



AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2019

WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS (formerly Exemplar Diversified Portfolio)

WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS

(formerly Exemplar Diversified Portfolio)

Statements of Financial Position

As at December 31, 2019 December 31, 2018

ASSETS

Current assets

Financial assets at fair value through profit and loss

Options - long	\$8,407	\$23,411
Unrealized gain on futures contracts - long	215,712	317,592
Unrealized gain on futures contracts - short	101,980	860,536
Cash and cash equivalents	7,438,903	15,998,803
Margin deposits	2,838,172	6,733,561
Receivable for redeemable shares issued	-	64,814
	10,603,174	23,998,717

LIABILITIES

Current liabilities

Financial liabilities at fair value through profit and loss

Unrealized loss on futures contracts - long	72,683	34,161
Unrealized loss on futures contracts - short	39,322	186,177
Margin loans	47,172	70,499
Payable for redeemable shares redeemed	3,050	769
Other liabilities (note 8)	18,786	45,595
	181,013	337,201

Net assets attributable to holders of redeemable shares

\$10,422,161 **\$23,661,516**

Net assets attributable to holders of redeemable shares

Series A	\$695,591	\$1,199,141
Series F	\$6,680,982	\$7,890,005
Series I	\$12,625	\$1,846,817
Series L	\$115,176	\$566,743
Series R	\$2,917,787	\$12,158,810

Number of redeemable units outstanding (note 7)

Series A	94,528	148,707
Series F	821,823	895,368
Series I	1,593	221,635
Series L	18,230	81,720
Series R	506,563	1,983,916

Net assets attributable to holders of redeemable units per unit

Series A	\$7.36	\$8.06
Series F	\$8.13	\$8.81
Series I	\$7.93	\$8.33
Series L	\$6.32	\$6.94
Series R	\$5.76	\$6.13

Approved on behalf of the Board of Directors of Arrow Capital Management Inc., the Manager of the Fund:

“James L. McGovern”

“Robert W. Maxwell”

James L. McGovern, Director

Robert W. Maxwell, Director

The accompanying notes are an integral part of these financial statements.

WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS

(formerly Exemplar Diversified Portfolio)

Statements of Comprehensive Income (Loss)
For the years ended December 31,

	2019 \$	2018 \$
INCOME		
Net gains (losses) on investments and derivatives:		
Net realized gain (loss) on futures	(168,793)	(3,733,777)
Net realized gain (loss) on investments and derivatives	(7,848)	(337,368)
Net change in unrealized appreciation (depreciation) in value of futures	(752,104)	(344,193)
Net change in unrealized appreciation (depreciation) in value of investments and derivatives	(21,340)	19,928
Net gains (losses) on investments and derivatives	(950,085)	(4,395,410)
Other income items:		
Interest on cash	170,652	383,871
Foreign exchange gain (loss)	20,750	(70,303)
Net change in unrealized foreign exchange gain (loss)	(88,308)	116,105
Total net income (loss)	(846,991)	(3,965,737)
EXPENSES		
Management fees (note 8)	108,252	300,413
Performance fees (note 8)	4,648	10,093
Securityholder reporting fees	139,683	170,883
Audit fees	26,996	28,319
Legal fees	24,406	9,783
Independent Review Committee fees	6,206	6,187
Commissions and other portfolio transaction costs (note 9)	131,312	411,261
Harmonized sales tax	22,590	59,176
Total expenses before manager absorption	464,093	996,115
Less: expenses absorbed by manager (note 8)	(58,874)	(55,873)
Total expenses	405,219	940,242
Increase (decrease) in net assets attributable to holders of redeemable shares	(1,252,210)	(4,905,979)
Increase (decrease) in net assets attributable to holders of redeemable shares		
Series A	(86,643)	(225,782)
Series F	(569,783)	(1,194,696)
Series I	12,160	(206,808)
Series L	(17,217)	(111,625)
Series R	(590,727)	(3,167,068)
Increase (decrease) in net assets attributable to holders of redeemable shares per share (note 11)		
Series A	(0.70)	(1.28)
Series F	(0.68)	(1.25)
Series I	0.14	(0.95)
Series L	(0.48)	(1.15)
Series R	(2.62)	(1.02)

The accompanying notes are an integral part of these financial statements.

WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS

(formerly Exemplar Diversified Portfolio)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares
For the years ended December 31,

		2019 \$	2018 \$
Net assets attributable to holders of redeemable units at beginning of year			
	Series A	1,199,141	1,905,162
	Series F	7,890,005	10,093,571
	Series I	1,846,817	1,749,222
	Series L	566,743	877,121
	Series R	12,158,810	18,910,672
		<u>23,661,516</u>	<u>33,535,748</u>
Increase (decrease) in net assets attributable to holders of redeemable shares			
	Series A	(86,643)	(225,782)
	Series F	(569,783)	(1,194,696)
	Series I	12,160	(206,808)
	Series L	(17,217)	(111,625)
	Series R	(590,727)	(3,167,068)
		<u>(1,252,210)</u>	<u>(4,905,979)</u>
Redeemable units transactions			
Proceeds from redeemable shares issued			
	Series A	2,998	89,315
	Series F	1,067,590	905,242
	Series I	125,532	605,123
	Series L	-	22,000
	Series R	3,212,475	9,614,571
		<u>4,408,595</u>	<u>11,236,251</u>
Redemption of redeemable shares			
	Series A	(419,905)	(569,554)
	Series F	(1,706,830)	(1,914,112)
	Series I	(1,971,884)	(300,720)
	Series L	(434,350)	(220,753)
	Series R	(11,862,771)	(13,199,365)
		<u>(16,395,740)</u>	<u>(16,204,504)</u>
Net increase (decrease) from redeemable shares transactions		<u>(11,987,145)</u>	<u>(4,968,253)</u>
Net increase (decrease) in net assets attributable to holders of redeemable shares		<u>(13,239,355)</u>	<u>(9,874,232)</u>
Net assets attributable to holders of redeemable shares at end of year			
	Series A	695,591	1,199,141
	Series F	6,680,982	7,890,005
	Series I	12,625	1,846,817
	Series L	115,176	566,743
	Series R	2,917,787	12,158,810
		<u>10,422,161</u>	<u>23,661,516</u>

The accompanying notes are an integral part of these financial statements.

WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS

(formerly Exemplar Diversified Portfolio)

Statements of Cash Flows

For the years ended December 31,

	2019 \$	2018 \$
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable shares	(1,252,210)	(4,905,979)
Adjustment for:		
Unrealized foreign exchange (gain) loss on cash and cash equivalents	7,216	(11,715)
Net realized (gain) loss on investments and derivatives	7,848	337,368
Net change in unrealized (appreciation) depreciation in value of futures	752,104	344,193
Net change in unrealized (appreciation) depreciation in value of investments and derivatives	21,340	(19,928)
Purchase of investments and derivatives	(12,327)	(420,123)
Proceeds on sale of investments and derivatives	(1,856)	144,541
Change in other liabilities	(26,809)	(4,750)
Change in margin loans	(23,327)	(886,798)
Change in margin deposits	3,895,389	4,202,964
Net cash from (used in) operating activities	3,367,368	(1,220,227)
Cash flows from (used in) financing activities		
Proceeds from redeemable shares issued	4,473,412	11,282,531
Redemption of redeemable shares	(16,393,464)	(16,169,299)
Net cash from (used in) financing activities	(11,920,052)	(4,886,768)
Net Increase (decrease) in cash and cash equivalents	(8,552,684)	(6,106,995)
Cash and cash equivalents at beginning of the year	15,998,803	22,094,083
Unrealized foreign exchange gain (loss) on cash and cash equivalents	(7,216)	11,715
Cash and cash equivalents at end of the year	7,438,903	15,998,803
Supplemental information:		
Interest received*	170,652	383,871



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WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS

(formerly Exemplar Diversified Portfolio)

Schedule of Investment Portfolio – As at December 31, 2019

Futures Contracts - Long - 1.3%

Security Name	Contract Size	Expiry Date	Currency	No. of Contracts	Notional Value (\$)	Unrealized Gain/(Loss) (\$)
Bond Futures - (0.2%)						
Canada 10 Year Bond Futures	1,000	03-20-20	CAD	3	412,230	(6,450)
Long Gilt Futures	1,000	03-27-20	GBP	4	903,926	(3,853)
US 10 Year Treasury Notes Futures	1,000	03-20-20	USD	9	1,500,860	(2,881)
US 5 Year Treasury Notes Futures	1,000	03-31-20	USD	13	2,002,263	(1,400)
US Treasury Bond Futures	1,000	03-20-20	USD	3	607,356	(2,110)
						(16,694)
Commodity Futures - 1.1%						
Brent Crude Futures	1,000	01-31-20	USD	10	857,043	16,414
Coffee C Futures	375	03-19-20	USD	2	126,316	1,729
Copper Futures	250	03-27-20	USD	3	272,403	(2,564)
Cotton No. 2 Futures	500	03-09-20	USD	6	268,995	3,772
Crude Palm Oil Futures	25	03-13-20	MYR	31	750,876	18,809
Gasoline RBOB Futures	420	01-31-20	USD	3	276,595	(10,657)
Gasoline RBOB Futures	420	12-31-19	USD	1	94,260	3,327
Gold 100 oz Futures	100	02-26-20	USD	3	593,346	14,660
Live Cattle Futures	400	02-28-20	USD	6	392,448	(2,351)
Low Sugar Gasoline Futures	100	02-12-20	USD	10	796,985	(12,564)
NY Harbor ULSD Futures	420	01-31-20	USD	7	772,252	7,478
Palladium Futures	100	03-27-20	USD	2	495,864	12,362
Platinum Futures	50	04-28-20	USD	4	253,944	13,868
Rubber Futures	5,000	05-25-20	JPY	20	236,154	3,472
Silver Futures	5,000	03-27-20	USD	1	116,357	(26)
Soybeans Oil Futures	600	03-13-20	USD	25	677,259	25,166
Sugar #11 World Futures	1,120	02-28-20	USD	7	136,624	(538)
Wheat Futures	50	03-13-20	USD	6	217,669	3,100
White Sugar Futures	50	02-14-20	USD	12	279,863	4,863
WTI Crude Futures	1,000	01-21-20	USD	9	713,605	12,076
						112,396
Currency Futures - 0.4%						
Australian Dollar Currency Futures	1,000	03-16-20	USD	6	548,352	974
British Pound Currency Futures	625	03-16-20	USD	4	431,508	-
Canadian Currency Futures	1,000	03-17-20	USD	9	900,889	10,473
EURO/JPY Futures	125,000	03-16-20	JPY	3	546,899	792
Mexican Peso Futures	5,000	03-16-20	USD	67	2,279,040	32,230
						44,469
Index Futures - 0.0%						
DAX Index Futures	25	03-20-20	EUR	2	964,732	(10,506)
Hang Seng Index Futures	50	01-30-20	HKD	3	706,659	(134)
NASDAQ 100 E-mini Index Futures	20	03-20-20	USD	6	1,363,828	15,317
Nikkei 225 Index Futures	500	03-12-20	JPY	6	838,073	(5,265)
S&P/TSX 60 Index Futures	200	03-19-20	CAD	7	1,417,360	(1,360)
S&P 500 E-mini Index Futures	50	03-20-20	USD	7	1,468,511	14,830
SPI 200 Futures	25	03-19-20	AUD	4	601,703	(10,024)
						2,858
						143,029

Futures Contracts - Short - 0.7%

Security Name	Contract Size	Expiry Date	Currency	No. of Contracts	Notional Value (\$)	Unrealized Gain/(Loss) (\$)
Bond Futures - 0.8%						
10 Year mini JGB Futures	100,000	03-12-20	JPY	(36)	(6,536,646)	11,556
Australian 10 Year Bond Futures	1,000	03-16-20	AUD	(1)	(130,272)	2,491
EURO-BOBL Futures	1,000	03-06-20	EUR	(42)	(8,175,017)	26,452
EURO-BUND Futures	1,000	03-06-20	EUR	(20)	(4,966,659)	40,624
						81,123

WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS

(formerly Exemplar Diversified Portfolio)

Schedule of Investment Portfolio – As at December 31, 2019

Commodity Futures - (0.1%)

Cocoa Futures	10	03-16-20	USD	(3)	(98,950)	(2,220)
Coffee Robusta 10 ton Futures	10	03-25-20	USD	(7)	(125,622)	221
Corn Futures	50	03-13-20	USD	(4)	(100,703)	(3,181)
Lean Hogs Futures	400	02-14-20	USD	(6)	(222,597)	(10,921)
Natural Gas Futures	10,000	01-29-20	USD	(6)	(170,552)	9,194
Natural Gas Futures	10,000	09-28-20	USD	(10)	(304,640)	(909)
Nickel Futures	6	03-16-20	USD	(3)	(327,819)	2,922
PRI Aluminium Futures	25	03-16-20	USD	(3)	(176,926)	(3,894)
Zinc Futures	25	03-16-20	USD	(3)	(221,541)	(1,437)
						(10,225)

Currency Futures - 0.0%

Euro FX Currency Futures	125,000	03-16-20	USD	(3)	(549,384)	(1,802)
EURO/CHF Futures	125,000	03-16-20	CHF	(12)	(2,183,303)	8,050
EURO/GBP Futures	125,000	03-16-20	GBP	(4)	(729,993)	(3,623)
Japanese Yen Currency Futures	1,250	03-16-20	USD	(9)	(1,350,646)	(5,308)
						(2,683)

Index Futures - 0.0%

90 Day Bank Bills Futures	10,000	03-12-20	AUD	(30)	(27,277,862)	470
90 Day Eurodollar Futures	2,500	03-16-20	USD	(56)	(17,864,282)	(1,818)
90 Day Sterling Futures	1,250	03-18-20	GBP	(51)	(10,883,138)	(2,064)
90 Day Bank Acceptance Futures	2,500	03-16-20	CAD	(67)	(16,415,000)	(362)
						(3,774)
						64,441

Options Bought - 0.1%

Security Name	Strike Price (\$)	Expiry Date	Currency	No. of Contracts	Average Cost (\$)	Fair Value (\$)
Euro Dollar Futures Call Option	100	09-15-20	USD	300	16,859	2,435
3-Month Euribor Futures Put Option	100	12-15-20	EUR	656	12,327	5,972
					29,186	8,407

Total Investments and Derivatives - 2.1%

215,877

Cash and Other Net Assets (Liabilities) - 97.9%

10,206,284

Net Assets Attributable to Holders of Redeemable Shares - 100.0%

10,422,161

WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS

(FORMERLY EXEMPLAR DIVERSIFIED PORTFOLIO)

GENERAL NOTES TO THE AUDITED FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

1. THE FUND

Exemplar Portfolios Ltd. (the “Company”) is an open-ended mutual fund corporation incorporated under the Business Corporations Act (Ontario) on March 18, 2008 and amended from time to time. The Company’s shares comprise three classes of redeemable mutual fund shares: WaveFront Global Diversified Investment Class (formerly, Exemplar Diversified Portfolio), (the “Fund”), Arrow Canadian Advantage Alternative Class (formerly, Exemplar Canadian Focus Portfolio), and Arrow Global Advantage Alternative Class (collectively, the “Funds”). If the Company cannot satisfy its obligations related to each legally distinct class, it may be required to satisfy such obligations using assets attributable to all the Funds in the Company. Arrow Capital Management Inc. (“Arrow”) is the manager (“Manager”) and Trustee of the Company. The Manager believes that the risk of such cross-class liability is remote.

The date of inception and series structure of the Fund are as follows:

<u>Date of Inception</u>	<u>Series Information</u>
March 1, 2009	Series A and F
September 14, 2012	Series I and L
November 10, 2015	Series R

The address of the Fund’s registered office is 36 Toronto Street, Suite 750, Toronto, Ontario, M5C 2C5.

WaveFront Global Asset Management Corp. is the fund sub-advisor “Fund Sub-Advisor” of the Fund.

These audited financial statements present the financial results for one class of shares of the Company, Wavefront Global Diversified Investment Class. The audited financial statements for the two other classes of the Company, Arrow Canadian Advantage Alternative Class and Arrow Global Advantage Alternative Class are available on SEDAR.

The Statements of Financial Position of the Fund are as at December 31, 2019 and 2018. The Statements of Comprehensive Income (Loss), Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares and Statements of Cash Flows for the Fund are for the years ended December 31, 2019 and 2018. The Schedule of Investment Portfolio for the Fund is as at December 31, 2019.

These financial statements were authorized for issue by the Manager on March 24, 2020.

Changes in Canadian Securities Administration Rules

Amendments to National Instrument 81-102 - *Investment Funds* (“**NI 81-102**”) that became effective January 3, 2019 (“**Alternative Mutual Fund Amendments**”) established alternative mutual funds and repealed large sections of National Instrument 81-104 *Commodity Pools* (“**Former NI 81-104**”). With the Alternative Mutual Fund Amendments, the Fund became an alternative mutual fund which permits the Fund to use strategies generally prohibited to conventional mutual funds, such as the ability to invest more than 10% of its net asset value in securities of a single issuer, the ability to invest in physical commodities or specified derivatives, to borrow cash, to short sell beyond the limits prescribed for conventional mutual funds and to generally employ leverage. Former NI 81-104 had permitted mutual funds that were commodity pools (such as the Fund) to be exempt from certain investment restrictions in NI 81-102. With the Alternative Mutual Fund Amendments the Fund can no longer rely on these exemptions. The Fund has received exemptive relief whereby the Fund will be permitted to have aggregate exposure to specified derivative transactions as previously permitted under Former NI 81-104.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of Accounting

These audited financial statements (“financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”). These financial statements have been prepared under the historical cost convention, except for financial assets and liabilities that have been measured at fair value.

WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS

(FORMERLY EXEMPLAR DIVERSIFIED PORTFOLIO)

GENERAL NOTES TO THE AUDITED FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Manager to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS.

2.2 Foreign Currency Translation

The Fund's functional and presentation currency is the Canadian dollar.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates that transactions occur. Foreign currency assets and liabilities denominated in a foreign currency are translated into the functional currency using the exchange rate prevailing at the measurement date. Foreign exchange gains and losses relating to cash are presented as 'Foreign exchange gain (loss)' and those relating to other investments and derivatives are presented within 'Net realized gain (loss) on investments and derivatives' and 'Net change in unrealized appreciation (depreciation) in value of investments and derivatives' in the Statements of Comprehensive Income (Loss). Foreign exchange gains and losses relating to futures are presented as 'Net realized gain (loss) on futures' and 'Net change in unrealized appreciation (depreciation) in value of futures'.

2.3 Financial Assets and Financial Liabilities at Fair Value Through Profit or Loss

Financial instruments include financial assets and liabilities such as debt and equity securities, open-ended investment funds and derivatives. The Fund classifies and measures financial instruments in accordance with IFRS 9 Financial Instruments ("IFRS 9").

a) Classification

Assets

The Fund classifies investments based on Fund's business model for managing the financial assets and the contractual cash flow characteristics of their financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and use that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as Fair Value Through Other Comprehensive Income ("FVOCI"). The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at Fair Value Through Profit or Loss ("FVTPL").

Liabilities

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or may use short sales for various arbitrage transactions. Short sales are held for trading and are consequently classified as financial liabilities at FVTPL. Derivative contracts that have a negative fair value are presented as liabilities a FVTPL.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities as FVTPL.

The Fund's policy requires the Manager and the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

b) Recognition, Derecognition and Measurement

Regular purchases and sales of financial assets are recognized in the Statements of Financial Position at their trade date – the date on which the Fund commits to purchase or sell the investment. Financial assets and financial liabilities at FVTPL are initially recognized at fair value. Transaction costs are expensed as incurred.

All financial instruments are recognized in the Statements of Financial Position when the Fund becomes a party to the contractual requirements of the instrument.

Financial assets are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation is discharged, cancelled or expires.

WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS

(FORMERLY EXEMPLAR DIVERSIFIED PORTFOLIO)

GENERAL NOTES TO THE AUDITED FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Subsequent to initial recognition, all financial assets and financial liabilities at FVTPL are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at FVTPL category are recognized in the Statements of Comprehensive Income (Loss) in 'Net change in unrealized appreciation (depreciation) in value of investments and derivatives' and if a Future in 'Net change in unrealized appreciation (depreciation) in value of futures'.

The Fund's accounting policies for measuring the fair value of their investments and derivatives are the same as those used in measuring its net asset value ("NAV") for transactions with shareholders. There were no differences between the net assets attributable to holders of redeemable shares used for reporting purposes under IFRS and that used for transactions with shareholders as at December 31, 2019 or 2018.

Realized gains and losses on sale of investments and unrealized appreciation or depreciation in investments are determined on an average cost basis excluding commissions and other portfolio transaction costs, which are separately reported in the Statements of Comprehensive Income (Loss) in 'Commissions and other portfolio transaction costs'. Realized gains and losses on securities sold short and unrealized appreciation or depreciation on securities sold short are calculated with reference to the average proceeds of the related securities. Average cost does not include amortization of premiums or discounts on fixed income securities.

c) Financial Instruments - Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for securities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The fair value of bonds is determined using mid-market pricing derived from bid and ask prices provided by independent security pricing services or recognized investment dealers. The fair value of futures contracts is based on the settlement price assigned by the exchange. Gains and losses arising from changes in the fair value of financial assets or liabilities are presented in the Statements of Comprehensive Income (Loss). The Fund's policy is to recognize transfers into and out of the fair value hierarchy levels at the beginning of each period.

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Fund may use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same and other commonly used methods by market participants which make the maximum use of observable inputs.

d) Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. When the Fund purchases an option, an amount equal to fair value which is based on the premium paid is recorded as an asset. When the Fund writes an option, an amount equal to fair value which is based on the premium received by the Fund is recorded as a liability. Options held by the Fund are exchange-traded. Subsequent to initial recognition, changes in fair value, the difference between the premium paid or received, and fair value, are presented in 'Net Change in unrealized appreciation (depreciation) in value of investments and derivatives' in the Statements of Comprehensive Income (Loss). When options are closed, the difference between the premium and the amount paid or received, net of brokerage commissions, or the full amount of the premium if the option expires worthless, is recognized as a gain or loss and is presented in the Statements of Comprehensive Income (Loss) within 'Net realized gain (loss) on investments and derivatives'.

e) Forward Currency Contracts

The Fund may enter into forward currency contracts for purposes of minimizing currency exposure or to establish an exposure to a particular currency. The value of forward currency contracts entered into by the Fund is recorded as the difference between the contract rate and the current forward rates at the measurement date, applied to the contract's notional amount and adjusted for counterparty risk. The change in the fair value of forward currency contracts is included in 'Net change in unrealized appreciation (depreciation) in value of investments and derivatives' in the Statements of Comprehensive Income (Loss). Upon closing of a contract, the gain or loss is included in 'Net realized gain (loss) on investments and derivatives' in the Statements of Comprehensive Income (Loss).

WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS

(FORMERLY EXEMPLAR DIVERSIFIED PORTFOLIO)

GENERAL NOTES TO THE AUDITED FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

f) Futures Contracts

The Fund may purchase or sell exchange traded futures contracts. Futures contracts are contractual obligations to buy or sell financial instruments or commodities on a future date at a specified price established in an organized market. Subsequent to initial recognition, changes in fair value are presented in 'Net change in unrealized appreciation (depreciation) in value of futures' in the Statements of Comprehensive Income (Loss). When futures contracts are closed out, the gain or loss is included in 'Net realized gain (loss) on futures' in the Statements of Comprehensive Income (Loss).

2.4 Offsetting Financial Statements

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Fund enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the statements of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts.

2.5 Due From and To Brokers

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the Statements of Financial Position date respectively. The due from brokers balance is held for collection. These amounts are recognized initially at fair value and subsequently measured at amortized cost. Amounts due from brokers are presented in "Receivables for securities sold" and amounts due to brokers are presented in "Payables for securities purchased" in the Statements of Financial Position.

2.6 Cash and Cash Equivalents

Cash and cash equivalents, which includes cash deposited with financial institutions and short-term investments that are readily convertible to cash are subject to an insignificant risk of changes in value, and are used by the Fund in the management of short-term commitments. Cash and cash equivalents are measured at amortized cost which closely approximates their fair value.

2.7 Margin Deposits

Cash collateral provided by the Fund to brokers for securities sold short and counterparties to derivative transactions is identified in the Fund's Statements of Financial Position as 'Margin deposits'.

2.8 Margin Loans

Margin loans represents cash amounts borrowed under a margin agreement with the Fund's broker and is payable upon demand (if applicable) and is identified in the Fund's Statements of Financial Position as 'Margin Loans'.

2.9 Securities Lending

The Fund may enter into securities lending arrangements. These transactions involve the temporary exchange of securities for collateral with a commitment to deliver the same securities at a future date. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions is included in "Securities lending income" in the Statements of Comprehensive Income (Loss).

2.10 Commissions and Other Portfolio Transaction Costs

Commissions and other portfolio transaction costs are incremental costs that are directly attributable to the acquisition or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers. Such costs are expensed when incurred.

2.11 Income and Expense Allocation

The net assets of each series of the Fund are computed by calculating the value of that series' proportionate share of that Fund's assets less that series' proportionate share of the Fund's common liabilities less series specific liabilities, if any. Expenses directly attributable to a series are charged to that series. Other income, expenses and gains/losses are allocated based on a reasonable allocation methodology which will include allocations based on the assets of the Fund or the number of shareholders in the Fund or other methodology the Manager determines is fair. The Manager may reimburse the Fund's expenses at the Manager's discretion.

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2.12 Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per Share

The increase (decrease) in net assets attributable to holders of redeemable shares per share is calculated by dividing the increase (decrease) in net assets attributable to the series divided by the weighted average number of the redeemable shares outstanding in that series during the period. Refer to Note 10 for the calculation.

2.13 Classification of Redeemable Shares issued by the Funds

The Fund's redeemable shares are multi-series and contain multiple dissimilar contractual obligations and therefore meet the criteria for classification as financial liabilities under IAS 32, *Financial Instruments: Presentation*. The Fund's obligation for net assets attributable to shareholders is presented at the redemption amount.

2.14 Impairment Policy

At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses.

Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganization, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due or a counterparty rating which has fallen below BBB/Baa. Any contractual payment which is more than 90 days past due is considered credit impaired.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Manager has made in preparing the financial statements:

Use of Estimates

Fair Value measurement of derivatives and securities not quoted in an active market

The Fund may hold financial instruments that are not quoted in active markets, including derivatives. Fair value of such instruments is determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager, independent of the party that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Fund considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Refer to Note 5 for further information about the fair value measurement of the Fund's financial instruments.

Use of Judgments

Classification and Measurement of Investments and Application of the Fair Value Option

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9. The Manager has assessed the Fund's business model, the manner in which all financial instruments are managed and performance evaluated as a group on a fair value basis, and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Fund's financial statements.

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Assessment as Investment Entity

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them. The Fund meets the definition of investment entity as it obtains funds from one or more investors for the purpose of providing those investors with professional investment management services and commit to their investors that their business purpose is to invest funds solely for returns from capital appreciation, investment income or both. The Fund measures and evaluates the performance of substantially all of its investments on a fair value basis.

4. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

The investment objective of the Fund is to seek superior long term absolute and risk-adjusted returns with the potential for low correlation to global equity and fixed-income market returns through the selection and management of long and short positions in a globally diversified funds of futures, options, forward contracts and other financial derivative instruments on agricultural and soft commodities, metals, energies, currencies, interest rates and equity indices. The Fund will use leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The Fund's leverage shall not exceed the limits on the use of leverage described in the "Investment Strategies" section in the Simplified Prospectus or as permitted under applicable securities legislation.

In the normal course of business, the Fund is exposed to a variety of financial risks: credit risk, liquidity risk, market risk (including currency risk, price risk and interest rate risk), concentration risk and capital risk management.

RISK MANAGEMENT

The Fund's overall risk management program seeks to maximize the returns derived for the level of risk to which the Fund is exposed and seeks to minimize potential adverse effects on the Fund's financial performance. All investments present a risk of loss of capital. The maximum loss of capital on long equity, options and debt securities is limited to the fair value of those positions. The maximum loss on equities, options and debt sold short can be unlimited and the maximum loss on futures contracts is the notional contract value of those positions.

The management of these risks is carried out by the Manager and Fund Sub-Advisor in accordance with the Fund's prospectus.

The Fund's use of leverage and borrowings can increase the Fund's exposure to these risks, which in turn can also increase the potential returns the Fund can achieve. The Fund Sub-Advisor manages these exposures on a daily basis in accordance with investment restrictions that have been established by the Fund to manage the overall potential exposure. Futures and forward contracts and investments to which the Fund may have exposure at any time may be substantially larger than the actual amount invested with the result that the Fund will be exposed to a form of notional leverage. The Fund has received exemptive relief from the regulators whereby the Fund will be permitted to have aggregate exposure to specified derivative transactions as previously permitted under Former NI 81-104. The notional leverage of the Fund, excluding futures on government securities and Euro dollars, is generally between 0% and 300% and can never go above 500%. The notional leverage of the Fund, including futures on government securities and Euro dollars, is typically around 300% but from time to time may be as high as 1,000%. No form of cash leverage is permitted and in the case of government securities and Euro dollars, futures positions are restricted to those that are based on investment grade government securities and Euro dollars.

Credit Risk

The Fund may be exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Where the Fund invests in debt instruments and derivatives, this represents the main concentration of credit risk. The Fund may also be exposed to counterparty credit risk on cash, margin deposits and other receivable balances.

All transactions in listed securities are settled or paid for upon delivery using approved brokers. The credit risk related to the associated receivables is considered limited, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. However, there are risks involved in dealing with custodians or prime brokers who settle trades and in rare circumstances, the securities and other assets deposited with the custodian or broker may be exposed to credit risk with regard to such parties. In addition, there may be practical problems or time delays associated with enforcing the Fund's rights to its assets in the case of an insolvency of any such party.

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The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. At December 31, 2019 and 2018, all amounts due from brokers, cash and cash equivalents and margin deposits are held with counterparties with a credit rating of Bb or higher. Management consider the probability of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Fund.

As at December 31, 2019 and 2018, the Fund had no investments in debt instruments and therefore was not subject to related credit risk.

The Fund is exposed to counterparty credit risk on cash and cash equivalents, margin deposits, derivatives, receivable for securities sold and other receivable balances. The Fund's brokerage agreements require cash collateral to be maintained in respect of futures transactions entered into. The brokers for the Fund are Societe Generale SA, Royal Bank Canada and Bank of Montreal which have credit ratings as obtained from Moody's bond rating services of A1, Aa2 and Aa2, respectively (2018 A1, Aa2 and A1, respectively). Cash collateral has been provided to Societe Generale SA, Royal Bank Canada and Bank of Montreal in accordance with terms of derivative transaction agreements and is presented as "Margin deposits" in the Statements of Financial Position.

There are risks involved in dealing with custodians or brokers who settle trades with regard to the segregation of assets. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of the Fund. Therefore, the Fund should not be exposed to credit risk with respect to such parties. However, it may not always be possible to achieve this segregation, so the investments of the Fund may experience increased exposure to credit risk associated with the applicable custodians or brokers.

The Fund's custodial services are provided by CIBC Mellon Trust Company which has a credit rating as rated by Moody's bond rating services of A1 (2018 A1).

The Fund is also exposed to credit risk on cash deposits held at CIBC Mellon Trust Company & Royal Bank of Canada which has a credit rating as rated by Moody's bond rating services of A1 and Aa2 (2018 A1 and Aa2). As at December 31, 2018, the Fund was exposed to credit risk on cash deposits held at TD Canada Trust which had a credit rating as rated by Moody's bond rating services of Aa1.

Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. The Fund is exposed to daily cash redemptions which are redeemable on demand at the holder's option and payable within 10 business days after the redemption date and as such, retains sufficient cash to fund anticipated redemptions. The Fund aim to retain sufficient cash to maintain adequate liquidity including coverage of obligations related to short sales and all current liabilities. In addition, the Fund generally invests in securities that are highly liquid and where there is an observable market price that is quoted by multiple dealers.

From time to time, the Fund may use margin borrowings in one or more of its brokerage accounts. For the year ended December 31, 2019, the minimum margin borrowings used was \$343 and the maximum margin borrowings used was \$83,415 (2018: min: \$58,626, max: \$1,038,873).

Market Risk

The Fund's investments are subject to market risk which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk can be further sub-divided into 3 categories: currency risk, interest risk, and price risk.

(a) Currency Risk

The Fund invests in financial instruments and enters into transactions that are denominated in currencies other than the Canadian dollar. Consequently, the Fund is exposed to currency risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund may enter into foreign exchange currency contracts to reduce the foreign currency exposure.

The table below indicates the foreign currencies to which the Fund had significant exposure at December 31, 2019 and 2018, in Canadian dollar terms. The table also illustrates the potential impact on the net assets attributable to holders of redeemable shares if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant. Monetary items include cash and cash equivalents, margin deposits, margin loans, futures, options on derivatives, and other current receivables and payables.

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December 31, 2019				Impact on net assets attributable to holders of redeemable shares		
Currency	Exposure			Monetary \$	Non-Monetary \$	Total \$
	Monetary \$	Non-Monetary \$	Total \$			
United States Dollar - Long	2,045,883	-	2,045,883	204,588	-	204,588
United States Dollar - Short	(1,775,977)	-	(1,775,977)	(177,598)	-	(177,598)
Australian Dollar - Long	(9,993)	-	(9,993)	(999)	-	(999)
Australian Dollar - Short	2,898	-	2,898	290	-	290
British Pound - Long	(3,853)	-	(3,853)	(385)	-	(385)
British Pound - Short	(17,585)	-	(17,585)	(1,759)	-	(1,759)
Euro Currency - Long	(3,108)	-	(3,108)	(311)	-	(311)
Euro Currency - Short	55,126	-	55,126	5,513	-	5,513
Hong Kong Dollar - Long	6,443	-	6,443	644	-	644
Hong Kong Dollar - Short	-	-	-	-	-	-
Japanese Yen - Long	8,695	-	8,695	870	-	870
Japanese Yen - Short	11,556	-	11,556	1,156	-	1,156
Malaysian Ringgit - Long	99,972	-	99,972	9,997	-	9,997
Malaysian Ringgit - Short	-	-	-	-	-	-
Swiss Franc - Long	142	-	142	14	-	14
Swiss Franc - Short	8,050	-	8,050	805	-	805
Total	428,249	-	428,249	42,825	-	42,825
% of net assets attributable to holders of redeemable shares	4.1%	0.0%	4.1%	0.4%	0.0%	0.4%

December 31, 2018				Impact on net assets attributable to holders of redeemable shares		
Currency	Exposure			Monetary \$	Non-Monetary \$	Total \$
	Monetary \$	Non-Monetary \$	Total \$			
United States Dollar - Long	3,434,532	-	3,434,532	343,453	-	343,453
United States Dollar - Short	(1,315,676)	-	(1,315,676)	(131,568)	-	(131,568)
Australian Dollar - Long	165,163	-	165,163	16,516	-	16,516
Australian Dollar - Short	348	-	348	35	-	35
British Pound - Long	48,698	-	48,698	4,870	-	4,870
Euro Currency - Long	60,090	-	60,090	6,009	-	6,009
Euro Currency - Short	5,437	-	5,437	544	-	544
Hong Kong Dollar - Long	2,489	-	2,489	249	-	249
Hong Kong Dollar - Short	111	-	111	11	-	11
Japanese Yen - Long	24,920	-	24,920	2,492	-	2,492
Japanese Yen - Short	51,633	-	51,633	5,163	-	5,163
Malaysian Ringgit - Long	241,972	-	241,972	24,197	-	24,197
Malaysian Ringgit - Short	2,643	-	2,643	264	-	264
Swiss Franc - Long	11,535	-	11,535	1,154	-	1,154
Swiss Franc - Short	4,549	-	4,549	455	-	455
Total	2,738,444	-	2,738,444	273,844	-	273,844
% of net assets attributable to holders of redeemable shares	11.6%	0.0%	11.6%	1.2%	0.0%	1.2%

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(b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund may hold securities with fixed interest rates that expose the Fund to fair value interest rate risk.

As at December 31, 2019 and 2018 the Fund did not hold any interest-bearing securities, and therefore was not subject to significant interest rate risk.

(c) Price Risk

The Fund is exposed to price risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Fund's investments are subject to the risk of changes in the prices of equity securities, bonds and derivatives.

The Fund's policy is to manage price risk through diversification and selection of investments within specified limits established by the investment restrictions within the prospectus, as summarized below.

The core investment strategy of the Fund is based on a risk budgeting strategy of allocating capital to markets and utilizing that capital based on the amount of risk premium being priced into markets. As a result of this allocation methodology, generally 50% of the portfolio risk budget is allocated to globally-traded industrial and agricultural commodity futures markets, and 50% is allocated to global currency, treasury debt and equity index futures markets.

The Fund transacts on highly liquid exchanges globally that may include, but are not limited to, all futures exchanges in the United States and Canada, the London Metals Exchange (LME), Euronext-LIFFE (LIFFE), the Eurex Deutschland (EUREX), the International Petroleum Exchange of London Limited (IPE), the Singapore International Monetary Exchange (SIMEX), the Sydney Futures Exchange Ltd. (SFE) and the Tokyo Commodities Exchange (TCE).

The Fund also has the ability to take short positions, in total not exceeding 50% of the Net Asset Value of the Fund.

The Fund may hold cash or invest in short term securities for the purpose of preserving capital and/or maintaining liquidity, based upon the Manager's ongoing evaluation of current and anticipated economic and market conditions.

As at December 31, 2019 and 2018, if the Fund's relevant benchmark index, Societe Generale Commodity Trading Index (USD), had increased or decreased by 10%, with all other variables constant, the net assets attributable to holders of redeemable shares of the Fund would have increased or decreased by \$1,227,336 (2018 \$2,916,237).

Concentration Risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type.

The following is a summary of the Fund's concentration risk as a percentage of net assets attributable to holders of redeemable shares:

Market Segment	December 31, 2019		December 31, 2018	
	Long (%)	Short (%)	Long (%)	Short (%)
Bond Futures	(0.2)	0.8	0.5	(0.4)
Interest Rate Futures	-	(0.0)	0.4	-
Index Futures	-	-	-	0.7
Commodity Futures	1.1	(0.1)	0.3	2.0
Currency Futures	0.4	(0.0)	-	0.6
Options	0.1	-	0.1	-
Totals	1.4	0.7	1.3	2.9

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Capital Risk Management

Shares issued and outstanding are considered to be the capital of the Fund. The Fund does not have any specific capital requirements on the subscription and redemption of shares, other than certain minimum subscription requirements. Shareholders are entitled to require payment of the net asset value per share of the Fund for all or any of the shares of such shareholder by giving written notice to the Manager. The written notice is irrevocable and must be received no later than 4:00 p.m., EST, on the valuation day upon which the shares are to be redeemed (a "Redemption Date"). The redeeming shareholder will receive payment in respect of any shares surrendered for redemption on or before the 3rd business day immediately following a Redemption Date, subject to the Manager's right to suspend redemptions in certain circumstances.

5. FAIR VALUE MEASUREMENT

The Fund classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are:

- Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund can access at the measurement date;
- Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly; and
- Level 3:** Inputs that are unobservable for the asset or liability.

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

All fair value measurements are recurring. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. Derivative assets and liabilities consist of options and futures contracts which are exchange traded and therefore classified as Level 1. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it would be classified as Level 3.

The Fund Sub-Advisor is responsible for performing the fair value measurements included in the financial statements of the Fund, including Level 3 measurements if any. The Fund Sub-Advisor obtains pricing from a third party pricing vendor which is monitored and reviewed daily by the Fund Sub-Advisor.

As at December 31, 2019 and 2018, all of the Fund's financial assets and financial liabilities held for trading were classified as Level 1. There were no transfers between Levels 1, 2 and 3 during the years ended December 31, 2019 and 2018.

6. OFFSETTING OF FINANCIAL INSTRUMENTS

In the normal course of business, the Fund enters into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position, but still allow for the related amounts to set off in certain circumstances, such as bankruptcy or termination of the contracts. The following tables show financial instruments that may be eligible for offset, if such conditions were to arise, as at December 31, 2019 and 2018. The "Net amount" column displays what the net impact would be on the Fund's Statements of Financial Position if all amounts were set off.

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December 31, 2019	Gross amounts \$	Financial instruments eligible for offset \$	Net amounts presented in the Statement of Financial Position \$	Related amounts not set-off in the Statement of Financial Position		Net amount \$
				Financial instruments \$	Collateral \$	
Financial assets:						
Counterparty 1	223,630	-	223,630	(71,000)	-	152,630
Counterparty 2	106,050	-	106,050	-	-	106,050
Counterparty 3	-	-	-	-	-	-
	329,680	-	329,680	(71,000)	-	258,680
Financial liabilities:						
Counterparty 1	(71,000)	-	(71,000)	71,000	-	-
Counterparty 2	-	-	-	-	-	-
Counterparty 3	(42,803)	-	(42,803)	42,803	-	-
	(113,803)	-	(113,803)	113,803	-	-

December 31, 2018	Gross amounts \$	Financial instruments eligible for offset \$	Net amounts presented in the Statement of Financial Position \$	Related amounts not set-off in the Statement of Financial Position		Net amount \$
				Financial instruments \$	Collateral \$	
Financial assets:						
Counterparty 1	828,520	-	828,520	(166,823)	-	661,697
Counterparty 2	373,020	-	373,020	(53,515)	-	319,505
Counterparty 3	-	-	-	-	-	-
	1,201,540	-	1,201,540	(220,338)	-	981,202
Financial liabilities:						
Counterparty 1	(166,823)	-	(166,823)	166,823	-	-
Counterparty 2	(53,515)	-	(53,515)	53,515	-	-
Counterparty 3	-	-	-	-	-	-
	(220,338)	-	(220,338)	220,338	-	-

7. REDEEMABLE SHARES

During the years ended December 31, 2019 and 2018, the number of shares issued, redeemed and outstanding was as follows:

For the year ended December 31, 2019

	Redeemable shares outstanding at beginning of year	Redeemable shares issued	Redeemable shares redeemed	Redeemable shares issued and outstanding at end of year
Series A	148,707	413	(54,592)	94,528
Series F	895,368	124,206	(197,751)	821,823
Series I	221,635	15,581	(235,623)	1,593
Series L	81,720	-	(63,490)	18,230
Series R	1,983,916	561,469	(2,038,822)	506,563

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For the year ended December 31, 2018

	Redeemable shares outstanding at beginning of year	Redeemable shares issued	Redeemable shares redeemed	Redeemable shares issued and outstanding at end of year
Series A	205,558	9,928	(66,779)	148,707
Series F	1,007,359	98,104	(210,095)	895,368
Series I	187,435	69,755	(35,555)	221,635
Series L	109,794	3,177	(31,251)	81,720
Series R	2,721,578	1,485,405	(2,223,067)	1,983,916

8. RELATED PARTY TRANSACTIONS

The Manager is responsible for making decisions relating to the investment of the Fund's assets and providing key management personnel.

As of December 31, 2019, the number of shares owned by the Manager or Directors of the Manager for the Fund is as follows:

	Number of shares	Amount (\$)	% of net assets attributable to holders of redeemable shares
Series A	500	3,680	0.0
Series F	5,493	44,658	0.4

As of December 31, 2018, the number of shares owned by the Manager or Directors of the Manager for the Fund is as follows:

	Number of shares	Amount (\$)	% of net assets attributable to holders of redeemable shares
Series A	500	4,030	0.0
Series F	5,493	48,395	0.2

Management Fee and Performance Bonus

The management fee paid to the Manager by the Fund is 2.00% of the net asset value of the Fund per annum on Series A Shares, 1.00% per annum on Series F Shares and 2.30% per annum on Series L Shares. Holders of Series R Shares of the Fund pay a negotiated management fee to the Manager based on tiers ranging from 0.6% to 1.0% per annum.

No portion of the management fee charged to the Fund is borne by Series I Shares. A holder of Series I Shares of the Fund pays a negotiated management fee directly to the Manager.

The Fund will pay to the Manager in respect of each fiscal year ended December 31 a performance bonus per Share (the "Performance Bonus") equal to 20% of the amount by which the Adjusted Net Asset Value per Share at the end of the fiscal year exceeds the highest year end Adjusted Net Asset Value per Share previously achieved. For these purposes, "Adjusted Net Asset Value per Share" of any series of shares of the Fund means the Net Asset Value per share of that series at the end of a fiscal year without giving effect to the accrual of any Performance Bonus, plus the aggregate amount of all distributions previously declared on a per Share basis in respect of such series of Shares. The Performance Bonus for the Fund is calculated and accrued each day the Net Asset Value of the Fund is calculated, but is only payable at the end of the fiscal year of the Fund based on the actual annual performance of the Fund.

Notwithstanding the foregoing, no Performance Bonus is payable with respect to any fiscal year of the Fund unless the Adjusted Net Asset Value per Share at the end of such fiscal year exceeds the Net Asset Value per share at the end of the preceding year (or on the date the Shares are first issued), plus the aggregate amount of all distributions previously declared on a per share basis, by a minimum of 6%.

The Performance Bonus is estimated and accrued each Valuation Date, calculated as at the end of each fiscal year-end of the Fund and paid within 15 business days thereafter. If any shares of the Fund are redeemed prior to the end of a calendar year, a performance fee will be payable on the redemption date in respect of each such share in the same manner as described above. This performance fee is paid to the fund quarterly.

WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS

(FORMERLY EXEMPLAR DIVERSIFIED PORTFOLIO)

GENERAL NOTES TO THE AUDITED FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

The Fund is responsible for all operating expenses incurred by or on behalf of the Fund. At the discretion of the Manager, certain fees may be absorbed by the Manager. During the years ended December 31, 2019 and December 31, 2018 the Manager, waived \$58,874 and \$55,873.

The Fund Sub-Advisor will be remunerated by the Manager out of the Management Fee and the Performance Bonus.

Accrued management fees and performance fees (excluding HST) included in other liabilities on the Statement of Financial Position are as follows:

	December 31, 2019		December 31, 2018	
	Management Fees	Performance Fees	Management Fees	Performance Fees
	\$	\$	\$	\$
WaveFront Global Diversified Investment Class	8,310	3,142	19,347	10,092

Operation and Administration Fees

The Fund pays for all expenses incurred in connection with its operation and administration, including applicable GST, HST and any applicable provincial sales taxes. Such costs and expenses may include, without limitation, the fees and expenses of the members of the IRC appointed under NI 81-107 and NI 81-102, as applicable and expenses related to the compliance of those Canadian Securities Regulations; regulatory fees including participation or other fees payable by the Manager under applicable securities legislation; accounting; audit; valuation; legal; registrar and transfer agency, custodial and safekeeping fees; taxes; brokerage commissions; fees and expenses relating to the implementation of portfolio transactions; interest; shareholder servicing costs; shareholder meeting costs; printing and mailing costs; litigation expenses; amounts paid for damages awarded or as settlements in connection with litigation; lease payments (including prepaid portions thereof); costs of office space, facilities and equipment; costs of financial and other reports and prospectuses that are used in complying with applicable securities legislation; and any new fee that may be introduced by a securities authority or other governmental authority that is calculated based on assets or other criteria of the Funds. The Manager may provide any of these services and is reimbursed all of its costs in providing these services to the Funds which may include but are not limited to personnel costs, office space, insurance and depreciation. The common expense of the Funds and other investment funds managed by Arrow will be allocated among the Funds and other funds, as applicable. The Funds will bear separately any expense item that can be attributed specifically to the Funds. Common expense of the Funds and other funds will be allocated based on a reasonable allocation methodology which will include allocations based on the assets of the Funds or the number of shareholders of the Funds or other methodology the Manager determine is fair.

9. BROKERAGE COMMISSIONS

Total commissions paid to dealers for the years ended December 31, 2019 and 2018 in connection with portfolio transactions are \$131,312 and \$411,261, respectively.

For the year ended December 31, 2019, \$nil was used for market data services (2018: \$nil).

10. INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE

The increase (decrease) in net assets attributable to holders of redeemable shares per share for the years ended December 31, 2019 and 2018 is calculated as follows:

December 31, 2019	Increase (decrease) in net assets attributable to holders of redeemable shares (\$)	Weighted average redeemable shares outstanding during the year	Increase (decrease) in net assets attributable to holders of redeemable shares per share (\$)
Series A	(86,643)	124,493	(0.70)
Series F	(569,783)	840,139	(0.68)
Series I	12,160	84,336	0.14
Series L	(17,217)	35,720	(0.48)
Series R	(590,727)	225,889	(2.62)

WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS

(FORMERLY EXEMPLAR DIVERSIFIED PORTFOLIO)

GENERAL NOTES TO THE AUDITED FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

December 31, 2018	Increase (decrease) in net assets attributable to holders of redeemable shares (\$)	Weighted average redeemable shares outstanding during the year	Increase (decrease) in net assets attributable to holders of redeemable shares per share (\$)
Series A	(225,782)	176,604	(1.28)
Series F	(1,194,696)	956,537	(1.25)
Series I	(206,808)	217,076	(0.95)
Series L	(111,625)	97,330	(1.15)
Series R	(3,167,068)	3,103,964	(1.02)

11. TAXATION

The Fund is a class of shares of the Corporation. Income, expenses and capital gains and losses of the Funds are consolidated, as a single entity, in determining the Corporation's taxable income and amount of taxes payable as a whole. Any taxes payable or recoverable by the Corporation are allocated to the Funds and their various series'.

The Corporation qualifies as a mutual fund corporation under the Income Tax Act (Canada) (the "Tax Act"). The general income tax rules associated with a public corporation apply to a mutual fund corporation with the exception that taxes payable on net realized capital gains are refundable when its shares are redeemed or when it pays capital gains dividends out of its capital gains dividend account to its shareholders, such that in substance the Corporation is not taxable on capital gains. Similarly, the Corporation is subject to Part IV tax on dividends received from Canadian corporations, however, they are refundable once paid to shareholders. As a result, the Corporation does not record income taxes related to capital gains and dividends from Canadian corporations.

Interest and foreign income are taxed at normal corporate rates applicable to mutual fund corporations and can be reduced by permitted deductions for tax purposes. All of the Corporation's expenses including management fees and operating expenses will be taken into account in determining its overall tax liability, if any.

As of December 31, 2019, the Corporation has accumulated the following non-capital losses available for utilization against net income for tax purposes in future years and capital losses available for utilization against capital gains. The tax benefit of the non-capital losses has not been reflected in the financial statements.

Tax Expiry Year	Non-Capital Loss*	Capital Loss**
2032	\$436,147	
2033	\$762,043	
2036	\$10,702,157	
2037	\$5,111,728	
2038	\$635,975	
Total	\$17,648,050	\$nil

* Non-capital losses can be offset against income in future years for up to 20 years.

** Net Capital losses can be carried forward indefinitely for offset against gains in future periods.

12. SUBSEQUENT EVENT

The continued worldwide spread of novel coronavirus (or COVID-19) and its impact on international business operations, supply chains, travel, commodity prices, consumer confidence and business forecasts, and the associated impact on domestic and international equity markets and fixed income yields, is expected to have a material impact on all equity and fixed income portfolios during the first half of 2020, and potentially beyond. We continue to monitor developments in equity and fixed income markets generally, and in connection with the Fund's portfolio in particular. While it is too early to predict the impact of COVID-19 related factors, during a time of increased uncertainty and volatility, we expect that the performance of all portfolios, including the Fund, will be affected in the near term.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

March 24, 2020

TO THE SHAREHOLDERS OF WAVEFRONT GLOBAL DIVERSIFIED PORTFOLIO CLASS (formerly EXEMPLAR DIVERSIFIED PORTFOLIO) (the "Fund")

The accompanying audited financial statements have been prepared by Arrow Capital Management Inc. ("Arrow" or the "Manager" of the Fund), and approved by the Board of Directors of the Manager. The Manager is responsible for the information and representations contained in these financial statements.

The Manager maintains appropriate processes to ensure that reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and include certain amounts that are based on estimates and judgments. The significant accounting policies which management believes are appropriate for the Fund are described in Note 2 to the financial statements.

PricewaterhouseCoopers LLP is the external auditor of the Fund, appointed by the Shareholders. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the Shareholders their opinion on the financial statements. Their report is set out on the following page.

"James L. McGovern"

JAMES L. MCGOVERN
Managing Director & CEO
ARROW CAPITAL MANAGEMENT INC.

"Robert W. Maxwell"

ROBERT W. MAXWELL
Managing Director & CFO
ARROW CAPITAL MANAGEMENT INC.



Independent auditor's report

To the Shareholders of
WaveFront Global Diversified Investment Class (formerly Exemplar Diversified Portfolio) (the Fund)

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2019 and 2018 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The Fund's financial statements comprise:

- the statements of financial position as at December 31, 2019 and 2018;
 - the statements of comprehensive income (loss) for the years then ended;
 - the statements of changes in net assets attributable to holders of redeemable shares for the years then ended;
 - the statements of cash flows for the years then ended; and
 - the notes to the financial statements, which include a summary of significant accounting policies.
-

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Other information

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Steven Wilson.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
March 24, 2020

FUND INFORMATION

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