

**REPORT TO SECURITYHOLDERS
FOR THE 12-MONTH PERIOD ENDING DECEMBER 31, 2019**

We are pleased to publish the Independent Review Committee’s (“IRC”) Annual Report to Securityholders for the year ended December 31, 2019, of mutual funds managed by Arrow Capital Management Inc. (“Arrow”), listed in Appendix A.

The role of the IRC is to review and to provide its approval or recommendation in respect of conflicts of interest that arise between Arrow’s own interests and Arrow’s duty to manage the Funds in the best interests of the Funds. Arrow is responsible for referring to the IRC any matters in which a reasonable person could view Arrow as having an interest that may conflict with its ability to act in the best interests of the Funds.

The IRC reviews each matter referred to it by Arrow and provides an approval or a recommendation to ensure that the proposed course of action will achieve a fair and reasonable result for the Funds. The IRC has adopted a written charter that includes its mandate, responsibilities and functions, and the policies and procedures it will follow when performing its functions.

During the year, the IRC met on a regular basis, had regular discussions with management, and received appropriate representations regarding conflict matters from the CFO and CCO of Arrow.

The IRC

The IRC Members:

	Current Employment	First appointed
Ross MacKinnon (Chair)	Retired	May 11, 2012
John Anderson	Retired	October 22, 2013
Harvey Naglie	Retired	May 11, 2018

Ross MacKinnon was reappointed for a 1-year period as Chair, effective May 11, 2019. Ross MacKinnon also serves on the IRC of Stone Management Limited. Additionally, John Anderson serves on the IRC of Marquest Asset Management.

Holding of Securities

As of December 31, 2019, the members of the IRC collectively, directly or indirectly, beneficially owned less than 10% of the securities of any of the Funds. As of December 31, 2019, no member of the IRC beneficially owned, directly or indirectly, any securities of Arrow or a company that provides services to the Funds.

IRC APPROVALS AND RECOMMENDATIONS

There were three COIMs referred to the IRC by the Manager in 2019.

1. Merger of Exemplar Tactical Corporate Bond Fund into Exemplar Investment Grade Fund.

2. Merger of Exemplar Leaders Fund into Exemplar Growth and Income Fund.
3. Use of the Capital Gains Refund Mechanism.

The IRC has received Standing Instructions from Arrow. The IRC is not aware of any instance in which the Manager acted in a conflict of interest with matters referred to the IRC for which the IRC did not give a positive recommendation or did not meet a condition imposed by the IRC in its recommendation.

ANNUAL ASSESSMENTS

The IRC conducted a self assessment review during the financial year. As a result of the self-assessment review, the IRC prepared a report to Arrow which set out the results of the IRC's self assessment review.

In accordance with the IRC's written charter, the IRC conducted an annual review of the following:

- the adequacy and effectiveness of Arrow's written policies and procedures concerning conflicts of interest;
- the adequacy and effectiveness of the Standing Instructions provided to Arrow; and
- Compliance with any conditions imposed by the IRC in a recommendation or approval provided.

IRC COMPENSATION

The IRC reviewed its compensation giving consideration to the best interests of the Funds; the general and specific benefits accruing to the Fund and the number, nature and complexity of the Funds for which the IRC acts. The compensation paid to the IRC members, for the period January 1, 2019 to December 31, 2019, excluding HST was as follows:

Ross MacKinnon	\$18,000
John Anderson	\$14,000
<u>Harvey Naglie</u>	<u>\$14,000</u>
Total	\$46,000

The IRC compensation was allocated between the Funds in accordance with Arrow's expense allocation policy, which has been reviewed by the IRC. No indemnities were paid to the IRC Members by the Funds or Arrow during the financial year.

This report is available on Arrow's website at <http://www.arrow-capital.com> or www.sedar.com. You may request a copy, at no cost to you, by contacting the Manager at 877.327.6048.

Date: March 26, 2020

By:

Ross MacKinnon, Chair of the Independent Review Committee

APPENDIX A

List of Funds Covered By This Report

1. East Coast Investment Grade Income Fund (TSX: ECF.UN)
2. Exemplar Performance Fund
3. Exemplar Investment Grade Fund
4. Exemplar Growth and Income Fund
5. Arrow Global Advantage Alternative Class
6. Arrow Canadian Advantage Alternative Class (formerly Exemplar Canadian Focus Portfolio)
7. WaveFront Global Diversified Investment Class (formerly Exemplar Diversified Portfolio)