Act, but does not take into account or anticipate any changes in law whether by legislative, regulatory, administrative or judicial action. Furthermore, this summary does not take into account provincial, territorial or foreign income tax legislation or considerations.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor. Accordingly, you are advised to consult your own tax advisor about your particular tax situation.

Taxation of the Funds

As a mutual fund corporation, Exemplar Portfolios Ltd. can have three types of income: Canadian dividends, taxable capital gains and other net taxable income. Canadian dividends are subject to a 38 1/3% tax, which is fully refundable on a formula basis when ordinary taxable dividends are paid by the corporation to its shareholders. Taxable capital gains are subject to tax at full corporate income tax rates. This tax is refundable either by paying capital gains dividends to shareholders or through the capital gains redemption formula. Other income is subject to tax at full corporate income tax rates and is not refundable. Mutual fund corporations do not qualify for reduced corporate tax rates that are available to other corporations for certain types of income.

Exemplar Portfolios Ltd. must include the revenues, deductible expenses, and capital gains and losses of all of its investment portfolios when it calculates its taxable income. We will, on a discretionary basis, allocate the income or loss of Exemplar Portfolios Ltd., and the applicable taxes payable and recoverable to each of its respective share classes. Exemplar Portfolios Ltd. may pay ordinary taxable dividends or capital gains dividends to shareholders of any class in order to receive a refund of taxes on Canadian dividends and capital gains taxes under the refund mechanisms described above. The Fund may earn income from various sources including capital gains, dividends and ordinary income.

Types of Income from the Fund

Your investment in the Fund can generate income for tax purposes in two ways:

Dividends. When Exemplar Portfolios Ltd. earns Canadian dividend income from its investments or realizes a net capital gain by selling securities, it may pass these amounts on to you as dividends.

Capital gains (or losses). You can realize a capital gain (or loss) when you sell or switch your shares of the Fund (including a switch of shares of the Fund for shares of another fund) for more (or less) than you paid for them. Generally, switching one series of shares to another series of shares of the same Fund will not result in a disposition for tax purposes.

Fund held in Registered Plans

Shares of the Fund are qualified investments for registered plans which include a trust governed by a LIRA, RRSP, LRSP, RRIF, LRIF, LIF, DPSP, RESP, PRIF, TFSA, RDSP or QESI. Note that not all registered plans are available in all provinces or territories. The Fund may be eligible for other registered plans offered through your representative's firm.

If you hold shares of the Fund in a Registered Plan, you generally pay no tax on dividends paid from the Fund on those shares or on any capital gains that your Registered Plan realizes from selling, redeeming or switching shares (including a switch of shares of one Fund for shares of another fund). However, withdrawals from registered plans (other than TFSAs and certain withdrawals from RESPs or RDSPs) are generally taxable at your personal tax rate. Holders of TFSAs and RDSPs, annuitants of RRSPs and RRIFs, and subscribers of RESPs should consult with their tax advisors as to whether securities of the Fund would be a "prohibited investment" under the Tax Act in their particular circumstances. You should consult with your own tax advisor with respect to exchanging Series ETF shares for a Basket of Securities in your registered plan.

You are responsible for determining the income tax consequences to you of acquiring shares of the Fund through Registered Plans and neither the Fund nor Arrow assumes any liability to you as a result of making the shares of the Fund available for investment. If you choose to purchase shares of the Fund through a Registered Plan, you should consult your own professional advisor regarding the tax treatment of contributions to, withdrawals from and acquisitions of property by such Registered Plan.

Fund held in Non-Registered Accounts

If you hold shares of the Fund in a non-registered account, you must include the following in calculating your income each year:

- Any dividends paid to you by Exemplar Portfolios Ltd., whether you receive them in cash or you reinvest them in shares of the Fund. These dividends (which must be computed in Canadian dollars) may include ordinary taxable dividends or capital gains dividends. Ordinary taxable dividends are subject to the gross-up and dividend tax credit rules that apply to taxable dividends received from taxable Canadian corporations and include “eligible dividends” which are subject to an enhanced gross-up and dividend tax credit. Capital gains dividends are treated as capital gains realized by you. In general, you must include one-half of the amount of a capital gain in your income for tax purposes.
- 50% of any capital gains you realize from selling or redeeming your shares (including to pay fees described in this document) or switching your shares (including a switch of shares of one Fund for shares of another fund) when the value of the shares is greater than their adjusted cost base plus reasonable costs of disposition (including any redemption fees). If the value of shares sold is less than their adjusted cost base plus reasonable costs of disposition (including any redemption fees), you will have a capital loss. You must use 50% of capital losses that you realize to offset the taxable portion of capital gains realized in the same year. 50% of the unused capital losses can be carried back three years and forward indefinitely to offset the taxable capital gains in those years in accordance with detailed rules of the Tax Act.
- Generally, the amount of any management fee rebates paid to you, and the amount of any management fee distributions paid to you (which are out of the fund’s income or capital gains). However, an election may be available in certain circumstances that allows you to reduce the adjusted cost base of the respective securities by the amount of the management fee rebate that would otherwise be included in income. You should consult with your tax advisor regarding the availability of this election in your particular circumstances.

We will issue a tax slip to you each year for Exemplar Portfolios Ltd. that shows the taxable amount of your dividends and any federal dividend tax credit that applies, as well as any capital gains dividends paid by Exemplar Portfolios Ltd.. Dividends and capital gains dividends declared by the Fund and capital gains realized on the disposition of shares may give rise to alternative minimum tax. You should consult your tax advisor about the tax treatment in your particular circumstances of any investment advisory fees you pay to your financial advisor when investing in the Fund and any management fee distributions paid to you.

Dividends

Dividends from the Fund may include a return of capital. When the Fund earns less income for tax purposes than the amount distributed, the difference is a return of capital. A return of capital is not taxable, but will reduce the adjusted cost base of your shares. If the adjusted cost base of your shares becomes a negative amount at any time in a taxation year, you will be deemed to realize a capital gain equal to that amount and the adjusted cost base of your shares will be reset to zero. The tax slip we will issue to you each year will show you how much capital was returned to you in respect of your shares.

Dividends may result from foreign exchange gains because the Fund is required to report income and net realized capital gains in Canadian dollars for tax purposes.

The history of dividends paid from the Fund is no indication of future dividend payments. Several factors determine the dividends to be paid from the Fund. These include, but are not limited to, net conversions, realized and unrealized gains, and distributions from the underlying investments. Exemplar Portfolios Ltd. can choose to pay dividends on shares of any class.

The share price of the Fund may include income and capital gains that the Fund has earned, but not yet realized (in the case of capital gains) and/or paid out as a dividend. If you buy shares of the Fund just before it pays a dividend,

you will be taxed on that dividend. You may have to pay tax on income or capital gains the Fund earned before you owned it. This may be particularly significant if you are purchasing later in the year. See the description in Part B of this simplified prospectus for the dividend policy of the Fund.

The higher the Fund's portfolio turnover rate is in a year, the greater the chance that you will receive a dividend from the Fund. There is no necessary relationship between the Fund's turnover rate and its performance, although the larger trading costs associated with a high portfolio turnover rate would reduce the Fund's performance.

Calculating your Capital Gain or Loss

Your capital gain or loss for tax purposes is the difference between the amount you receive when you sell your shares or the fair market value of shares that you switch (after deducting any redemption fees or other charges) and the adjusted cost base of those shares.

Generally, switching one series of shares of the Fund to another series of shares of a different fund will result in a disposition for tax purposes, so a capital gain or loss will arise. If those redeemed shares are held outside a Registered Plan, you may realize a taxable capital gain or realize a capital loss.

In general, the adjusted cost base of each of your shares of a particular series of the Fund at any time equals:

- your initial investment for all your shares of that series of the Fund (including any sales charges paid), **plus**
- your additional investments for all your shares of that series of the Fund (including any sales charges paid), **plus**
- reinvested dividends or management fee distributions in additional shares of that series of the Fund, **minus**
- any return of capital dividends by the Fund in respect of shares of that series of the Fund, **minus**
- the adjusted cost base of any shares of that series of the Fund previously redeemed,

all divided by

- the number of shares of that series of the Fund that you hold at that time.

You should keep detailed records of the purchase cost of your investments and dividends you receive on those shares so you can calculate their adjusted cost base. All amounts (including adjusted cost base, dividends and proceeds of disposition) must be computed in Canadian dollars. Other factors may affect the calculation of the adjusted cost base and you may want to consult a tax advisor.

In certain situations where you dispose of shares of the Fund and would otherwise realize a capital loss, the loss will be denied. This may occur if you, your spouse or another person affiliated with you (including a corporation controlled by you) has acquired shares of the Fund (which are considered to be "substituted property") within 30 days before or after you dispose of your shares. In these circumstances, your capital loss may be deemed to be a "superficial loss" and denied. The amount of the denied capital loss will be added to the adjusted cost base to the owner of the shares which are substituted property.

Tax Information

Arrow will provide your transaction statements and the applicable annual tax information slips reporting your dividends, net realized capital gains and return of capitals required to complete your income tax return unless your dealer prepares and provides such documentation and information themselves. Accordingly, you should speak to your dealer to ensure that such documentation and information will be provided.

Pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-United States Tax Convention entered into between Canada and the U.S. (the "IGA") and related Canadian legislation found in Part XVIII of the Tax Act (collectively "FATCA"), certain shareholders may be requested to provide information to Exemplar Portfolios Ltd., or their registered dealer, relating to their citizenship, residency and, if applicable, a U.S. federal tax identification number ("TIN"). If a shareholder is identified as a U.S. taxpayer (including

a U.S. citizen who is resident in Canada) or if the shareholder does not provide the requested information, the IGA and Part XVIII of the Tax Act will generally require certain information about the shareholder's investment in the Fund to be reported to the CRA, unless the investment is held in a registered plan. It is expected that the CRA will then provide the information to the U.S. Internal Revenue Service.

Part XIX of the Tax Act contains legislation implementing the Organization for Economic Cooperation and Development Common Reporting Standard in Canada. Exemplar Portfolios Ltd. is required to have procedures in place to identify accounts held by shareholders (other than registered plans) that are residents of foreign countries (other than the U.S.) and to report certain information pertaining to these accounts to the CRA. The CRA will exchange that information with other participating jurisdictions on a multilateral basis. The due diligence and reporting requirement under FATCA operate alongside the CRS regime.

MATERIAL CONTRACTS

The material contracts affecting the Fund are:

- (a) the Management Agreement referred to under the heading "*Responsibility for Operation of the Fund*" (page 14); and
- (b) the Custodial Agreement referred to under the heading "*Custodian*" (page 16).

Copies of the material contracts are available for inspection during regular business hours at the principal office of the Manager.

**CERTIFICATE OF THE FUND
AND OF ARROW CAPITAL MANAGEMENT INC. AS MANAGER AND PROMOTER**

This annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the shares offered by the simplified prospectus, as required by the securities legislation of all provinces and territories of Canada, and do not contain any misrepresentations.

DATED: December 31, 2018

“James McGovern”
James McGovern
Chief Executive Officer of
Arrow Capital Management Inc.

“Robert Maxwell”
Robert Maxwell
Chief Financial Officer of
Arrow Capital Management Inc.

On behalf of the Board of Directors
of ARROW CAPITAL MANAGEMENT INC.
as Manager and Promoter of the Fund

“Frederick Dalley”
Frederick Dalley
Director of Arrow Capital Management Inc.

“Mark Purdy”
Mark Purdy
Director of Arrow Capital Management Inc.

ARROW ALTERNATIVE MUTUAL FUND

ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS

**ARROW CAPITAL MANAGEMENT INC.,
Manager**

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150 – 6th Ave. SW

Calgary, Alberta

T2P 3Y7

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Fax: (403) 265-8875

Additional information about the Fund is available in the Fund's fund facts, ETF Facts, management reports of fund performance and financial statements.

You may obtain a copy of these documents at no cost by calling toll free 1 (877) 327-6048 or (416) 323-0477, or from your dealer or by email at info@arrow-capital.com.

These documents and other information about the Fund, such as information circulars and material contracts, are also available on the Fund's website www.arrow-capital.com or on SEDAR at www.sedar.com.