

EXEMPLAR PERFORMANCE 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 Performance 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 capital appreciation over both short and long term horizons primarily through the selection and management of shares of Canadian equity securities.

To achieve the investment objective the Fund invests predominantly in large and mid capitalization Canadian companies. Generally, no more than 20% of the Fund is invested outside of this investment focus. The Fund may also invest in bonds and other debt instruments if warranted by financial conditions. The Fund will not specialize in any one industry other than to concentrate investments in those industries that offer the best opportunities for exceptional returns at each stage of the economic and market cycle.

The Fund may follow a more concentrated investment approach and, from time to time, over weight certain geographic regions and industry sectors when deemed appropriate by Arrow. This may result in the Fund's portfolio weightings being substantially different from the weightings of the S&P/TSX Composite Total Return Index (or its successor index).

The Fund may hold cash or invest in short term securities for the purpose of preserving capital and/or maintaining liquidity, based upon the investment advisor's ongoing evaluation of current and anticipated economic and market conditions. The Fund may also invest in foreign securities of the same type and characteristics as described above.

The Fund may use derivatives such as options, forwards and futures for hedging and non-hedging purposes. Such derivatives may be used to hedge against losses from changes in the prices of the Fund's investments and from exposure to foreign currencies as well as market risk. Derivatives may also be used to obtain exposure to individual securities and markets instead of buying securities directly. If used for non-hedging purposes, the derivatives acquired will be consistent with the investment objectives of the Fund and securities law. Options acquired for non-hedging purposes will not constitute more than 10% of the net assets of the Fund. Generally, no more than 40% of the Fund's portfolio is expected to be invested outside of Canada.

The Fund may also engage in short selling as a result of relief obtained from the Canadian securities regulatory authorities. Generally speaking, short selling can provide the Fund with opportunities for gains when markets are volatile or declining. While short selling will be used by the Fund as a complement to its primary investment strategy (discussed above), Arrow will utilize the same fundamental analysis in determining whether securities of a particular issuer should be sold short. When the analysis produces a favourable outlook, the investment opportunity is considered for purchase. When the analysis produces an unfavourable outlook, the investment opportunity is considered for a short sale. The Fund will engage in short selling only within certain limits and conditions including: (i) the Fund will short sell only liquid securities that are traded on a stock exchange or certain government bonds, (ii) the Fund will limit its short sale exposure to any single issuer to 5% of the Fund's net assets and its aggregate short exposure to 20% of its net assets, (iii) the Fund will hold cash cover in an amount (including the Fund's assets deposited with lenders) up to 150% of the aggregate market value of all securities sold short, and (iv) the Fund will deposit collateral only with lenders which are regulated financial institutions or registered dealers in Canada.

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. There were no material changes to the Fund over the period that affected the overall level or risk.

This Fund is suitable for investors who seek the long term appreciation potential of Canadian companies and are comfortable with short selling. To invest in this Fund, investors should be able to accept a medium degree of risk.

Results of Operations

For the six month period ended June 30, 2017, Series F units of the Fund gained 4.9% (loss of 0.9% in 2016) while the Canadian benchmark, the S&P TSX Composite Total Return Index, posted a gain of 0.7% (gain of 9.8% in 2016) for the same period. Please refer to the Past Performance section for the performance of the other Series. The performance of the other Series offered by the Fund differs from Series F largely because of varying levels of expenses charged to each series, as explained in the Management Fee section.

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 amounts 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.

Recent Developments

There are no recent developments for the Fund.

Related Party Transactions

As of June 30, 2017, Arrow held 871 Series F units and 461 Series I units of the Fund with a market value of \$16,330. This represents 0.0% of the net assets of the Fund.

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 the Fund is 2.0% per annum for Series A and AD units, 2.3% per annum for Series L and LD units and 1.0% per annum for Series F and FD units. 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 \$288,516 (\$212,305 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	Series AD	Series L	Series LD	Series F	Series FD	Series I
Management Fees (Annual Rate)	2.0%	2.0%	2.3%	2.3%	1.0%	1.0%	Negotiable
Trailer Fees (as a % of Management Fees)	20.9%	0.5%	3.8%	0.1%	-	-	-

In addition, the Fund will pay the Manager a performance fee, accrued daily and paid annually, subject to HST (and any other applicable sales taxes), equal to 20% of the amount by which the Fund outperforms the S&P TSX Composite Total Return Index (the "Index"), even in circumstances where the overall performance of the Fund has declined. If the performance of a Series of the Fund in any year is less than the performance of the Index (the "Deficiency"), then no performance fee will be payable in any subsequent year until the performance of the applicable Series of the Fund, on a cumulative basis calculated from the first of such subsequent years has exceeded the amount of the Deficiency. For the period ended June 30, 2017, the total performance fee equaled \$21,591 (nil in 2016).

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 \$13,812 (\$18,618 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	2014 [†]
Net Assets, beginning of period¹	\$ 11.95	\$ 11.65	\$ 10.90	\$ 10.00
Increase (decrease) from operations:				
Total revenue	0.11	0.15	0.20	0.10
Total expenses	(0.19)	(0.35)	(0.40)	(0.34)
Realized gains (losses)	0.07	(0.08)	(0.14)	(0.04)
Unrealized gains (losses)	0.54	0.70	0.80	0.92
Total increase (decrease) from operations¹:	\$ 0.53	\$ 0.42	\$ 0.46	\$ 0.64
Distributions²:				
From income (excluding dividends)	-	-	-	-
From dividends	-	-	-	-
Return of capital	-	-	-	-
Total distributions	\$ -	\$ -	\$ -	\$ -
Net Assets, end of period¹	\$ 12.46	\$ 11.95	\$ 11.65	\$ 10.90

SERIES A - RATIOS AND SUPPLEMENTAL DATA⁷

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

	2017	2016	2015	2014 [†]
Net Asset Value ("NAV") (000s) ¹	\$11,723	\$12,340	\$7,664	\$2,357
Number of units outstanding	940,591	1,032,860	657,788	216,367
Management expense ratio ³	2.97%*	2.90%	3.85%	3.83%*
Management expense ratio before waivers or absorptions ⁴	3.04%*	2.98%	4.52%	6.03%*
Portfolio turnover rate ⁵	43.51%	85.50%	115.60%	185.57%
Trading expense ratio ⁶	0.09%*	0.08%	0.11%	0.08%*
Net asset value per unit	\$12.46	\$11.95	\$11.65	\$10.90

SERIES AD - 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	\$ 9.82	\$ 9.77	\$ 10.00
Increase (decrease) from operations:			
Total revenue	0.09	0.12	(0.05)
Total expenses	(0.15)	(0.28)	0.10
Realized gains (losses)	0.05	(0.08)	0.04
Unrealized gains (losses)	0.43	0.46	(0.20)
Total increase (decrease) from operations¹:	\$ 0.42	\$ 0.22	\$ (0.11)
Distributions²:			
From income (excluding dividends)	(0.10)	-	-
From dividends	-	-	-
Return of capital	-	(0.20)	(0.15)
Total distributions	\$ (0.10)	\$ (0.20)	\$ (0.15)
Net Assets, end of period¹	\$ 10.15	\$ 9.82	\$ 9.77

SERIES AD - 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	\$276	\$255	\$225
Number of units outstanding	27,178	25,946	23,041
Management expense ratio ³	2.78%*	2.76%	2.92%*
Management expense ratio before waivers or absorptions ⁴	2.85%*	2.85%	3.43%*
Portfolio turnover rate ⁵	43.51%	85.50%	115.60%
Trading expense ratio ⁶	0.09%*	0.08%	0.11%*
Net asset value per unit	\$10.15	\$9.82	\$9.77

SERIES F - NET ASSETS PER UNIT

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

	2017	2016	2015	2014 [†]
Net Assets, beginning of period¹	\$ 12.21	\$ 11.78	\$ 10.93	\$ 10.00
Increase (decrease) from operations:				
Total revenue	0.11	0.16	0.28	0.09
Total expenses	(0.13)	(0.23)	(0.54)	(0.31)
Realized gains (losses)	(0.07)	(0.07)	(0.19)	(0.04)
Unrealized gains (losses)	0.51	0.67	1.08	0.84
Total increase (decrease) from operations¹:	\$ 0.56	\$ 0.53	\$ 0.63	\$ 0.58
Distributions²:				
From income (excluding dividends)	-	-	-	-
From dividends	-	-	-	-
Return of capital	-	-	-	-
Total distributions	\$ -	\$ -	\$ -	\$ -
Net Assets, end of period¹	\$ 12.80	\$ 12.21	\$ 11.78	\$ 10.93

SERIES F - RATIOS AND SUPPLEMENTAL DATA⁷

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

	2017	2016	2015	2014 [†]
Net Asset Value ("NAV") (000s) ¹	\$21,995	\$19,431	\$10,828	\$4,960
Number of units outstanding	1,718,474	1,591,950	919,575	453,629
Management expense ratio ³	1.93%*	1.81%	3.22%	3.58%*
Management expense ratio before waivers or absorptions ⁴	2.00%*	1.90%	3.78%	5.58%*
Portfolio turnover rate ⁵	43.51%	85.50%	115.60%	185.57%
Trading expense ratio ⁶	0.09%*	0.08%	0.11%	0.08%*
Net asset value per unit	\$12.80	\$12.21	\$11.78	\$10.93

SERIES FD - 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	\$ 10.18	\$ 10.01	\$ 10.00
Increase (decrease) from operations:			
Total revenue	0.09	0.12	(0.04)
Total expenses	(0.09)	(0.19)	0.08
Realized gains (losses)	(0.05)	(0.06)	0.03
Unrealized gains (losses)	0.42	0.50	(0.16)
Total increase (decrease) from operations¹:	\$ 0.47	\$ 0.37	\$ (0.09)
Distributions²:			
From income (excluding dividends)	(0.10)	-	-
From dividends	-	-	-
Return of capital	-	(0.20)	(0.15)
Total distributions	\$ (0.10)	\$ (0.20)	\$ (0.15)
Net Assets, end of period¹	\$ 10.58	\$ 10.18	\$ 10.01

SERIES FD - 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	\$478	\$401	\$336
Number of units outstanding	45,210	39,436	33,506
Management expense ratio ³	1.66%*	1.80%	1.94%*
Management expense ratio before waivers or absorptions ⁴	1.73%*	1.89%	2.28%*
Portfolio turnover rate ⁵	43.51%	85.50%	115.60%
Trading expense ratio ⁶	0.09%*	0.08%	0.11%*
Net asset value per unit	\$10.58	\$10.18	\$10.01

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	\$ 10.79	\$ 10.28	\$ 10.00
Increase (decrease) from operations:			
Total revenue	0.06	0.12	0.02
Total expenses	(0.04)	(0.07)	(0.04)
Realized gains (losses)	0.09	(0.09)	(0.01)
Unrealized gains (losses)	0.29	0.25	0.07
Total increase (decrease) from operations¹:	\$ 0.39	\$ 0.21	\$ 0.04
Distributions²:			
From income (excluding dividends)	-	-	-
From dividends	-	-	-
Return of capital	-	-	-
Total distributions	\$ -	\$ -	\$ -
Net Assets, end of period¹	\$ 11.24	\$ 10.79	\$ 10.28

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	\$5	\$2,459	\$4,875
Number of units outstanding	461	227,887	474,210
Management expense ratio ³	0.57%*	0.57%	0.91%*
Management expense ratio before waivers or absorptions ⁴	0.64%*	0.66%	1.09%*
Portfolio turnover rate ⁵	43.51%	85.50%	115.60%
Trading expense ratio ⁶	0.09%*	0.08%	0.11%*
Net asset value per unit	\$11.24	\$10.79	\$10.28

SERIES L - NET ASSETS PER UNIT

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

	2017	2016	2015	2014 [†]
Net Assets, beginning of period¹	10.99	\$ 10.76	\$ 10.14	\$ 10.00
Increase (decrease) from operations:				
Total revenue	0.10	0.13	(0.02)	0.03
Total expenses	(0.19)	(0.36)	0.03	(0.10)
Realized gains (losses)	0.06	(0.07)	0.01	(0.01)
Unrealized gains (losses)	0.49	0.66	(0.05)	0.27
Total increase (decrease) from operations¹:	0.46	\$ 0.36	\$ (0.03)	\$ 0.19
Distributions²:				
From income (excluding dividends)	-	-	-	-
From dividends	-	-	-	-
Return of capital	-	-	-	-
Total distributions	-	\$ -	\$ -	\$ -
Net Assets, end of period¹	11.45	\$ 10.99	\$ 10.76	\$ 10.14

SERIES L - RATIOS AND SUPPLEMENTAL DATA⁷

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

	2017	2016	2015	2014 [†]
Net Asset Value ("NAV")(000s) ¹	\$5,177	\$5,051	\$2,935	\$204
Number of units outstanding	452,125	459,491	272,741	20,124
Management expense ratio ³	3.29%*	3.27%	3.65%	5.57%*
Management expense ratio before waivers or absorptions ⁴	3.36%*	3.36%	4.28%	6.71%*
Portfolio turnover rate ⁵	43.51%	85.50%	115.60%	185.57%
Trading expense ratio ⁶	0.09%*	0.08%	0.11%	0.08%*
Net asset value per unit	\$11.45	\$10.99	\$10.76	\$10.14

SERIES LD - 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	10.00	\$ 9.97	\$ 10.00
Increase (decrease) from operations:			
Total revenue	0.09	0.12	(0.07)
Total expenses	(0.22)	(0.31)	0.14
Realized gains (losses)	0.05	(0.07)	0.05
Unrealized gains (losses)	0.38	0.45	(0.28)
Total increase (decrease) from operations¹:	0.31	\$ 0.19	\$ (0.16)
Distributions²:			
From income (excluding dividends)	(0.10)	-	-
From dividends	-	-	-
Return of capital	-	(0.20)	(0.15)
Total distributions	(0.10)	\$ (0.20)	\$ (0.15)
Net Assets, end of period¹	10.28	\$ 10.00	\$ 9.97

SERIES LD - 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	\$333	\$92	\$100
Number of units outstanding	32,358	9,179	10,010
Management expense ratio ³	4.26%*	3.08%	3.32%*
Management expense ratio before waivers or absorptions ⁴	4.33%*	3.17%	3.90%*
Portfolio turnover rate ⁵	43.51%	85.50%	115.60%
Trading expense ratio ⁶	0.09%*	0.08%	0.11%*
Net asset value per unit	\$10.28	\$10.00	\$9.97

[†]The Fund was launched on March 6, 2014. Series A and F units began operations on March 24, 2014. Series L units began operations on July 8, 2014. Series AD units began operations on May 28, 2015. Series FD units began operations on April 29, 2015. Series LD units began operations on May 14, 2015. Series I units began operations on March 25, 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 year. This table is not intended to be a reconciliation of beginning to ending net assets per unit.
2. Distributions, if applicable, were reinvested in additional units of the Fund at the discretion of the 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. The management expense ratio is calculated in accordance with Part 15 of NI 81-106 and therefore includes performance fees.
4. The Manager may absorb certain expenses or waive certain fees otherwise payable by the Fund. The amount of expenses absorbed or waived (if applicable) is determined annually at the discretion of the Manager and the Manager can terminate the absorption or waiver at any time.
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.

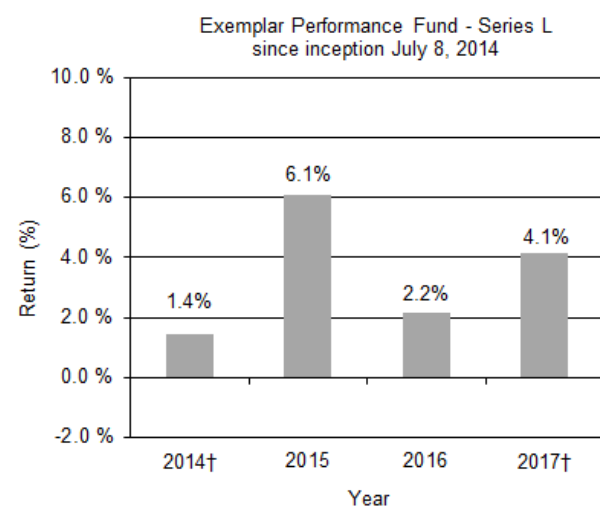
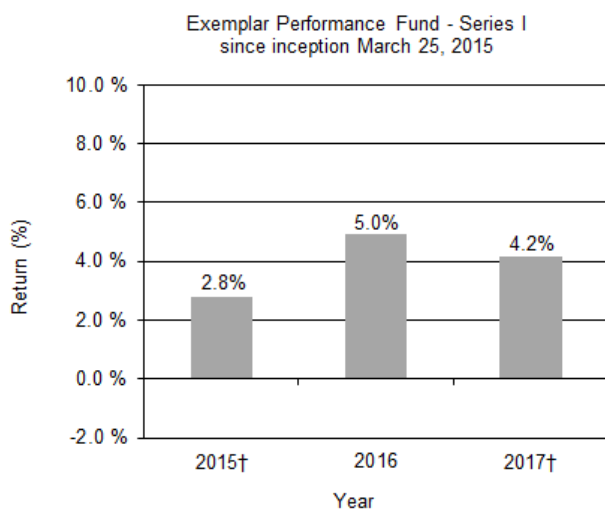
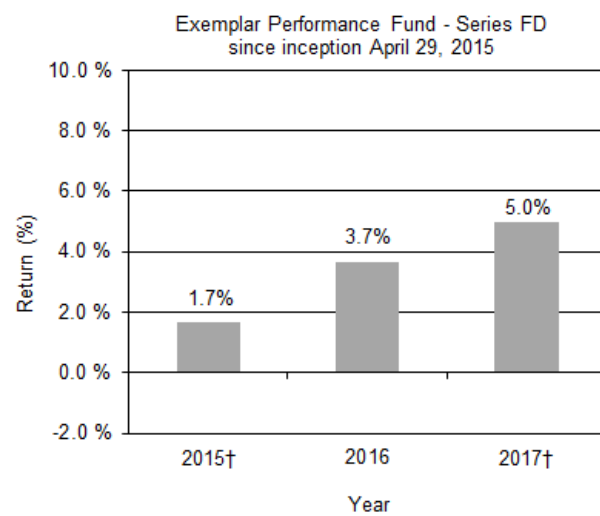
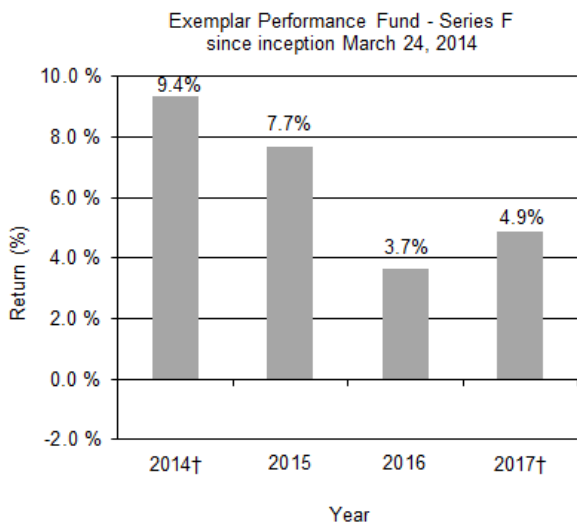
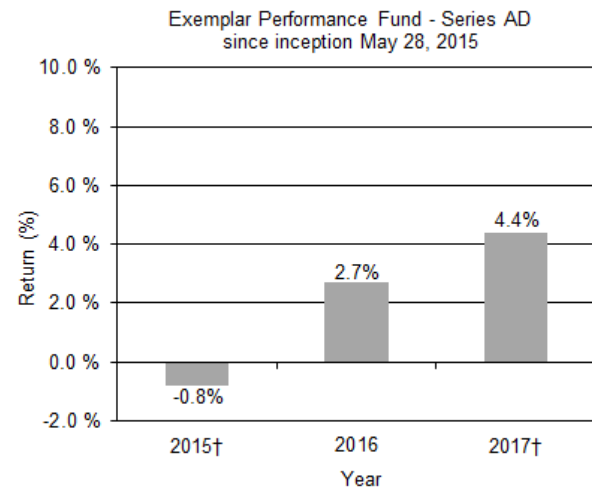
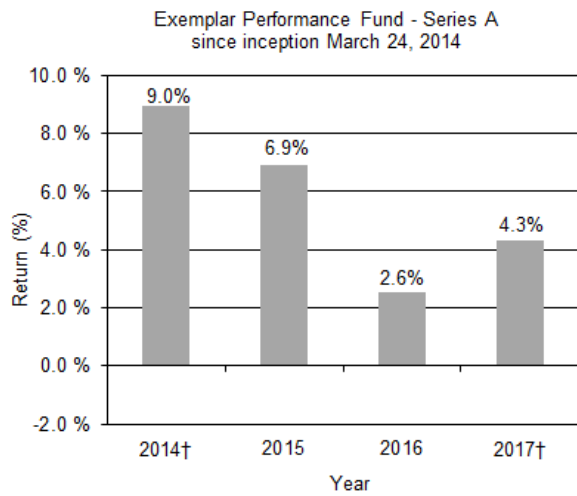
Past Performance

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.

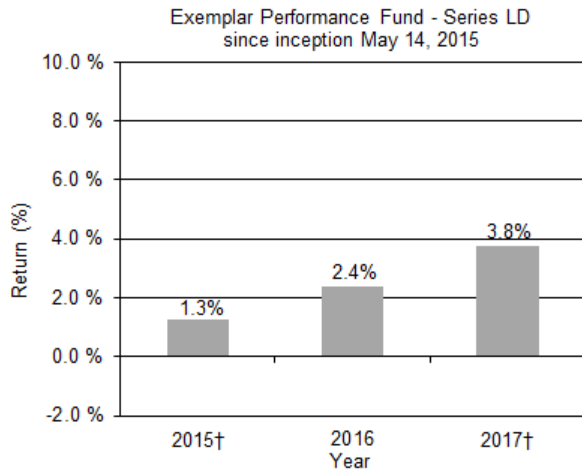
The indicated rates of return are historical annual compounded total returns including changes in unit value and do not take into account sale, redemption, distribution or other optional charges, that, if applicable, would have reduced returns or performance. An investment in the Fund is not guaranteed.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

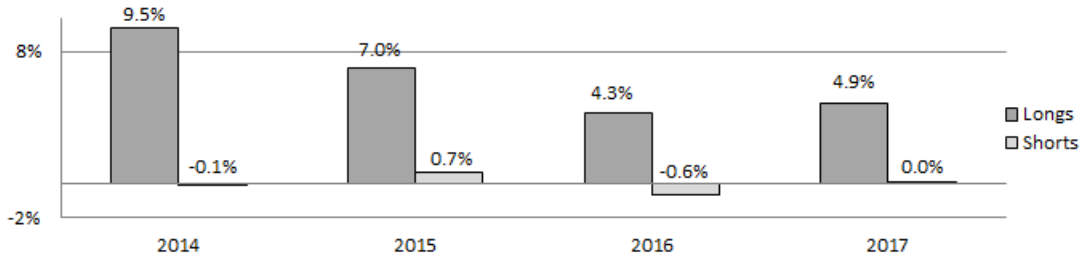
The bar chart below illustrates the Fund's performance for the periods shown and indicates, in percentage terms, how much an investment made on the first day of each financial year (or since inception) would have grown or decreased.



†Returns shown represent a partial year.



The chart below illustrates the Fund's returns for Series F for the period ended June 30, 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 total returns of the Fund and for the S&P/TSX Composite Total Return Index (a price weighted index of 300 of the largest, most widely-held stocks traded on the Toronto Stock Exchange) 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	3 Years	Annualized Since Inception
Series A	8.5%	5.3%	7.0%
Series AD	8.7%	n/a	2.9%
Series F	9.7%	6.1%	7.8%
Series FD	9.8%	n/a	4.8%
Series I	9.6%	n/a	5.3%
Series L	8.2%	n/a	4.6%
Series LD	7.9%	n/a	3.5%
S&P/TSX Composite Total Return Index	11.1%	3.1%	4.8%

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	10.6	(0.6)	Cash and Cash Equivalents	16.0
Consumer Staples	5.4	-	CCL Industries Inc., Class B	4.7
Corporate Bonds	-	-	Boyd Group Income Fund	3.5
Energy	8.1	(0.1)	Royal Bank of Canada	2.9
Financials	8.9	-	TransCanada Corporation	2.8
Funds	4.7	-	StorageVault Canada Inc.	2.6
Health Care	2.0	-	Alimentation Couche-Tard Inc., Class B	1.7
Industrials	12.5	-	Brookfield Infrastructure Partners L.P.	1.7
Information Technology	7.2	-	Amazon.com, Inc.	1.6
Materials	10.8	-	New Flyer Industries Inc.	1.5
Real Estate	4.0	-	Spin Master Corp., Subordinated Voting	1.3
Telecommunication Services	0.9	-	Onex Corporation, Subordinated Voting	1.3
Utilities	4.0	-	Sleep Country Canada Holdings Inc.	1.3
Cash and Cash Equivalents	16.0	-	Ag Growth International Inc.	1.2
Other Net Assets	5.6	-	Pure Multi-Family REIT LP, Class A	1.2
	100.7	(0.7)	Northland Power Inc.	1.2
			Raytheon Company	1.2
			AltaGas Ltd., Subscription Receipt	1.1
			Richelieu Hardware Ltd.	1.1
			DHX Media Ltd.	1.0
			Kinaxis Inc.	1.0
			Diversified Royalty Corp.	1.0
			Agnico Eagle Mines Limited	0.9
			Canadian Tire Corporation, Limited, Class A	0.9
			Armstrong Flooring, Inc.	0.9
			Total	55.6
			Total Net Asset Value (in \$ millions)	40.0