

## **Arrow Capital Management Inc. Announces Proposed Fund Restructuring**

TORONTO, January 25, 2016 /CNW/ - Arrow Capital Management Inc. (“Arrow”) announced today that it is calling a special meeting of unitholders of Raven Rock Strategic Income Fund (TSX: RRF.UN) (the “Fund”) on March 2, 2016 to vote upon a proposal to restructure the Fund. The proposal also includes the conversion of the RRF Trust to an open-end mutual fund. RRF Trust is a trust that holds the portfolio of investments to which the Fund has indirect economic exposure through a forward agreement. As previously announced, Lazard Asset Management (Canada) Inc. (“LAM Canada”) became the sub-advisor to the RRF Trust on January 4, 2016 and is expected to continue to serve as sub-advisor after the restructuring.

The proposed restructuring of the Fund and the RRF Trust (the “Restructuring”) includes:

1. pre-settlement of the forward agreement entered into by the Fund, resulting in the delivery of all of the issued and outstanding units of RRF Trust to the Fund;
2. conversion of the RRF Trust to an open-end mutual fund to be renamed Exemplar U.S. High Yield Fund;
3. a change in the investment objectives, investment strategy and investment restrictions of the RRF Trust;
4. certain other changes as are necessary for the RRF Trust to operate as an open-end mutual fund;
5. de-listing of the units of the Fund from the Toronto Stock Exchange on or about March 16, 2016; and
6. termination of the Fund and, after settlement of the liabilities of the Fund, the *in specie* distribution to unitholders of their proportionate share of the net assets of the Fund, being units of the RRF Trust.

The result of the Restructuring is that unitholders of the Fund will become unitholders of the RRF Trust (to be renamed Exemplar U.S. High Yield Fund), an open-end mutual fund sub-advised by LAM Canada. It is expected that as a result of the Restructuring unitholders will realise a capital gain or loss for Canadian income tax purposes. Unitholders are encouraged to seek counsel from their investment and tax advisors with respect to the Restructuring.

Details of the proposed Restructuring will be outlined in a management information circular to be prepared and delivered to unitholders of the Fund in connection with the special meeting of unitholders and which will be available on [www.sedar.com](http://www.sedar.com). Implementation of the Restructuring is subject to receipt of all necessary regulatory approvals. If approved, the Restructuring is expected to be implemented in March, 2016. If the Restructuring is not approved, Arrow expects to terminate the Fund.

### **About Arrow Capital Management Inc.**

Arrow Capital Management Inc. is an employee-owned company, founded in 1999. Arrow's expertise in active portfolio management and manager selection is evident in its strong, diverse platform, which provides clients with access to a global selection of actively managed investment funds. Arrow is committed to continuously providing investors with access to a wide range of investment solutions. With over 15 years of service, Arrow is well respected as a Canadian alternative investment company.

## **About Lazard Asset Management**

Lazard Asset Management (Canada) Inc. and Lazard Asset Management LLC are wholly-owned subsidiaries of Lazard Ltd (NYSE: LAZ), one of the world's preeminent financial advisory and asset management firms, which operates from 43 cities across 27 countries in North America, Europe, Asia, Australia, Central and South America. With origins dating to 1848, the firm provides advice on mergers and acquisitions, strategic matters, restructuring and capital structure, capital raising and corporate finance, as well as asset management services to corporations, partnerships, institutions, governments and individuals. As of September 30, 2015, Lazard Asset Management and affiliated asset management companies in the Lazard Group managed US\$183 billion of client assets.

## **Forward Looking Information**

*This press release contains forward-looking statements and information within the meaning of applicable securities legislation. Forward-looking statements can be identified by the expressions “seeks”, “expects”, “believes”, “estimates”, “will”, “target” and similar expressions. The forward-looking statements are not historical facts but reflect the current expectations of Arrow regarding future results or events and are based on information currently available to it. Certain material factors and assumptions were applied in providing these forward-looking statements. All forward-looking statements in this press release are qualified by these cautionary statements. Arrow believes that the expectations reflected in forward-looking statements are based upon reasonable assumptions; however, Arrow can give no assurance that the actual results or developments will be realized. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed under “Risks Factors” in the annual information forms of the Fund and the RRF Trust dated March 31, 2015. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. Arrow undertakes no obligation to publicly update any such statement or to reflect new information or the occurrence of future events or circumstances except as required by securities laws. These forward-looking statements are made as of the date of this press release.*

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For further information: Arrow Capital Management Inc., please visit <http://www.arrow-capital.com/> or contact Mark Purdy at (416) 323-0477 / (877) 327-6048.