

### EXEMPLAR GROWTH AND INCOME FUND

#### SEMI-ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2019

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](http://www.arrow-capital.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

Securityholders 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 49% 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 risks of investing in the Fund remain as stated in the Fund's simplified prospectus dated July 5, 2019. There were no material changes to the Fund over the year that affected the overall level of risk.

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

### **Results of Operations**

For the period ended June 30, 2019, Series F units of the Fund posted a gain of 3.9% (gain of 1.7% in the period ended June 30, 2018) while its benchmark (80% S&P/TSX, 20% FTSE/TMX Canada Universe Bond Index) posted a gain of 14.3% over the same period (gain of 1.7% in the period ended June 30, 2018). 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.

The equity markets globally bottomed on boxing day and have not looked back in 2019, although there was a correction in May 2019 of 6-7%. Bonds also rallied in the first six months of the year. This year has been called the 'everything rally'. The Canadian dollar is even up 4.2% versus the U.S. dollar.

Typically, bottoms are more of a process than a 'V' shape bottom. It is possible the rally this year is part of a topping process which began February 2018 and September 2018. Time will tell. The Fund has been positioned quite defensively. Our bond holdings and gold exposure have helped performance while our underweight positioning in equities and our holding of U.S. dollars has caused us to lag dramatically. We are confident in our positioning and have held course as we expect markets to reverse in the back half of the year.

### **Recent Developments**

Our view going forward is short term cautious and long term more positive. The next 2 to 4 months the risk is U.S. GDP growth in the U.S. decelerates along with inflation decelerating. A similar scenario to the 4th quarter of 2018. That scenario should benefit bonds more than equities and strengthen the U.S. dollar. Towards year end, our forecast is for both GDP and inflation to re-accelerate. Our process helped preserve a positive return in 2018 and has hindered upside so far in 2019, however, we expect to see a better re-entry point in the next 2 to 4 months in the equity markets.

The portfolio is highly diversified. This is a reflection of our process that emphasizes capital preservation and risk management. We have over 200 securities and we typically look for securities with factors or characteristics that reflect our economic forecast. Currently, we are very focused on quality (larger capitalization, low leverage, consistent and high-quality earnings streams) and higher yield equities.

On the currency front, our U.S. dollar exposure has varied between the low 30's and high 40's, ending the quarter below 40%. The Canadian dollar has been strong in 2019 and has been a drag on performance. Our view is the CAD may experience some weakness going into the Fall before strengthening again. Forecasting the currency too far into the future is difficult given the desire by most countries to keep their currency weak.

### Fund Merger

Effective March 27, 2019, after receiving unitholder and regulatory approval, Exemplar Leaders 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.

	Net Assets acquired by Fund (Continuing Fund)	Units issued by Fund (Continuing Fund)	Conversion Ratios of Exemplar Leaders Fund (Terminating Fund)	
			Series A	Series F
Series AN	\$20,118,825	1,841,540	3.6515	
Series FN	\$8,305,558	742,277		3.6627

### Related Party Transactions

Arrow Capital Management Inc. is the Manager, Portfolio Advisor and Trustee of the Fund. The Manager, in consideration for management fees, provides management services required in the day-to-day operations of the Fund. The Fund also reimburses the Manager for any operating or administrative expenses the Manager pays on behalf of the Fund. For the period ended June 30, 2019, the Manager has, in its discretion, agreed to absorb \$77,364 (\$62,448 in 2018) of operating expenses associated with the Fund.

The Fund may invest in other funds also managed by the Manager. These investments will either be made into a series that does not pay management fees or the Manager may pay a rebate to the Fund or other fund to offset fees paid by the other fund to the Manager.

### Management Fees

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

ANNUAL RATE (%)	Series A, AN	Series F, FN, ETF	Series L, LN	Series I
Management Fees (Annual Rate)	1.8%	0.8%	2.1%	Negotiable
Trailer Fees* (as a % of Management Fees)	56.2%	-	10.3%	-

## 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.

<b>SERIES A - NET ASSETS PER UNIT</b>					
<b>For the period ended June 30, 2019 and for the years ended December 31,</b>					
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015<sup>†</sup></b>
<b>Net Assets, beginning of period<sup>1</sup></b>	<b>\$ 10.52</b>	<b>\$ 10.63</b>	<b>\$ 10.43</b>	<b>\$ 10.05</b>	<b>\$ 10.00</b>
Increase (decrease) from operations:					
Total revenue	0.13	0.27	0.29	0.15	(0.16)
Total expenses	(0.14)	(0.33)	(0.37)	(0.34)	0.61
Realized gains (loss)	(0.02)	0.46	1.37	0.75	(0.95)
Unrealized gains (loss)	0.39	(0.09)	0.12	0.39	0.28
<b>Total increase (decrease) from operations<sup>1</sup>:</b>	<b>\$ 0.36</b>	<b>\$ 0.31</b>	<b>\$ 1.41</b>	<b>\$ 0.95</b>	<b>\$ (0.22)</b>
<b>Distributions<sup>2</sup>:</b>					
From income (excluding dividends)	(0.16)	-	(0.06)	-	-
From capital gains	-	-	(1.00)	(0.57)	(0.19)
From return of capital	-	(0.32)	(0.14)	-	(0.04)
<b>Total distributions</b>	<b>\$ (0.16)</b>	<b>\$ (0.32)</b>	<b>\$ (1.20)</b>	<b>\$ (0.57)</b>	<b>\$ (0.23)</b>
<b>Net Assets, end of period<sup>1</sup></b>	<b>\$ 10.70</b>	<b>\$ 10.52</b>	<b>\$ 10.63</b>	<b>\$ 10.43</b>	<b>\$ 10.05</b>

<b>SERIES A - RATIOS AND SUPPLEMENTAL DATA<sup>7</sup></b>					
<b>For the period ended June 30, 2019 and for the years ended December 31,</b>					
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015<sup>†</sup></b>
Net Asset Value ("NAV") (000s) <sup>1</sup>	\$48,724	\$24,634	\$10,812	\$3,850	\$3,822
Number of units outstanding	4,551,910	2,341,565	1,017,162	369,276	380,417
Management expense ratio <sup>3 8</sup>	2.38%*	2.47%	2.48%	2.52%	2.34%*
Management expense ratio before waivers or absorptions <sup>4 8</sup>	2.52%*	2.87%	3.08%	3.69%	7.18%*
Portfolio turnover rate <sup>5</sup>	219.79%	1059.02%	1045.64%	1048.66%	741.03%
Trading expense ratio <sup>6 8</sup>	0.34%*	0.69%	0.98%	1.27%	1.47%*
Net asset value per unit	\$10.70	\$10.52	\$10.63	\$10.43	\$10.05

**SERIES AN - NET ASSETS PER UNIT**

For the period ended June 30, 2019 and for the years ended December 31,

	2019	2018	2017	2016	2015 <sup>†</sup>
<b>Net Assets, beginning of period<sup>1</sup></b>	<b>\$ 10.66</b>	<b>\$ 10.64</b>	<b>\$ 10.45</b>	<b>\$ 10.11</b>	<b>\$ 10.00</b>
Increase (decrease) from operations:					
Total revenue	0.12	0.28	0.29	0.14	0.03
Total expenses	(0.14)	(0.34)	(0.37)	(0.35)	(0.08)
Realized gains (loss)	0.01	0.45	1.29	0.87	0.12
Unrealized gains (loss)	0.26	(0.06)	0.14	0.43	(0.04)
<b>Total increase (decrease) from operations<sup>1</sup>:</b>	<b>\$ 0.25</b>	<b>\$ 0.33</b>	<b>\$ 1.35</b>	<b>\$ 1.09</b>	<b>\$ 0.03</b>
<b>Distributions<sup>2</sup>:</b>					
From income (excluding dividends)	-	-	(0.07)	-	-
From capital gains	-	(0.20)	(1.03)	(0.61)	(0.04)
From return of capital	-	-	(0.14)	-	-
<b>Total distributions</b>	<b>\$ -</b>	<b>\$ (0.20)</b>	<b>\$ (1.24)</b>	<b>\$ (0.61)</b>	<b>\$ (0.04)</b>
<b>Net Assets, end of period<sup>1</sup></b>	<b>\$ 11.01</b>	<b>\$ 10.66</b>	<b>\$ 10.64</b>	<b>\$ 10.45</b>	<b>\$ 10.11</b>

**SERIES AN - RATIOS AND SUPPLEMENTAL DATA<sup>7</sup>**

For the period ended June 30, 2019 and for the years ended December 31,

	2019	2018	2017	2016	2015 <sup>†</sup>
Net Asset Value ("NAV") (000s) <sup>1</sup>	\$33,024	\$5,651	\$1,470	\$1,757	\$389
Number of units outstanding	3,000,732	530,335	138,077	168,085	38,453
Management expense ratio <sup>3 8</sup>	2.39%*	2.47%	2.54%	2.60%	2.38%*
Management expense ratio before waivers or absorptions <sup>4 8</sup>	2.53%*	2.87%	3.14%	3.77%	7.28%*
Portfolio turnover rate <sup>5</sup>	219.79%	1059.02%	1045.64%	1048.66%	741.03%
Trading expense ratio <sup>6 8</sup>	0.34%*	0.69%	0.98%	1.27%	1.47%*
Net asset value per unit	\$11.01	\$10.66	\$10.64	\$10.45	\$10.11

**SERIES F - NET ASSETS PER UNIT**

For the period ended June 30, 2019 and for the years ended December 31,

	2019	2018	2017	2016	2015 <sup>†</sup>
<b>Net Assets, beginning of period<sup>1</sup></b>	<b>\$ 10.50</b>	<b>\$ 10.50</b>	<b>\$ 10.32</b>	<b>\$ 9.96</b>	<b>\$ 10.00</b>
Increase (decrease) from operations:					
Total revenue	0.13	0.27	0.29	0.17	0.22
Total expenses	(0.08)	(0.21)	(0.25)	(0.24)	(0.83)
Realized gains (loss)	(0.02)	0.50	1.33	0.75	1.28
Unrealized gains (loss)	0.39	0.04	0.11	0.41	(0.38)
<b>Total increase (decrease) from operations<sup>1</sup>:</b>	<b>\$ 0.42</b>	<b>\$ 0.60</b>	<b>\$ 1.48</b>	<b>\$ 1.09</b>	<b>\$ 0.29</b>
<b>Distributions<sup>2</sup>:</b>					
From income (excluding dividends)	(0.16)	-	(0.08)	-	-
From capital gains	-	(0.32)	(1.08)	(0.68)	(0.36)
From return of capital	-	-	(0.17)	-	(0.04)
<b>Total distributions</b>	<b>\$ (0.16)</b>	<b>\$ (0.32)</b>	<b>\$ (1.33)</b>	<b>\$ (0.68)</b>	<b>\$ (0.40)</b>
<b>Net Assets, end of period<sup>1</sup></b>	<b>\$ 10.74</b>	<b>\$ 10.50</b>	<b>\$ 10.50</b>	<b>\$ 10.32</b>	<b>\$ 9.96</b>

**SERIES F - RATIOS AND SUPPLEMENTAL DATA<sup>7</sup>**

For the period ended June 30, 2019 and for the years ended December 31,

	2019	2018	2017	2016	2015 <sup>†</sup>
Net Asset Value ("NAV") (000s) <sup>1</sup>	\$45,678	\$11,407	\$2,309	\$919	\$1,180
Number of units outstanding	4,252,885	1,086,602	219,985	88,998	118,491
Management expense ratio <sup>3 8</sup>	1.29%*	1.39%	1.44%	1.56%	1.23%*
Management expense ratio before waivers or absorptions <sup>4 8</sup>	1.43%*	1.79%	2.04%	2.73%	4.49%*
Portfolio turnover rate <sup>5</sup>	219.79%	1059.02%	1045.64%	1048.66%	741.03%
Trading expense ratio <sup>6 8</sup>	0.34%*	0.69%	0.98%	1.27%	1.47%*
Net asset value per unit	\$10.74	\$10.50	\$10.50	\$10.32	\$9.96

**SERIES FN - NET ASSETS PER UNIT**

For the period ended June 30, 2019 and for the years ended December 31,

	2019	2018	2017	2016	2015 <sup>†</sup>
<b>Net Assets, beginning of period<sup>1</sup></b>	<b>\$ 10.89</b>	<b>\$ 10.81</b>	<b>\$ 10.61</b>	<b>\$ 10.25</b>	<b>\$ 10.00</b>
Increase (decrease) from operations:					
Total revenue	0.13	0.28	0.30	0.16	0.08
Total expenses	(0.09)	(0.24)	(0.26)	(0.26)	(0.28)
Realized gains (loss)	0.00	0.43	1.36	0.81	0.43
Unrealized gains (loss)	0.34	(0.09)	0.19	0.39	(0.13)
<b>Total increase (decrease) from operations<sup>1</sup>:</b>	<b>\$ 0.38</b>	<b>\$ 0.38</b>	<b>\$ 1.59</b>	<b>\$ 1.10</b>	<b>\$ 0.10</b>
<b>Distributions<sup>2</sup>:</b>					
From income (excluding dividends)	-	-	(0.08)	-	-
From capital gains	-	(0.26)	(1.12)	(0.73)	(0.08)
From return of capital	-	-	(0.17)	-	-
<b>Total distributions</b>	<b>\$ -</b>	<b>\$ (0.26)</b>	<b>\$ (1.37)</b>	<b>\$ (0.73)</b>	<b>\$ (0.08)</b>
<b>Net Assets, end of period<sup>1</sup></b>	<b>\$ 11.30</b>	<b>\$ 10.89</b>	<b>\$ 10.81</b>	<b>\$ 10.61</b>	<b>\$ 10.25</b>

**SERIES FN - RATIOS AND SUPPLEMENTAL DATA<sup>7</sup>**

For the period ended June 30, 2019 and for the years ended December 31,

	2019	2018	2017	2016	2015 <sup>†</sup>
Net Asset Value ("NAV") (000s) <sup>1</sup>	\$30,894	\$11,357	\$8,581	\$5,196	\$3,225
Number of units outstanding	2,733,129	1,043,110	793,393	489,600	314,537
Management expense ratio <sup>3,8</sup>	1.30%*	1.44%	1.46%	1.56%	1.25%*
Management expense ratio before waivers or absorptions <sup>4,8</sup>	1.44%*	1.84%	2.06%	2.73%	4.55%*
Portfolio turnover rate <sup>5</sup>	219.79%	1059.02%	1045.64%	1048.66%	741.03%
Trading expense ratio <sup>6,8</sup>	0.34%*	0.69%	0.98%	1.27%	1.47%*
Net asset value per unit	\$11.30	\$10.89	\$10.81	\$10.61	\$10.25

**SERIES L - NET ASSETS PER UNIT**

For the period ended June 30, 2019 and for the years ended December 31,

	2019	2018	2017	2016	2015 <sup>†</sup>
<b>Net Assets, beginning of period<sup>1</sup></b>	<b>\$ 10.29</b>	<b>\$ 10.43</b>	<b>\$ 10.21</b>	<b>\$ 9.82</b>	<b>\$ 10.00</b>
Increase (decrease) from operations:					
Total revenue	0.13	0.27	0.28	0.16	-
Total expenses	(0.15)	(0.35)	(0.39)	(0.36)	(0.02)
Realized gains (loss)	(0.03)	0.48	1.32	0.80	0.03
Unrealized gains (loss)	0.39	(0.12)	0.24	0.42	(0.01)
<b>Total increase (decrease) from operations<sup>1</sup>:</b>	<b>\$ 0.34</b>	<b>\$ 0.28</b>	<b>\$ 1.45</b>	<b>\$ 1.02</b>	<b>\$ -</b>
<b>Distributions<sup>2</sup>:</b>					
From income (excluding dividends)	(0.16)	-	(0.06)	-	-
From capital gains	-	(0.32)	(0.95)	(0.54)	(0.19)
From return of capital	-	-	(0.11)	-	(0.04)
<b>Total distributions</b>	<b>\$ (0.16)</b>	<b>\$ (0.32)</b>	<b>\$ (1.12)</b>	<b>\$ (0.54)</b>	<b>\$ (0.23)</b>
<b>Net Assets, end of period<sup>1</sup></b>	<b>\$ 10.46</b>	<b>\$ 10.29</b>	<b>\$ 10.43</b>	<b>\$ 10.21</b>	<b>\$ 9.82</b>

**SERIES L - RATIOS AND SUPPLEMENTAL DATA<sup>7</sup>**

For the period ended June 30, 2019 and for the years ended December 31,

	2019	2018	2017	2016	2015 <sup>†</sup>
Net Asset Value ("NAV") (000s) <sup>1</sup>	\$2,736	\$1,167	\$465	\$266	\$85
Number of units outstanding	261,613	113,348	44,531	26,060	8,642
Management expense ratio <sup>3,8</sup>	2.64%*	2.76%	2.76%	2.82%	2.72%*
Management expense ratio before waivers or absorptions <sup>4,8</sup>	2.78%*	3.17%	3.36%	3.99%	8.10%*
Portfolio turnover rate <sup>5</sup>	219.79%	1059.02%	1045.64%	1048.66%	741.03%
Trading expense ratio <sup>6,8</sup>	0.34%*	0.69%	0.98%	1.27%	1.47%*
Net asset value per unit	\$10.46	\$10.29	\$10.43	\$10.21	\$9.82

**SERIES LN - NET ASSETS PER UNIT**

For the period ended June 30, 2019 and for the years ended December 31,

	2019	2018	2017	2016	2015 <sup>†</sup>
<b>Net Assets, beginning of period<sup>1</sup></b>	<b>\$ 10.70</b>	<b>\$ 10.70</b>	<b>\$ 10.45</b>	<b>\$ 10.11</b>	<b>\$ 10.00</b>
Increase (decrease) from operations:					
Total revenue	0.14	0.28	0.29	0.16	0.06
Total expenses	(0.16)	(0.37)	(0.40)	(0.40)	(0.22)
Realized gains (loss)	(0.02)	0.56	1.33	0.87	0.34
Unrealized gains (loss)	0.37	(0.12)	0.13	0.41	(0.10)
<b>Total increase (decrease) from operations<sup>1</sup>:</b>	<b>\$ 0.33</b>	<b>\$ 0.35</b>	<b>\$ 1.35</b>	<b>\$ 1.04</b>	<b>\$ 0.08</b>
<b>Distributions<sup>2</sup>:</b>					
From income (excluding dividends)	(0.60)	-	(0.06)	-	-
From capital gains	-	(0.18)	(0.99)	(0.57)	(0.04)
From return of capital	-	-	(0.11)	-	-
<b>Total distributions</b>	<b>\$ (0.60)</b>	<b>\$ (0.18)</b>	<b>\$ (1.16)</b>	<b>\$ (0.57)</b>	<b>\$ (0.04)</b>
<b>Net Assets, end of period<sup>1</sup></b>	<b>\$ 11.04</b>	<b>\$ 10.70</b>	<b>\$ 10.70</b>	<b>\$ 10.45</b>	<b>\$ 10.11</b>

**SERIES LN - RATIOS AND SUPPLEMENTAL DATA<sup>7</sup>**

For the period ended June 30, 2019 and for the years ended December 31,

	2019	2018	2017	2016	2015 <sup>†</sup>
Net Asset Value ("NAV") (000s) <sup>1</sup>	\$1,834	\$707	\$238	\$113	\$51
Number of units outstanding	166,100	66,088	22,287	10,852	5,062
Management expense ratio <sup>3,8</sup>	2.65%*	2.75%	2.77%	3.01%	2.83%*
Management expense ratio before waivers or absorptions <sup>4,8</sup>	2.79%*	3.16%	3.37%	4.19%	8.38%*
Portfolio turnover rate <sup>5</sup>	219.79%	1059.02%	1045.64%	1048.66%	741.03%
Trading expense ratio <sup>6,8</sup>	0.34%*	0.69%	0.98%	1.27%	1.47%*
Net asset value per unit	\$11.04	\$10.70	\$10.70	\$10.45	\$10.11

**SERIES ETF - NET ASSETS PER UNIT**

For the period ended June 30, 2019 and for the years ended December 31,

	2019	2018 <sup>†</sup>
<b>Net Assets, beginning of period<sup>1</sup></b>	<b>\$ 20.23</b>	<b>\$ 20.00</b>
Increase (decrease) from operations:		
Total revenue	0.23	0.26
Total expenses	(0.16)	(0.23)
Realized gains (loss)	(0.14)	0.64
Unrealized gains (loss)	0.79	(0.03)
<b>Total increase (decrease) from operations<sup>1</sup>:</b>	<b>\$ 0.72</b>	<b>\$ 0.64</b>
<b>Distributions<sup>2</sup>:</b>		
From income (excluding dividends)	(0.60)	-
From capital gains	-	(0.20)
From return of capital	-	-
<b>Total distributions</b>	<b>\$ (0.60)</b>	<b>\$ (0.20)</b>
<b>Net Assets, end of period<sup>1</sup></b>	<b>\$ 20.70</b>	<b>\$ 20.23</b>



**SERIES ETF - RATIOS AND SUPPLEMENTAL DATA<sup>7</sup>**

For the period ended June 30, 2019 and for the years ended December 31,

	2019	2018†
Net Asset Value ("NAV") (000s) <sup>1</sup>	\$11,905	\$2,529
Number of units outstanding	575,000	125,000
Management expense ratio <sup>3,8</sup>	1.32%*	1.43%*
Management expense ratio before waivers or absorptions <sup>4,8</sup>	1.46%*	2.32%*
Portfolio turnover rate <sup>5</sup>	219.79%	1059.02%
Trading expense ratio <sup>6,8</sup>	0.34%*	0.69%*
Net asset value per unit	\$20.70	\$20.23

†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 ETF began operations on July 20, 2018.

\*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.
8. The management expense ratio, management expense ratio before waivers or absorptions and trading expense ratio for the years ended 2016 and 2015 have been restated to reflect the reclassification of certain custodial transaction costs related to the purchase and sale of securities.

**Past Performance**

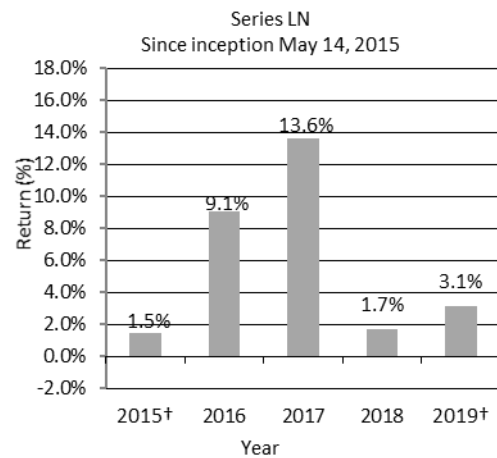
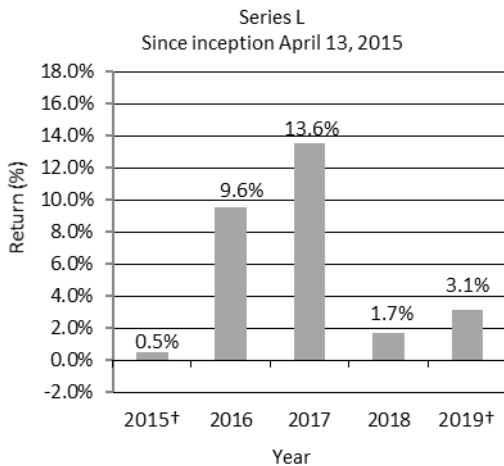
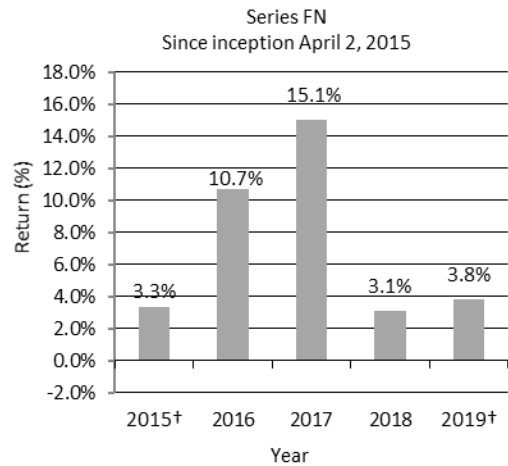
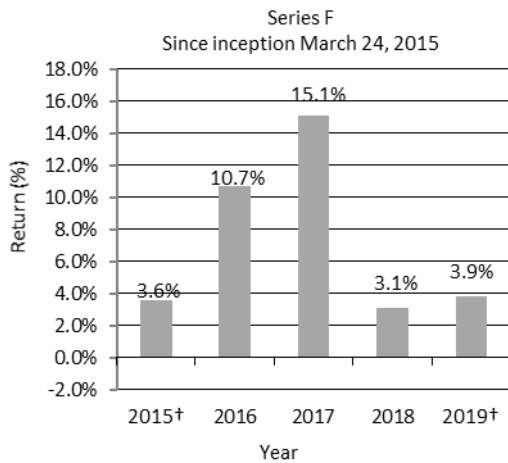
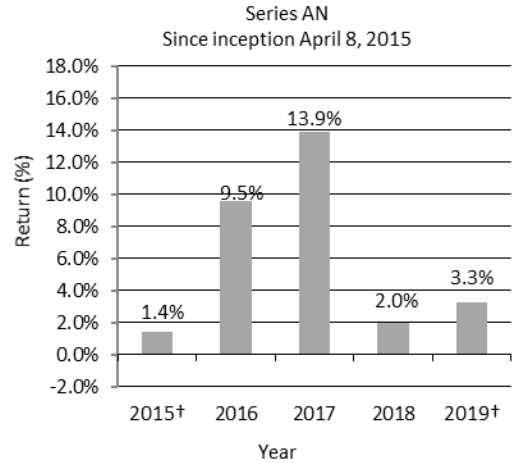
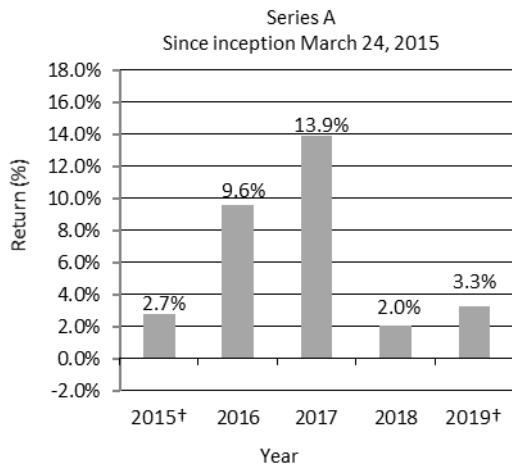
The performance information shown below assumes that all distributions, if any, made by the Fund in the year shown were reinvested in additional units of the Fund. If you hold the Fund outside a registered plan, you will be taxed on distributions. Distributions of income the Fund earns and capital gains 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.

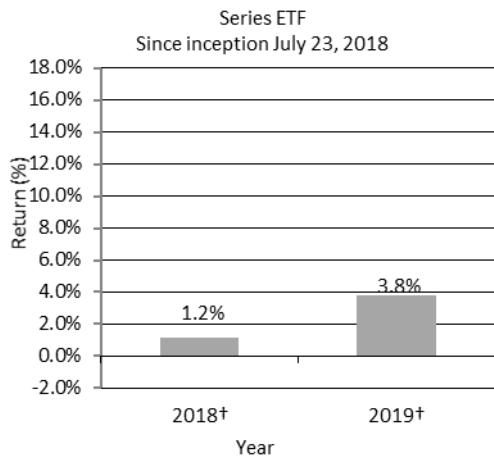
The indicated rates of return are historical annual compounded total returns including changes in unit value and do not take into account sale, redemption, distribution or other optional charges, that, if applicable, would have reduced returns or

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

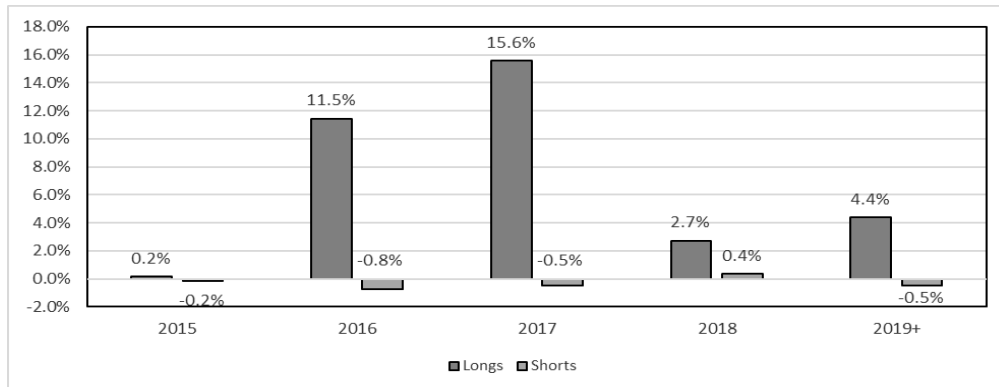
The bar chart below illustrates the Fund's performance for the years shown. It shows, in percentage terms, how much an investment made on the first day of each financial year (or since inception) would have grown or decreased.





†Returns shown represent a partial year.

The chart below illustrates the Fund's returns for Series F for the period ended June 30, 2019 and for the years ended December 31 for the Fund units by long and short holdings:



†Returns shown represent a partial year.

### 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 years shown ended June 30, 2019. The Relative Performance returns show the performance of the Fund as compared to the benchmark.

	1 Year	3 Years	Annualized Since Inception
Series A	4.1%	8.3%	7.3%
Series AN	4.1%	8.3%	7.3%
Series F	5.3%	9.4%	8.4%
Series FN	5.2%	9.4%	8.5%
Series L	3.8%	8.0%	7.1%
Series LN	3.8%	7.9%	6.6%
Series ETF	N/A	N/A	5.8%*
Blended Benchmark	4.7%	7.3%	4.6%

\*Series ETF units commenced operations on July 23, 2018, therefore the % shown is cumulative from July 23 to June 30, 2019.

## Summary of Investment Portfolio as at June 30, 2019

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

Industry Sector	Exposure (%)		Top 25 Holdings	%
	Long	Short		
Communication Services	1.4	-	Cash and Cash Equivalents	20.9%
Consumer Discretionary	2.3	-	United States Treasury Bond	9.9%
Consumer Staples	2.3	-	United States Treasury Bond	9.6%
Energy	5.2	-	iShares Barclays 3-7 Year Treasury Bond Fund	6.4%
Federal Bonds	19.3	-	iShares 7-10 Year Treasury Bond ETF	5.9%
Financials	2.5	-	SPDR Gold Shares	4.7%
Funds	29.3	(6.0)	iShares Russell 2000 ETF	-4.3%
Health Care	4.3	-	Exemplar Investment Grade Fund ETF	2.0%
Industrials	2.6	-	iShares CMBS ETF	1.5%
Information Technology	1.2	(1.2)	Proshares UltraShort S&P500	1.4%
Materials	3.6	-	iShares iBoxx \$ Investment Grade Corporate Bond ETF	1.3%
Real Estate	5.3	-	iShares J.P. Morgan USD Emerging Markets Bond ETF	1.3%
Utilities	5.4	-	iShares Barclays 1-3 Year Treasury Bond Fund	1.3%
Derivatives	0.8	-	Superior Plus Corp.	1.1%
Cash and Cash Equivalents	20.9	-	iShares Floating Rate Bond ETF	1.0%
Other Net Assets	0.8	-	Barrick Gold Corp.	1.0%
<b>Total</b>	<b>107.2</b>	<b>(7.2)</b>	ProShares UltraPro Short Russell2000	0.9%
			VanEck Vectors Semiconductor ETF	-0.9%
			Shopify Inc., Class 'A'	-0.9%
			Royal Dutch Shell PLC, Class 'A', ADR	0.9%
			Vanguard REIT ETF	0.9%
			Ultra S&P500 ProShares	-0.9%
			Canadian Natural Resources Ltd.	0.8%
			Allied Properties REIT	0.8%
			Pembina Pipeline Corp.	0.8%
			<b>Total (%)</b>	<b>67.5%</b>
			<b>Total Net Asset Value (in \$ millions)</b>	<b>174.8</b>