

ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the year ended December 31, 2019

This annual Management Report of Fund Performance contains financial highlights but does not contain the complete annual financial statements for Arrow Global Advantage Alternative Class (the "Fund"). If you have not received a copy of the annual financial statements with the Management Report of Fund Performance, you may obtain a copy of the annual financial statements, at no cost, by calling 877.327.6048, by writing to us at Arrow Capital Management Inc. (the "Manager" or "Arrow"), 36 Toronto Street, Suite 750, Toronto, Ontario M5C 2C5 or by visiting our website at www.arrow-capital.com or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the Fund's annual financial reports, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure relating to the Fund.

Forward-Looking Information

This Management Report of Fund Performance contains forward-looking information and statements relating, but not limited to, anticipated or prospective financial performance and results of operations of the Fund. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. For this purpose, any statements that are contained herein that are not statements of historical fact may be deemed to be forward-looking information. Without limiting the foregoing, the words "believes", "anticipates", "plans", "intends", "will", "should", "expects", "projects", and similar expressions are intended to identify forward-looking information.

Although the Fund believes it has a reasonable basis for making the forecasts or projections included in this Management Report of Fund Performance, readers are cautioned not to place undue reliance on such forward-looking information. By its nature, the forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predictions, forecasts and other forward-looking statements will not occur. These factors include, but are not limited to, those associated with the performance of the equity securities market, expectations about interest rates and factors incorporated by reference herein as risk factors.

The above list of important factors affecting forward-looking information is not exhaustive, and reference should be made to the other risks discussed in the Fund's filings with Canadian securities regulatory authorities. The forward-looking information is given as of the date of this Management Report of Fund Performance, and the Fund undertakes no obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Management Discussion on Fund Performance

Investment Objective and Strategies

The investment objective of the Fund is to generate meaningful, risk-adjusted, absolute returns through exposure to global securities over the medium to long term, while preserving capital and mitigating risk.

The Fund will use leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage shall not exceed the limits on the use of leverage described in the "Investment Strategies" section in the simplified prospectus or as otherwise permitted under applicable securities legislation.

To achieve its investment objective, the Fund will invest and trade primarily in a diversified portfolio of four global asset classes: equities, fixed income securities, commodities and currencies. Exposure to these asset classes may be obtained directly or indirectly by investing in underlying funds that invest such securities.

The Fund is an alternative mutual fund whereby 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.

Investment Risk

The risks of investing in the Fund remain as stated in the Fund's prospectus dated January 10, 2020. There were no material changes to the Fund over the year that affected the overall level of risk.

This Fund is suitable for investors who seek medium to long term growth through a diversified portfolio of equity and fixed income securities. To invest in this Fund, investors should be able to accept a medium degree of risk.

Results of Operations

For the year ended December 31, 2019, Series F Shares of the Fund posted a loss of (0.8%) while its benchmark, the MSCI World NR Index (USD) posted a gain of 27.7% over the same year. Please refer to the "Past Performance" section for performance information of the other series. The performance of the other series of the Fund differs from Series F Shares due largely to a varying level of expenses charged to each series, as explained in the Management Fees section.

We articulated our defensive positioning relating to lower GDP growth and rising, albeit slowly, inflation during all 2019 - this was proven to be the correct economic analysis with long duration yields in the U.S. falling to their lowest level since 2016 and gold continuing its rise. Equities continue to defy economic gravity and virtually all of the gains in the Index can be attributed to expanding PE multiples, the result of a very accommodative Federal Reserve and other global central bankers. In particular, growth equities have done spectacularly well as investors "chase" growth at almost any price in a slowing growth environment.

Recent Developments

(BASED ON INFORMATION AS AT MARCH 5, 2020)

Just as primary market drivers in 2019 were easing monetary policy and the U.S. / China trade war, 2020 will be defined by the U.S. presidential election. Since Wall Street views President Trump's re-election as the most likely outcome, and he is by far the most business-friendly candidate, the possibility of any other White House occupant will be viewed with various degrees of alarm. Real fireworks might be ignited with the emergence of the leader for the Democratic nomination. Joe Biden and Senator Sanders occupy opposite extremes of the risk spectrum. Thus, while markets would be expected to have a fairly benign reaction to Biden's nomination, panic is most likely to greet Sanders' leadership, as his progressive agenda is viewed to be threatening to corporate profits, major industries and potentially the U.S. economic wellbeing.

Our equity sector exposures remained defensive in Q4 and into the start of 2020. In terms of sectors of note, we have been net long utilities, REITs, healthcare, and communications while being net short industrials, consumer discretionary, and financials. In each case, we have had both longs and shorts in all sectors with no sector greater than 5% net either long or short i.e. we have tried to focus on generating alpha in this portfolio by security selection and net sector tilts.

Our fixed income exposures continue to be a core position in the portfolio. We moved up in duration towards the middle of the curve. It looks like the market is telling the Federal Reserve that growth remains lack luster and neutral interest rate policy is much more appropriate compared with the hawkish stance of 2018. On the short side we have some small positions in high yield bonds and some leveraged loan puts. As the cycle continues to drag on, we will be keeping a close eye on corporate spreads.

A large addition to the Fund in Q4 and remains a large position into the beginning of 2020 is gold and, to some extent, silver. This was expressed with gold futures and select miner equities. We are positive on gold as a currency that will trade higher on falling real yields in the U.S.

In Q4 we established a position in the British Pound given the better visibility regarding Brexit and the outcome of the election. We also have taken a position long position in the Euro given our view on European growth starting to inflect. We maintained our long Japanese Yen position as a small risk-off hedge and took a small position in Bitcoin.

We believe that both volatility and asset class dispersion will re-emerge with a vengeance in 2020. We have gone another 65 days with the S&P 500 has not fallen more than 1% - amazing – and a testament to the power of FOMO (fear of missing out), low real interest rates, and incredible complacency around U.S. election uncertainty, geopolitical and economic realities.

(UPDATE - MARCH 24, 2020)

The continued worldwide spread of novel coronavirus (or COVID-19) and its impact on international business operations, supply chains, travel, commodity prices, consumer confidence and business forecasts, and the associated impact on domestic and international equity markets and fixed income yields, is expected to have a material impact on all equity and fixed income portfolios during the first half of 2020, and potentially beyond. We continue to monitor developments in equity and fixed income markets generally, and in connection with the Fund's portfolio in particular. While it is too early to predict the impact of COVID-19 related factors, during a time of increased uncertainty and volatility, we expect that the performance of all portfolios, including the Fund, will be affected in the near term.

Fund Merger

Effective March 22, 2019, after receiving unitholder approval, SG U.S. Market Neutral Fund and Lazard Global Credit II Fund (the "Terminating Funds") merged into Arrow Global Advantage Alternative Class (the "Continuing Fund"). Unitholders of the Terminating Funds received Shares of the Continuing Fund in exchange for their Shares of the Terminating Funds on a taxable basis.

	Net Assets acquired by Continuing Fund	Units issued by Continuing Fund	Conversion Ratios of SG U.S. Market Neutral Fund (Terminating Fund)				
			Class A	Class F	Class X	Class U	Class G
Series A	\$8,815,142	891,616	1.2413		1.2413		
Series F	\$3,677,962	370,927		1.4807			
Series G	\$927,286	91,734					1.1431
Series U	\$287,008	28,379				1.0901	

		Conversion Ratios of Lazard Global Credit II Fund (Terminating Fund)												
Series	Net Assets acquired by Continuing Fund	Units issued by Continuing Fund	A	F	U	G	AI	FI	UI	GI	AN	FN	UN	GN
A	\$8,362,611	845,845	0.8575				0.3754				1.114			
F	\$6,351,628	640,569		0.9174				0.4435				1.1460		
G	\$491,447	48,618				0.9019				0.5890				1.140
U	\$1,038,556	102,691			0.8766				0.4768				1.1094	

Effective October 31, 2019, after receiving unitholder approval, Curvature Market Neutral Fund (the “Merged Fund” merged into Arrow Global Advantage Alternative Class (the “Continuing Fund”). Unitholders of the Merged Fund received units of the Continuing Fund in exchange for their units of the Merged Funds on a taxable basis.

		Conversion Ratios of Curvature Market Neutral Fund (Merging Fund)		
	Net Assets acquired by Continuing Fund	Units issued by Continuing Fund	Class A	Class F
Series A	13,153,068	1,341,288	1.1942	
Series F	23,751,749	2,398,512		1.2469

Related Party Transactions

Arrow Capital Management Inc. is the Manager and Portfolio Advisor of the Fund. The Manager, in consideration for management fees and performance fees, provides management services required in the day-to-day operations of the Fund. The Fund also reimburses the Manager for any operating or administrative expenses the Manager pays on behalf of the Fund.

The Fund may invest in other funds also managed by the Manager. These investments will either be made into a series that does not pay management fees or the Manager may pay a rebate to the Fund or other fund to offset fees paid by the other fund to the Manager. For the year ended December 31, 2019, the Manager has rebated \$115,045 of management fees to offset fees paid by another fund.

Management Fees

The table below outlines the Fund's annual Management Fee rate. It also states the percentage of the total management fees that were used to pay trailer commissions. The remainder of the management fees were used to pay for investment management services.

ANNUAL RATE (%)	Series A, U	Series F, G, ETF
Management Fees (Annual Rate)	1.95%	0.95%
Trailer Fees (as a % of Management Fees)	50.1%	-

In addition, the Fund pays Arrow performance fees (“Performance Fees”) equal to 15% of the amount by which the Fund return in a year is in excess of the high water mark (the “High Water Mark”), and no Performance Fee is payable unless a hurdle rate of 5% is achieved in that year. 100% of the Performance Fees are used to pay for investment management services. Please refer to the Fund's simplified prospectus dated January 10, 2020, for further details relating to Performance Fees.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help the reader understand the Fund's financial performance. This information is derived from the Fund's financial statements and is represented net of expenses which have been charged to the Fund.

SERIES A - NET ASSETS PER SHARE	
For the year ended December 31,	
	2019
Net Assets, beginning of year¹	\$ 10.00
Increase (decrease) from operations:	
Total revenue	0.23
Total expenses	(0.42)
Realized gains (loss)	0.00
Unrealized gains (loss)	0.09
Total increase (decrease) from operations¹:	\$ (0.10)
Distributions²:	
From dividends	-
From capital gains	-
Total distributions	\$ -
Net Assets, end of year¹	\$ 9.81

SERIES A - RATIOS AND SUPPLEMENTAL DATA⁸	
For the year ended December 31,	
	2019
Net Asset Value ("NAV") (000s) ¹	\$22,178
Number of shares outstanding	2,261,513
Management expense ratio before performance fees ⁴	2.73%
Management expense ratio ⁴	2.73%
Management expense ratio before waivers or absorptions ⁵	2.73%
Portfolio turnover rate ⁶	3996.63%
Trading expense ratio ⁷	0.93%
Net asset value per share	\$9.81

SERIES F - NET ASSETS PER SHARE	
For the year ended December 31,	
	2019
Net Assets, beginning of year¹	\$ 10.00
Increase (decrease) from operations:	
Total revenue	0.19
Total expenses	(0.31)
Realized gains (loss)	(0.04)
Unrealized gains (loss)	0.26
Total increase (decrease) from operations¹:	\$ 0.10
Distributions²:	
From dividends	-
From capital gains	-
Total distributions	\$ -
Net Assets, end of year¹	\$ 9.92

SERIES F - RATIOS AND SUPPLEMENTAL DATA⁸

For the year ended December 31,

	2019
Net Asset Value ("NAV") (000s) ¹	\$41,024
Number of shares outstanding	4,134,494
Management expense ratio before performance fees ⁴	1.60%
Management expense ratio ⁴	1.60%
Management expense ratio before waivers or absorptions ⁵	1.60%
Portfolio turnover rate ⁶	3996.63%
Trading expense ratio ⁷	0.93%
Net asset value per share	\$9.92

SERIES G - NET ASSETS PER SHARE

For the period since February 28, 2019 (date of commencement of operations) to December 31, 2019

	2019 [†]
Net Assets, beginning of period¹ - CAD	\$ 13.16
Increase (decrease) from operations:	
Total revenue	0.23
Total expenses	(0.38)
Realized gains (loss)	0.04
Unrealized gains (loss)	(0.30)
Total increase (decrease) from operations¹:	\$ (0.41)
Distributions²:	
From dividends	-
From capital gains	-
Total distributions	\$ -
Net Assets, end of year¹ - CAD	\$ 10.17
Net Assets, beginning of period¹ - USD	\$ 10.00
Net Assets, end of year¹ - USD	\$ 7.83

SERIES G - RATIOS AND SUPPLEMENTAL DATA⁸

For the period since February 28, 2019 (date of commencement of operations) to December 31, 2019

	2019 [†]
Net Asset Value ("NAV") (000s) ¹	\$2,062
Number of shares outstanding	156,189
Management expense ratio before performance fees ⁴	1.61%*
Management expense ratio ⁴	1.61%*
Management expense ratio before waivers or absorptions ⁵	1.61%*
Portfolio turnover rate ⁶	3996.63%
Trading expense ratio ⁷	0.93%*
Net asset value per share - USD	\$7.83

SERIES U - NET ASSETS PER SHARE

For the period since February 28, 2019 (date of commencement of operations) to December 31, 2019

	2019 [†]
Net Assets, beginning of period¹ - CAD	\$ 13.16
Increase (decrease) from operations:	
Total revenue	0.18
Total expenses	(0.51)
Realized gains (loss)	0.06
Unrealized gains (loss)	(0.26)
Total increase (decrease) from operations¹:	\$ (0.53)
Distributions²:	
From dividends	-
From capital gains	-
Total distributions	\$ -
Net Assets, end of year¹ - CAD	\$ 10.09
Net Assets, beginning of period¹ - USD	\$ 10.00
Net Assets, end of year¹ - USD	\$ 7.77

SERIES U - RATIOS AND SUPPLEMENTAL DATA⁸

For the period since February 28, 2019 (date of commencement of operations) to December 31, 2019

	2019 [†]
Net Asset Value ("NAV") (000s) ¹	\$1,078
Number of shares outstanding	82,310
Management expense ratio before performance fees ⁴	2.74%*
Management expense ratio ⁴	2.74%*
Management expense ratio before waivers or absorptions ⁵	2.74%*
Portfolio turnover rate ⁶	3996.63%
Trading expense ratio ⁷	0.93%*
Net asset value per share - USD	\$7.77

SERIES ETF - NET ASSETS PER SHARE

For the year ended December 31,

	2019
Net Assets, beginning of year¹	\$ 20.00
Increase (decrease) from operations:	
Total revenue	0.47
Total expenses	(0.44)
Realized gains (loss)	(0.13)
Unrealized gains (loss)	0.15
Total increase (decrease) from operations¹:	\$ 0.05
Distributions²:	
From dividends	-
From capital gains	-
Total distributions	\$ -
Net Assets, end of year¹	\$ 20.05

SERIES ETF - RATIOS AND SUPPLEMENTAL DATA⁸

For the year ended December 31,

	2019
Net Asset Value ("NAV") (000s) ¹	\$12,337
Number of shares outstanding	615,272
Management expense ratio before performance fees ⁴	0.54%
Management expense ratio ⁴	0.54%
Management expense ratio before waivers or absorptions ⁵	1.49%
Portfolio turnover rate ⁶	3996.63%
Trading expense ratio ⁷	0.93%
Net asset value per share	\$20.05

†The Fund was launched on December 31, 2018. Series A, Series F and Series ETF units began operations on January 01, 2019. Series U and Series G units began operations on February 28, 2019.

*Ratios have been annualized.

1. The net assets per share shown are referenced to net assets attributable to holders of redeemable shares determined in accordance with International Financial Reporting Standards ("IFRS") and are derived from the Fund's financial statements. The increase/decrease from operations is based on the weighted average number of shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per share.
2. Distributions, if applicable, were reinvested in additional shares of the Fund at the discretion of the underlying shareholders.
3. The Manager may absorb certain expenses or waive certain fees otherwise payable by the Fund. The amount of expenses absorbed or waived (if applicable) is determined annually at the discretion of the Manager and the Manager can terminate the absorption or waiver at any time.
4. Management expense ratio ("MER") is calculated as total expenses net of waived fees, if applicable, and excludes certain taxes, commissions and other fund transaction costs for the stated year expressed as an annualized percentage of daily average net asset value during the stated year. The management expense ratio is calculated in accordance with Part 15 of NI 81-106. Management expense ratio before performance fee is the MER before any performance fees, if applicable, for the stated year.
5. Management expense ratio before waivers or absorptions is the MER inclusive of performance fees before any waivers or absorptions are deducted.
6. The Fund's portfolio turnover rate can indicate how actively the investment advisor manages the portfolio of investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of its securities in its portfolio once in the course of the year. The higher the fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.
7. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
8. Ratios and supplemental data, where applicable, are computed using the net asset value of the Fund.

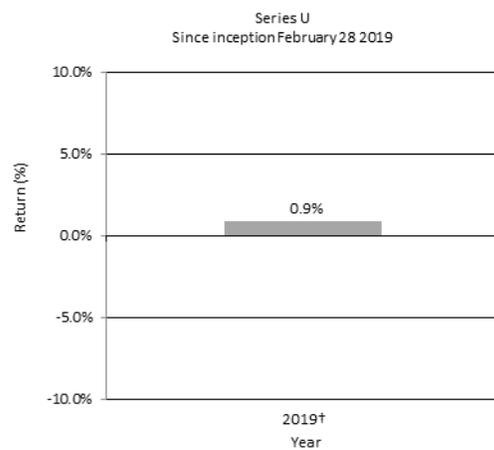
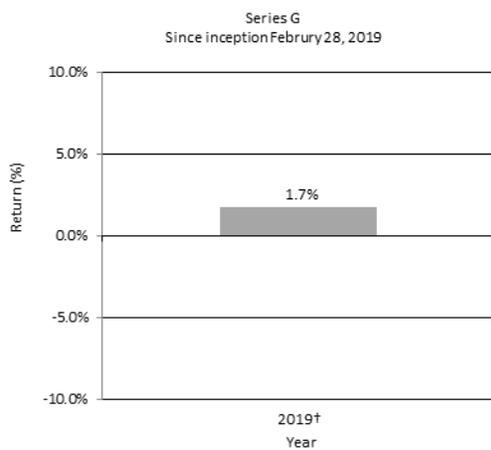
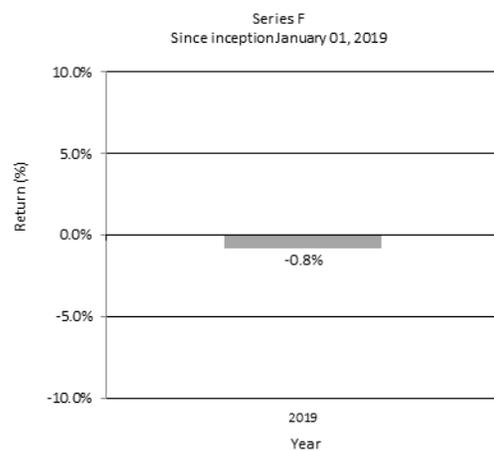
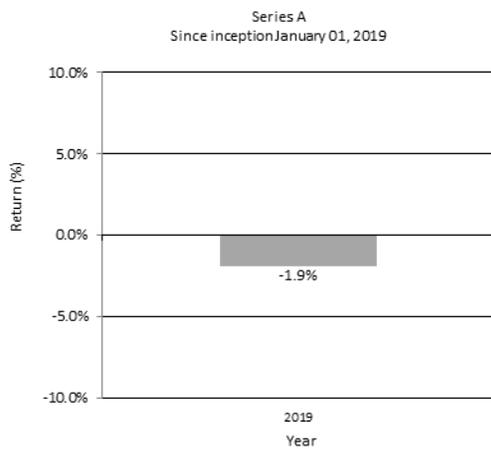
Past Performance

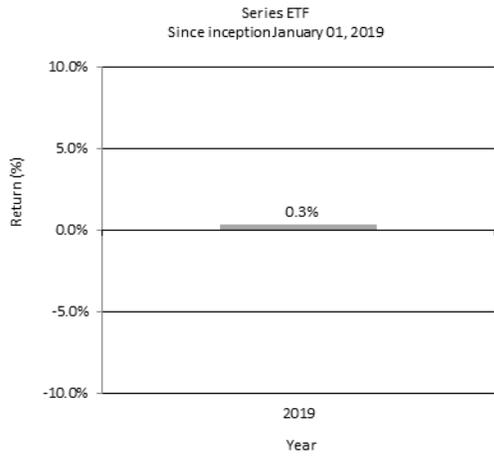
The performance information shown below assumes that all distributions, if any, made by the Fund in the year shown were reinvested in additional shares of the Fund. If you hold the Fund outside a registered plan, you will be taxed on distributions. Distributions of income the Fund earns and capital gains it realizes are taxable in the year received whether received in cash or reinvested in additional shares. No adjustment for potential tax consequences to an investor has been made to the performance information.

The indicated rates of return are historical annual compounded total returns including changes in unit value and do not take into account sale, redemption, distribution or other optional charges, that, if applicable, would have reduced returns or performance. An investment in the Fund is not guaranteed. Its value changes frequently and how the Fund has performed in the past does not necessarily indicate how it will perform in the future.

Year-By-Year Returns

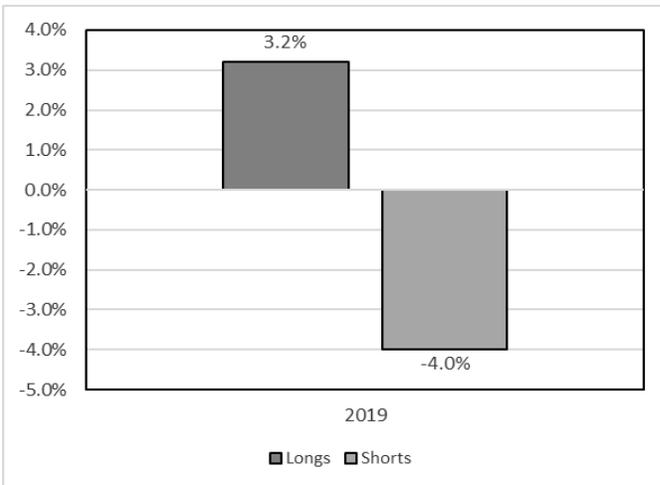
The bar chart below illustrates the Fund's performance for the periods shown. It shows, in percentage terms, how much an investment made on the first day of each financial year (or since inception) would have grown or decreased.





†Returns shown represent a partial year.

The chart below illustrates the Fund's returns for Series F for the year ended December 31, 2019 for the Fund shares by long and short holdings:



Annual Compound Returns (Compound Performance)

The following table shows the annual compound total returns of the Fund and for its benchmark MSCI World NR Index USD for the year shown ended December 31, 2019. The Relative Performance returns show the performance of the Fund as compared to the benchmark.

	1 Year	Annualized Since Inception
Series A	(1.9%)	(1.9%)
Series F	(0.8%)	(0.8%)
Series G	1.7%	1.7%
Series U	0.9%	0.9%
Series ETF	0.3%	0.3%
MSCI World NR Index (USD)	27.7%	27.7%

Summary of Investment Portfolio as at December 31, 2019

The summary of investment portfolio below includes information regarding the Fund as a whole. This summary may change due to ongoing portfolio transactions of the Fund and a quarterly update is available by contacting Arrow at 877.327.6048 or by visiting Arrow's website at www.arrow-capital.com.

Industry Sector	Exposure (%)		Top 25 Holdings	%
	Long (%)	Short (%)		
Communication Services	2.1	(1.4)	Cash and Cash Equivalents	28.5%
Consumer Discretionary	3.5	(3.0)	iShares TIPS Bond ETF	9.6%
Consumer Staples	1.6	(0.7)	SPDR Gold Shares ETF	7.8%
Energy	3.5	-	iShares iBoxx \$ Investment Grade Corp Bond ETF	4.4%
Financials	3.5	(3.5)	iShares MBS ETF	4.2%
Funds	48.5	0.0	iShares MSCI Emerging Markets ETF	3.9%
Health Care	3.7	(0.1)	iShares Floating Rate Bond ETF	3.1%
Industrials	3.1	(2.9)	Curvature Market Neutral Fund, Class 'F'	3.0%
Information Technology	3.9	(1.4)	Vanguard FTSE Europe ETF	2.0%
Materials	3.4	(0.7)	iShares S&P GSCI Commodity-Indexed Trust	1.9%
Real Estate	2.4	(0.2)	Vanguard REIT ETF	1.6%
Utilities	2.0	-	iShares Silver Trust	1.6%
Derivatives	1.2	(0.1)	Health Care Select Sector SPDR Fund	0.8%
Cash and Cash Equivalents	28.5	-	Energy Select Sector SPDR Fund	0.8%
Other Net Assets	3.1	-	East Coast Investment Grade Income Fund	0.7%
			iShares U.S. Dow Jones Medical Equipment Index	0.6%
	114.0	(14.0)	Albemarle Corp.	0.5%
			QUALCOMM Inc.	0.5%
			Global X Silver Miners ETF	0.5%
			Royal Bank of Canada	-0.4%
			Tesla Motors Inc.	-0.4%
			Siemens AG, Registered	0.4%
			Enbridge Inc.	0.4%
			Canadian Imperial Bank of Commerce	-0.4%
			SPDR S&P Oil & Gas Exploration & Production ETF	0.4%
			Pembina Pipeline Corp.	0.4%
			Total (%)	76.4%
			Total Net Asset Value (in \$ millions)	78.7