

This document contains key information you should know about Arrow Canadian Advantage Alternative Class, Series L shares. You can find more detailed information in the fund's simplified prospectus. Ask your representative for a copy, contact Arrow Capital Management Inc. ("Arrow") at 1-877-327-6048 or visit www.arrow-capital.com.

Before you invest in any fund, consider how the fund would work with your other investments and your tolerance for risk.

This mutual fund is an alternative mutual fund. It has the ability to invest in asset classes or use investment strategies that are not permitted for conventional mutual funds. The specific strategies that differentiate this fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the fund's investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

This Fund has obtained exemptive relief to permit it to utilize market-neutral investment strategies pursuant to which the Fund may engage in the short selling of securities with a market value of up to a maximum of 100% of the net asset value of the Fund (subject to a combined limit on short selling and cash borrowing of 100% of its net asset value). This short selling limit is greater than the limits permitted under applicable securities legislation for conventional mutual funds as well as alternative mutual funds.

QUICK FACTS

Fund code: AHP1030

Date series started: January 10, 2012

Total value of fund on April 30, 2020: \$69.1 million

Management expense ratio (MER): 4.68%

Fund manager: Arrow Capital Management Inc.

Portfolio manager: Arrow Capital Management Inc.

Distributions: Ordinary dividends (if any) and capital gains dividends (if any), each December. Default reinvestment in additional shares.

Minimum investment: \$1,000 initial, \$100 subsequent

WHAT DOES THE FUND INVEST IN?

The investment objective of the Arrow Canadian Advantage Alternative Class is to achieve superior capital appreciation over both short and long term horizons primarily through the selection and management of a concentrated group of long and short positions in Canadian equity securities and equity derivative securities.

The fund will use leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's aggregate exposure is calculated as the sum of the following, and must not exceed 300% of its net asset value: (i) the aggregate market value of the fund's outstanding indebtedness under any borrowing arrangements; (ii) the aggregate market value of all securities sold short; and (iii) the aggregate notional amount of the fund's specified derivatives positions, minus the aggregate notional amount of the specified derivative positions that are hedging transactions.

Shareholder approval (given by a majority of votes cast at a meeting of shareholders) is required prior to a change of investment objectives.

The charts below give you a snapshot of the fund's investments on April 30, 2020. The fund's investments will change over time.

Top 10 investments (April 30, 2020)

1.	Cash and Cash Equivalents	25.8%
2.	Arrow Global Advantage Alternative Class, Series 'ETF'	12.8%
3.	Boyd Group Services Inc.	3.6%
4.	StorageVault Canada Inc.	3.1%
5.	VanEck Vectors Fallen Angel High Yield Bond ETF	2.3%
6.	BMO Laddered Preferred Share Index ETF	2.1%
7.	Microsoft Corp.	1.9%
8.	Canadian Pacific Railway Ltd.	1.8%
9.	Zoetis Inc.	1.8%
10.	Shopify Inc., Class 'A'	1.7%
Total percentage of top 10 investments		56.9%

Total number of investments: 165

Investment mix (%) (April 30, 2020)

	Long	Short
Communication Services	0.5	(0.2)
Consumer Discretionary	2.9	(0.3)
Consumer Staples	1.6	(0.2)
Energy	5.7	-
Financials	4.3	-
Funds	23.4	-
Health Care	4.2	(0.1)
Industrials	11.3	(0.5)
Information Technology	12.9	(0.2)
Materials	1.4	(0.3)
Real Estate	4.5	-
Utilities	4.7	-
Cash and Cash Equivalents	26.7	(1.0)
Other Net Assets	-	(1.3)
Total	104.1	(4.1)

HOW RISKY IS IT?

The value of the fund can go down as well as up. You could lose money.

One way to gauge risk is to look at how much a fund's returns change over time. This is called "volatility".

In general, funds with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. Funds with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

Risk rating

The Manager has rated the volatility of this fund as **medium**.

This rating is based on how much the fund's returns have changed from year to year. It doesn't tell you how volatile the fund will be in the future. The rating can change over time. A fund with a low risk rating can still lose money.



For more information about the risk rating and specific risks that can affect the fund's returns, see "What are the Risks of Investing in the Fund?" in the fund's simplified prospectus.

No guarantees

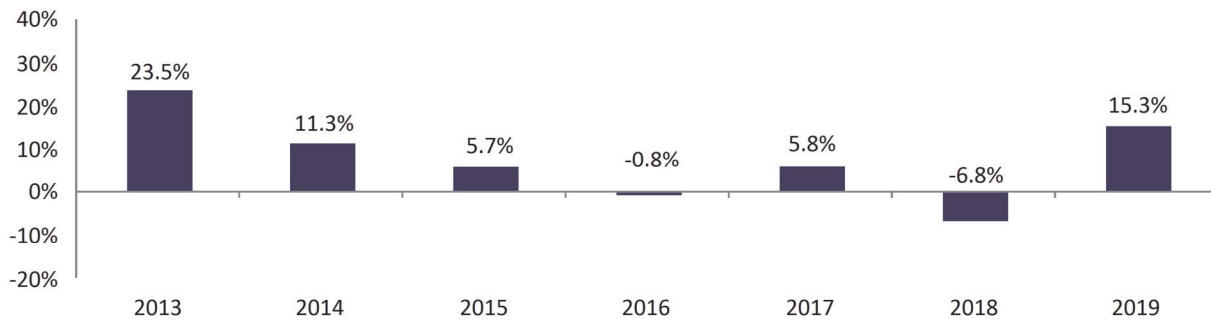
Like most mutual funds, this fund doesn't have any guarantees. You may not get back the amount of money you invest.

HOW HAS THE FUND PERFORMED?

This section tells you how Series L units of the fund have performed over the past 7 years. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

Year-by-year returns

This chart shows how the fund has performed in each of the past 7 years. The fund dropped in value in 2 of the 7 years. The range of returns and change from year to year can help you assess how risky the fund has been in the past. It does not tell you how the fund will perform in the future.



Best and worst 3-month returns

This table shows the best and worst returns for Series L shares of the fund in a 3-month period over the past 7 years. The best and worst 3-month returns could be higher or lower in the future. Consider how much of a loss you could afford to take in a short period of time.

	Return	3 months ending	If you invest \$1,000 at the beginning of the period
Best Return	9.8%	November 30, 2013	Your investment would rise to \$1,098
Worst Return	-10.7%	December 31, 2018	Your investment would fall to \$893

Average return

A person who invested \$1,000 in the fund on January 10, 2012 would have \$1,624 on April 30, 2020. This works out to an annual compound return of 6.1%.

WHO IS THIS FUND FOR?

The fund is suitable for investors who:

- Are looking for a medium to long term investment
 - Want to invest in a diversified portfolio of equity and fixed income securities
 - Are comfortable with a medium risk level
- ! This series is not appropriate if you require income from your investment

A WORD ABOUT TAX

In general, you'll have to pay income tax on any money you make on a fund. How much you pay depends on the tax laws where you live and whether or not you hold the fund in a registered plan, such as a Registered Retirements Savings Plan or a Tax-Free Savings Account.

Keep in mind that if you hold your fund outside a registered plan, fund distributions are included in your income for tax purposes, whether you get them in cash or have them reinvested. If you hold your fund inside a registered plan, you will include fund distributions and other amounts you withdraw from your registered plan in your income for tax purposes. Different rules apply for Tax-Free Savings Accounts.

HOW MUCH DOES IT COST?

The following tables show the fees and expenses you could pay to buy, own and sell Series L Shares of the fund.

The fees and expenses – including any commissions – can vary among series of a fund and among funds. Higher commissions can influence representatives to recommend one investment over another. Ask about other funds and investments that may be suitable for you at a lower cost.

Sales charges

You have to choose a sales charge option when you buy the fund. Ask about the pros and cons of each option.

Sales charge option	What you pay		How it works
	In percent (%)	In dollars (\$)	
Low-load sales charge ⁽¹⁾	If you sell within: 1 year of buying: 3.0% 2 years of buying: 2.5% 3 years of buying: 2.0% After 4 years: Nothing	\$0 to \$25 on every \$1,000 you sell	The low load fee is based on the cost of your shares at the time you buy. It is deducted from the value of your shares when you redeem and is paid to us. When you buy the fund, we pay your representative's firm a commission of up to 2.5%. You can switch to another fund managed by us without paying this charge as long as you switch to low load shares of another fund. The low load sales charge schedule will be based on the date you first bought the original shares.

(1) Low load shares received as reinvested distributions would be subject to the same low load sale charge on redemption and the three years redemption fee schedule shown above would commence on the issuance of such low load shares.

Fund expenses

You don't pay these expenses directly. They affect you because they reduce the fund's returns.

The fund's expenses are made up of the management fee, operating expenses and trading costs.

As of December 31, 2019, the fund's expenses were 5.12% of its value. This equals \$51.23 for every \$1,000 invested.

	Annual Rate (as a %)
Management expense ratio (MER) This is the total of the fund's management fee, performance fee and operating expenses.	4.68%
Trading expense ratio (TER) These are the fund's trading costs.	0.45%
Fund expenses	5.12%

Performance fee

The fund will pay to Arrow in respect of each calendar year of the fund a performance fee per share equal to 20% of the amount by which the Adjusted Net Asset Value (as defined in the prospectus) per share at the end of the fiscal year exceeds the highest year end Adjusted Net Asset Value per share previously achieved. No performance fee will be payable 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), adjusted for distributions, by a minimum of 6% (the "Hurdle Rate"). The performance fee will be estimated and accrued each Valuation Date. If any shares of the fund are purchased during the calendar year, the Hurdle Rate will be prorated in the calculation of the performance fee with respect to those shares. 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 shares.

More about the trailing commission

The trailing commission is an ongoing commission. It is paid for as long as you own the fund. It is for the services and advice that your representative and their firm provide to you. Series L shares of the fund may pay a trailing commission to your representative's firm that is negotiated between your representative's firm and Arrow. The trailing commission can range from 0% to 1%, which equals \$0 to \$10 on every \$1,000 invested. The rate depends on the sales charge option you choose.

Sales Charge Option	Amount of trailing commission	
	In percent (%)	In dollars (\$) on each \$1,000 invested
Low-load sales charge	0% of the value of your investment in year 1, 0.50% of the value of your investment in year 2 and 3, and 1.00% of the value of your investment after year 4	\$0 in year 1, \$5.00 in year 2 and year 3, and \$10.00 after year 4

Other fees

You may have to pay other fees when you buy, hold, sell or switch shares of the fund.

Fee	What you pay
Management fee	Series L shares of the fund have a management fee that is negotiated between you and Arrow. You pay the fee directly to Arrow. The maximum amount payable is 1.95%
Short-term trading fee	Up to 2% of the value of shares you sell or switch within 90 days of buying them. This fee goes to the fund.
Switch fee	Up to 5% of the value of shares you sell or switch within 90 days of buying them. This fee goes to the fund.

WHAT IF I CHANGE MY MIND?

Under securities law in some provinces and territories, you have the right to:

- Withdraw from an agreement to buy mutual funds within two business days after you receive a simplified prospectus or Fund Facts document, or
- Cancel your purchase order within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, annual information form, Fund Facts document or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

FOR MORE INFORMATION

Contact Arrow or your representative for a copy of the fund's simplified prospectus and other disclosure documents. These documents and the Fund Facts make up the fund's legal documents.

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To learn more about investing in mutual funds, see the brochure **Understanding mutual funds**, which is available on the website of the Canadian Securities Administrators at www.securities-administrators.ca.