

ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the year ended December 31, 2020

This annual Management Report of Fund Performance contains financial highlights but does not contain the complete annual financial statements for Arrow Global Advantage Alternative Class (the "Fund"). You may obtain a copy of the 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 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 simplified prospectus. There were no material changes to the Fund over the period 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.

Leverage

Leverage occurs when the Fund borrows money or securities, or uses derivatives, to generate investment exposure to underlying assets that is greater than the amount invested. It is an investment technique that can magnify gains and losses. Leverage may increase volatility, may impair the Fund's liquidity and may cause the Fund to liquidate positions at unfavorable times. The Fund's leverage is measured by calculating its aggregate gross exposure through the sum of the following: (i) the market value of short holdings; (ii) the amount of cash borrowed for investment purposes; and (iii) the notional value of the Fund's specified derivatives positions, excluding any specified derivatives used for hedging purposes. The maximum aggregate gross exposure is 300% of the Fund's NAV.

The Fund may borrow cash up to a maximum of 50% of its NAV and may sell securities short, whereby the aggregate market value of securities sold short will be limited to 100% of its NAV. The combined use of short-selling and cash borrowing by the Fund is subject to an overall limit of 100% of its NAV.

During the period from January 1, 2020 to December 31, 2020, the Fund's aggregate amount of leverage ranged from 0.0% to 93.5% (0% to 65.8% in 2019) of the Fund's NAV during such period of time.

Results of Operations

The net asset value ("NAV") of the Fund increased from \$78.7 million to \$104.3 million from December 31, 2019 to December 31, 2020. The Fund had net sales of \$19.7 million for the period. The Fund paid \$3.8 million distribution while the portfolio's performance increased assets by \$9.7 million. For the period ended December 31, 2020, Series F Shares of the Fund posted a gain of 11.2% (loss of 0.8% in the period ended December 31, 2019) while its benchmark, the MSCI World NR Index (USD) posted a gain of 15.9% (gain of 27.7% in the period ended December 31, 2019) 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.

2020 was without doubt the most challenging year we have ever had to navigate. Despite the unfamiliarity with repercussions of a pandemic, the correct portfolio response was not dissimilar to a response appropriate for any downturn - involving raising cash as well as selling and shorting stocks of companies likely to suffer the most severe consequences. The experience of having managed through a variety of crises and recessions came in handy, however the speed of the sell-off left little time for

planning a comprehensive strategy. The timely monetary and fiscal response by authorities around the globe caused markets to begin rallying as quickly as they declined. The outcome was an often puzzling decoupling of market performance from economic reality. Markets were roaring higher by the time the grim results of the economic dislocation were reported.

Historically, significant innovations are borne out of crises. So Covid-19 brought many innovations as digitization became imperative for companies to succeed during the ensuing lockdowns. Lack of pandemic experience meant investors had to rely on observations, earnings and guidance announcements to pick winners. A whole new group designated as 'WFH companies' embarked on an unprecedented outperformance, lead by the likes of ZOOM. The successful portfolios were able to jump on 'winners of the pandemic' early. Just as our comfort level with innovators grew, the high efficacy announcements of the new vaccines had investors head for the cyclical value stocks which had better leverage to the re-opening economies. Thus, the challenge last year did not lie so much in positioning for each scenario, but rather in figuring out which scenario would take hold next. It often felt as if several years' worth of events were compressed into a single year.

The November U.S. presidential election added yet another layer of uncertainty, as the outcome would determine which sectors became beneficiaries. We did lean toward a Democrat win by beefing up several 'green' positions. The cyclicals never looked back after the election as they rallied into yearend, driven by a larger stimulus expected from the new Democrat regime. Many of the doom prognostications did not materialize. In hindsight, every correction presented a buying opportunity, and having a cash reserve just weighed on portfolio returns. A second wave was always predicted to cause markets to retreat; yet additional stimulus expectations are driving markets to all time highs, even as infections and deaths are reaching record levels.

Recent Developments

(BASED ON INFORMATION AS AT FEBRUARY 10, 2021)

Valuation of U.S. equities is stretched on any measure, yet current wisdom has excess liquidity driving markets higher for at least the first half of 2021. Thus, the current scenario considers a possible market peak just as global economy begins to return to normalcy and sustained GDP growth. Advice from most strategists is to stay invested until there are more convincing signs of a market top. Given November's strength, we saw some much-needed consolidation in pockets of the market, although overall, we continued to see stability. Our economic models are showing a high probability that we will see positive year over year economic growth in the first half of 2021 indicating a generally good outlook for equities and risk taking. The tricky part will be gauging inflation and the direction of rates in the different global economies. The balancing act here is heavily influenced by two factors – first, how fast can the economy re-open (especially in Western democracies) with the positive vaccine announcements; and two, how much further stimulus is in the pipeline to bridge the gap before the vaccines are widely available.

Fund Acquisition into Arrow Global Advantage Alternative Class

Effective June 30, 2020, after receiving unitholder approval, Arrow Global Advantage Fund (the "Terminating Fund") was acquired by Arrow Global Advantage Alternative Class (the "Continuing Fund"). Unitholders of the Terminating Fund received shares of the Continuing Fund in exchange for their units of the Terminating Fund on a taxable basis. The transaction has been accounted for as an acquisition of the Terminating Fund at fair market value.

Details relating to the transactions are as follows:

	Net Assets acquired by Continuing Fund	Shares issued by Continuing Fund	Conversion Ratios of Arrow Global Advantage Fund (Terminating Fund)			
			Class A	Class F	Class G	Class U
Series A	\$2,102,477	208,044	0.8920			
Series F	\$14,285,089	1,391,211		0.9341		
Series G	\$3,897,422	370,823			1.1111	
Series U	\$667,498	64,262				1.0831

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 December 31, 2020, the Manager has rebated \$122,864 (\$115,045 in 2019) 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>	50.8%	-

In addition, the Fund pays Arrow performance fees ("Performance Fees") equal to 15% of the amount by which the Fund return in a year 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 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 years ended December 31,		
	2020	2019
Net Assets, beginning of year¹	\$ 9.81	\$ 10.00
Increase (decrease) from operations:		
Total revenue	0.13	0.23
Total expenses	(0.57)	(0.42)
Realized gains (loss)	1.20	0.00
Unrealized gains (loss)	0.25	0.09
Total increase (decrease) from operations¹:	\$ 1.01	\$ (0.10)
Distributions²:		
From dividends	(0.01)	0.00
From capital gains	(0.39)	-
Total distributions	\$ (0.40)	\$ -
Net Assets, end of year¹	\$ 10.41	\$ 9.81

SERIES A - RATIOS AND SUPPLEMENTAL DATA⁸		
For the years ended December 31,		
	2020	2019
Net Asset Value ("NAV") (000s) ¹	\$23,408	\$22,178
Number of shares outstanding	2,249,007	2,261,513
Management expense ratio before performance fees ⁴	2.62%	2.73%
Management expense ratio ⁴	4.50%	2.73%
Management expense ratio before waivers or absorptions ⁵	4.50%	2.73%
Portfolio turnover rate ⁶	2,441.80%	2,129.99%
Trading expense ratio before interest and borrowing expenses ⁸	0.82%	0.74%
Trading expense ratio ⁷	1.05%	0.84%
Net asset value per share	\$10.41	\$9.81

SERIES F - NET ASSETS PER SHARE		
For the years ended December 31,		
	2020	2019
Net Assets, beginning of year¹	\$ 9.92	\$ 10.00
Increase (decrease) from operations:		
Total revenue	0.14	0.19
Total expenses	(0.50)	(0.31)
Realized gains (loss)	1.21	(0.04)
Unrealized gains (loss)	0.33	0.26
Total increase (decrease) from operations¹:	\$ 1.18	\$ 0.10
Distributions²:		
From dividends	(0.01)	-
From capital gains	(0.40)	-
Total distributions	\$ (0.41)	\$ -
Net Assets, end of year¹	\$ 10.63	\$ 9.92

SERIES F - RATIOS AND SUPPLEMENTAL DATA⁸

For the years ended December 31,

	2020	2019
Net Asset Value ("NAV") (000s) ¹	\$58,353	\$41,024
Number of shares outstanding	5,489,798	4,134,494
Management expense ratio before performance fees ⁴	1.51%	1.60%
Management expense ratio ⁴	3.69%	1.60%
Management expense ratio before waivers or absorptions ⁵	3.69%	1.60%
Portfolio turnover rate ⁶	2,441.80%	2,129.99%
Trading expense ratio before interest and borrowing expenses ⁸	0.82%	0.74%
Trading expense ratio ⁷	1.05%	0.84%
Net asset value per share	\$10.63	\$9.92

SERIES G - NET ASSETS PER SHARE

For the years ended December 31,

	2020	2019 [†]
Net Assets, beginning of year¹ - CAD	\$ 13.21	\$ 13.16
Increase (decrease) from operations:		
Total revenue	(0.63)	0.23
Total expenses	(0.71)	(0.38)
Realized gains (loss)	1.61	0.04
Unrealized gains (loss)	0.52	(0.30)
Total increase (decrease) from operations¹:	\$ 0.79	\$ (0.41)
Distributions²:		
From dividends	(0.01)	-
From capital gains	(0.51)	-
Total distributions	\$ (0.52)	\$ -
Net Assets, end of year¹ - CAD	\$ 13.89	\$ 13.21
Net Assets, beginning of year¹ - USD	\$ 10.17	\$ 10.00
Net Assets, end of year¹ - USD	\$ 10.91	\$ 10.17

SERIES G - RATIOS AND SUPPLEMENTAL DATA⁸

For the years ended December 31,

	2020	2019 [†]
Net Asset Value ("NAV") (000s) ¹	\$6,653	\$2,062
Number of shares outstanding	479,102	156,189
Management expense ratio before performance fees ⁴	1.52%	1.61%*
Management expense ratio ⁴	3.86%	1.61%*
Management expense ratio before waivers or absorptions ⁵	3.86%	1.61%*
Portfolio turnover rate ⁶	2,441.80%	2,129.99%
Trading expense ratio before interest and borrowing expenses ⁸	0.82%	0.74%*
Trading expense ratio ⁷	1.05%	0.84%*
Net asset value per share - USD	\$10.91	\$10.17

SERIES U - NET ASSETS PER SHARE

For the years ended December 31,

	2020	2019 [†]
Net Assets, beginning of year¹ - CAD	\$ 13.10	\$ 13.16
Increase (decrease) from operations:		
Total revenue	(0.29)	0.18
Total expenses	(0.82)	(0.51)
Realized gains (loss)	1.62	0.06
Unrealized gains (loss)	0.46	(0.26)
Total increase (decrease) from operations¹:	\$ 0.97	\$ (0.53)
Distributions²:		
From dividends	(0.01)	-
From capital gains	(0.50)	-
Total distributions	\$ (0.51)	\$ -
Net Assets, end of year¹ - CAD	\$ 13.66	\$ 13.10
Net Assets, beginning of year¹ - USD	\$ 10.09	\$ 10.00
Net Assets, end of year¹ - USD	\$ 10.73	\$ 10.09

SERIES U - RATIOS AND SUPPLEMENTAL DATA⁸

For the years ended December 31,

	2020	2019 [†]
Net Asset Value ("NAV") (000s) ¹	\$1,863	\$1,078
Number of shares outstanding	136,356	82,310
Management expense ratio before performance fees ^{4*}	2.64%	2.74%*
Management expense ratio ⁴	4.68%	2.74%*
Management expense ratio before waivers or absorptions ⁵	4.68%	2.74%*
Portfolio turnover rate ⁶	2,441.80%	2,129.99%
Trading expense ratio before interest and borrowing expenses ⁸	0.82%	0.74%*
Trading expense ratio ⁷	1.05%	0.84%*
Net asset value per share - USD	\$10.73	\$10.09

SERIES ETF - NET ASSETS PER SHARE

For the years ended December 31,

	2020	2019
Net Assets, beginning of year¹	\$ 20.05	\$ 20.00
Increase (decrease) from operations:		
Total revenue	0.26	0.47
Total expenses	(0.34)	(0.44)
Realized gains (loss)	2.48	(0.13)
Unrealized gains (loss)	0.53	0.15
Total increase (decrease) from operations¹:	\$ 2.93	\$ 0.05
Distributions²:		
From dividends	(0.02)	-
From capital gains	(0.82)	-
Total distributions	\$ (0.84)	\$ -
Net Assets, end of year¹	\$ 22.15	\$ 20.05

SERIES ETF - RATIOS AND SUPPLEMENTAL DATA⁸

For the years ended December 31,

	2020	2019
Net Asset Value ("NAV") (000s) ¹	\$14,051	\$12,337
Number of shares outstanding	634,390	615,272
Management expense ratio before performance fees ⁴	0.48%	0.54%
Management expense ratio ⁴	0.48%	0.54%
Management expense ratio before waivers or absorptions ⁵	1.43%	1.49%
Portfolio turnover rate ⁶	2,441.80%	2,129.99%
Trading expense ratio before interest and borrowing expenses ⁸	0.82%	0.74%
Trading expense ratio ⁷	1.05%	0.84%
Net asset value per share	\$22.15	\$20.05

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

*Ratios have been annualized.

1. The net assets per share 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 share.
2. Distributions, if applicable, were reinvested in additional shares of the Fund at the discretion of the underlying shareholders.
3. The Manager may absorb certain expenses or waive certain fees otherwise payable by the Fund. The amount of expenses absorbed or waived (if applicable) is determined annually at the discretion of the Manager and the Manager can terminate the absorption or waiver at any time.
4. Management expense ratio ("MER") is calculated as total expenses net of waived fees, if applicable, and excludes certain taxes, commissions and other fund transaction costs for the stated year expressed as an annualized percentage of daily average NAV during the stated year. The management expense ratio is calculated in accordance with Part 15 of NI 81-106. Management expense ratio before performance fee is the MER before any performance fees, if applicable, for the stated year.
5. Management expense ratio before waivers or absorptions is the MER inclusive of performance fees before any waivers or absorptions are deducted.
6. 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 the 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. The portfolio turnover ratio for the year ended 2019 was calculated based on the average net portfolio of the Fund. The ratio for this year has been restated to be based on average gross portfolio of the Fund.
7. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average NAV during the period.
8. The trading expense ratio before interest and borrowing expenses represents total commissions and other portfolio transaction costs excluding interest expenses and borrowing expenses expressed as an annualized percentage of daily average NAV during the period.
9. Ratios and supplemental data, where applicable, are computed using the NAV of the Fund.

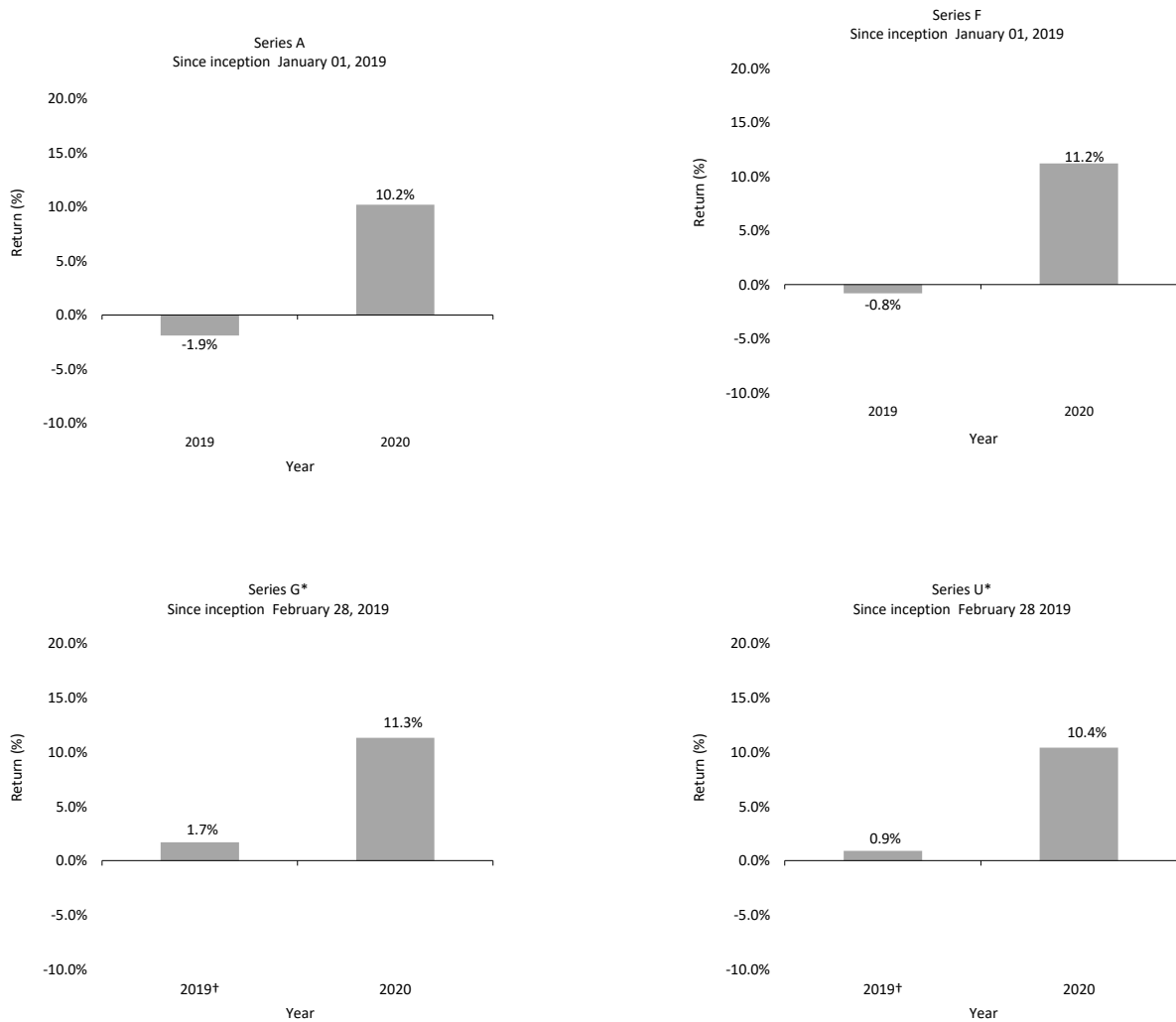
Past Performance

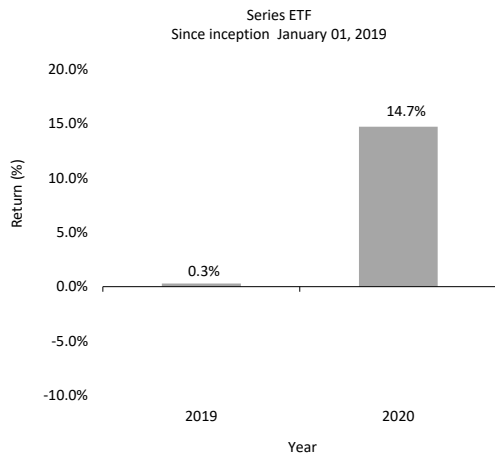
The performance information shown below assumes that all distributions, if any, made by the Fund in the year shown were reinvested in additional shares of the Fund. If you hold the Fund outside a registered plan, you will be taxed on distributions. Distributions of income the Fund earns and capital gains 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

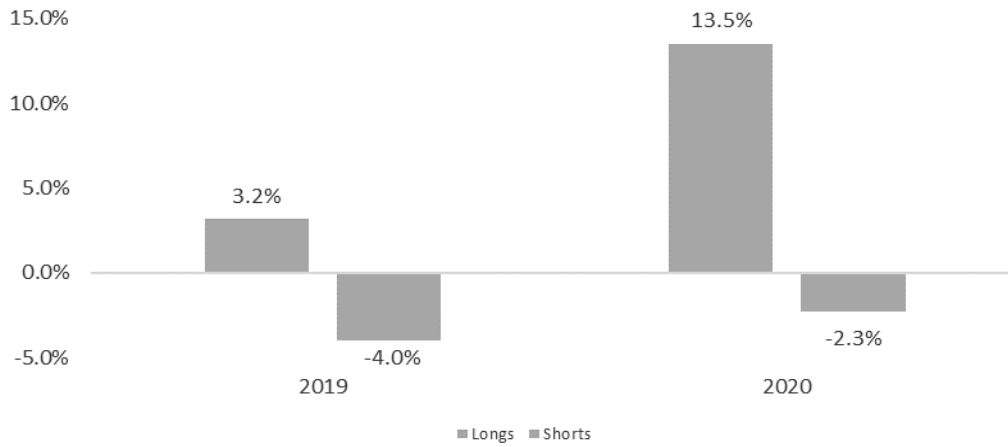
The bar chart below illustrates the Fund's performance for the periods shown. It shows, in percentage terms, how much an investment made on the first day of each financial year (or since inception) would have grown or decreased.





†Returns shown represent a partial year
*Returns shown in USD

The chart below illustrates the Fund's returns for Series F for the year ended December 31, 2020 and for the year ended December 31 for the Fund's shares by long and short holdings:



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 December 31, 2020. The Relative Performance returns show the performance of the Fund as compared to the benchmark.

	1 Year	Annualized Since Inception
Series A	10.2%	3.9%
Series F	11.2%	5.0%
Series G	11.3%	7.0%
Series U	10.4%	6.0%
Series ETF	14.7%	7.2%
MSCI World NR Index (USD)	15.9%	48.0%

Summary of Investment Portfolio as at December 31, 2020

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.

Geographical Sector	% of Net Assets		Top 25 Holdings	%
	Long	Short	Long Positions	
Australia	1.2	-	Cash and Cash Equivalents	12.3
Austria	0.6	-	Arrow EC Income Advantage Alternative Fund, Series I	5.1
Brazil	0.1	-	Invesco Senior Loan ETF	4.0
Canada	5.3	(1.0)	iShares 20+ Year Treasury Bond ETF	3.9
China	1.6	-	iShares S&P GSCI Commodity-Indexed Trust	2.0
Columbia	-	-	iShares J.P. Morgan USD Emerging Markets Bond ETF	1.8
Cyprus	0.1	-	Curvature Market Neutral Fund	1.6
Denmark	1.0	-	iShares MSCI EAFE Small-Cap ETF	1.6
Finland	0.2	-	VanEck Vectors Fallen Angel High Yield Bond ETF	1.4
France	0.6	-	WisdomTree India Earnings Fund	1.2
Funds	28.8	(6.4)	iShares Latin American 40 ETF	1.2
Germany	1.2	-	iShares MSCI Emerging Markets ETF	1.0
Hong Kong	0.4	-	iShares MSCI South Korea ETF	0.8
India	0.5	-	iShares MSCI Taiwan ETF	0.8
Ireland	0.4	(0.2)	JPMorgan Ultra-Short Income ETF	0.7
Italy	0.5	-	VanEck Vectors Gold Miners ETF	0.7
Japan	4.3	-	Energias de Portugal SA	0.5
Korea	0.1	-	JPMorgan Chase & Co.	0.4
Luxembourg	0.4	-	Top long positions as a percentage of total net asset value	41.0
Netherlands	1.5	-		
New Zealand	0.1	-	Consumer Discretionary Select Sector SPDR Fund	(1.4)
Norway	0.9	-	Communication Services Select Sector SPDR Fund	(1.3)
Portugal	0.5	-	Materials Select Sector SPDR Fund	(0.8)
Singapore	0.1	-	Industrial Select Sector SPDR Fund	(0.8)
Spain	1.6	-	Vanguard FTSE Europe ETF	(0.8)
Sweden	0.3	-	Consumer Staples Select Sector SPDR Fund	(0.8)
Switzerland	0.4	-	VanEck Vectors Gold Miners ETF	(0.5)
Taiwan Province of China	0.2	-	Top short positions as a percentage of total net asset value	(6.4)
U.S.A	26.5	(8.5)		
United Kingdom	2.8	-	Total (%)	34.6
Derivatives	0.8	(0.3)		
Cash and Cash Equivalents	12.3	-		
Other Net Assets	21.1	-		
	116.4	(16.4)	Total Net Asset Value (in \$ millions)	104.3