

EXEMPLAR GROWTH AND INCOME FUND

SEMI-ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2017

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

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

Forward-Looking Information

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

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

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

Management Discussion on Fund Performance

Investment Objective and Strategies

The investment objective of the Fund is to achieve long term growth and preservation of capital. The Fund may invest up to all of its assets in a diversified mix of other mutual funds (in order to gain indirect exposure to securities that the Fund would otherwise directly invest in), and may also invest in common shares, preferred shares, treasury bills, short-term notes, debentures, and bonds. The Fund invests primarily in Canadian securities.

To achieve the investment objective, the Manager utilizes the following allocation guidelines: 30-90% equity securities, 10-50% fixed income securities and 0-50% money market instruments. Fixed income securities may include investment grade, non-investment grade and distressed fixed income securities, issued by Canadian or non-Canadian corporations, trusts and international agencies and governments. The Fund is also permitted to invest in convertible bonds and debentures, loans, preferred shares, exchange traded funds and equities. The Fund may also hold cash. To achieve these target ranges, the Fund may invest in either individual securities or the Manager may invest up to 100% of the assets of the Fund in underlying funds.

The Fund may invest in foreign securities to an extent that will vary from time to time but is not typically expected to exceed 40% of its assets at the time that foreign securities are purchased, however, as the Fund intends to invest certain of its assets in securities of other investment funds that may themselves invest in foreign securities, the actual exposure of the Fund to investments in foreign securities may exceed this amount. The Fund may enter into securities lending, repurchase and reverse repurchase transactions to generate additional income or as a short-term cash management tool.

Investment Risk

The risk rating of the Fund changed from Medium to Low-to-Medium. Please see the "Recent Developments" section below for more information.

This Fund is suitable for investors who are able to accept a low-to-medium degree of risk and are prepared to invest for medium to long periods of time.

Results of Operations

For the six month period ended June 30, 2017, Series F units of the Fund posted a gain of 2.8% (gain of 3.7% in 2016) while its benchmark (80% S&P/TSX, 20% FTSE/TMX Canada Universe Bond Index) gained 1.1% over the same period (gain of 8.7% in 2016). Please refer to the "Past Performance" section for performance information of the other series. The performance of the other series of the Fund differs from Series F units due largely to a varying level of expenses charged to each series, as explained in the Management Fees section.

Equities

In contrast to last year, Canadian equities underperformed most other major stock markets in the first six months of 2017. After many failed attempts, synchronized global growth improved investor sentiment and buoyed equity performance. In fact, the MSCI All Country World Index had its best first half in nearly 20 years. The Canadian economy was certainly not to blame for this underperformance, as it mustered the strongest first quarter GDP growth among G7 countries, accompanied by solid corporate profit rebound. Unfortunately the two heaviest S&P/TSX Index components failed to cooperate. After last year's oil price recovery, rising U.S. shale production and stubbornly high inventories began to weigh yet again on oil market fundamentals, depressing the performance of the Energy sector. The unfortunate developments at Home Capital cast a shadow over the entire mortgage industry, resulting in a wide spread sell off in the Financial sector despite recently reported strong bank earnings. The Fund benefitted from being significantly underweighted in both of these underperforming sectors. Having a 30% exposure to the much better performing U.S. market also enhanced the Fund's returns. Unfortunately the rapid appreciation of the Canadian currency in the last few weeks of the period meant giving back a portion of the outperformance.

Recent economic strength has finally allowed central bankers around the world to contemplate tightening fiscal policy. Traditionally this would translate into a massive rotation by investors into late stage economically sensitive sectors. The

current cycle has been anything but traditional, requiring unprecedented amount of stimulus just to keep it alive, and has so far been devoid of inflationary pressures. Our view would be that initial tightening measures would represent merely an attempt to normalize overly depressed interest rates and bring better balance to financial conditions. Canada serves as a good example. On July 12, Governor Poloz delivered the first rate increase in almost 7 years. Despite a robust economic backdrop, the rate hike was not in response to rising inflation expectations. It merely begun the process of reversing the two interest rate cuts required in 2015 to offset the negative effects of plummeting oil prices on the Canadian economy.

Because of the lack of inflationary pressures, we fully expect central bank tightening to be executed at a measured pace in order to avoid derailing the economic recovery. The unorthodox nature of the current cycle is making sector selection unusually challenging. It is not clear at this stage whether investors will differentiate between interest rate normalization, as opposed to tightening necessitated by overheating economic conditions. One possible outcome could be a volatile macro-driven trading phase with sector rotation between late stage cyclical stocks driven by rising interest rates, and growth stocks driven by rising earnings. The most appropriate strategy might be to select stocks from both the cyclical and growth sectors, while avoiding defensive and rate sensitive stocks. We have also begun reducing the number of positions held in the portfolio to facilitate a more active trading style.

Even though the current cycle is already among history's longest, its demise might be several years away. The extended duration of the extremely low interest rates has caused mispricing of the global bond market. Despite widespread worries about the elevated equity valuations we are of the opinion that the bond market bubble is more likely to burst first. In a scenario of rising interest rates, capital will flow out of the overpriced bond market looking for an alternative. This flow of funds could extend the duration of current equity cycle.

Fixed Income

Investment Grade (IG) spreads in Canada narrowed 17bps and have remained resilient in the face of slowing equity markets and rising interest rates. Most of the narrowing occurred in the first month of the year and spreads have traded in a narrow range since mid-February. Because of this we have been able to earn strong returns early and have seen below average volatility in the Fund's performance. High Yield spreads continued to tighten which came as a surprise as we feel spreads on these bonds don't offer compensation for the risks but investors continued to bid on the high yielding asset class.

Interest rates were the big story in the first half of 2017. In Canada we saw the BoC change their tone on the appropriateness of interest rate hikes and 2-year rates moved up 36bps from the beginning of the year. 10-year rates in Canada were only up 4bps in the first six months ending the first half of the year at 1.76%. However, as recent as June 26th they were trading at 1.46%, with a dramatic 30bps move in the last few days of the month. The U.S. saw almost an exact same flattening of their yield curve with 2-year yields rising only 19bps while their 10-year yields fell 14bps. Although credit spreads are generally uncorrelated with movements in interest rates, a move higher in rates has been positive for investment grade credit spreads.

Oil has fallen 20% YTD which has had a drag on specific names. We have not had exposure to energy producers so we have not felt the impact of lower oil prices on our names. One of our best performing sectors however was Enbridge and TransCanada pipelines, which have long-term contracted revenue streams and are top-notch operators.

Over the last year we have outperformed long-only benchmarks due to security selection as well as our strategy of hedging underlying interest rates. Credit spreads are tighter than they were last year but still offer opportunities for active managers and we are excited about our performance in the first half of 2017 as well as our prospects for the rest of the year.

Summary

Overall, we are quite pleased with the performance of the Fund since it was launched in March 2015. We are confident in how the Fund is presently invested and with the tools we have at our disposal to make tactical shifts quickly based upon changing market conditions. We will strive to continue to outperform our benchmark with solid security selection and nimble tactical asset allocation which we believe will be a significant advantage versus most balanced funds. With disciplined risk management, a more hedged approach to fixed income markets and active foreign currency management, the Fund is a great addition to any diversified portfolio.

Recent Developments

Effective February 28 2017, after receiving unitholder and regulatory approval, Exemplar U.S. High Yield Fund (the “Terminating Fund”) merged into Exemplar Growth and Income Fund (the “Continuing Fund”). Unitholders of the Terminating Fund received units of the Continuing Fund in exchange for their units of the Terminating Fund on a tax-deferred basis.

On June 29, 2017, the risk rating of the Fund changed from Medium to Low-to-Medium. This change is based on the new methodology mandated by the Canadian Securities Administration to determine risk level of mutual funds. Arrow reviews the risk rating for the Fund at a minimum on an annual basis, as well as when there is a material change to the Fund. These changes are the result of an annual review and are not a result of any changes to the investment objective, strategies or management of the Fund.

Related Party Transactions

The Manager invests in units of the Fund. As of June 30, 2017, the number of units owned by the Manager is summarized as follows:

Fund	Number of units	Amount (\$)	% of net assets attributable to holders of redeemable units
Exemplar Growth and Income Fund – A	3,798	39,383	0.2
Exemplar Growth and Income Fund – AN	12,410	130,929	0.7
Exemplar Growth and Income Fund – FN	332,496	3,571,011	18.5

The Fund invests in units of Exemplar Tactical Corporate Bond Fund and East Coast Investment Grade Income Fund. The number of units owned by the Fund as of June 30, 2017 is summarized as follows:

Fund	Number of units	Amount (\$)	% of net assets attributable to holders of redeemable units
Exemplar Tactical Corporate Bond Fund – Series I	292,150	2,981,381	15.4
East Coast Investment Grade Income Fund	25,449	252,709	1.3

Management Fees

Arrow receives a monthly management fee (the “Management Fee”), subject to HST (and any other applicable sales taxes), calculated as a percentage of the Fund’s net asset value as of the close of business on each business day. The Management Fee rate applicable to Series A units and Series AN units is equal to 2.0% per annum. The Management Fee rate applicable to Series F units and Series FN units is equal to 1.0% per annum. The Management Fee rate applicable to Series L units and Series LN units is equal to 2.30% per annum. The Fund is also authorized to issue Series I units, for which the Management Fee is negotiable between Arrow and the dealer.

For the period ended June 30, 2017, Management Fees charged to the Fund equaled \$121,487 (\$71,811 in 2016). The Management Fee is paid in consideration of investment management and administration services. No breakdown of such services was specified in the management agreement. A portion of the Management Fee paid by the Fund is for trailer fees paid to dealers whose clients hold units of the Fund. The trailer fees are a percentage of the net asset value of the Fund, calculated and payable monthly. The table below outlines the Fund’s annual Management Fees and trailer fees.

ANNUAL RATE (%)	Series A, AN	Series F, FN	Series L, LN	Series I
Management Fees (Annual Rate)	2.0%	1.0%	2.3%	Negotiable
Trailer Fees (as a % of Management Fees)	32.8%	-	0.4%	-

The Manager incurs operating expenses on behalf of the Fund and charges these expenses to the Fund. For the period ended June 30, 2017, the Manager has, in its discretion, agreed to absorb \$62,690 (\$64,810 in 2016) of operating expenses associated with the Fund.

Financial Highlights

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

SERIES A - NET ASSETS PER UNIT			
For the period ended June 30, 2017 and for the years ended December 31,			
	2017	2016	2015[†]
Net Assets, beginning of period¹	\$ 10.43	\$ 10.05	\$ 10.00
Increase (decrease) from operations:			
Total revenue	0.15	0.15	(0.16)
Total expenses	(0.17)	(0.34)	0.61
Realized gains (loss)	0.43	0.75	(0.95)
Unrealized gains (loss)	(0.29)	0.39	0.28
Total increase (decrease) from operations¹:	\$ 0.12	\$ 0.95	\$ (0.22)
Distributions²:			
From income (excluding dividends)	(0.15)	-	-
From capital gain	-	(0.57)	(0.19)
Return of capital	(0.14)	-	(0.04)
Total distributions	\$ (0.29)	\$ (0.57)	\$ (0.23)
Net Assets, end of period¹	\$ 10.37	\$ 10.43	\$ 10.05

SERIES A - RATIOS AND SUPPLEMENTAL DATA⁷			
For the period ended June 30, 2017 and for the years ended December 31,			
	2017	2016	2015[†]
Net Asset Value ("NAV") (000s) ¹	\$7,467	\$3,850	\$3,822
Number of units outstanding	720,074	369,276	380,417
Management expense ratio ³	2.56%*	2.88%	3.08%*
Management expense ratio before waivers or absorptions ⁴	3.34%*	4.05%	7.92%*
Portfolio turnover rate ⁵	460.94%	1,048.66%	741.03%
Trading expense ratio ⁶	0.66%*	0.92%	0.73%*
Net asset value per unit	\$10.37	\$10.43	\$10.05

SERIES AN - NET ASSETS PER UNIT			
For the period ended June 30, 2017 and for the years ended December 31,			
	2017	2016	2015[†]
Net Assets, beginning of period¹	\$ 10.45	\$ 10.11	\$ 10.00
Increase (decrease) from operations:			
Total revenue	0.17	0.14	0.03
Total expenses	(0.17)	(0.35)	(0.08)
Realized gains (loss)	0.48	0.87	0.12
Unrealized gains (loss)	(0.22)	0.43	(0.04)
Total increase (decrease) from operations¹:	\$ 0.26	\$ 1.09	\$ 0.03
Distributions²:			
From income (excluding dividends)	-	-	-
From capital gain	-	(0.61)	(0.04)
Return of capital	(0.14)	-	-
Total distributions	\$ (0.14)	\$ (0.61)	\$ (0.04)
Net Assets, end of period¹	\$ 10.55	\$ 10.45	\$ 10.11

SERIES AN - RATIOS AND SUPPLEMENTAL DATA⁷

For the period ended June 30, 2017 and for the years ended December 31,

	2017	2016	2015 [†]
Net Asset Value ("NAV") (000s) ¹	\$1,410	\$1,757	\$389
Number of units outstanding	133,590	168,085	38,453
Management expense ratio ³	2.59%*	2.96%	3.12%*
Management expense ratio before waivers or absorptions ⁴	3.37%*	4.13%	8.02%*
Portfolio turnover rate ⁵	460.94%	1,048.66%	741.03%
Trading expense ratio ⁶	0.66%*	0.92%	0.73%*
Net asset value per unit	\$10.55	\$10.45	\$10.11

SERIES F - NET ASSETS PER UNIT

For the period ended June 30, 2017 and for the years ended December 31,

	2017	2016	2015 [†]
Net Assets, beginning of period¹	\$ 10.32	\$ 9.96	\$ 10.00
Increase (decrease) from operations:			
Total revenue	0.16	0.17	0.22
Total expenses	(0.12)	(0.24)	(0.83)
Realized gains (loss)	0.42	0.75	1.28
Unrealized gains (loss)	(0.28)	0.41	(0.38)
Total increase (decrease) from operations¹:	\$ 0.18	\$ 1.09	\$ 0.29
Distributions²:			
From income (excluding dividends)	(0.15)	-	-
From capital gain	-	(0.68)	(0.36)
Return of capital	(0.17)	-	(0.04)
Total distributions	\$ (0.32)	\$ (0.68)	\$ (0.40)
Net Assets, end of period¹	\$ 10.29	\$ 10.32	\$ 9.96

SERIES F - RATIOS AND SUPPLEMENTAL DATA⁷

For the period ended June 30, 2017 and for the years ended December 31,

	2017	2016	2015 [†]
Net Asset Value ("NAV") (000s) ¹	\$1,746	\$919	\$1,180
Number of units outstanding	169,705	88,998	118,491
Management expense ratio ³	1.51%*	1.92%	1.97%*
Management expense ratio before waivers or absorptions ⁴	2.29%*	3.09%	5.23%*
Portfolio turnover rate ⁵	460.94%	1,048.66%	741.03%
Trading expense ratio ⁶	0.66%*	0.92%	0.73%*
Net asset value per unit	\$10.29	\$10.32	\$9.96

SERIES FN - NET ASSETS PER UNIT

For the period ended June 30, 2017 and for the years ended December 31,

	2017	2016	2015 [†]
Net Assets, beginning of period¹	\$ 10.61	\$ 10.25	\$ 10.00
Increase (decrease) from operations:			
Total revenue	0.18	0.16	0.08
Total expenses	(0.12)	(0.26)	(0.28)
Realized gains (loss)	0.45	0.81	0.43
Unrealized gains (loss)	(0.28)	0.39	(0.13)
Total increase (decrease) from operations¹:	\$ 0.23	\$ 1.10	\$ 0.10
Distributions²:			
From income (excluding dividends)	-	-	-
From capital gain	-	(0.73)	(0.08)
Return of capital	(0.17)	-	-
Total distributions	\$ (0.17)	\$ (0.73)	\$ (0.08)
Net Assets, end of period¹	\$ 10.74	\$ 10.61	\$ 10.25

SERIES FN - RATIOS AND SUPPLEMENTAL DATA⁷

For the period ended June 30, 2017 and for the years ended December 31,

	2017	2016	2015 [†]
Net Asset Value ("NAV") (000s) ¹	\$7,166	\$5,196	\$3,225
Number of units outstanding	667,199	489,600	314,537
Management expense ratio ³	1.53%*	1.92%	1.99%*
Management expense ratio before waivers or absorptions ⁴	2.31%*	3.09%	5.29%*
Portfolio turnover rate ⁵	460.94%	1,048.66%	741.03%
Trading expense ratio ⁶	0.66%*	0.92%	0.73%*
Net asset value per unit	\$10.74	\$10.61	\$10.25

SERIES I - NET ASSETS PER UNIT

For the period ended June 30, 2017 and for the years ended December 31,

	2017	2016	2015 [†]
Net Assets, beginning of period¹	\$ 10.26	\$ 9.90	\$ 10.00
Increase (decrease) from operations:			
Total revenue	0.18	0.15	(0.03)
Total expenses	(0.06)	(0.12)	0.08
Realized gains (loss)	0.44	0.75	(0.12)
Unrealized gains (loss)	(0.22)	0.38	0.04
Total increase (decrease) from operations¹:	\$ 0.34	\$ 1.16	\$ (0.03)
Distributions²:			
From income (excluding dividends)	(0.15)	-	-
From capital gain	-	(0.79)	(0.04)
Return of capital	(0.21)	-	(0.04)
Total distributions	\$ (0.36)	\$ (0.79)	\$ (0.08)
Net Assets, end of period¹	\$ 10.24	\$ 10.26	\$ 9.90

SERIES I - RATIOS AND SUPPLEMENTAL DATA⁷

For the period ended June 30, 2017 and for the years ended December 31,

	2017	2016	2015 [†]
Net Asset Value ("NAV") (000s) ¹	\$954	\$927	\$836
Number of units outstanding	93,136	90,330	84,458
Management expense ratio ³	0.51%*	0.80%	0.86%*
Management expense ratio before waivers or absorptions ⁴	1.28%*	1.97%	2.54%*
Portfolio turnover rate ⁵	460.94%	1,048.66%	741.03%
Trading expense ratio ⁶	0.66%*	0.92%	0.73%*
Net asset value per unit	\$10.24	\$10.26	\$9.90

SERIES L - NET ASSETS PER UNIT

For the period ended June 30, 2017 and for the years ended December 31,

	2017	2016	2015 [†]
Net Assets, beginning of period¹	\$ 10.21	\$ 9.82	\$ 10.00
Increase (decrease) from operations:			
Total revenue	0.17	0.16	-
Total expenses	(0.18)	(0.36)	(0.02)
Realized gains (loss)	0.40	0.80	0.03
Unrealized gains (loss)	(0.22)	0.42	(0.01)
Total increase (decrease) from operations¹:	\$ 0.17	\$ 1.02	\$ 0.00
Distributions²:			
From income (excluding dividends)	(0.15)	-	-
From capital gain	-	(0.54)	(0.19)
Return of capital	(0.11)	-	(0.04)
Total distributions	\$ (0.26)	\$ (0.54)	\$ (0.23)
Net Assets, end of period¹	\$ 10.16	\$ 10.21	\$ 9.82

SERIES L - RATIOS AND SUPPLEMENTAL DATA⁷

For the period ended June 30, 2017 and for the years ended December 31,

	2017	2016	2015 [†]
Net Asset Value ("NAV") (000s) ¹	\$368	\$266	\$85
Number of units outstanding	36,238	26,060	8,642
Management expense ratio ³	2.82%*	3.18%	3.46%*
Management expense ratio before waivers or absorptions ⁴	3.60%*	4.35%	8.84%*
Portfolio turnover rate ⁵	460.94%	1,048.66%	741.03%
Trading expense ratio ⁶	0.66%*	0.92%	0.73%*
Net asset value per unit	\$10.16	\$10.21	\$9.82

SERIES LN - NET ASSETS PER UNIT

For the period ended June 30, 2017 and for the years ended December 31,

	2017	2016	2015 [†]
Net Assets, beginning of period¹	\$ 10.45	\$ 10.11	\$ 10.00
Increase (decrease) from operations:			
Total revenue	0.17	0.16	0.06
Total expenses	(0.19)	(0.40)	(0.22)
Realized gains (loss)	0.46	0.87	0.34
Unrealized gains (loss)	(0.32)	0.41	(0.10)
Total increase (decrease) from operations¹:	\$ 0.12	\$ 1.04	\$ 0.08
Distributions²:			
From income (excluding dividends)	-	-	-
From capital gain	-	(0.57)	(0.04)
Return of capital	(0.11)	-	-
Total distributions	\$ (0.11)	\$ (0.57)	\$ (0.04)
Net Assets, end of period¹	\$ 10.57	\$ 10.45	\$ 10.11

SERIES LN - RATIOS AND SUPPLEMENTAL DATA⁷

For the period ended June 30, 2017 and for the years ended December 31,

	2017	2016	2015 [†]
Net Asset Value ("NAV") (000s) ¹	\$216	\$113	\$51
Number of units outstanding	20,455	10,852	5,062
Management expense ratio ³	2.82%*	3.37%	3.57%*
Management expense ratio before waivers or absorptions ⁴	3.60%*	4.55%	9.12%*
Portfolio turnover rate ⁵	460.94%	1,048.66%	741.03%
Trading expense ratio ⁶	0.66%*	0.92%	0.73%*
Net asset value per unit	\$10.57	\$10.45	\$10.11

†The Fund was launched on March 16, 2015. Series A and F units began operations on March 24, 2015. Series AN units began operations on April 8, 2015. Series FN units began operations on April 2, 2015. Series L units began operations on April 13, 2015. Series LN units began operations on May 14, 2015. Series I units began operations on November 30, 2015.

*Ratios have been annualized.

1. The net assets per unit shown are referenced to net assets attributable to holders of redeemable units determined in accordance with International Financial Reporting Standards ("IFRS") and are derived from the Fund's financial statements. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.
2. Distributions, if any, were reinvested in additional units of the Fund at the discretion of the underlying unitholders.
3. Management expense ratio is based on total expenses (excluding certain taxes, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

4. The Manager has absorbed certain expenses or waived certain fees otherwise payable by the Fund. The amount of expenses absorbed or waived is determined annually at the discretion of the Manager and the Manager can terminate the absorption or waiver at any time.
5. The Fund's portfolio turnover rate can indicate how actively the investment advisor manages the portfolio of investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of its securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.
6. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
7. Ratios and supplemental data, where applicable, are computed using the net asset value of the Fund.

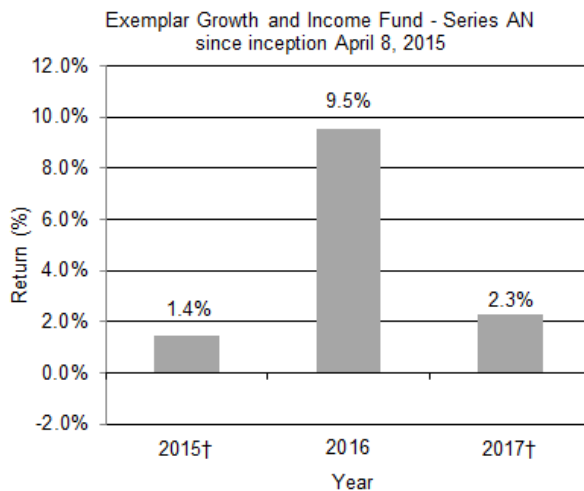
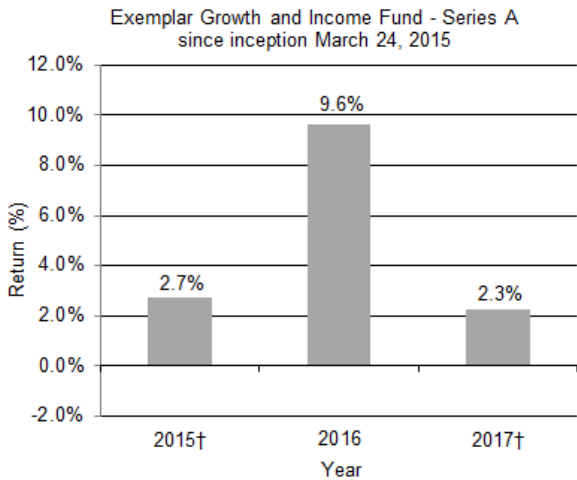
Past Performance

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

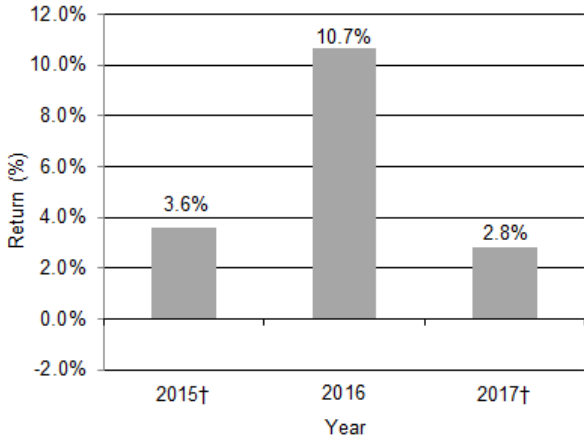
The indicated rates of return are historical annual compounded total returns including changes in unit value and do not take into account sale, redemption, distribution or other optional charges, that, if applicable, would have reduced returns or performance. An investment in the Fund is not guaranteed.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

Year-By-Year Returns

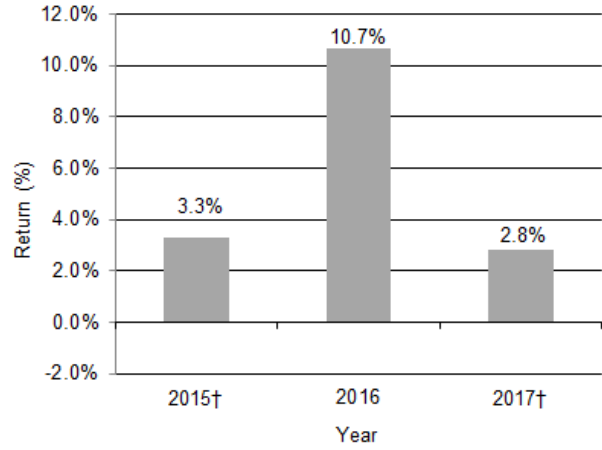
The bar chart below illustrates the Fund's performance for the years shown. It shows, in percentage terms, how much an investment made on the first day of each financial year (or since inception) would have grown or decreased.



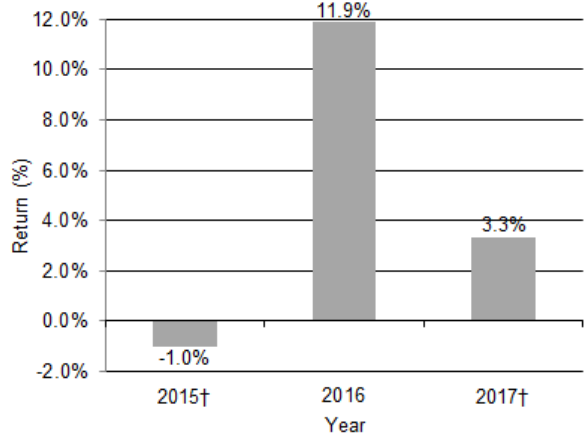
Exemplar Growth and Income Fund - Series F
since inception March 24, 2015



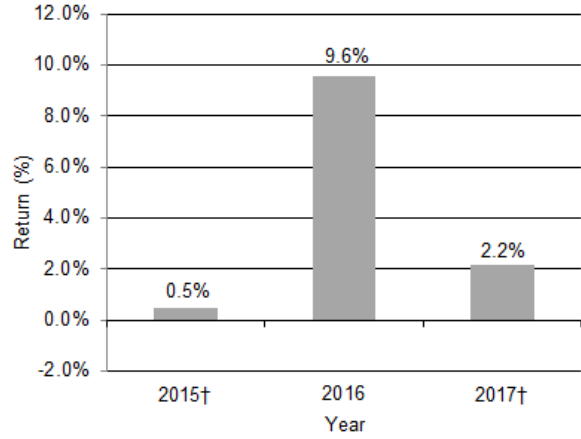
Exemplar Growth and Income Fund - Series FN
since inception April 2, 2015



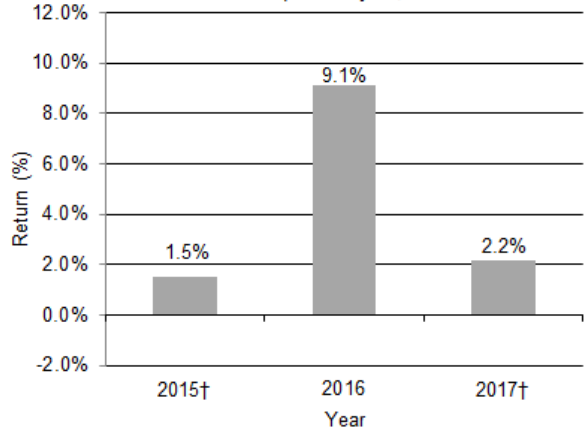
Exemplar Growth and Income Fund - Series I
since inception November 30, 2015



Exemplar Growth and Income Fund - Series L
since inception April 13, 2015

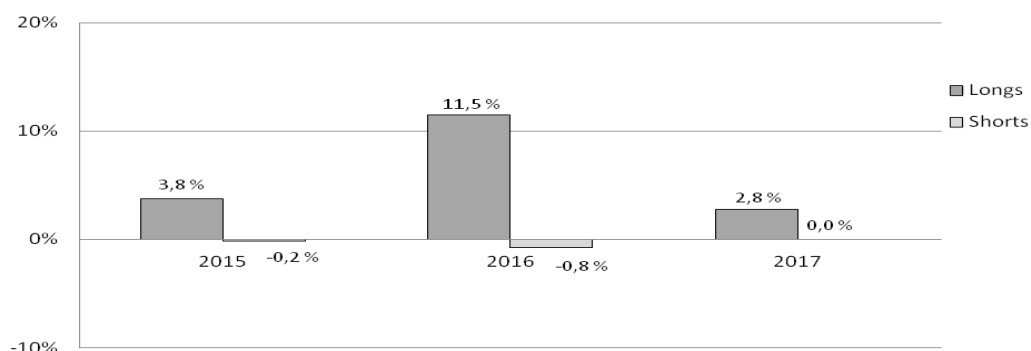


Exemplar Growth and Income Fund - Series LN
since inception May 14, 2015



†Returns shown represent a partial year.

The chart below illustrates the Fund's returns for Series F for the period ended June 30, 2017 and for the years ended December 31 for the Fund units by long and short holdings:



Annual Compound Returns (Compound Performance)

The following table shows the annual compound total returns of the Fund and for its blended benchmark (80% S&P/TSX, 20% FTSE TMX Canada Universe Bond Index, rebalanced monthly) for the periods shown ended June 30, 2017. The Relative Performance returns show the performance of the Fund as compared to the benchmark.

	1 Year	Annualized Since Inception
Series A	8.2%	6.4%
Series AN	8.2%	5.9%
Series F	9.3%	7.5%
Series FN	9.3%	7.5%
Series I	10.5%	8.9%
Series L	7.9%	5.4%
Series LN	7.8%	5.9%
Blended benchmark	8.8%	3.5%

Summary of Investment Portfolio as at June 30, 2017

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

Industry Sector	Exposure (%)		Top 25 Holdings	%
	Long	Short		
Consumer Discretionary	6.0	-	Exemplar Tactical Corporate Bond Fund Series I	15.4
Consumer Staples	6.4	-	Cash and Cash Equivalents	9.4
Corporate Bonds	2.0	-	Health Care Select Sector SPDR	2.8
Energy	9.6	-	American Hotel Income Properties REIT LP	2.0
Financials	8.4	-	Sun Life Financial Inc.	1.8
Funds	23.8	-	Spartan Energy Corp.	1.6
Health Care	1.7	-	Manulife Financial Corporation	1.4
Industrials	7.9	-	East Coast Investment Grade Income Fund	1.3
Information Technology	3.2	-	Northland Power Inc.	1.3
Materials	6.9	-	Hudson's Bay Company	1.3
Real Estate	5.6	-	iShares S&P/TSX Global Gold Index ETF	1.3
Telecommunication Services	0.6	-	Lithium Americas Corp.	1.2
Utilities	5.0	-	Pure Multi-Family REIT LP	1.2
Derivatives	1.3	-	Citigroup Inc.	1.1
Cash and Cash Equivalents	9.4	-	TransCanada Corporation	1.1
Other Net Assets	2.2	-	Shaw Communications Inc.	1.1
	100.0	-	Brookfield Asset Management Inc.	1.1
			American Hotel Income Properties REIT LP	1.0
			Albemarle Corporation	1.0
			Diversified Royalty Corp.	1.0
			Invesco Ltd.	0.9
			Boyd Group Income Fund	0.9
			Loblaw Companies Limited	0.9
			CCL Industries Inc.	0.8
			iShares 20+ Year Treasury Bond	0.8
			Total	53.7
			Total Net Asset Value (in \$ millions)	19.3