



EXEMPLAR MUTUAL FUNDS

Annual Information Form

EXEMPLAR GROWTH AND INCOME FUND (Series A, AN, F, FN, I, L, LN and ETF units)

EXEMPLAR INVESTMENT GRADE FUND (Series A, AI, AN, U, F, FI, FN, G, I and ETF units)

EXEMPLAR PERFORMANCE FUND (Series A, AD, F, FD, I, L and LD units)

July 3, 2020

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 FUNDS

The Funds

This annual information form relates to the funds described in this annual information form (each a “Fund” or, collectively, the “Funds”).

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

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

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

The Funds are open end investment fund trusts created under the laws of Ontario and are governed by an amended and restated declaration of trust (as amended from time to time, the “Declaration of Trust”) bearing the dates set out below:

Inception Date	Name Changes	Changes to Declaration of Trust	Mergers with Other Funds
<p>August 27, 2007 (Exemplar Leaders Fund)</p> <p>May 31, 2012 (Exemplar Yield Fund)</p> <p>March 6, 2014 (Exemplar Performance Fund)</p> <p>June 27, 2014 (Exemplar Tactical Corporate Bond Fund)</p> <p>June 27, 2014 (Exemplar Investment Grade Fund)</p> <p>March 16, 2015 (Exemplar Growth and Income Fund)</p> <p>October 19, 2012 (Exemplar U.S. High Yield Fund) (formerly RRF Trust)</p>	<p>November 26, 2010, Northern Rivers Conservative Growth Fund changed its name to Exemplar Leaders Fund.</p> <p>March 16, 2016, Exemplar U.S. High Yield Fund (formerly RRF Trust), established as an investment fund under the laws of the Province of Ontario by a declaration of trust dated October 29, 2012 as amended and restated on November 19, 2012, changed its name to Exemplar U.S. High Yield Fund.</p>	<p>August 24, 2011, the Declaration of Trust was amended and restated to, among other things, allow for the addition of additional trusts thereunder, including the newly created the Exemplar Global Infrastructure Fund. The right to manage the Exemplar Global Infrastructure Fund was subsequently sold by Arrow in March 2014.</p> <p>May 31, 2012, the Declaration of Trust was amended to include the newly created Exemplar Yield Fund and Exemplar Timber Fund. The right to manage the Exemplar Timber Fund was subsequently sold by us in March 2014.</p> <p>June 28, 2013, the Declaration of Trust was amended to include the newly created Exemplar Global Agriculture Fund. The right to manage the Exemplar Global Agriculture Fund was subsequently sold by us in March 2014.</p> <p>March 6, 2014, the Declaration of Trust was amended to include the newly created Exemplar Performance Fund and Exemplar Real Assets Fund.</p> <p>June 27, 2014, the Declaration of Trust was amended to include the newly created Exemplar Tactical Corporate Bond Fund and Exemplar Investment Grade Fund and to</p>	<p>April 30, 2009, Northern Rivers Evolution Fund merged into Northern Rivers Conservative Growth Fund.</p> <p>November 26, 2010, BluMont Canadian Fund merged into Northern Rivers Conservative Growth Fund.</p> <p>September 14, 2012, Exemplar Market Neutral Portfolio merged into Exemplar Yield Fund.</p> <p>November 30, 2015, Exemplar Yield Fund merged into Exemplar Growth and Income Fund.</p> <p>February 28, 2017 Exemplar U.S. High Yield Fund merged into Exemplar Growth and Income Fund.</p> <p>March 27, 2019 Exemplar Leaders Fund</p>

Inception Date	Name Changes	Changes to Declaration of Trust	Mergers with Other Funds
		<p>reflect the sale and removal of Exemplar Global Infrastructure Fund, Exemplar Timber Fund and Exemplar Global Agriculture Fund from the Declaration of Trust effective March 31, 2014 as RBC Investor Services Trust and Sprott Asset Management LLP assumed the role of trustee and manager, respectively, on March 31, 2014.</p> <p>November 12, 2014 the Declaration of Trust was amended to reflect the newly created Series AN and FN units in both the Exemplar Tactical Corporate Bond Fund and the Exemplar Investment Grade Fund.</p> <p>March 16, 2015, the Declaration of Trust was amended to reflect the termination of the Exemplar Real Assets Fund on December 24, 2014 and to include the newly created Exemplar Growth and Income Fund. Prior to their re-designation on March 16, 2015, Series AN, Series FN and LN of the Exemplar Performance Fund were named Series A, Series F and Series L.</p> <p>June 29, 2015, the Declaration of Trust was amended to reflect the newly created Series U, G, and M units in the Exemplar Tactical Corporate Bond Fund and the newly created Series U, and G units in the Exemplar Investment Grade Fund. Prior to their re-designation on June 29, 2015, Series A, F and L of Exemplar Performance Fund were named Series AN, FN and LN, respectively, and Series AD, FD and LD of Exemplar Performance Fund were named Series A, F and L, respectively.</p> <p>March 16, 2016, the Declaration of Trust was amended to reflect (i) the merger of the Exemplar Yield Fund into the Exemplar Growth and Income Fund that was effective November 30, 2015, (ii) the transfer of RRF Trust to the Declaration of Trust and (iii) the name change to Exemplar U.S. High Yield Fund.</p> <p>May 29, 2017, the Declaration of Trust was amended to reflect the merger of the Exemplar U.S. High Yield Fund into the Exemplar Growth and Income Fund that was effective February 28, 2017.</p> <p>November 17, 2017, the Declaration of Trust was amended to create a new series of units</p>	<p>merged into Exemplar Growth and Income Fund.</p> <p>March 27, 2019 Exemplar Tactical Corporate Bond Fund merged into Exemplar Investment Grade Fund.</p>

Inception Date	Name Changes	Changes to Declaration of Trust	Mergers with Other Funds
		<p>designated as Series ETF units in the Exemplar Investment Grade Fund.</p> <p>July 5, 2018, the Declaration of Trust was amended to create a new series of units designated as Series ETF Units in the Exemplar Growth and Income Fund and to reflect the winding down of Series LI and M units in the Exemplar Tactical Corporate Bond Fund.</p> <p>June 26, 2020, the Declaration of Trust was amended to reflect the transfer of East Coast Investment Grade Income Fund to the Declaration of Trust and the name change to Arrow EC Income Advantage Alternative Fund.</p>	

History of the Manager

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

<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 Funds.

INVESTMENT RESTRICTIONS

Restrictions under NI 81-102

Subject always to compliance with their fundamental investment objectives, the Funds have adopted and are 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 mutual funds whose securities are offered by prospectus in Canada), which are designed in part to ensure that the Funds’ investments are diversified and relatively liquid and to ensure the proper administration of the Funds.

In connection with the following mergers, the Manager relied on the approval of the independent review committee (the “**IRC**”) in connection with such reorganization.

<u>Date of merger</u>	<u>Terminating Fund</u>	<u>Ongoing Fund</u>
November 26, 2010	BluMont Canadian Fund	Exemplar Leaders Fund
September 14, 2012	Exemplar Market Neutral Portfolio	Exemplar Yield Fund
March 27, 2019	Exemplar Tactical Corporate Bond Fund	Exemplar Investment Grade Fund

Exemptive Relief with respect to Short Sales and Custodians

Each of the Funds has obtained exemptive relief from securities regulators:

- 1) exempting each Fund from the requirement in subsection 6.8.1(1) of NI 81-102, which provides that, except as provided in sections 6.8, 6.8.1 and 6.9 of NI 81-102, all portfolio assets of a Fund must be held under the custodianship of one custodian that satisfies the requirement of section 6.2 of NI 81-102, in order to permit a Fund to deposit portfolio assets with a borrowing agent that is not the Fund’s custodian or sub-custodian in connection with a short sale of securities, if the aggregate market value of the portfolio assets held by the borrowing agent after such deposit, excluding the aggregate market value of the proceeds from outstanding short sales of securities held by the borrowing agent, does not exceed 10% of the NAV of the Fund at the time of deposit (the “**Short Sale Collateral Relief**”); and
- 2) exempting each Fund from the requirement in subsection 6.1(1) of NI 81-102 to permit a Fund to appoint more than one custodian, each of which is qualified to be a custodian under section 6.2 of NI 81-102 and each of which is subject to all of the other requirements in Part 6 of NI 81-102 other than the prohibition against the Fund appointing more than one custodian in subsection 6.1(1) of NI 81-102 (the “**Custodian Relief**”).

Each Fund currently has one custodian as disclosed under the heading “*Organization and Management of the Arrow Alternative Mutual Funds - Custodian*” in this simplified prospectus. The Manager may, however, appoint additional custodians in the future for one or more of the Funds in accordance with the Custodian Relief provided that the additional custodians are one of the Fund’s prime brokers. The terms of any custodial agreement entered into with an additional custodian will comply with the requirements of NI 81-102 and will be filed as a material contract of the applicable Fund(s) following its execution.

Upon the appointment of an additional custodian for the Fund(s), the Manager will implement the operational systems and processes in respect of the applicable Fund(s) pursuant to the Custodian Relief as described under the heading “*Fund Governance – Policies and Procedures - Custodial Arrangements*” in this annual information form.

Investment in Other Mutual Funds

From time to time the Funds may invest in other investment funds and may purchase securities of, or enter into specified derivative transactions for which the underlying interest is based on the securities of other investment funds. Such investments may be entered into in conjunction with other strategies and investments in a manner considered most appropriate to achieving the Funds’ investment objectives and enhancing returns as permitted by securities regulations. Those other investment funds may or may not be managed by the Manager or an affiliate or associate of the Manager. No percentage of net assets is dedicated to such investments. Accordingly, all the assets of the Funds may be invested in other investment funds in accordance with securities legislation including NI 81-102, including alternative mutual funds and non-redeemable investment funds. Investments in alternative mutual funds and non-redeemable investment funds are subject to a maximum of 10% of the net assets of the Fund at the time of the purchase.

Short-Selling

The Funds may also engage in short selling as permitted by securities regulations. A “short sale” is where a Fund borrows securities from a securities lender and then sells the securities in the open market (or “sells short” the

securities). The proceeds from the short sale are deposited with the lender as collateral and the Fund pays interest to the lender for the securities it has borrowed. At a later date, the same number of securities are repurchased by the Fund and returned to the securities lender. If the value of the securities goes down between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund makes a profit on the difference (less the interest the Fund is required to pay to the lender). Short selling provides the Funds with an opportunity to control volatility and enhances performance in declining or volatile markets.

There are risks associated with short selling, namely that the securities will rise in value or not decline enough to cover a Fund's costs, or that market conditions will cause difficulties in the sale or repurchase of the securities. In addition, the lender could become bankrupt before the transaction is complete, causing the Fund to forfeit the collateral it deposited when it borrowed the securities. However, Arrow will manage the risks associated with short selling using several controls, including:

- Securities will be sold short only for cash.
- A security sold short shall not be: (i) a security that a Fund is otherwise not permitted to purchase at the time of the short sale transaction; (ii) an illiquid asset; or (iii) a security of an investment fund unless the security is an index participation unit.
- At the time securities of a particular issuer are sold short by a Fund, the Fund will have borrowed or arranged to borrow from a borrowing agent the security that is to be sold under the short sale transaction.
- At the time securities of a particular issuer are sold short by a Fund, the aggregate market value of all securities of that issuer sold short will not exceed 5% of the net assets of the Fund and the aggregate market value of all securities sold short by a Fund will not exceed 20% of the net assets of the Fund.
- The Fund may deposit assets with lenders in accordance with industry practice in relation to its obligations arising under short sale transactions. The Fund also will hold cash cover in an amount, including the Fund's assets deposited with lenders, that is at least 150% of the aggregate market value of all securities it sold short on a daily marked-to market basis.
- No proceeds from short sales will be used by a Fund to purchase long positions other than securities that qualify as cash cover.

Investing in Permitted ETFs

Each 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.

Use of Cleared Swaps

On behalf of the Funds we have obtained an exemption for the Funds from the counterparty credit rating requirement, the counterparty exposure threshold and the custodial requirements set out in NI 81-102 in order to permit the Funds to clear certain swaps, such as interest rate and credit default swaps, entered into with futures commission merchants

(each an “FCM”) that are subject to U.S. or European clearing requirements and to deposit cash and other assets directly with the FCM, and indirectly with a clearing corporation, as margin for such swaps. In the case of FCMs in Canada, the FCM must be a member of the Canadian Investor Protection Fund and the amount of margin deposited, when aggregated with the other amount of margin already held by the FCM, must not exceed 10% of the net asset value of the Fund at the time of the deposit. In the case of FCMs outside of Canada, the FCM must be a member of a clearing corporation and subject to a regulatory audit, the FCM must have a net worth (determined from audited financial statements or other publicly available financial information) in excess of \$50 million and the amount of margin deposited, when aggregated with the other amount of margin already held by the FCM, must not exceed 10% of the net asset value of the Fund at the time of the deposit.

Relief with Respect to Cover for Derivative Positions

The Funds have obtained an exemption from NI 81-102 to permit the Funds to:

- Use as cover, when the Fund has a long position in a debt-like security that has a component that is a long position in a forward contract, or in a standardized future or forward contract:
 - cash cover in an amount that, together with margin on account for the specified derivative and the market value of the specified derivative, is not less than, on a daily mark-to-market basis, the underlying market exposure of the specified derivative,
 - a right or obligation to sell an equivalent quantity of the underlying interest of the future or forward contract, and cover that together with margin on account for the position, is not less than the amount, if any, by which the price of the future or forward contract exceeds the strike price of the right or obligation to sell the underlying interest, or
 - a combination of the positions referred to immediately above that is sufficient, without recourse to other assets of the Fund, to enable the Fund to acquire the underlying interest of the future or forward contract,
- Use as cover, when the Fund has a right to receive payments under a swap:
 - cash cover, in an amount that, together, with margin on account for the swap and the market value of the swap, is not less than, on a daily mark-to-market basis, the underlying market exposure of the swap,
 - a right or obligation to enter into a swap on an equivalent quantity and with an equivalent term and cover that, together with margin on account for the position, is not less than the aggregate amount, if any, of the obligations of the Fund under the swap less the obligations of the Fund under such offsetting swap, or
 - a combination of the positions referred to immediately above that is sufficient, without recourse to other assets of the Fund, to enable the Fund to satisfy its obligations under the swap.

The exemptions described above, are subject to the condition that the Fund will not (i) purchase a debt-like security that has an option component or an option, or (ii) purchase or write an option to cover any positions under section 2.8(1)(b), (c), (d), (e) and (f) of NI 81-102, if immediately after the purchase or writing of such option, more than 10% of the net assets of the Fund, taken at market value at the time of the transaction, would be in the form of (1) purchased debt-like securities that have an option component or purchased options, in each case, held by the Fund for purposes other than hedging, or (2) options used to cover any positions under section 2.8(1)(b), (c), (d), (e) and (f) of NI 81-102.

Relief with Respect to the Offering of Series ETF Units

The Funds have obtained relief from applicable securities laws in connection with the offering of Series ETF units to:

- (i) relieve the Funds from (a) the requirement to prepare and file a long form prospectus for the Series ETF units 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 Funds file a prospectus for the Series ETF units in accordance with the provisions of National Instrument 81-101 – *Mutual Fund Prospectus Disclosure*, other than the requirements pertaining to the filing of a fund facts document;

- (ii) relieve the Funds from the requirement that a prospectus offering Series ETF units contain a certificate of the underwriters;
- (iii) relieve a person or company purchasing Series ETF units of a 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 each Fund that offers Series ETF units 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 unitholders 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 a 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 Funds, 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 applicable fund to a purchaser if the dealer does not deliver a copy of the fund’s simplified prospectus.

Use of Derivatives

The Funds may invest in or use derivative instruments that are consistent with their investment objectives to the extent and for the purposes permitted by the Canadian Securities Administrators. The Funds may only make use of “specified derivatives” within the meaning of NI 81-102.

Specifically, the Funds may use derivatives with the intention to offset or reduce a risk associated with an investment or group of investments. In addition, the Funds may use derivatives rather than direct investments to reduce transaction costs, achieve greater liquidity, create effective exposure to international financial markets or increase speed and flexibility in making portfolio changes. Derivatives may be used to position the relevant investment portfolio so that it may profit from declines in financial and currency markets. Derivatives will not be used to create a portfolio with excess leverage, and cash equivalents will be held to fully support all derivative positions. A Fund’s ability to trade in specified derivatives is subject to the portfolio advisor or sub-advisor, as applicable, of such Fund meeting and maintaining applicable registration and proficiency requirements for advising with respect to such trading. In the case of futures and forward contracts, or other derivative instruments, there can be no assurance that a liquid exchange or over-the-counter market will exist to permit a Fund from realizing profits or limiting losses when buying or selling the contracts.

In order to hedge against currency exchange rate risks, the Funds may enter into forward currency exchange contracts (“**currency forwards**”) not exceeding one year in duration as described below. The Funds may also conduct its currency transactions on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market. The Funds may enter into currency forwards to attempt to minimize the risk to the Funds from adverse changes in the relationship between the Canadian dollar and other currencies. A currency forward is an obligation to purchase or sell a specific currency for an agreed price at a future date that is individually negotiated and privately traded by currency traders and their customers. The Fund may enter into a currency forward, for example, when it enters into a contract for the purchase or sale of a security denominated in a currency other than the Canadian dollar in order to “lock in” the Canadian dollar price of the security. When the portfolio advisor or sub-advisor of a Fund believes that a currency may suffer a substantial decline against the Canadian dollar, it may enter into a currency forward to sell an amount of

that currency or another currency that acts as a proxy for that currency approximating the market value of some or all of that Fund's portfolio securities denominated in that currency. When the portfolio advisor or sub-advisor believes that the Canadian dollar may suffer a substantial decline against another currency, the Funds may also enter into a currency forward to buy that currency for a fixed Canadian dollar amount. Currency forwards may limit potential gain from a positive change in the relationship between the Canadian dollar and other currencies.

A Fund will be subject to the credit risk that its counterparty (whether a clearing corporation, in the case of exchange-traded instruments, or other third party, in the case of over-the-counter instruments) may be unable to meet its obligations. In addition, there is the risk of loss by a Fund of margin deposits in the event of bankruptcy of a dealer with whom a Fund has an open position in an option or futures or forward contract. Derivative instruments traded in foreign markets may offer less liquidity and greater credit risk than comparable instruments traded in North American markets. The ability of a Fund to close out positions may also be affected by exchange-imposed daily trading limits on futures contracts. If a Fund is unable to close out a position, it will be unable to realize its profits or limit its losses until such time as the futures or forward contract terminates, as the case may be. The inability to close out futures and forward positions also could have an adverse impact on a Fund's ability to use derivative instruments to effectively hedge its portfolio or implement its investment strategy. Derivatives can decline in value similar to other investments; the decline in value may be greater than the decline in the value of the underlying security. A derivatives price can be impacted by factors other than its underlying security. These factors, such as speculative investing by other parties, may negatively impact the value of a Fund.

Changes To Fundamental Investment Objectives

A change in a 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 unitholder approval.

Registered Tax Plans

Units of the Funds 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 (TFSAAs);
- Registered Disability Savings Plans (RDSPs); or
- Québec Education Savings Incentive (QESI) (each, a "Registered Plan").

Note that not all Registered Plans are available in all provinces or territories. The Funds 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 distributions (other than management fee distributions and distributions paid in respect of a different class of units that are intended to constitute a return of capital) that the Funds make. You can sell your units or switch from a Fund to another fund at any time. If a 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 units 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 unitholder meetings, where you will have one vote for each whole unit you own. You have the right to vote on the following matters:

- (a) a change in any contract or the entering into of any new contract as a result of which the basis of calculation of the fees or of other expenses that are charged to the Fund could result in an increase in charges to the Fund, except where:
 - (i) the Fund contracts at arm's length and with parties other than the Manager or an associate or affiliate of the Manager, and
 - (ii) the unitholders have received at least 60 days' notice before the effective date of the change;
- (b) a change of the administrative manager of the Fund, except where the new manager is an affiliate of the Manager;
- (c) any change in the fundamental investment objectives of the Fund;
- (d) any decrease in the frequency of calculating the Fund's net asset value;
- (e) any proposed material reorganization with, or transfer of assets to or from, another mutual fund; and
- (f) any matter which is required by the constitutive documents of the Fund or by the laws applicable to the Fund or by any agreement to be submitted to a vote of the unitholders of the Fund.

Approval by the unitholders of a Fund requires the affirmative vote of more than 50% of the votes cast at a meeting of unitholders of the Fund called for such purpose.

If a 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.

A meeting of the unitholders of a Fund for any of the foregoing purposes may be called by the Funds' trustee, Arrow.

CALCULATION OF NET ASSET VALUE

Whether you are buying, selling, transferring or switching a Fund, we base the transaction on the value of the Fund unit. The price of a unit is called the "*net asset value*" or "*NAV*" per unit, or the "*unit value*". We calculate a separate NAV per unit 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 units 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 units 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 unit are available at www.arrow-capital.com and upon request by any unitholder, 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 FUNDS

The Funds are sold in units, each representing an equal interest in the Fund. You will find a list of all of the Funds and the classes of units they offer on the front cover of this annual information form. In this document, all series of units, except for Series ETF units, are collectively referred to as the “Mutual Fund Series” units.

PURCHASE, SWITCHES AND REDEMPTIONS

You may purchase or switch Mutual Fund Series units from these Funds to other funds managed by Arrow or redeem your Mutual Fund Series units in the Funds 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 units are available to investors that purchase such units on the TSX or another exchange or marketplace.

Purchases

Mutual Fund Series

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

Series	Feature
Series A, AD, AI, AN and U Units	These series of units are available to all investors. You may purchase these series of units by way of the front-end sales charge (the “ Front-End Units ”). You may be required to pay your dealer a sales charge when you buy

	<p>these units. This sales charge is negotiable between you and your dealer.</p> <p>Series U Units are a U.S. Option Series and a Fixed Rate Distribution Series as defined below.</p> <p>Series A Units of Exemplar Performance Fund and Series AN Units of all other Funds are Non-Fixed Rate Distribution Series' as defined below.</p> <p>Series AD Units of Exemplar Performance Fund and Series A Units of all other Funds are Fixed Rate Distribution Series' as defined below.</p> <p>Series AI Units are a Higher Rate Distribution Series as defined below.</p>
Series F, FD, FI, FN and G Units	<p>These series of units 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 (the “Fee-Based Units”). These series of units are not subject to sales charges. In certain circumstances, investors who purchase Fee-Based Units must enter into an agreement with their dealer which identifies an annual account fee (a “Fee-Based Account Fee”) negotiated with their financial advisor and payable to their dealer. This Fee-Based Account Fee is in addition to the management fee payable by the Funds for Fee-Based Units.</p> <p>Series G Units are a U.S. Option Series and a Fixed Rate Distribution Series as defined below.</p> <p>Series F Units of Exemplar Performance Fund and Series FN Units of all other Funds are Non-Fixed Rate Distribution Series' as defined below.</p> <p>Series FD Units of Exemplar Performance Fund and Series F Units of all other Funds are Fixed Rate Distribution Series' as defined below.</p> <p>Series FI Units are a Higher Rate Distribution Series as defined below.</p>
Series I Units	<p>This series of units are typically for institutional investors such as pension plans, endowment funds and corporations, high net worth individuals and group RRSPs that maintain a minimum investment in the Fund as negotiated with Arrow. You may be required to pay your dealer a sales charge when you buy these units. This sales charge is negotiable between you and your dealer.</p>

	Series I Units are a Non-Fixed Rate Distribution Series as defined below.
Series L, LD and LN Units	<p>These series of units are available to all investors. You may purchase these series of units with a low load option (the “Low Load Option”) whereby an investor will pay no sales charge at the time of the purchase; however, when the units purchased under the Low Load Option (the “Low Load Units”) are redeemed, a redemption fee will be charged.</p> <p>Series L Units of Exemplar Performance Fund and Series LN Units of all other Funds are Non-Fixed Rate Distribution Series’ as defined below.</p> <p>Series LD Units of Exemplar Performance Fund and Series L Units of all other Funds are Fixed Rate Distribution Series’ as defined below.</p>

“**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 units, 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.

“**Fixed Rate Distribution Series**” are designed for investors who wish to receive regular distributions from a Fund. **If the Fund earns more income or capital gains than the distribution, it will distribute the excess each December. If the Fund earns less than the amount distributed, the difference is a return of capital.**

“**Non-Fixed Rate Distribution Series**” are designed for investors who do not wish to receive regular distributions from a Fund. Each December, the Funds will make an annual distribution of their taxable income, if any, to holders of the Non-Fixed Rate Distribution Series.

“**Higher Rate Distribution Series**” are designed for investors who wish to receive a higher regular monthly cash flow from a Fund. The distribution rates will generally be higher than for other series and may be adjusted from time to time at our discretion. **Each distribution for a Higher Rate Distribution Series will consist of net income to the extent of the Fund’s allocation of net income to that series for that period, and the remainder of the distribution, if any, will consist of return of capital.**

You should not confuse the distribution rate with the Fund’s rate of return or its yield of its portfolio.

All distributions will be reinvested, without charge, in additional securities of that series, unless you elect in advance to receive them in cash.

Prior to their re-designation on March 16, 2015, Series AN, FN and LN of the Exemplar Performance Fund were named Series A, F and L. Prior to their re-designation on June 29, 2015, Series A, F and L of Exemplar Performance Fund were named Series AN, FN and LN, respectively, and Series AD, FD and LD of Exemplar Performance Fund were named Series A, F and L, respectively.

Payment for units of a Fund must be received within two business days of your order or we will redeem your units 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.

Pre-Authorized Payment Plans

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. These services are not available for Series ETF units of the Funds.

Series ETF Units

Series ETF units are available to investors who purchase such units on the TSX or another exchange or marketplace through Designated Brokers (as defined below) and ETF Dealers (as defined below).

Series ETF units of the Funds will be issued and sold on a continuous basis and there is no maximum number of Series ETF units that may be issued. Series ETF units of the Funds can be bought in Canadian dollars only. The Series ETF units of the Exemplar Investment Grade Fund are listed on the TSX and the ticker symbol is CORP. The Series ETF units of the Exemplar Growth and Income Fund are listed on the TSX and the ticker symbol is EGIF.

Unitholders may incur customary brokerage commissions in buying or selling Series ETF units. No fees are paid by a unitholder to the Manager or the Funds in connection with the buying or selling of Series ETF units on the TSX or another exchange or marketplace.

To Designated Brokers and ETF Dealers

The Manager, on behalf of each Fund that offers Series ETF units, 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 units of a Fund including, without limitation: (i) to subscribe for a sufficient number of units to satisfy the applicable exchange's original listing requirements; (ii) to subscribe for units when cash redemptions of units occur; and (iii) to post a liquid two-way market for the trading of units on the applicable exchange. In accordance with the designated broker agreement, the Manager may require the Designated Broker to subscribe for Series ETF units for cash.

Generally, all orders to purchase Series ETF units directly from a 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 units from one or more Funds 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 units. If we reject your order, we will immediately return any money received, without interest.

No fees or commissions will be payable by a Fund to a Designated Broker or ETF Dealer in connection with the issuance of Series ETF units. On the listing, issuance, exchange or redemption of Series ETF units, 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 units.

After the initial issuance of Series ETF units 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 units (and any additional multiple thereof) of a Fund on any day on which a session of the exchange or marketplace on which the Series ETF units of that Fund are listed is held (a “**Trading Day**”), or such other day as determined by us. “**Prescribed Number of Series ETF Units**” means the number of Series ETF units 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 units 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 unit 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 unit determined on such following Trading Day.

For each Prescribed Number of Series ETF Units 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 unit of the Prescribed Number of Series ETF Units 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 unit of the Prescribed Number of ETF Series Units 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 unit of the Prescribed Number of ETF Series Units 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 Units and any Basket of Securities for each Fund for each Trading Day. We may, in our discretion, increase or decrease the Prescribed Number of ETF Series Units from time to time.

To Designated Brokers in special circumstances

Series ETF units may also be issued by a Fund to Designated Brokers in certain special circumstances, including when cash redemptions of Series ETF units 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 units and after giving effect to such purchase would hold units of a Fund having values that exceed certain thresholds. This is achieved by reducing the management fee charged to a Fund based on the aggregate unit value of the units held by such a purchaser and distributing the amount of the reduction (a “**Management Fee Distribution**”), payable in cash or in additional units of the applicable Fund (subject to the capacity of the applicable 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 a 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 units, except for Series ETF units, between the Funds or to another fund in our group of funds, including units of any new mutual fund which is created and offered by Arrow after the date of this document (provided that units of the new mutual fund have been qualified for sale in your province or territory of residence). A switch involves the redemption of the units of a Fund and a purchase of units in another Fund or other permitted fund. You cannot switch Series ETF units for units of another series of the same Fund or for units of another Fund.

The switch of units by a unitholder 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 unitholder will generally realize a capital

gain or capital loss on such units. The capital gain or loss for tax purposes in respect of the units will generally be the difference between the unit price of such units at that time (less any fees) and the adjusted cost base of those units.

You can change or convert your units of one series to units of another series of the same Fund (except for Series ETF Units) by contacting your representative. No fees apply. You can only change units into a different series if you are eligible to buy such units. Changing or converting units from one series to another series (other than a conversion to or from the U.S. Option Series) of the same Fund is generally not a disposition for tax purposes, but you should consult your own tax advisors in this regard.

Redemptions

Mutual Fund Series

You may redeem your Mutual Fund Series units in a Fund at the net asset value of such units 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 units. If the sale proceeds are greater than the repurchase amount, the applicable 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 applicable Fund the difference (and your dealer may seek to collect this amount plus expenses from you).

No redemption charges apply to Front-End Units, unless the units are subject to the short-term trading redemption charge described below. A redemption charge will apply to Low Load Units purchased which are subsequently redeemed within the time period specified by the Funds' redemption schedule as described below. Any redemption of units by a unitholder will first be applied to the units that are not subject to redemption charges. In order to minimize redemption charges, units subject to redemption charges are redeemed on a "first in, first out" basis.

The following redemption charge will apply if you redeem your Low Load Units within the following time periods after purchase:

<u>Year(s) Since Purchase</u>	<u>Redemption Charge as a Percentage of the Original Purchase Price</u>
Year 1	3.00%
Year 2	2.50%
Year 3	2.00%
Year 4	None

Series ETF Units

Redemption of ETF Series units in any number for cash

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

On any Trading Day, you may exchange a minimum of a Prescribed Number of Series ETF Units (and any additional multiple thereof) for cash or, with our consent, Baskets of Securities and cash. To effect an exchange of Series ETF units, you must submit an exchange request, in the form prescribed by the Manager from time to time, to the applicable Fund at its head office. The exchange price will be equal to the aggregate net asset value per unit of the Prescribed Number of ETF Series Units 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 applicable Series ETF units will be redeemed. On an exchange we will require you to pay the applicable 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 an Series ETF 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 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 unit 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 unit 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 Units 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 ETF Series Units from time to time.

If securities held in the portfolio of a 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 unitholder 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 units through CDS Participants

The exchange and redemption rights described above must be exercised through the CDS Participant through which you hold Series ETF units. Beneficial owners of Series ETF units should ensure that they provide exchange and/or redemption instructions to the CDS Participants through which they hold units 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.

Characterization of redemption or exchange amounts

The redemption or exchange price paid to a Designated Broker may include income and/or capital gains realized by the Fund. The remaining portion of the redemption or exchange price will be proceeds of disposition.

Minimum Balance

If the value of your units in the Fund is less than \$1,000, we may sell your units 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 Fee-Based Units, we may switch your securities to Front-End Units 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 the Manager believes is detrimental to other investors in the Funds.

The interests of unitholders and a 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 units, can interfere with the efficient management of a Fund and can result in increased administrative costs to the applicable Fund. While the Manager 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 unitholder switches or redeems units within 90 days of purchase, the applicable Fund may charge a short-term trading fee of up to 2% of the Unit Value switched or redeemed. Short-term trading fees do not apply to redemptions or switches of Series ETF units.

The Manager 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 trades 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 units

Securities regulations allow the Manager to temporarily suspend your right to redeem your Fund units 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 units during any period when the Manager has suspended investors' rights to redeem their units.

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

Special considerations for unitholders

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 units of a Fund. The Funds have obtained relief to permit unitholders to acquire more than 20% of the Series ETF units of any Fund without regard to the takeover bid requirements of applicable Canadian securities legislation. In addition, the Funds have obtained relief to permit a Fund to borrow cash in an amount not exceeding 5% of the net assets of the Fund for a period not longer than 45 days and, if required by the lender, to provide a security interest over any of its portfolio assets as a temporary measure to fund the portion of any distribution payable to unitholders that represents amounts that have not yet been received by the Fund.

OPTIONAL SERVICES

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

Registered Tax Plans

Registered tax plans may be available through Arrow or a unitholder's broker, dealer or advisor. Unitholders 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 units, 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 units held under such a plan in respect of a Fund must be reinvested into additional units of that Fund. You may modify, suspend or terminate an automatic withdrawal plan on ten days' prior written notice to us.

RESPONSIBILITY FOR OPERATION OF THE FUNDS

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 Funds. 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 Funds 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 Funds are 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, Chief Executive Officer and Director and Ultimate Designated Person	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

Trustee

All of the funds are mutual fund trusts. As trustee for the Funds, we control and have authority over each Fund’s investments and cash in trust on behalf of the unitholders of the Funds. We do not receive any additional fees for serving as trustee.

Portfolio Advisor and Sub-Advisor

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

The following individuals or sub-advisors are principally responsible for managing the Funds. 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.

Exemplar Growth and Income Fund

Name and Title	Length of Service with Portfolio Advisor	Principal Occupation in Last 5 Years
EDWARD WHITEHEAD, Managing Director and Senior Portfolio Manager, Arrow	2 years	Managing Director and Senior Portfolio Manager, Arrow since April 2, 2018 Before April 2, 2018, Senior Portfolio Manager, Manulife Asset Management
JAMES McGOVERN, Managing Director and Chief Executive Officer, Arrow	20 years	Managing Director and Chief Executive Officer of Arrow
AHSON MIRZA, Portfolio Manager	4 years	Portfolio Manager, Arrow since Jan 11, 2016 Before Jan 11, 2016, Investment Analyst, Timelo Investment Management

Exemplar Investment Grade Fund

Arrow has engaged East Coast Fund Management Corp. (“**East Coast**”) of Toronto, Ontario to act as the sub-advisor for the Exemplar Investment Grade Fund pursuant to a sub-advisory agreement and have developed a strategic relationship whereby neither party will be able to terminate the sub-advisory agreement unless agreed by both parties or except in certain limited circumstances. East Coast’s head office is located at 1920 Yonge Street, Suite 601, Toronto, Ontario M4S 3E2. East Coast and Arrow have agreed to terminate the sub-advisory agreement effective August 31, 2020. Arrow has engaged East Coast Asset Management SEZC (“**East Coast SEZC**”) of the Cayman Islands to replace East Coast as sub-advisor for the Exemplar Investment Grade Fund pursuant to a sub-advisory agreement that is effective September 1, 2020.

Name and Title	Length of Service with Sub-Advisor	Principal Occupation in Last 5 Years
MICHAEL MacBAIN, Chief Executive Officer and Chief Investment Officer of East Coast and East Coast SEZC	11 years with East Coast	Chief Executive Officer and Chief Investment Officer of East Coast until September 1, 2020 Chief Executive Officer and Chief Investment Officer of East Coast SEZC since June 18, 2019

Exemplar Performance Fund

Name and Title	Length of Service with Portfolio Advisor	Principal Occupation in Last 5 Years
VERONIKA HIRSCH, Executive Vice-President and Portfolio Manager, Arrow	21 years	Executive Vice-President and Portfolio Manager of Arrow

BROKERAGE ARRANGEMENTS

Arrow and the sub-advisor are responsible for placing orders to effect portfolio transactions (i.e. purchase and sell securities) on behalf of their respective Fund. Arrow and the sub-advisor are responsible for selecting brokers and dealers for the execution of their respective 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 Arrow or the sub-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 each 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 or the sub-advisor 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 us in carrying out the investment decision-making process. We will attempt to allocate these transactions with appropriate regard to the principles of a reasonable brokerage fee, the benefit to the Funds and best execution.

Neither Arrow nor the sub-advisor have any contractual arrangement with any person or company for any exclusive right to purchase or sell securities.

Neither Arrow nor the sub-advisor conducts business with affiliated entities in regards to brokerage transactions involving client brokerage commissions.

Since the date of the last annual information form, certain third party companies provided goods and services (other than order execution) to us, 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 Funds have been or might have been directed in return for goods and services (other than order execution) since the date of the last annual information form filing, will be provided upon request by contacting us at the toll-free telephone number or at the address indicated on the back cover of this annual information form, or by emailing us at info@arrow-capital.com.

CUSTODIAN

The Custodian of the assets of the Funds is CIBC Mellon Trust Company, One York Street Suite 900 Toronto, ON M5J 0B6 Canada, pursuant to a custodial services agreement dated June 27, 2014, as amended (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.

Each Fund currently has only one custodian as disclosed under the heading “*Organization and Management of the Arrow Alternative Mutual Funds – Custodian*” in the simplified prospectus. The Manager may, however, in the future

appoint additional custodians in accordance with the Custodian Relief described under the heading “*Investment Restrictions and Practices – Exemptive Relief*” in this annual information form.

AUDITOR

The auditor of the Funds is PricewaterhouseCoopers LLP, Toronto, Ontario. Although the approval of unitholders of a Fund is not required before changing the auditor of a Fund, unitholders 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 Funds.

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

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

SECURITIES LENDING AGENT

The Bank of New York Mellon, a New York State chartered bank, is the securities lending agent (the “**Securities Lending Agent**”) for the Funds. 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 Funds in order to administer any securities lending, repurchase and reverse repurchase transactions for the Funds. See “Policies and Procedures – Securities Lending, Repurchase or Reverse Repurchase Transactions” for additional information regarding the Securities Lending Agent and securities lending practices of the Funds.

Pursuant to the Securities Lending Agreement, the Funds will indemnify the Securities Lending Agent, and the Securities Lending Agent and affiliates will indemnify the Funds, 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

As of May 31, 2020, to the knowledge of the directors and executive officers of the Manager, no person owns of record or beneficially, directly or indirectly, more than 10% of the units of one series of the Funds except for:

Unitholder	Series	Number of Units Held	Type of Ownership	Percentage of Series of Units
Exemplar Growth and Income Fund				
Investor 14661*	Series LN	49,405.932	Of record and beneficial	16.9%
Exemplar Investment Grade Fund				
Investor 76463*	Series F	825,984.976	Of record and beneficial	10.2%
Exemplar Growth and Income Fund	Series I	185,021.838	Of record and beneficial	41.7%
Arrow Global Advantage Alternative Class	Series I	160,238.783	Of record and beneficial	36.2%

Unitholder	Series	Number of Units Held	Type of Ownership	Percentage of Series of Units
Arrow Canadian Advantage Alternative Class	Series I	97,364.240	Of record and beneficial	22.0%
Investor 24531*	Series U	8,005.154	Of record and beneficial	98.7%
Investor 56337*	Series G	16,334.640	Of record and beneficial	22.9%
Investor 07876*	Series G	16,122.420	Of record and beneficial	22.6%
Investor 58400*	Series G	10,878.327	Of record and beneficial	15.2%
Investor 08338*	Series G	7,503.284	Of record and beneficial	10.3%
Exemplar Growth and Income Fund	Series ETF	177,400.000	Of record and beneficial	39.4%
Exemplar Performance Fund				
Investor 48980*	Series AD	2,270.947	Of record and beneficial	12.9%
Investor 07938*	Series AD	2,056.633	Of record and beneficial	11.7%
Investor 96830*	Series FD	3,250.190	Of record and beneficial	17.7%
Investor 20103*	Series FD	3,123.757	Of record and beneficial	17.0%
Investor 73162*	Series FD	1,979.688	Of record and beneficial	10.8%
Investor 96764	Series FD	1,857.252	Of record and beneficial	10.1%
Arrow Capital Management Inc.	Series I	460.549	Of record and beneficial	100%
Investor 99598*	Series LD	4,496.214	Of record and beneficial	54.0%
Investor 49847*	Series LD	2,034.458	Of record and beneficial	24.4%
Investor 59281*	Series LD	995.460	Of record and beneficial	12.0%

* To protect the privacy of individual investors, we have omitted the name of the unitholders. This information is available on request by contacting Arrow at the telephone number on the back of this annual information form.

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 units of the Funds.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

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 a Fund or Arrow, and holds units as capital property. Generally, your investment in a Fund will be capital property unless you are considered to be trading or dealing in securities or have acquired your investment in one or more transactions considered to be an adventure or concern in the nature of trade. Certain unitholders can file an election to treat all future dispositions of certain property, including units of a 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

In general, a Fund pays no income tax as long as it distributes its income and net realized capital gains to its unitholders. Each Fund generally intends to distribute a sufficient amount of its net income for tax purposes, including net realized capital gains, so it will not be liable for any income tax under Part I of the Tax Act.

To the extent that a Fund has not otherwise distributed a sufficient amount of its net income or net capital gains, the trust agreement of the Funds provides that a distribution will be paid to unitholders at the end of the year and the distribution will be automatically reinvested in additional units of the Fund. Immediately following such reinvestment, the number of units outstanding may be consolidated so that the net asset value per unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid. A consolidation of units following a distribution which is reinvested in units will not be regarded as a disposition of units.

Types of Income from the Funds

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

- **Distributions.** When any Fund earns net income from its investments or realizes a net capital gain by selling securities, it intends to allocate these amounts on to you as a distribution.
- **Capital gains (or losses).** You can realize a capital gain (or loss) when you sell or transfer your units of the Fund (including a transfer of units of one Fund for units of another Fund) for more (or less) than you paid for them. Generally, switching one series of units to another series of units (other than switches to or from the U.S. Option Series) of the same Fund will not result in a disposition for tax purposes.

Funds held in Registered Plans

Each Fund currently qualifies as a “mutual fund trust” and is expected to qualify as a “mutual fund trust” at all material times. Therefore, the Funds are expected to be qualified investments for Registered Plans. **If any such Funds were not to qualify as a “mutual fund trust”, the income tax considerations as described below would, in some respects, be materially and adversely different.**

Note that not all Registered Plans are available in all provinces or territories or through all our programs. The Funds may be eligible for other Registered Plans offered through your financial advisor.

If you hold units of a Fund in a Registered Plan, you generally pay no tax on distributions paid from the Fund on those units or on any capital gains that your Registered Plan realizes from selling, redeeming or transferring units (including a transfer of units of one Fund for units of another Fund). Holders of TFSAs and RDSPs, annuitants of RRSPs and RRIFs and subscribers of RESPs should consult with their own tax advisors as to whether units of the Funds 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 units for a Basket of Securities in your Registered Plan.

You are responsible for determining the income tax consequences to you of acquiring units of a Fund through Registered Plans and neither the Funds nor Arrow assumes any liability to you as a result of making the units of the Funds available for investment. If you choose to purchase units of the Funds 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.

Funds held in Non-Registered Accounts

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

- Any net income and the taxable portion of any net capital gains (computed in Canadian dollars) distributed to you by any trust fund, whether you receive the distributions in cash or they are reinvested in units of the Fund.
- The taxable portion of any capital gains you realize from selling or redeeming your units (including to pay fees described in this document) or transferring your units (including a transfer of units of one Fund for units of another Fund) when the value of the units is greater than their adjusted cost base plus reasonable costs of disposition (including any redemption fees). If the value of units sold is less than their adjusted cost base plus reasonable costs of disposition (including any redemption fees), you will have a capital loss. Generally, you may use capital losses you realise to offset capital gains.
- Generally, the amount of any management fee distributions paid to you out of a Fund's income.

We will issue a tax slip to you each year for all Funds that shows you how much of each type of income each Fund distributed to you and any return of capital. You can claim any tax credits that apply to that income that are allocated to you by the Fund. Dividends and capital gains distributed by a Fund and capital gains realized on the disposition of units 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 Funds and any management fee distributions paid to you.

Distributions

Distributions from a Fund may include a return of capital. When a Fund makes a distribution exceeding your share of net income and net capital gains the excess is a return of capital. A return of capital is not taxable, but will reduce the adjusted cost base of your units. If the adjusted cost base of your units 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 units 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 units.

Distributions may result from foreign exchange gains because the Funds are required to report income and net realized capital gains in Canadian dollars for tax purposes.

The unit price of a 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 distribution. If you buy units of a Fund just before it makes a distribution, you will be taxed on that distribution. 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 individual Fund descriptions in Part B of the simplified prospectus for the distribution policy of each Fund.

The higher a Fund's portfolio turnover rate is in a year, the greater the chance that you will receive a distribution from the Fund. There is no necessary relationship between a Fund's turnover rate and its performance. Although the larger trading costs associated with a high portfolio turnover rate would reduce a 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 units or the fair market value of units that you transfer (after deducting any redemption fees or other charges) and the adjusted cost base of those units.

Generally, switching one series of units to another series of units of the same Fund will not result in a disposition for tax purposes, so no capital gain or loss will arise except to the extent that units are redeemed to pay a switch fee. If those redeemed units are held outside a Registered Plan, you may realize a capital gain or a capital loss.

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

- your initial investment for all your units of that series of the Fund (including any sales charges paid), **plus**
- your additional investments for all your units of that series of the Fund (including any sales charges paid), **plus**
- reinvested distributions or management fee distributions in additional units of that series of the Fund, **minus**
- any return of capital distributions by the Fund in respect of units of that series of the Fund, **minus**
- the adjusted cost base of any units of that series of the Fund previously redeemed,
all divided by
- the number of units 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 distributions you receive on those units so you can calculate their adjusted cost base. All amounts (including adjusted cost base, distributions 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 units of a 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 units of the same Fund (which are considered to be “substituted property”) within 30 days before or after you dispose of your units. 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 units which are substituted property.

Tax Information

Arrow will provide your transaction statements and the applicable annual tax information slips reporting your income, net realized capital gains and return of capital distributions 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 unitholders may be requested to provide information to the Funds, or their registered dealer, relating to their citizenship, tax residency and, if applicable, a U.S. federal tax identification number (“TIN”). If a unitholder is identified as a U.S. person (including a U.S. citizen who is resident in Canada) or if the unitholder does not provide the requested information and the information on file includes indicia of U.S. person status, the IGA and Part XVIII of the Tax Act will generally require certain information about the unitholder’s investment in the Fund to be reported to the Canada Revenue Agency (the “CRA”), unless the investment is held in a registered plan. The CRA will then provide the information to the U.S. Internal Revenue Service on an annual basis.

Pursuant to Part XIX of the Tax Act implementing the Organization for Economic Cooperation and Development Common Reporting Standard in Canada, the Funds are required to have procedures in place to identify accounts held by unitholders (other than registered plans) that are tax residents of foreign countries (other than the U.S.) and to report annually certain information pertaining to these accounts to the CRA. The CRA will then exchange that information with other participating jurisdictions under the provisions and safeguards of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty. The due diligence and reporting requirement under FATCA operate alongside the CRS regime.

FUND GOVERNANCE

Arrow has responsibility for governance of the Funds. 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 Funds, 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 Funds. 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 and chair of the Audit Committee of Pivot Technology Solutions Inc. (CVE:PTG) and an independent director of Marret Resource Corp (TSE:MAR). 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, LL.M. Mr. Naglie is a member of 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 Funds, 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 Funds 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 unitholders of the Funds. 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 unitholders or shareholders of the Funds. For the year ended December 31, 2019, 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, 2019. 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 Funds 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 – Custodial Arrangements

Each Fund currently has one custodian as disclosed under the heading “*Organization and Management of the Arrow Alternative Mutual Funds - Custodian*” in the simplified prospectus. Pursuant to the Custodian Relief, the Manager may appoint additional custodians for one or more of the Funds provided that the custodians are one of the Fund’s prime brokers. The terms of any custodial agreement entered into with an additional custodian will comply with the requirements of NI 81-102 and will be filed as a material contract of the applicable Fund(s) following its execution.

In connection with the Custodian Relief obtained by the Funds, the Manager will implement the following operational systems and processes in the event that an additional custodian is appointed for a Fund:

- (a) the Manager will ensure that a single entity reconciles all the portfolio assets of the Fund and provides the Fund with valuation and securityholder recordkeeping services and will complete daily reconciliations amongst the custodians before calculating a daily NAV;
- (b) the Manager will maintain such operational systems and processes, as between two or more custodians and the single entity referred to in clause (a), in order to keep a proper reconciliation of all the portfolio assets that will move amongst the custodians, as appropriate; and
- (c) each additional custodian appointed by the Manager will act as custodian and securities lending agent only for the portion of portfolio assets of the Fund transferred to it.

Policies and Procedures – Expense Allocation

Specifically, the Manager has a policy on the allocation of costs and expenses that the Funds’ 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 Funds; (ii) reasonable costs and expenses that are reasonably incurred in the operation of the Funds; (iii) expenses that are closely linked to the specific operation of the Funds; 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 Funds 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. An analysis of derivative instruments is performed regularly to ensure the mark-to-market value with any-one counterparty does not exceed, for a period of 30 days, 10% of the net asset value of a Fund. The Manager monitors

trading activities in conjunction with the portfolio advisor and sub-advisor 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-advisor of the Funds are responsible for establishing trading limits and other controls on derivative trading. The risk exposure of a 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 Funds may short sell as permitted by securities regulations. A description of short selling, how the Funds intend to engage in short selling, and the risks associated with short selling can be found in the Funds' 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 at least a semi-annual basis by both senior management and the Manager's investment committee. Compliance monitoring of the short-selling policy and its associated procedures is the responsibility of the operations group at the Manager which is separate and distinct from the investment management team. Any issues or concerns are first raised to the investment committee and, if deemed necessary, to the Chief Executive Officer and to the Chief Investment Officer. 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 Funds may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions. For details about how these funds engage in these transactions, see "*How the funds engage in securities lending transactions*" under "*Specific information about each of the mutual funds described in this document*" in Part A of the simplified prospectus. A Fund may enter into these transactions only as permitted under securities law.

A 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 a Fund under a securities lending transaction or sold by a 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 Funds 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 Funds. Any conflict of interest must be resolved in a way that most benefits unitholders. 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 Funds follow 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 Funds for the most recent 12-month period ended June 30 of each year will be available free of charge to any unitholder of a Fund upon request at any time after August 31 of that year. The proxy voting record for the Funds will also be available on the Funds’ website at www.arrow-capital.com.

Reporting to Unitholders

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

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

MATERIAL CONTRACTS

The following are details about the material contracts affecting the Funds.

- (a) The Declaration of Trust provides to Arrow, in its capacity as trustee, all the powers of the trustee with respect to management, supervision and administration of the Funds. Pursuant to such authority, the Funds have entered into an amended and restated management agreement dated as of July 5, 2018 (the “**Management Agreement**”) whereby Arrow has been appointed the manager and portfolio advisor of the Funds with authority to manage the day-to-day operations of the Funds. Arrow may delegate aspects of its duties thereunder.
- (b) The Management Agreement is a master management agreement that we have entered into with each Fund outlining how we are responsible for managing the investment portfolio of the funds. The Management Agreement continues in effect until termination of each of the Funds unless: (a) Arrow resigns or is deemed to resign due to the fact (i) a Fund has not cured within 30 days a breach of the Management Agreement; or (ii) Arrow becomes bankrupt or insolvent, ceases to be resident in Canada for the purposes of the Tax Act or

no longer holds the necessary licenses or registrations to carry out its obligations; or (b) Arrow is removed in accordance with the provisions of the Management Agreement;

- (c) The portfolio sub-advisor referred to under the heading “*Responsibility for Operation of the Funds – Portfolio Advisors and Sub-Advisor*” is responsible for managing the investment portfolio of the Fund as specified in the section, pursuant to the investment advisory agreement referred to therein; and.
- (d) CIBC Mellon Trust Company is the custodian of the assets of the Funds pursuant to the Custodial Agreement referred to under the heading “*Custodian*”.

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

**CERTIFICATE OF THE FUNDS
AND OF ARROW CAPITAL MANAGEMENT INC. AS MANAGER, TRUSTEE 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 units 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: July 3, 2020

“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 Trustee, Manager and Promoter of the Funds

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

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

EXEMPLAR MUTUAL FUNDS

**EXEMPLAR GROWTH AND INCOME FUND
EXEMPLAR INVESTMENT GRADE FUND
EXEMPLAR PERFORMANCE FUND**

**ARROW CAPITAL MANAGEMENT INC.,
Manager and Trustee of Exemplar Mutual Funds**

36 Toronto Street Suite 750
Toronto, Ontario
M5C 2C5
Tel: (416) 323-0477
Fax: (416) 323-3199

Additional information about the Funds is available in the Funds' 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 Funds, such as information circulars and material contracts, are also available on the Funds' website www.arrow-capital.com or on SEDAR at www.sedar.com.