

ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS SEMI-ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period since inception to June 30, 2019

This semi-annual Management Report of Fund Performance contains financial highlights but does not contain the complete semi-annual financial statements for Arrow Global Advantage Alternative Class (the "Fund"). If you have not received a copy of the semi-annual financial statements with the Management Report of Fund Performance, you may obtain a copy of the semi-annual financial statements, at no cost, by calling 877.327.6048, by writing to us at Arrow Capital Management Inc. (the "Manager" or "Arrow"), 36 Toronto Street, Suite 750, Toronto, Ontario M5C 2C5 or by visiting our website at www.arrow-capital.com or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the Fund's semi-annual financial reports, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure relating to the Fund.

Forward-Looking Information

This Management Report of Fund Performance contains forward-looking information and statements relating, but not limited to, anticipated or prospective financial performance and results of operations of the Fund. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. For this purpose, any statements that are contained herein that are not statements of historical fact may be deemed to be forward-looking information. Without limiting the foregoing, the words "believes", "anticipates", "plans", "intends", "will", "should", "expects", "projects", and similar expressions are intended to identify forward-looking information.

Although the Fund believes it has a reasonable basis for making the forecasts or projections included in this Management Report of Fund Performance, readers are cautioned not to place undue reliance on such forward-looking information. By its nature, the forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predictions, forecasts and other forward-looking statements will not occur. These factors include, but are not limited to, those associated with the performance of the equity securities market, expectations about interest rates and factors incorporated by reference herein as risk factors.

The above list of important factors affecting forward-looking information is not exhaustive, and reference should be made to the other risks discussed in the Fund's filings with Canadian securities regulatory authorities. The forward-looking information is given as of the date of this Management Report of Fund Performance, and the Fund undertakes no obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Management Discussion on Fund Performance

Investment Objective and Strategies

The investment objective of the Fund is to generate meaningful, risk-adjusted, absolute returns through exposure to global securities over the medium to long term, while preserving capital and mitigating risk.

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 otherwise permitted under applicable securities legislation.

To achieve its investment objective, the Fund will invest and trade primarily in a diversified portfolio of four global asset classes: equities, fixed income securities, commodities and currencies. Exposure to these asset classes may be obtained directly or indirectly by investing in underlying funds that invest such securities.

The Fund is an alternative mutual fund whereby 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.

Investment Risk

The risks of investing in the Fund remain as stated in the Fund's prospectus dated December 31, 2018. There were no material changes to the Fund over the year that affected the overall level of risk.

This Fund is suitable for investors who seek medium to long term growth through a diversified portfolio of equity and fixed income securities. To invest in this Fund, investors should be able to accept a medium degree of risk.

Results of Operations

For the period ended June 30, 2019, Series F Shares of the Fund posted a loss of 1.0% while its benchmark, the MSCI World NR Index (USD) posted a gain of 17.0% over the same period. Please refer to the "Past Performance" section for performance information of the other series. The performance of the other series of the Fund differs from Series F Shares due largely to a varying level of expenses charged to each series, as explained in the Management Fees section.

The first quarter was disappointing. What happened? Our biggest issue was that a good deal of the economic (GDP etc.) and market data (CoT) we normally have at hand was not available due to the U.S. government shutdown. We ended up being 'too negative' in our net positioning by over staying our short bias in equities. Our fixed income performed as expected but other investments including being short the Canadian Dollar, net short Canadian equities and U.S. Small cap stocks lost money. Our second issue was misreading how dovish the FED would pivot in January – no less than 3 times publicly – to the point where the market in March were predicting a cut in rates by the end of 2019. By eliminating not only future rate hikes and Quantitative Tightening, the Powell Put went into full effect. The only issue left of concern for investors is global growth slowing. Investors however seem to be "looking over the valley" as Chinese stimulus and the pending U.S./China trade deal potentially auger for better growth in the second half of 2019 – count us as skeptical as the data continues to say otherwise.

Recent Developments

(BASED ON INFORMATION AS AT JULY 19, 2019)

As we enter the third quarter, global Purchasing Manager's Indices are now firmly indicating an economic contraction. When GDP growth decelerates it follows that corporate profit growth is likely to follow. With margins near record highs, we are now fully expecting an earnings recession in the U.S. (not to be confused with an economic recession). In our view, the market's preoccupation with a China/U.S. trade deal, while important, is over emphasized in markets. Firstly, the U.S. economy peaked in the third quarter last year (and the global economy some 9 months earlier than that) – well before Trump's tariffs. De-globalization has been going for years now (secular trend) since the Great Financial Crisis but it has been made worse by the China tariffs (cyclical trend). We are not expecting any change in the direction (i.e. an inflection point) in growth until Q1, 2020 at the earliest.

On the interest rate and inflation front, the slowdown in global growth has largely been reflected in bond prices across the yield curve. The very negative term premiums reflect this reality. Consequently, we have reduced our U.S. government bond position, both in size and duration, in favour of other high-quality fixed income proxies. Our aggregate fixed income position however is lower than normal as we wait for better prices again.

As the FED has pivoted dovish, along with the ECB, PBOC, BoJ and the RBA, gold has been a prime beneficiary rising 9% in Q2. The Fund had up to 20% of its assets this quarter in bullion but we have recently reduced this level to 15%. We are moving to a short position in oil equities in the belief that oil has peaked for 2019.

In equities, we remain defensively positioned by being long bond proxies like staples, healthcare, utilities and REIT's although less so given the big move in Q2. Our shorts are focused on the most economically sensitive parts of the economy; industrials, financials and materials (except gold) and small cap stocks.

Finally, in currencies we have reduced our Canadian dollar short to 10% of the Fund. The 2-year spread between Canadian and U.S. government bonds continues to narrow.

Fund Merger

Effective March 22, 2019, after receiving unitholder approval, SG U.S. Market Neutral Fund and Lazard Global Credit II Fund (the "Terminating Funds") merged into Arrow Global Advantage Alternative Class (the "Continuing Fund"). Unitholders of the Terminating Funds received Shares of the Continuing Fund in exchange for their Shares of the Terminating Funds on a taxable basis.

	Net Assets acquired by Continuing Fund	Units issued by Continuing Fund	Conversion Ratios of SG U.S. Market Neutral Fund (Terminating Fund)				
			Class A	Class F	Class X	Class U	Class G
Series A	\$8,815,142	891,616	1.2413		1.2413		
Series F	\$3,677,962	370,927		1.4807			
Series G	\$927,286	91,734					1.1431
Series U	\$287,008	28,379				1.0901	

Series	Net Assets acquired by Continuing Fund	Units issued by Continuing Fund	Conversion Ratios of Lazard Global Credit II Fund (Terminating Fund)											
			A	F	U	G	AI	FI	UI	GI	AN	FN	UN	GN
A	\$8,362,611	845,845	0.8575				0.3754					1.114		
F	\$6,351,628	640,569		0.9174				0.4435					1.1460	
G	\$491,447	48,618				0.9019				0.5890				1.140
U	\$1,038,556	102,691			0.8766				0.4768				1.1094	

Related Party Transactions

Arrow Capital Management Inc. is the Manager and Portfolio Advisor of the Fund. The Manager, in consideration for management fees and performance fees, provides management services required in the day-to-day operations of the Fund. The Fund also reimburses the Manager for any operating or administrative expenses the Manager pays on behalf of the Fund.

The Fund may invest in other funds also managed by the Manager. These investments will either be made into a series that does not pay management fees or the Manager may pay a rebate to the Fund or other fund to offset fees paid by the other fund to the Manager. For the period ended June 30, 2019, the Manager has rebated \$55,469 of management fees to offset fees paid by another fund.

Management Fees

The table below outlines the Fund's annual Management Fee rate. It also states the percentage of the total management fees that were used to pay trailer commissions. The remainder of the management fees were used to pay for investment management services.

ANNUAL RATE (%)	Series A, U	Series F, G, ETF
Management Fees <i>(Annual Rate)</i>	1.95%	0.95%
Trailer Fees <i>(as a % of Management Fees)</i>	51.1%	-

In addition, the Fund pays Arrow performance fees ("Performance Fees") equal to 15% of the amount by which the Fund return in a period is in excess of the high water mark (the "High Water Mark"), and no Performance Fee is payable unless a hurdle rate of 5% is achieved in that year. 100% of the Performance Fees are used to pay for investment management services. Please refer to the Fund's simplified prospectus dated December 31, 2018, for further details relating to Performance Fees.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help the reader understand the Fund's financial performance. This information is derived from the Fund's financial statements and is represented net of expenses which have been charged to the Fund.

SERIES A - NET ASSETS PER SHARE	
For the period since January 01, 2019 (date of commencement of operations) to June 30, 2019	
	2019 [†]
Net Assets, beginning of period¹	\$ 10.00
Increase (decrease) from operations:	
Total revenue	0.08
Total expenses	(0.19)
Realized gains (loss)	0.13
Unrealized gains (loss)	(0.10)
Total increase (decrease) from operations¹:	\$ (0.08)
Distributions²:	
From dividends	-
From capital gains	-
Total distributions	\$ -
Net Assets, end of period¹	\$ 9.84

SERIES A - RATIOS AND SUPPLEMENTAL DATA⁷

For the period since January 01, 2019 (date of commencement of operations) to June 30, 2019

	2019 [†]
Net Asset Value ("NAV") (000s) ¹	\$16,619
Number of shares outstanding	1,688,228
Management expense ratio ^{3,8}	2.78%
Management expense ratio before waivers or absorptions ^{4,8}	3.23%
Portfolio turnover rate ⁵	2054.81%
Trading expense ratio ^{6,8}	1.22%
Net asset value per share	\$9.84

SERIES F - NET ASSETS PER SHARE

For the period ended June 30, 2019

	2019 [†]
Net Assets, beginning of period¹	\$ 10.00
Increase (decrease) from operations:	
Total revenue	0.07
Total expenses	(0.14)
Realized gains (loss)	0.12
Unrealized gains (loss)	0.01
Total increase (decrease) from operations¹:	\$ 0.06
Distributions²:	
From dividends	-
From capital gains	-
Total distributions	\$ -
Net Assets, end of period¹	\$ 9.90

SERIES F - RATIOS AND SUPPLEMENTAL DATA⁷

For the period ended June 30, 2019

	2019 [†]
Net Asset Value ("NAV") (000s) ¹	\$14,940
Number of shares outstanding	1,508,693
Management expense ratio ^{3,8}	1.65%*
Management expense ratio before waivers or absorptions ^{4,8}	2.09%*
Portfolio turnover rate ⁵	2054.81%
Trading expense ratio ^{6,8}	1.22%*
Net asset value per share	\$9.90

SERIES G - NET ASSETS PER SHARE

For the period since February 28, 2019 (date of commencement of operations) to June 30, 2019

	2019 [†]
Net Assets, beginning of period¹ - CAD	\$ 13.16
Increase (decrease) from operations:	
Total revenue	0.08
Total expenses	(0.14)
Realized gains (loss)	0.19
Unrealized gains (loss)	(0.58)
Total increase (decrease) from operations¹:	\$ (0.45)
Distributions²:	
From dividends	-
From capital gains	-
Total distributions	\$ -
Net Assets, end of period¹ - CAD	\$ 13.25
Net Assets, beginning of period¹ - USD	\$ 10.00
Net Assets, end of period¹ - USD	\$ 10.12

SERIES G - RATIOS AND SUPPLEMENTAL DATA⁷

For the period since February 28, 2019 (date of commencement of operations) to June 30, 2019

	2019 [†]
Net Asset Value ("NAV") (000s) ¹	\$2,238
Number of shares outstanding	168,921
Management expense ratio ^{3 8}	1.79%*
Management expense ratio before waivers or absorptions ^{4 8}	2.28%*
Portfolio turnover rate ⁵	2054.81%
Trading expense ratio ^{6 8}	1.22%*
Net asset value per share (USD)	\$10.12

SERIES U - NET ASSETS PER SHARE

For the period since February 28, 2019 (date of commencement of operations) to June 30, 2019

	2019 [†]
Net Assets, beginning of period¹ - CAD	\$ 13.16
Increase (decrease) from operations:	
Total revenue	0.07
Total expenses	(0.19)
Realized gains (loss)	0.15
Unrealized gains (loss)	(0.49)
Total increase (decrease) from operations¹:	\$ (0.46)
Distributions²:	
From dividends	-
From capital gains	-
Total distributions	\$ -
Net Assets, end of period¹ - CAD	\$ 13.22
Net Assets, beginning of period¹ - USD	\$ 10.00
Net Assets, end of period¹ - USD	\$ 10.10

SERIES U - RATIOS AND SUPPLEMENTAL DATA⁷

For the period since February 28, 2019 (date of commencement of operations) to June 30, 2019

	2019 [†]
Net Asset Value ("NAV") (000s) ¹	\$1,435
Number of shares outstanding	1,508,693
Management expense ratio ^{3,8}	2.80%*
Management expense ratio before waivers or absorptions ^{4,8}	3.28%*
Portfolio turnover rate ⁵	2054.81%
Trading expense ratio ^{6,8}	1.22%*
Net asset value per share (USD)	\$10.10

SERIES ETF - NET ASSETS PER SHARE

For the period ended June 30, 2019

	2019 [†]
Net Assets, beginning of period¹	\$ 20.00
Increase (decrease) from operations:	
Total revenue	0.09
Total expenses	(0.17)
Realized gains (loss)	0.04
Unrealized gains (loss)	(0.06)
Total increase (decrease) from operations¹:	\$ (0.10)
Distributions²:	
From dividends	-
From capital gains	-
Total distributions	\$ -
Net Assets, end of period¹	\$ 19.90

SERIES ETF - RATIOS AND SUPPLEMENTAL DATA⁷

For the period ended June 30, 2019

	2019 [†]
Net Asset Value ("NAV") (000s) ¹	\$12,246
Number of shares outstanding	615,272
Management expense ratio ^{3,8}	0.59%*
Management expense ratio before waivers or absorptions ^{4,8}	0.81%*
Portfolio turnover rate ⁵	2054.81%
Trading expense ratio ^{6,8}	1.22%*
Net asset value per share	\$19.90

[†]The Fund was launched on December 31, 2018. Series A, Series F and Series ETF shares began operations on January 01, 2019. Series U and Series G shares began operations on February 28, 2019.

*Ratios have been annualized.

1. The net assets per unit shown are referenced to net assets attributable to holders of redeemable shares determined in accordance with International Financial Reporting Standards ("IFRS") and are derived from the Fund's financial statements. The increase/decrease from operations is based on the weighted average number of shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.
2. Distributions, if any, were reinvested in additional shares of the Fund at the discretion of the underlying unitholders.
3. Management expense ratio is based on total expenses (excluding certain taxes, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

4. The Manager has absorbed certain expenses or waived certain fees otherwise payable by the Fund. The amount of expenses absorbed or waived is determined annually at the discretion of the Manager and the Manager can terminate the absorption or waiver at any time.
5. The Fund's portfolio turnover rate can indicate how actively the investment advisor manages the portfolio of investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of its securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.
6. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
7. Ratios and supplemental data, where applicable, are computed using the net asset value of the Fund.

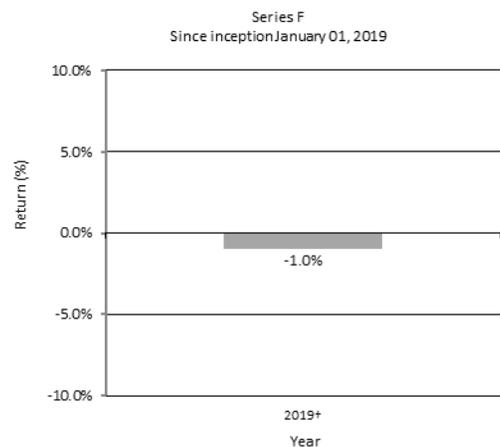
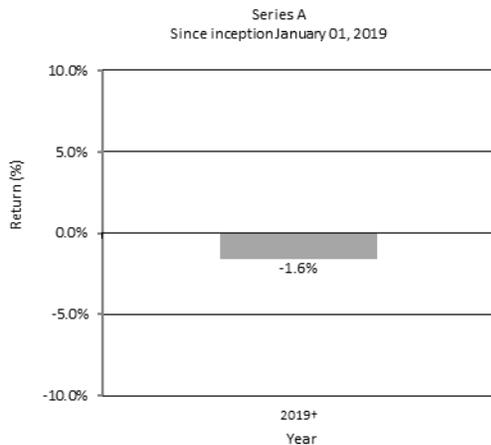
Past Performance

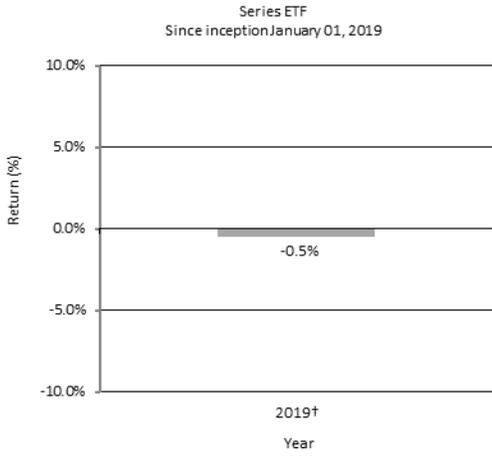
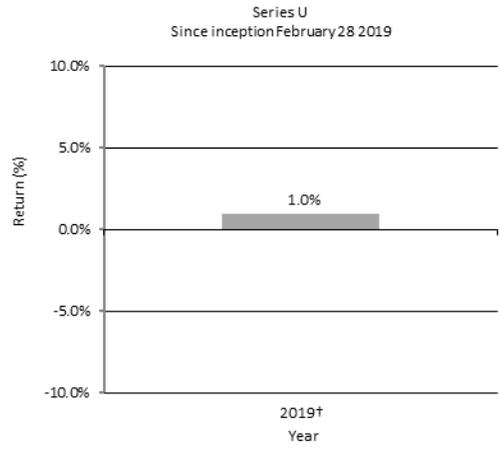
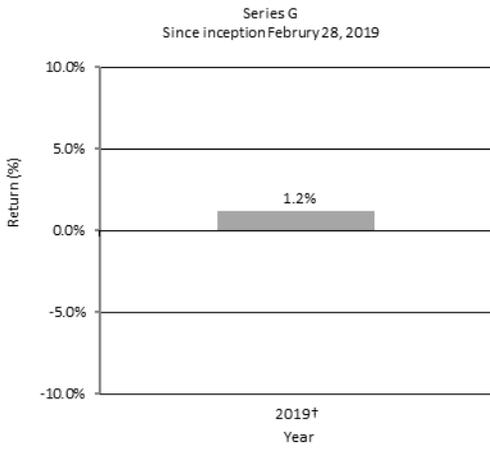
The performance information shown below assumes that all distributions, if any, made by the Fund in the year shown were reinvested in additional shares of the Fund. If you hold the Fund outside a registered plan, you will be taxed on distributions. Distributions of income the Fund earns and capital gains it realizes are taxable in the year received whether received in cash or reinvested in additional shares. No adjustment for potential tax consequences to an investor has been made to the performance information.

The indicated rates of return are historical annual compounded total returns including changes in unit value and do not take into account sale, redemption, distribution or other optional charges, that, if applicable, would have reduced returns or performance. An investment in the Fund is not guaranteed. Its value changes frequently and how the Fund has performed in the past does not necessarily indicate how it will perform in the future.

Year-By-Year Returns

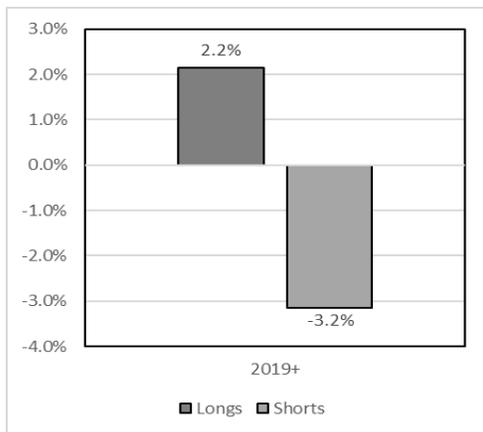
The bar chart below illustrates the Fund's performance for the periods shown. It shows, in percentage terms, how much an investment made on the first day of each financial year (or since inception) would have grown or decreased.





†Returns shown represent a partial year.

The chart below illustrates the Fund's returns for Series F for the period ended June 30, 2019 for the Fund shares by long and short holdings:



†Returns shown represent a partial year.

Annual Compound Returns (Compound Performance)

The following table shows the annual compound total returns of the Fund and for its benchmark MSCI World NR Index USD for the period shown ended June 30, 2019. The Relative Performance returns show the performance of the Fund as compared to the benchmark.

	Since Inception
Series A	(1.6%)
Series F	(1.0%)
Series G	1.2%
Series U	1.0%
Series ETF	(0.5%)
MSCI World NR Index USD (January 1, 2019 to June 30, 2019)	17.0%

Summary of Investment Portfolio as at June 30, 2019

The summary of investment portfolio below includes information regarding the Fund as a whole. This summary may change due to ongoing portfolio transactions of the Fund and a quarterly update is available by contacting Arrow at 877.327.6048 or by visiting Arrow's website at www.arrow-capital.com.

Industry Sector	Exposure (%)		Top 25 Holdings	%
	Long	Short		
Communication Services	2.4	(1.1)	Cash and Cash Equivalent	62.6%
Consumer Discretionary	3.4	(3.4)	iShares iBoxx \$ Investment Grade Corporate Bond ETF	9.7%
Consumer Staples	1.8	(1.2)	iShares J.P. Morgan USD Emerging Markets Bond ETF	9.6%
Energy	2.0	(0.1)	iShares CMBS ETF	3.9%
Financials	1.7	(3.3)	iShares Floating Rate Bond ETF	3.0%
Funds	36.8	(5.0)	Utilities Select Sector SPDR Fund	2.4%
Health Care	1.6	(0.6)	Materials Select Sector SPDR Fund	-1.3%
Industrials	1.3	(2.6)	BMO Laddered Preferred Share Index ETF	1.2%
Information Technology	2.2	(1.2)	Vanguard REIT ETF	1.2%
Materials	3.7	(0.9)	Energy Select Sector SPDR Fund	-0.9%
Real Estate	1.7	(0.1)	VanEck Vectors Semiconductor ETF	-0.9%
Utilities	1.9	-	Distressed Securities Fund, Class 'A'	0.8%
Derivatives	1.2	(0.3)	iShares MSCI Emerging Markets ETF	0.8%
Cash and Cash Equivalents	62.6	-	Technology Select Sector SPDR Fund	-0.8%
Other Net Assets	-	(4.5)	Enbridge Inc.	0.6%
			BCE Inc.	0.6%
Totals	124.3	(24.3)	iShares U.S. Home Construction ETF	0.6%
			TMX Group Ltd.	0.5%
			SPDR Gold Shares Call Option	0.5%
			Canadian Imperial Bank of Commerce	-0.5%
			iShares MSCI Brazil ETF	-0.5%
			Laurentian Bank of Canada	-0.4%
			Apple Inc.	-0.4%
			SPDR S&P Homebuilders ETF	0.4%
			Health Care Select Sector SPDR Fund	0.4%
			Total (%)	93.1%
			Total Net Asset Value (in \$ millions)	47.5