



AUDITED FINANCIAL STATEMENTS

DECEMBER 2019

ARROW CANADIAN ADVANTAGE ALTERNATIVE CLASS (Formerly EXEMPLAR CANADIAN FOCUS PORTFOLIO) | ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS

ARROW CANADIAN ADVANTAGE ALTERNATIVE CLASS

(Formerly Exemplar Canadian Focus 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:		
Investments	\$90,803,832	\$56,065,799
Warrants	-	8,053
Unrealized gain on forward currency contracts	279,136	-
Cash and cash equivalents	-	32,094,243
Margin deposits	14,230,213	2,870,139
Accrued dividends receivable	94,007	89,989
Accrued interest receivable	3,160	-
Receivable for securities sold	5,002,811	-
Receivable for redeemable shares issued	112,441	71,044
	110,525,600	91,199,267
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit and loss:		
Investments sold short	15,487,472	2,025,704
Options - short	974	-
Bank overdraft	9,574,602	-
Payable for securities purchased	5,877,143	4,787
Payable for redeemable shares redeemed	35,976	42,568
Accrued dividends payable	18,004	768
Distributions payable	111,752	209,358
Other liabilities (note 10)	1,843,974	137,190
	32,949,897	2,420,375
	\$77,575,703	\$88,778,892
Net assets attributable to holders of redeemable shares		
Series A	\$29,332,800	\$34,454,978
Series F	\$44,254,351	\$48,786,338
Series L	\$3,988,552	\$5,537,576
Number of redeemable shares outstanding (note 9)		
Series A	1,347,694	1,813,439
Series F	1,853,926	2,359,677
Series L	263,458	418,512
Net assets attributable to holders of redeemable shares per share		
Series A	\$21.77	\$19.00
Series F	\$23.87	\$20.68
Series L	\$15.14	\$13.23

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.

ARROW CANADIAN ADVANTAGE ALTERNATIVE CLASS

(Formerly Exemplar Canadian Focus Portfolio)

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

	2019 \$	2018 \$
INCOME		
Net gains (losses) on investments and derivatives:		
Interest for distribution purposes	31,925	34,499
Dividend income	1,094,589	1,352,845
Dividend expense on short sales	(265,585)	(31,866)
Securities lending income (note 7)	110,497	123,585
Net realized gain (loss) on investments and derivatives	10,964,052	12,391,502
Net change in unrealized appreciation (depreciation) in value of investments and derivatives	5,416,234	(18,433,315)
Net gains (losses) on investments and derivatives	17,351,712	(4,562,750)
Other income items:		
Interest on cash	90,757	16,467
Foreign exchange gain (loss)	40,305	225,130
Net change in unrealized foreign exchange gain (loss)	(810,109)	849,399
Total net income (loss)	16,672,665	(3,471,754)
EXPENSES		
Management fees (note 10)	924,857	1,185,586
Performance fees (note 10)	1,771,958	94,755
Shareholder reporting fees	353,332	431,002
Interest expense	12,993	6,847
Audit fees	30,096	34,031
Legal fees	20,431	9,783
Independent Review Committee fees	6,206	6,187
Custodial fees	8,012	9,565
Security borrowing expenses	96,760	14,668
Commissions and other portfolio transaction costs (note 11)	249,025	122,483
Withholding tax expense	64,857	46,618
Harmonized sales tax	299,545	177,254
Total expenses	3,838,072	2,138,779
Increase (decrease) in net assets attributable to holders of redeemable shares	12,834,593	(5,610,533)
Increase (decrease) in net assets attributable to holders of redeemable shares		
Series A	4,771,443	(2,371,024)
Series F	7,331,042	(2,856,101)
Series L	732,108	(383,408)
Increase (decrease) in net assets attributable to holders of redeemable shares per share (note 12)		
Series A	3.14	(1.19)
Series F	3.58	(1.15)
Series L	2.23	(0.77)

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ARROW CANADIAN ADVANTAGE ALTERNATIVE CLASS

(Formerly Exemplar Canadian Focus 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 shares at beginning of year			
	Series A	34,454,978	46,397,003
	Series F	48,786,338	70,808,731
	Series L	5,537,576	8,265,881
		<u>88,778,892</u>	<u>125,471,615</u>
Increase (decrease) in net assets attributable to holders of redeemable shares			
	Series A	4,771,443	(2,371,024)
	Series F	7,331,042	(2,856,101)
	Series L	732,108	(383,408)
		<u>12,834,593</u>	<u>(5,610,533)</u>
Distributions to holders of redeemable shares			
From net investment income			
	Series A	(214,187)	(386,571)
	Series F	(322,707)	(548,691)
	Series L	(29,060)	(62,376)
		<u>(565,954)</u>	<u>(997,638)</u>
Total distributions to holders of redeemable shares		<u>(565,954)</u>	<u>(997,638)</u>
Redeemable share transactions			
Proceeds from redeemable shares issued (note1)			
	Series A	961,215	1,913,565
	Series F	4,676,885	7,059,587
	Series L	20,005	39,970
		<u>5,658,105</u>	<u>9,013,122</u>
Reinvestments of distributions to holders of redeemable shares			
	Series A	197,661	358,911
	Series F	231,460	377,732
	Series L	25,081	54,056
		<u>454,202</u>	<u>790,699</u>
Redemption of redeemable shares			
	Series A	(10,838,310)	(11,456,906)
	Series F	(16,448,667)	(26,054,920)
	Series L	(2,297,158)	(2,376,547)
		<u>(29,584,135)</u>	<u>(39,888,373)</u>
Net increase (decrease) from redeemable shares transactions		<u>(23,471,828)</u>	<u>(30,084,552)</u>
Net increase (decrease) in net assets attributable to holders of redeemable shares		<u>(11,203,189)</u>	<u>(36,692,723)</u>
Net assets attributable to holders of redeemable shares at end of year			
	Series A	29,332,800	34,454,978
	Series F	44,254,351	48,786,338
	Series L	3,988,552	5,537,576
		<u>77,575,703</u>	<u>88,778,892</u>

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ARROW CANADIAN ADVANTAGE ALTERNATIVE CLASS

(Formerly Exemplar Canadian Focus 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	12,834,593	(5,610,533)
Adjustment for:		
Unrealized foreign exchange (gain) loss on cash and cash equivalents	813,029	(815,502)
Net realized (gain) loss on investments and derivatives	(10,964,052)	(12,391,502)
Net change in unrealized (appreciation) depreciation in value of investments and derivatives	(5,416,234)	18,433,315
Purchase of investments	(505,272,826)	(33,412,337)
Proceeds on sale of investments	500,976,287	91,838,949
Change in accrued interest receivable	(3,160)	2,765
Change in accrued dividends receivable	(4,018)	107,391
Change in accrued dividends payable	17,236	768
Change in other liabilities	1,706,784	(905,985)
Change in margin deposits	(11,360,074)	(1,706,387)
Net cash from (used in) operating activities	(16,672,435)	55,540,942
Cash flows from (used in) financing activities		
Proceeds from redeemable shares issued	4,547,541	7,338,930
Redemption of redeemable shares	(28,521,564)	(38,470,868)
Distributions paid to holders of redeemable shares, net of reinvested distributions	(209,358)	(401,573)
Net cash from (used in) financing activities	(24,183,381)	(31,533,511)
Net Increase (decrease) in cash and cash equivalents	(40,855,816)	24,007,431
Cash and cash equivalents/(Bank overdraft) at beginning of the year	32,094,243	7,271,310
Unrealized foreign exchange gain (loss) on cash and cash equivalents	(813,029)	815,502
Cash and cash equivalents/(Bank overdraft) at end of the year	(9,574,602)	32,094,243
Supplemental information:		
Interest received*	119,522	53,731
Dividends received, net of withholding tax*	1,025,714	1,413,618
Interest paid*	12,993	6,847
Dividends paid*	248,349	31,098
 *Included as part of cash flows from operating activities		

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ARROW CANADIAN ADVANTAGE ALTERNATIVE CLASS

(Formerly Exemplar Canadian Focus Portfolio)

Schedule of Investment Portfolio – As at December 31, 2019

Equities - Long - 77.1%

Security Name	Currency	No. of Shares/Units	Average Cost (\$)	Fair Value (\$)
Communication Services - 1.2%				
Activision Blizzard Inc.	USD	1,200	89,061	92,592
Alphabet Inc., Class 'A'	USD	40	70,213	69,571
AT&T Inc.	USD	780	39,753	39,583
Nintendo Co. Ltd.	JPY	100	54,606	52,549
Nintendo Co. Ltd., ADR	USD	800	53,861	51,838
Rogers Communications Inc., Class 'B'	CAD	3,770	246,518	243,090
Roku Inc.*	USD	700	130,100	121,713
TELUS Corp.	CAD	1,150	57,789	57,822
ViacomCBS Inc, Class 'B'	USD	700	38,618	38,150
Vodafone Group PLC, ADR	USD	2,500	63,646	62,752
Walt Disney Co. (The)	USD	300	60,340	56,343
			904,505	886,003
Consumer Discretionary - 3.8%				
Alibaba Group Holding Ltd., ADR	USD	20	5,127	5,508
Amazon.com Inc.	USD	20	49,233	47,990
Booking Holdings Inc.	USD	40	106,122	106,675
Callaway Golf Co.	USD	1,800	50,080	49,553
Dollar Tree Inc.	USD	1,300	166,678	158,767
Dollarama Inc.	CAD	6,000	279,266	267,780
Gildan Activewear Inc.	CAD	1,700	63,701	65,263
Luckin Coffee Inc., ADR	USD	680	33,215	34,755
Melco Resorts & Entertainment Ltd., ADR	USD	1,300	41,166	40,802
Nike Inc., Class 'B'	USD	1,750	218,199	230,223
Papa John's International Inc.	USD	390	27,142	31,981
Park Lawn Corp.	CAD	56,500	1,134,015	1,654,885
Revolve Group Inc.	USD	2,800	72,029	66,756
RH*	USD	110	32,987	30,496
Sony Corp., ADR	USD	1,201	94,658	106,050
Wynn Resorts Ltd.	USD	225	41,202	40,574
YETI Holdings Inc.	USD	600	27,796	27,098
			2,442,616	2,965,156
Consumer Staples - 2.5%				
Alimentation Couche-Tard Inc., Class 'B'	CAD	5,880	221,107	242,315
Corby Spirit and Wine Ltd.	CAD	10,100	189,385	155,338
Diageo PLC, ADR	USD	450	96,237	98,416
Empire Co. Ltd., Class 'A'	CAD	1,340	42,319	40,816
George Weston Ltd.	CAD	830	79,568	85,507
Jamieson Wellness Inc.	CAD	4,220	95,685	108,665
Maple Leaf Foods Inc.	CAD	840	21,392	21,739
Metro Inc.	CAD	300	16,933	16,077
Mondelez International Inc., Class 'A'	USD	280	20,086	20,027
Tyson Foods Inc., Class 'A'	USD	8,420	742,168	995,412
Village Farms International Inc.*	CAD	22,760	185,494	183,673
			1,710,374	1,967,985
Energy - 10.5%				
ARC Resources Ltd.	CAD	13,400	89,893	109,612
Canadian Natural Resources Ltd.	CAD	6,150	225,410	258,300
Cenovus Energy Inc.	CAD	13,150	155,129	173,580
Cheniere Energy Inc.	USD	650	53,936	51,547
Computer Modelling Group Ltd.	CAD	62,400	618,374	512,928
ConocoPhillips	USD	1,500	124,153	126,667
Crescent Point Energy Corp.	CAD	30,400	158,197	176,016
Enbridge Inc.	CAD	7,700	379,455	397,551
Enerflex Ltd.	CAD	2,380	39,766	29,107
Enerplus Corp.	CAD	16,580	188,309	153,365
Freehold Royalties Ltd.	CAD	10,000	112,094	72,900
Gibson Energy Inc.	CAD	3,260	87,700	86,683
Inter Pipeline Ltd.*	CAD	4,350	99,281	98,049

ARROW CANADIAN ADVANTAGE ALTERNATIVE CLASS

(Formerly Exemplar Canadian Focus Portfolio)

Schedule of Investment Portfolio – As at December 31, 2019

Keyera Corp.*	CAD	5,400	180,750	183,708
MEG Energy Corp.	CAD	9,000	59,721	66,510
Parex Resources Inc.	CAD	72,380	1,278,915	1,747,977
Parkland Fuel Corp.	CAD	170	7,824	8,111
Pembina Pipeline Corp.	CAD	6,600	313,157	317,658
Schlumberger Ltd.	USD	1,400	67,760	73,082
Suncor Energy Inc.	CAD	19,820	810,749	843,539
TC Energy Corp.	CAD	27,180	1,639,057	1,879,769
Tidewater Midstream and Infrastructure Ltd.	CAD	224,900	340,107	263,133
Vermilion Energy Inc.*	CAD	20,250	683,514	429,908
			<u>7,713,251</u>	<u>8,059,700</u>

Financials - 2.4%

AGF Management Ltd., Class 'B'	CAD	9,600	57,978	61,824
Bank of America Corp.	USD	1,200	52,843	54,882
Barclays PLC, ADR	USD	9,100	116,879	112,496
Brookfield Asset Management Inc., Class 'A'	CAD	7,180	385,269	538,715
Citigroup Inc.	USD	800	80,376	82,993
CME Group Inc.	USD	1,250	285,528	325,806
E*TRADE Financial Corp.	USD	60	3,389	3,535
Greenlight Capital Re, Ltd., Class 'A'	USD	2,800	40,168	36,759
IGM Financial Inc.	CAD	1,700	64,979	63,376
Manulife Financial Corp.	CAD	2,500	63,640	65,900
S&P Global Inc.	USD	1,110	301,500	393,572
Tradeweb Markets Inc., Class 'A'	USD	900	55,137	54,169
Wells Fargo & Co.	USD	530	37,694	37,027
			<u>1,545,380</u>	<u>1,831,054</u>

Health Care - 5.1%

Alcon Inc.*	USD	150	11,523	11,019
Amicus Therapeutics Inc.	USD	2,500	41,474	31,620
AMN Healthcare Services Inc.	USD	625	50,413	50,570
Anthem Inc.	USD	250	95,385	98,050
Bausch Health Cos. Inc.	CAD	1,600	65,447	62,192
Biogen Inc.	USD	75	29,841	28,899
Bristol-Myers Squibb Co.	USD	1,300	89,783	108,360
Cresco Labs Inc.	CAD	8,000	69,819	71,440
CRISPR Therapeutics AG	USD	300	19,550	23,726
Cronos Group Inc.*	CAD	33,700	332,600	335,989
Curaleaf Holdings Inc.	CAD	5,500	40,856	44,990
Eli Lilly and Co.	USD	400	68,340	68,267
Green Thumb Industries Inc.	CAD	4,300	52,683	54,997
GW Pharmaceuticals PLC, ADR	USD	400	56,163	54,311
Knight Therapeutics Inc.	CAD	34,300	287,219	259,994
MEDNAX Inc.	USD	1,500	53,877	54,130
Quest Diagnostics Inc.	USD	300	42,159	41,602
Sanofi SA, ADR	USD	400	24,875	26,075
Vertex Pharmaceuticals Inc.	USD	200	56,985	56,864
Zimmer Biomet Holdings Inc.	USD	300	58,357	58,310
Zoetis Inc.	USD	14,210	806,640	2,442,175
			<u>2,353,989</u>	<u>3,983,580</u>

Industrials - 18.4%

AG Growth International Inc.	CAD	24,860	1,232,137	1,154,498
Air Canada	CAD	1,120	55,334	54,331
Airbus SE, ADR	USD	2,685	121,220	128,133
Boeing Co. (The)	USD	450	215,705	190,357
Boyd Group Income Fund	CAD	28,500	1,580,865	5,757,000
CAE Inc.	CAD	29,300	550,455	1,007,334
Canadian Pacific Railway Ltd.	CAD	4,910	1,085,575	1,625,357
Cargojet Inc.	CAD	110	9,544	11,366
Delta Air Lines Inc.	USD	300	23,076	22,782
Emerson Electric Co.	USD	725	64,351	71,795
FedEx Corp.	USD	275	54,813	53,997
GDI Integrated Facility Services Inc.	CAD	1,800	63,024	60,894

ARROW CANADIAN ADVANTAGE ALTERNATIVE CLASS

(Formerly Exemplar Canadian Focus Portfolio)

Schedule of Investment Portfolio – As at December 31, 2019

K-Bro Linen Inc.	CAD	20	788	841
Morneau Shepell Inc.	CAD	32,100	617,876	1,084,659
Raytheon Co.	USD	160	41,973	45,655
SNC-Lavalin Group Inc.	CAD	6,300	195,310	188,685
Textron Inc.	USD	2,050	128,390	118,726
Toromont Industries Ltd.	CAD	10,600	436,618	748,254
United Parcel Service Inc., Class 'B'	USD	200	31,208	30,402
United Technologies Corp.	USD	210	37,715	40,839
Waste Connections Inc.	USD	40	4,804	4,716
WSP Global Inc.*	CAD	19,100	782,323	1,693,597
Xebec Adsorption Inc.	CAD	84,400	177,240	181,460
			<u>7,510,344</u>	<u>14,275,678</u>

Information Technology - 16.5%

Adobe Inc.	USD	2,840	864,374	1,216,300
Advanced Micro Devices Inc.	USD	400	23,888	23,821
Anaplan Inc.	USD	600	42,852	40,826
Applied Materials Inc.	USD	800	64,921	63,411
Atlassian Corp. PLC	USD	200	32,554	31,254
CGI Inc.	CAD	210	22,073	22,821
Constellation Software Inc.	CAD	580	407,724	731,473
Descartes Systems Group Inc. (The)	CAD	36,300	365,825	2,014,650
Euronet Worldwide Inc.*	USD	4,470	555,341	914,560
Evertz Technologies Ltd.	CAD	950	16,459	16,967
Fidelity National Information Services Inc.	USD	870	145,441	157,135
Keysight Technologies Inc.	USD	627	85,417	83,560
Kinaxis Inc.	CAD	7,600	216,907	760,152
Lightspeed POS Inc.	CAD	510	15,837	18,396
Lumentum Holdings Inc.	USD	550	56,947	56,636
MasterCard Inc., Class 'A'	USD	2,440	807,575	946,071
Microsoft Corp.	USD	2,430	431,816	497,619
MongoDB Inc.	USD	300	51,110	51,271
NVIDIA Corp.	USD	200	60,417	61,110
PayPal Holdings Inc.	USD	3,570	370,600	501,457
QUALCOMM Inc.	USD	1,300	150,532	148,942
Shopify Inc., Class 'A'	USD	4,580	1,919,066	2,364,551
Twilio Inc.*	USD	600	78,539	76,573
Visa Inc., Class 'A'	USD	7,910	1,516,151	1,930,021
Workday Inc., Class 'A'	USD	200	43,905	42,709
Xilinx Inc.	USD	400	51,873	50,784
			<u>8,398,144</u>	<u>12,823,070</u>

Materials - 4.3%

Agnico Eagle Mines Ltd.	CAD	5,740	382,983	459,085
Albemarle Corp.*	USD	2,800	254,456	265,569
Barrick Gold Corp.	CAD	7,790	177,862	187,895
Eagle Materials Inc.	USD	500	61,177	58,863
Equinox Gold Corp.*	CAD	34,920	218,343	348,851
First Quantum Minerals Ltd.	CAD	470	6,268	6,190
Franco-Nevada Corp.	CAD	760	97,780	101,908
IPL Plastics Inc.	CAD	11,300	147,248	89,044
Kirkland Lake Gold Ltd.	CAD	22,030	568,159	1,260,997
Lithium Americas Corp.*	CAD	24,500	104,199	101,920
Lundin Mining Corp.	CAD	2,930	22,079	22,737
Martin Marietta Materials Inc.	USD	200	72,978	72,625
Pan American Silver Corp.*	CAD	2,700	64,534	83,052
Rio Tinto PLC, ADR*	USD	410	30,814	31,604
SilverCrest Metals Inc.	CAD	6,900	50,232	60,513
Solaris Resources Inc.	CAD	16,988	-	-
Valvoline Inc.	USD	2,100	64,664	58,384
Vulcan Materials Co.	USD	300	56,454	56,093
Wheaton Precious Metals Corp.	CAD	1,700	63,334	65,688
			<u>2,443,564</u>	<u>3,331,018</u>

ARROW CANADIAN ADVANTAGE ALTERNATIVE CLASS

(Formerly Exemplar Canadian Focus Portfolio)

Schedule of Investment Portfolio – As at December 31, 2019

Real Estate - 6.1%

American Tower Corp.	USD	275	77,690	82,069
Crown Castle International Corp.	USD	400	74,402	73,836
Dream Industrial REIT	CAD	23,800	320,110	312,732
European Residential REIT	CAD	54,900	236,029	255,285
Inovalis REIT	CAD	11,200	119,280	119,392
MGM Growth Properties LLC	USD	2,300	92,369	92,497
SBA Communications Corp.	USD	225	70,656	70,411
StorageVault Canada Inc.	CAD	923,600	1,708,548	3,426,556
Summit Industrial Income REIT*	CAD	17,700	227,216	213,462
Weyerhaeuser Co.	USD	2,700	106,288	105,884
			3,032,588	4,752,124

Utilities - 6.3%

Boralex Inc., Class 'A'	CAD	220	5,290	5,381
Brookfield Infrastructure Partners L.P.	USD	27,900	1,069,981	1,811,115
Brookfield Infrastructure Partners L.P.	CAD	31,000	1,272,665	2,010,660
Northland Power Inc.	CAD	33,920	834,639	922,624
Southern Co. (The)	USD	1,600	133,812	132,348
Superior Plus Corp.	CAD	1,290	15,559	16,202
TransAlta Corp.	CAD	1,520	12,935	14,106
			3,344,881	4,912,436
			41,399,636	59,787,804

Equities - Short - (5.4%)

Security Name	Currency	No. of Shares/Units	Average Cost (\$)	Fair Value (\$)
Communication Services - (0.3%)				
Altice USA Inc., Class 'A'	USD	(2,750)	(93,310)	(97,631)
Facebook Inc., Class 'A'	USD	(40)	(10,660)	(10,661)
Netflix Inc.	USD	(225)	(84,887)	(94,539)
SoftBank Group Corp., Un-sponsored ADR	USD	(2,300)	(63,868)	(64,333)
			(252,725)	(267,164)
Consumer Discretionary - (1.6%)				
Best Buy Co. Inc.	USD	(300)	(28,692)	(34,204)
Canada Goose Holdings Inc.	USD	(1,000)	(49,002)	(47,059)
Canadian Tire Corp. Ltd., Class 'A'	CAD	(1,000)	(138,259)	(139,750)
Cheesecake Factory Inc. (The)	USD	(500)	(26,013)	(25,231)
Dine Brands Global Inc.	USD	(900)	(91,597)	(97,609)
Domino's Pizza Inc.	USD	(75)	(28,671)	(28,612)
Dorel Industries Inc., Class 'B'	CAD	(700)	(17,739)	(4,186)
Dunkin' Brands Group Inc.	USD	(650)	(63,883)	(63,760)
Great Canadian Gaming Corp.	CAD	(1,100)	(42,561)	(47,344)
Hanesbrands Inc.	USD	(4,990)	(100,718)	(96,224)
Home Depot Inc. (The)	USD	(200)	(55,929)	(56,715)
Jack in the Box Inc.	USD	(800)	(83,135)	(81,061)
Lithia Motors Inc., Class 'A'	USD	(200)	(42,151)	(38,177)
Marriott International Inc., Class 'A'	USD	(220)	(38,291)	(43,261)
McDonald's Corp.	USD	(275)	(69,769)	(70,567)
Oxford Industries Inc.	USD	(700)	(65,658)	(68,556)
Tesla Motors Inc.*	USD	(610)	(212,985)	(331,366)
			(1,155,053)	(1,273,682)
Consumer Staples - (0.2%)				
Cott Corp.	USD	(3,900)	(66,762)	(69,280)
Premium Brands Holdings Corp.	CAD	(770)	(65,009)	(70,039)
			(131,771)	(139,319)
Energy - 0.0%				
PrairieSky Royalty Ltd.	CAD	(80)	(1,068)	(1,218)
			(1,068)	(1,218)

ARROW CANADIAN ADVANTAGE ALTERNATIVE CLASS

(Formerly Exemplar Canadian Focus Portfolio)

Schedule of Investment Portfolio – As at December 31, 2019

Financials - (1.6%)

Alaris Royalty Corp.	CAD	(4,830)	(93,868)	(105,922)
Ally Financial Inc.	USD	(900)	(37,490)	(35,715)
American Express Co.	USD	(450)	(69,324)	(72,745)
Bank of Nova Scotia	CAD	(130)	(9,810)	(9,535)
Blackstone Group Inc. (The), Class 'A'	USD	(900)	(61,936)	(65,377)
Canadian Imperial Bank of Commerce	CAD	(1,230)	(134,528)	(132,914)
Capital One Financial Corp.	USD	(550)	(67,257)	(73,499)
Credit Acceptance Corp.	USD	(175)	(98,989)	(100,518)
Discover Financial Services	USD	(725)	(77,402)	(79,854)
ECN Capital Corp.	CAD	(1,900)	(8,154)	(9,101)
Invesco Ltd.	USD	(200)	(4,396)	(4,670)
KKR & Co. Inc.	USD	(1,000)	(38,445)	(37,879)
Laurentian Bank of Canada	CAD	(2,100)	(93,257)	(93,303)
Royal Bank of Canada	CAD	(1,400)	(145,485)	(143,850)
Santander Consumer USA Holdings Inc.	USD	(2,600)	(83,664)	(78,902)
Synchrony Financial	USD	(800)	(39,114)	(37,409)
Toronto-Dominion Bank (The)	CAD	(1,800)	(132,001)	(131,094)
			(1,195,120)	(1,212,287)

Industrials - (1.1%)

Canadian National Railway Co.	CAD	(700)	(79,742)	(82,229)
Cummins Inc.	USD	(575)	(131,070)	(133,623)
Deere & Co.	USD	(150)	(32,632)	(33,748)
Fastenal Co.	USD	(1,500)	(68,499)	(71,972)
Insperty Inc.	USD	(500)	(52,143)	(55,864)
Rollins Inc.	USD	(1,390)	(63,590)	(59,853)
Roper Technologies Inc.	USD	(150)	(68,911)	(68,998)
Saia Inc.	USD	(300)	(36,155)	(36,276)
Savaria Corp.	CAD	(130)	(1,858)	(1,813)
TriNet Group Inc.	USD	(1,000)	(75,864)	(73,511)
United Airlines Holdings Inc.	USD	(400)	(46,615)	(45,756)
W.W. Grainger Inc.	USD	(150)	(59,603)	(65,938)
Wabtec Corp.	USD	(1,000)	(95,437)	(101,027)
			(812,119)	(830,608)

Information Technology - (0.4%)

Autodesk Inc.	USD	(200)	(47,020)	(47,646)
Cisco Systems Inc.	USD	(70)	(4,153)	(4,359)
Microchip Technology Inc.	USD	(500)	(67,706)	(67,992)
Monolithic Power Systems Inc.	USD	(400)	(78,051)	(92,467)
Square Inc., Class 'A'	USD	(950)	(77,556)	(77,175)
			(274,486)	(289,639)

Materials - (0.2%)

Ball Corp.	USD	(800)	(70,487)	(67,182)
CCL Industries Inc., Class 'B'	CAD	(50)	(2,737)	(2,766)
CF Industries Holdings Inc.	USD	(1,100)	(65,852)	(68,192)
			(139,076)	(138,140)

Real Estate - 0.0%

Brookfield Property Partners L.P.	CAD	(80)	(1,978)	(1,898)
			(1,978)	(1,898)

(3,963,396) **(4,153,955)**

ARROW CANADIAN ADVANTAGE ALTERNATIVE CLASS

(Formerly Exemplar Canadian Focus Portfolio)

Schedule of Investment Portfolio – As at December 31, 2019

Funds - Long - 39.7%

Security Name	Currency	No. of Shares	Average Cost (\$)	Fair Value (\$)
Arrow Global Advantage Alternative Class, Series ETF**	CAD	425,015	8,500,000	8,534,705
BMO Equal Weight Banks Index ETF	CAD	100	2,985	2,930
Consumer Staples Select Sector SPDR Fund	USD	5,400	433,480	441,626
Energy Select Sector SPDR Fund*	USD	3,460	274,773	269,759
ETFMG Prime Cyber Security ETF	USD	1,050	53,024	56,612
Financial Select Sector SPDR Fund	USD	550	21,618	21,983
Global X Silver Miners ETF	USD	3,600	151,819	155,109
Health Care Select Sector SPDR Fund*	USD	2,660	342,820	351,839
iShares 20+ Year Treasury Bond ETF*	USD	2,620	419,592	460,930
iShares Barclays 3-7 Year Treasury Bond Fund*	USD	32,000	5,284,620	5,225,365
iShares MSCI Emerging Markets ETF*	USD	22,500	1,318,037	1,310,984
iShares MSCI Europe Financials ETF	USD	2,500	64,359	63,272
iShares S&P GSCI Commodity-Indexed Trust*	USD	30,600	644,503	644,115
iShares S&P/TSX Capped Energy Index ETF*	CAD	74,300	771,542	693,591
iShares S&P/TSX Global Gold Index ETF*	CAD	1,020	15,269	16,616
iShares Silver Trust*	USD	48,360	1,038,591	1,047,469
iShares TIPS Bond ETF*	USD	21,100	3,233,647	3,193,949
iShares U.S. Aerospace & Defense ETF	USD	225	67,911	64,886
iShares U.S. Dow Jones Medical Equipment Index	USD	600	198,630	205,940
iShares U.S. Home Construction ETF	USD	180	10,736	10,383
SPDR Gold Shares*	USD	25,200	4,635,310	4,676,182
SPDR Oil & Gas Equipment & Services ETF	USD	2,900	31,121	30,465
SPDR S&P Aerospace & Defense ETF	USD	40	5,329	5,667
SPDR S&P Homebuilders ETF*	USD	120	7,232	7,092
SPDR S&P Oil & Gas Exploration & Production ETF	USD	8,600	262,215	264,670
Technology Select Sector SPDR Fund	USD	1,070	123,047	127,371
UltraShort Semiconductor ProShares	USD	2,700	52,966	52,011
Utilities Select Sector SPDR Fund*	USD	700	58,111	58,739
VanEck Vectors Gold Miners ETF	USD	13,700	513,751	520,895
VanEck Vectors Junior Gold Miners ETF	USD	1,200	61,921	65,852
VanEck Vectors Semiconductor ETF*	USD	960	172,785	176,283
Vanguard Communication Services ETF	USD	230	26,934	28,054
Vanguard FTSE Europe ETF*	USD	8,600	652,265	654,417
Vanguard REIT ETF*	USD	10,950	1,313,612	1,319,392
			30,764,555	30,759,153

Funds - Short - (14.6%)

Security Name	Currency	No. of Shares	Average Cost (\$)	Fair Value (\$)
Invesco QQQ Trust, Series '1'	USD	(11,900)	(3,154,188)	(3,285,408)
iShares iBoxx High Yield Corporate Bond ETF	USD	(1,000)	(112,883)	(114,194)
iShares MSCI Hong Kong ETF	USD	(280)	(8,787)	(8,846)
iShares Russell 2000 ETF	USD	(20,190)	(4,304,436)	(4,343,490)
iShares S&P/TSX 60 Index ETF	CAD	(36,300)	(901,055)	(927,828)
SPDR S&P 500 ETF Trust	USD	(4,600)	(1,912,744)	(1,922,576)
SPDR S&P International Small Cap ETF Trust	USD	(1,500)	(681,838)	(731,175)
			(11,075,931)	(11,333,517)

ARROW CANADIAN ADVANTAGE ALTERNATIVE CLASS

(Formerly Exemplar Canadian Focus Portfolio)

Schedule of Investment Portfolio – As at December 31, 2019

Fixed Income - Long - 0.3%

Security Name	Maturity Date	Coupon Rate (%)	Currency	Par Value	Average Cost (\$)	Fair Value (\$)
Corporate Bond - 0.3%						
North American Construction Group Ltd. ⁽¹⁾	03-31-26	5.00	CAD	250,000	248,000	256,875
					248,000	256,875
Commissions					(30,160)	
Total Investments - 97.1%					57,342,704	75,316,360
Derivatives (see schedule of derivative instruments) - 0.4%					(939)	278,162
Cash and Other Net Assets (Liabilities) - 2.5%						1,981,181
Net Assets Attributable to Holders of Redeemable Shares - 100.0%						77,575,703

⁽¹⁾ Convertible ⁽²⁾ Callable

* Denotes all or part of securities on loan

** Fund is managed by Arrow Capital Management Inc.

Schedule of Derivative Instruments

Options Written - 0.0%

Security Name	Strike Price \$	Expiry Date	Currency	No. of Contracts	Proceeds (\$)	Fair Value (\$)
Schlumberger Ltd Call Option	-	02-01-20	USD	(10)	(939)	(974)
					(939)	(974)

Forward Currency Contracts - 0.4%

Counterparty	Purchased		Sold		Credit Rating	Contract Rate	Maturity Date	Unrealized Gain/(Loss) (\$)
	Currency	Notional Value (\$)	Currency	Notional Value (\$)				
BNY Mellon	CAD	2,667,395	USD	(2,025,000)	A1	1.317231	01-06-20	37,874
BNY Mellon	CAD	10,369,788	USD	(7,800,000)	A1	1.32946	01-06-20	241,262
Unrealized Gains								279,136
Total forward currency contracts								279,136
Total Derivative Instruments at Fair Value								\$(939)
								\$278,162

ARROW CANADIAN ADVANTAGE ALTERNATIVE CLASS

(FORMERLY EXEMPLAR CANADIAN FOCUS PORTFOLIO)

NOTES TO AUDITED FINANCIAL STATEMENTS – FUND SPECIFIC INFORMATION

For the years ended December 31, 2019 and 2018

The investment objective of the Arrow Canadian Advantage Alternative Class (formerly Exemplar Canadian Focus Portfolio) (the "Fund") 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.

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 forward currency contracts is the notional contract value of those positions.

The management of these risks is carried out by Arrow Capital Management Inc. (the "Manager") in accordance with the Fund's prospectus. The Fund 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.

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 Manager 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. The Fund is permitted to borrow cash up to a maximum of 50% of its net asset value. The aggregate market value of all securities sold short by the Fund will not exceed 50% of the total net assets of the Fund. The combined use of shortselling and cash borrowing by the Fund is subject to an overall limit of 50% of its net asset value.

The aggregate gross exposure of the Fund, to be calculated as the sum of the following, must not exceed three times the Fund's net asset value: (i) the aggregate market value of the Fund's long positions; (ii) the aggregate market value of physical short sales on equities, fixed income securities or other portfolio assets; and (iii) the aggregate notional value of the Fund's specified derivatives positions excluding any specified derivatives used for hedging purposes.

A general discussion of risks associated with financial instruments for the Arrow Funds is contained in Note 4: FINANCIAL INSTRUMENTS – RISK MANAGEMENT.

Credit Risk

The analysis below summarizes the credit quality of the Fund's debt portfolio at December 31, 2019 and 2018.

Credit Rating*	Percentage of total debt securities	
	As at December 31, 2019	As at December 31, 2018
	%	%
Not Rated	100.0	-
Total	100.0	-

* Credit ratings are obtained from Standard & Poor's, Moody's and / or Dominion Bond Rating Service. Where multiple ratings were obtained for a security, the lowest rating has been used.

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 be exposed to credit risk indirectly through its investments.

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 Baa2 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.

ARROW CANADIAN ADVANTAGE ALTERNATIVE CLASS

(FORMERLY EXEMPLAR CANADIAN FOCUS PORTFOLIO)

NOTES TO AUDITED FINANCIAL STATEMENTS – FUND SPECIFIC INFORMATION

For the years ended December 31, 2019 and 2018

The Fund has provided the broker with a general lien over assets held in return for services including borrowed securities and derivatives trading. The terms and conditions associated with collateral have no significant unusual requirements from the usual practice of recourse when a default occurs. Therefore, the Fund is also exposed to credit risk of the broker.

The Fund is exposed to counterparty credit risk on cash and cash equivalents, margin deposits, options, forward contracts, receivable for securities sold and other receivable balances. The Fund's brokerage agreements require cash collateral up to 150% of the fair value of securities sold short. The Fund's brokerage services are provided by CIBC World Markets which has a credit rating of Aa2 (2018: Aa2) as rated by Moody's bond rating services. The counterparty to the Fund's forward contracts is Bank of New York Mellon which has a credit rating of A1 (2018: A1). Cash collateral has been provided to each broker in accordance with terms of derivative agreements and is presented as 'Margin deposits' in the Statements of Financial Position.

The Fund is also exposed to credit risk on cash deposits held at CIBC Mellon Trust Company which has a credit rating as rated by Moody's bond rating services of A1 (2018: A1). In the prior year, 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 as at 2018.

The Fund may participate in securities lending up to a maximum of 50% of the aggregate net asset value of the Fund, excluding the collateral held in respect to such loans, and is exposed to counterparty risk on all such loans, if any. The credit risk related to the securities lending program is limited as the Fund holds a minimum collateral equal to 102% of the fair value of the loaned securities. The collateral and loaned securities are marked to market on each valuation date. All counterparties have a credit rating equivalent to a Moody's credit rating of not less than Baa2.

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 portfolio of the Fund may experience increased exposure to credit risk associated with the applicable custodians or brokers.

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.

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).

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.

From time to time, the Fund may use margin borrowings in one or more of its brokerage or cash accounts. During the year ended December 31, 2019, the minimum margin borrowing used was \$nil (2018: nil) and the maximum net margin borrowing used was \$9,562,979 (2018: nil).

Market Risk

The following include sensitivity analyses that show how the net assets attributable to holders of redeemable shares would have been affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ and the differences could be material.

(a) Currency Risk

The tables below indicate the Fund's exposure to foreign currencies as at December 31, 2019 and 2018 in Canadian dollar terms. The tables also illustrate 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. Non-monetary is comprised of equity and debt positions, funds,

ARROW CANADIAN ADVANTAGE ALTERNATIVE CLASS

(FORMERLY EXEMPLAR CANADIAN FOCUS PORTFOLIO)

NOTES TO AUDITED FINANCIAL STATEMENTS – FUND SPECIFIC INFORMATION

For the years ended December 31, 2019 and 2018

and warrants. Monetary includes forward currency contracts, options, cash and cash equivalents, margin deposits and loans and other current receivables and payables.

December 31, 2019	Exposure			Impact on net assets attributable to holders of redeemable shares		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
Currency	\$	\$	\$	\$	\$	\$
United States Dollar - Long	8,764,674	41,532,916	50,297,590	876,467	4,153,292	5,029,759
United States Dollar - Short	(19,161,325)	(13,597,213)	(32,758,538)	(1,916,132)	(1,359,721)	(3,275,853)
Australian Dollar - Long	5,040	-	5,040	504	-	504
Great Britain Pound - Long	480,474	-	480,474	48,047	-	48,047
Japanese Yen - Long	-	52,549	52,549	-	5,255	5,255
Total	(9,911,137)	27,988,252	18,077,115	(991,114)	2,798,826	1,807,712
% of net assets attributable to holders of redeemable shares	(12.8%)	36.1%	23.3%	(1.3%)	3.6%	2.3%

December 31, 2018	Exposure			Impact on net assets attributable to holders of redeemable shares		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
Currency	\$	\$	\$	\$	\$	\$
United States Dollar - Long	23,848,472	16,564,911	40,413,383	2,384,847	1,656,491	4,041,338
United States Dollar - Short	(4,787)	(1,280,107)	(1,284,894)	(479)	(128,011)	(128,490)
Great Britain Pound - Long	387,818	2,190,000	2,577,818	38,782	219,000	257,782
Total	24,231,503	17,474,804	41,706,307	2,423,150	1,747,480	4,170,630
% of net assets attributable to holders of redeemable shares	27.3%	19.7%	47.0%	2.7%	2.0%	4.7%

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate because of changes in market interest rates. As at December 31, 2019 the Fund held securities with fixed interest rates that expose the Fund to fair value market interest rate risk (2018 - nil)

The table below summarizes the Fund's exposure to interest rate risk as at December 31, 2019 and 2018. The table also illustrates the potential impact, or sensitivity, on the net assets attributable to holders of redeemable units if the prevailing levels of market interest rates changed by 1.0%, assuming a parallel shift in the yield curve with all other variables held constant.

Term to Maturity	Total Exposure	
	December 31, 2019	December 31, 2018
Less than 1 year	\$ -	\$ -
1-3 years	-	-
3-5 years	-	-
Greater than 5 years	256,875	-
Total	\$ 256,875	\$ -
Sensitivity:		
Total \$ sensitivity	+/- \$ 13,557	+/- \$ -
% of net assets attributable to holders of redeemable shares	0.0%	0.0%

(c) Price Risk

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 Fund's prospectus, as summarized below.

The Fund invests predominantly in large and mid-capitalization companies. The Fund may also invest in bonds and other debt instruments if warranted by financial conditions. The Fund does not specialize in any one industry other than to concentrate investments in those industries that offer the best

ARROW CANADIAN ADVANTAGE ALTERNATIVE CLASS

(FORMERLY EXEMPLAR CANADIAN FOCUS PORTFOLIO)

NOTES TO AUDITED FINANCIAL STATEMENTS – FUND SPECIFIC INFORMATION

For the years ended December 31, 2019 and 2018

opportunities for exceptional returns at each stage of the economic and market cycle. The Fund may also invest in options, including put options or call options either in respect of a specific security or in respect of a stock exchange index as a means to reduce volatility.

The Fund may engage in short selling of securities which the Manager believes are overvalued, especially securities of issuers with deteriorating fundamentals and weak balance sheets. Short positions of index securities such as exchange traded funds may also be employed for capital preservation and hedging purposes. Short selling positions will not in total exceed 50% of the Net Asset Value of the Fund.

The Fund holds cash and invests 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. The Fund may also invest in foreign securities of the same type and characteristics as described above.

The Fund may use derivatives for hedging and non-hedging purposes as permitted by applicable securities laws. The Fund may enter into securities lending, repurchase and reverse repurchase transactions to generate additional income or as a short-term cash management tool.

The impact on net assets of the Fund due to a 5% change in market prices of equity securities, funds, warrants and fixed income with all other variables held constant, is presented in the following table.

Impact on net assets attributable to holders of redeemable shares		
	December 31, 2019	December 31, 2018
	\$	\$
5% Increase	3,752,974	2,702,407
5% Decrease	(3,752,974)	(2,702,407)

The Fund engages in short selling activities, wherein it borrows securities and sells them to third parties. Until the Fund covers its short sales, it is exposed to market risk to the extent that subsequent market fluctuations may require purchasing securities sold short at prices which may be significantly higher than the fair value reflected on the financial statements.

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 by market segment, as a percentage of net assets attributable to holders of redeemable shares:

Market Segment	December 31, 2019		December 31, 2018	
	Long (%)	Short (%)	Long (%)	Short (%)
Communication Services	1.2	(0.3)	0.8	-
Consumer Discretionary	3.8	(1.6)	3.4	(0.4)
Consumer Staples	2.5	(0.2)	3.4	-
Corporate Bonds	0.3	-	-	-
Energy	10.5	-	5.9	-
Financials	2.4	(1.6)	4.9	(0.1)
Funds	39.7	(14.6)	3.7	(1.6)
Health Care	5.1	-	3.1	-
Industrials	18.4	(1.1)	15.2	(0.1)
Information Technology	16.5	(0.4)	10.5	-
Materials	4.3	(0.2)	5.1	(0.0)
Real Estate	6.1	-	2.8	-
Utilities	6.3	-	4.4	-
Derivatives	0.4	-	-	-
	117.5	(20.0)	63.2	(2.2)

ARROW CANADIAN ADVANTAGE ALTERNATIVE CLASS

(FORMERLY EXEMPLAR CANADIAN FOCUS PORTFOLIO)

NOTES TO AUDITED FINANCIAL STATEMENTS – FUND SPECIFIC INFORMATION

For the years ended December 31, 2019 and 2018

FAIR VALUE MEASUREMENT

A general discussion of fair value measurement for the Arrow Funds appears as Note 5: FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENT.

The following table illustrates the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2019 and 2018.

December 31 2019	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets				
Equities	59,787,804	-	-	59,787,804
Fixed income	-	256,875	-	256,875
Funds	30,759,153	-	-	30,759,153
Derivatives	-	279,136	-	279,136
	90,546,957	536,011	-	91,082,968
Financial liabilities				
Equities sold short	(4,153,955)	-	-	(4,153,955)
Fixed income sold short	-	-	-	-
Funds	(11,333,517)	-	-	(11,333,517)
Derivatives	(974)	-	-	(974)
	(15,488,446)	-	-	(15,488,446)
Total	75,058,511	536,011	-	75,594,522

December 31, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Equities	52,780,179	-	-	52,780,179
Fixed income	-	-	-	-
Funds	3,285,620	-	-	3,285,620
Derivatives	8,053	-	-	8,053
	56,073,852	-	-	56,073,852
Financial liabilities				
Equities sold short	(568,649)	-	-	(568,649)
Fixed income sold short	-	-	-	-
Funds	(1,457,055)	-	-	(1,457,055)
Derivatives	-	-	-	-
	(2,025,704)	-	-	(2,025,704)
Total	54,048,148	-	-	54,048,148

All fair value measurements above are recurring. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. 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 Manager is responsible for performing the fair value measurements included in the financial statements of the Fund, including Level 3 measurements, if any. The Manager obtains pricing from a third party pricing vendor which is monitored and reviewed daily by the Manager.

As at December 31, 2019 and 2018 the Fund did not hold any level 3 financial instruments. There were no transfers between Levels 1, 2 and 3 during the years ended December 31, 2019 and 2018.

ARROW CANADIAN ADVANTAGE ALTERNATIVE CLASS

(FORMERLY EXEMPLAR CANADIAN FOCUS PORTFOLIO)

NOTES TO AUDITED FINANCIAL STATEMENTS – FUND SPECIFIC INFORMATION

For the years ended December 31, 2019 and 2018

a) Equities/Funds and Equities/Funds Sold Short

The Fund's equity positions and investment in funds are classified as Level 1 as the securities are actively traded on a recognized exchange and a quoted price is available. Equity positions which have resale restrictions but otherwise trade on the market are classified as Level 2. Funds that do not trade on an exchange are valued by valuation agents and are classified as Level 2.

b) Bonds

The Fund's bond holdings are comprised of Canadian and US Bonds. Bond pricing is obtained from bid and ask prices provided by independent security pricing services or recognized investment dealers. Bond prices may be derived by using models which include inputs such as interest rate curves, credit spreads and volatilities. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds have been classified as Level 2.

c) Derivatives

Derivative assets and liabilities consist of warrants, futures contracts, forward contracts and options.

Warrants are valued using models and valuation techniques commonly used in the industry, including inputs such as underlying stock price, restrictions on exercise and days to expiry. Exchange traded warrants are classified as Level 1. When the inputs that are significant to valuation are generally observable, the warrants are classified as Level 2.

Futures contracts and options are exchange traded and are classified as Level 1 as they are actively traded and a reliable price is observable. Forward currency contracts are valued based primarily on the contract notional amount and the difference between the contract rate and the forward market rate for the same currency, adjusted for counterparty risk. Forward currency contracts are classified as Level 2.

ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS

Statements of Financial Position

As at	December 31, 2019	December 31, 2019
Current assets		
Financial assets at fair value through profit and loss:		
Investments	\$63,951,717	\$-
Options - long	46,439	-
Unrealized gain on forward currency contracts	840,201	-
Unrealized gain on futures contracts - long	34,947	-
Cash and cash equivalents	1,040,514	150,000
Margin deposits	36,767,200	-
Accrued dividends receivable	53,833	-
Receivable for securities sold	6,683,486	-
Receivable for redeemable shares issued	12,744	-
Miscellaneous receivables	30,155	-
	109,461,236	150,000
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit and loss:		
Investments sold short	10,932,575	-
Options - short	2,922	-
Unrealized loss on forward currency contracts	416	-
Unrealized loss on futures contracts - long	5,012	-
Unrealized loss on futures contracts - short	86,470	-
Margin loans	13,048,794	-
Payable for securities purchased	6,517,595	-
Payable for redeemable shares redeemed	50,745	-
Accrued dividends payable	13,915	-
Other liabilities (note 10)	123,538	-
	30,781,982	-
Net assets attributable to holders of redeemable shares	\$78,679,254	\$150,000
Net assets attributable to holders of redeemable shares		
Series A	\$22,178,453	\$5,000
Series F	\$41,023,623	\$140,000
Series G	\$2,062,072	\$-
Series U	\$1,078,065	\$-
Series ETF	\$12,337,041	\$5,000
Number of redeemable shares outstanding (note 9)		
Series A	2,261,513	500
Series F	4,134,494	14,000
Series G	156,189	-
Series U	82,310	-
Series ETF	615,272	250

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

ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS

Statements of Financial Position As at

December 31,
2019

December 31,
2019

(Continued from previous page)

Net assets attributable to holders of redeemable shares per share

Series A	\$9.81	\$10.00
Series F	\$9.92	\$10.00
Series G - USD*	\$10.17	\$-
Series U - USD*	\$10.09	\$-
Series ETF	\$20.05	\$20.00
* USD/CAD Foreign Exchange Rate	0.7701	0.73

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.

ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS

Statements of Comprehensive Income (Loss)

For the year ended December 31, 2019 and period ended December 31, 2018

	2019 \$	2018 \$
INCOME		
Net gains (losses) on investments and derivatives:		
Interest for distribution purposes	7,950	-
Dividend income	739,199	-
Dividend expense on short sales	(184,306)	-
Net realized gain (loss) on investments and derivatives	89,169	-
Net change in unrealized appreciation (depreciation) in value of investments and derivatives	520,045	-
Net gains (losses) on investments and derivatives	1,172,057	-
Other income items:		
Interest on cash	371,649	-
Foreign exchange gain (loss)	(213,608)	-
Net change in unrealized foreign exchange gain (loss)	52,111	-
Total net income (loss)	1,382,209	-
EXPENSES		
Management fees (note 10)	551,748	-
Performance fees (note 10)	4	-
Shareholder reporting fees	134,494	-
Interest expense on margin loan	281,749	-
Audit fees	28,321	-
Legal fees	5,313	-
Independent Review Committee fees	6,206	-
Security borrowing expenses	43,857	-
Commissions and other portfolio transaction costs (note 11)	312,410	-
Commissions on Futures	17,136	-
Withholding tax expense	90,881	-
Harmonized sales tax	79,336	-
Total expenses before manager absorption	1,551,455	-
Less: expenses absorbed by manager (note 10)	(115,045)	-
Total expenses after manager absorption	1,436,410	-
Increase (decrease) in net assets attributable to holders of redeemable shares	(54,201)	-
Increase (decrease) in net assets attributable to holders of redeemable shares		
Series A	(132,168)	-
Series F	162,575	-
Series G	(65,457)	-
Series U	(51,192)	-
Series ETF	32,041	-

(Continued on next page)

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

ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS

Statements of Comprehensive Income (Loss)

For the year ended December 31, 2019 and period ended December 31, 2018

2019
\$

2018
\$

(Continued from previous page)

Increase (decrease) in net assets attributable to holders of redeemable shares per unit (note 12)

Series A	(0.10)	-
Series F	0.10	-
Series G	(0.41)	-
Series U	(0.53)	-
Series ETF	0.05	-

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

ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS

Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares For the year ended December 31, 2019 and period ended December 31, 2018

		2019 \$	2018 \$
		(note 1)	
Net assets attributable to holders of redeemable shares at beginning of year			
	Series A	5,000	-
	Series F	140,000	-
	Series G	-	-
	Series U	-	-
	Series ETF	5,000	-
		150,000	-
Increase (decrease) in net assets attributable to holders of redeemable shares			
	Series A	(132,168)	-
	Series F	162,575	-
	Series G	(65,457)	-
	Series U	(51,192)	-
	Series ETF	32,041	-
		(54,201)	-
Redeemable shares transactions			
Proceeds from redeemable shares issued			
	Series A	31,335,273	5,000
	Series F	52,573,398	140,000
	Series G	2,859,674	-
	Series U	1,781,151	-
	Series ETF	12,300,000	5,000
		100,849,496	150,000
Redemption of redeemable shares			
	Series A	(9,029,652)	-
	Series F	(11,852,350)	-
	Series G	(732,145)	-
	Series U	(651,894)	-
	Series ETF	-	-
		(22,266,041)	-
Net increase (decrease) from redeemable shares transactions		78,583,455	-
Net increase (decrease) in net assets attributable to holders of redeemable shares at end of year		78,529,254	-
	Series A	22,178,453	5,000
	Series F	41,023,623	140,000
	Series G	2,062,072	-
	Series U	1,078,065	-
	Series ETF	12,337,041	5,000
Net assets attributable to holders of redeemable shares at end of year		78,679,254	150,000

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

ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS

Statements of Cash Flows

For the year ended December 31, 2019 and period ended December 31, 2018

	2019 \$	2018 \$
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable shares	(54,201)	-
Adjustment for:		
Unrealized foreign exchange (gain) loss on cash and cash equivalents	4,016	-
Net realized (gain) loss on investments and derivatives	(89,169)	-
Net change in unrealized (appreciation) depreciation in value of investments and derivatives	(520,045)	-
Purchase of investments	(893,447,646)	-
Proceeds on sale of investments	840,045,060	-
Change in accrued dividends receivable	(53,833)	-
Change in miscellaneous receivable	(30,155)	-
Change in accrued dividends payable	13,915	-
Change in other liabilities	123,538	-
Change in margin loans	13,048,794	-
Change in margin deposits	(36,767,200)	-
Net cash from (used in) operating activities	(77,726,926)	-
Cash flows from (used in) financing activities		
Proceeds from redeemable shares issued (note 1)	100,355,808	150,000
Redemption of redeemable shares	(21,734,352)	-
Net cash from (used in) financing activities	78,621,456	150,000
Net Increase (decrease) in cash and cash equivalents	894,530	150,000
Cash and cash equivalents at beginning of the year	150,000	-
Unrealized foreign exchange gain (loss) on cash and cash equivalents	(4,016)	-
Cash and cash equivalents at end of the year	1,040,514	150,000
Supplemental information:		
Interest received*	379,599	-
Dividends received, net of withholding tax*	594,485	-
Interest paid*	281,749	-
Dividends paid*	170,391	-

*Included as part of cash flows from operating activities

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

ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS

Schedule of Investment Portfolio – As at December 31, 2019

Equities - Long - 32.7%

Security Name	Currency	No. of Shares/Units	Average Cost (\$)	Fair Value (\$)
Communication Services - 2.1%				
Activision Blizzard Inc.	USD	1,910	142,684	147,375
Alphabet Inc., Class 'A'	USD	35	61,365	60,874
Alphabet Inc., Class 'C'	USD	35	61,293	60,767
Bilibili Inc., ADR	USD	5,500	113,082	132,985
Charter Communications Inc., Class 'A'	USD	75	46,624	47,243
Comcast Corp., Class 'A'	USD	1,410	81,768	82,338
Facebook Inc., Class 'A'	USD	155	40,129	41,312
HUYA Inc., ADR	USD	6,700	154,966	156,170
Nintendo Co. Ltd.	JPY	200	109,212	105,098
Nintendo Co. Ltd., ADR	USD	900	60,842	58,318
Roku Inc.	USD	700	133,156	121,713
TechTarget	USD	5,580	188,401	189,118
ViacomCBS Inc, Class 'B'	USD	1,120	61,778	61,040
Vodafone Group PLC, ADR	USD	6,000	154,822	150,606
Walt Disney Co. (The)	USD	1,125	217,352	211,285
			1,627,474	1,626,242
Consumer Discretionary - 3.5%				
Amazon.com Inc.	USD	30	73,829	71,985
Aptiv PLC	USD	265	33,044	32,681
B&M European Value Retail SA	GBP	19,000	127,663	133,862
Booking Holdings Inc.	USD	100	263,947	266,687
BRP Inc., Subordinate Voting Shares	CAD	355	21,425	21,002
Callaway Golf Co.	USD	3,415	94,833	94,012
Carter's Inc.	USD	360	49,473	51,114
Dollar Tree Inc.	USD	1,300	158,434	158,767
Dollarama Inc.	CAD	3,400	153,899	151,742
Flutter Entertainments PLC	GBP	400	61,277	63,463
Garmin Ltd.	USD	580	74,079	73,478
Gildan Activewear Inc.	CAD	4,000	146,376	153,560
Luckin Coffee Inc., ADR	USD	1,200	61,321	61,333
LVMH Moët Hennessy-Louis Vuitton SA	EUR	250	150,021	150,829
Meituan Dianping, Class 'B'	HKD	5,600	90,097	95,094
Melco Resorts & Entertainment Ltd., ADR	USD	2,900	91,795	91,019
Moncler SPA	EUR	2,000	125,086	116,731
Nike Inc., Class 'B'	USD	1,850	228,690	243,379
O'Reilly Automotive Inc.	USD	30	17,473	17,073
Panasonic Corp.	JPY	7,600	97,096	93,508
Sony Corp., ADR	USD	2,250	180,273	198,678
Target Corp.	USD	270	45,045	44,952
Tempur Sealy International Inc.	USD	665	75,237	75,179
TJX Cos. Inc. (The)	USD	440	34,809	34,887
Universal Electronics Inc.	USD	1,005	70,740	68,202
Whirlpool Corp.	USD	125	23,703	23,947
Williams-Sonoma Inc.	USD	225	20,852	21,457
Winnebago Industries Inc.	USD	255	15,673	17,543
Wynn Resorts Ltd.	USD	450	82,347	81,148
YETI Holdings Inc.	USD	1,300	60,201	58,713
			2,728,738	2,766,025
Consumer Staples - 1.6%				
Colgate-Palmolive Co.	USD	345	31,122	30,840
Costco Wholesale Corp.	USD	170	66,312	64,884
Diageo PLC, ADR	USD	1,100	235,272	240,572
Kao Corp.	JPY	1,500	161,326	161,788
Kimberly-Clark Corp.	USD	140	25,281	25,006
Procter & Gamble Co. (The)	USD	1,005	165,598	163,000
Shiseido Co. Ltd.	JPY	1,700	162,990	158,106
Sysco Corp.	USD	2,290	247,222	254,369
Walmart Inc.	USD	1,145	178,622	176,696
			1,273,745	1,275,261

ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS

Schedule of Investment Portfolio – As at December 31, 2019

Energy - 3.5%

ARC Resources Ltd.	CAD	16,100	102,473	131,698
Avance Gas Holding Ltd.	NOK	8,500	63,618	62,862
BW LPG Ltd.	NOK	5,700	63,888	62,262
Canadian Natural Resources Ltd.	CAD	6,950	246,449	291,900
Cenovus Energy Inc.	CAD	19,200	224,059	253,440
Cheniere Energy Inc.	USD	1,550	127,292	122,919
ConocoPhillips	USD	3,600	298,050	304,001
Crescent Point Energy Corp.	CAD	27,250	143,712	157,778
Enbridge Inc.	CAD	6,100	299,291	314,943
Parkland Fuel Corp.	CAD	2,095	98,718	99,952
Pembina Pipeline Corp.	CAD	6,445	303,666	310,198
Schlumberger Ltd.	USD	3,350	161,838	174,876
Suncor Energy Inc.	CAD	7,200	294,724	306,432
TC Energy Corp.	CAD	2,300	155,104	159,068
			2,582,882	2,752,329

Financials - 3.5%

Alleghany Corp.	USD	50	51,655	51,914
Allianz SE, ADR	USD	5,700	182,834	179,196
American International Group Inc.	USD	770	52,930	51,324
Aon PLC	USD	190	49,671	51,390
Bank of America Corp.	USD	3,525	155,694	161,216
Barclays PLC, ADR	USD	16,700	211,676	206,449
BNP Paribas SA, ADR	USD	7,050	267,936	271,805
Brookfield Asset Management Inc., Class 'A'	CAD	895	67,076	67,152
Canadian Western Bank	CAD	860	28,359	27,425
Citigroup Inc.	USD	1,800	180,677	186,734
CME Group Inc.	USD	135	37,273	35,187
Commerzbank AG	EUR	15,100	123,906	121,343
Element Fleet Management Corp.	CAD	4,855	55,288	53,842
Flagstar Bancorp Inc.	USD	380	18,490	18,874
Greenlight Capital Re, Ltd., Class 'A'	USD	7,050	101,087	92,555
ING Groep NV, ADR	USD	13,600	213,461	212,806
Intact Financial Corp.	CAD	740	100,171	103,911
JPMorgan Chase & Co.	USD	235	41,419	42,539
Lloyds Banking Group PLC, ADR	USD	22,700	98,528	97,569
Manulife Financial Corp.	CAD	1,110	27,992	29,260
Marsh & McLennan Cos. Inc.	USD	390	53,686	56,422
Mitsubishi UFJ Financial Group Inc., ADR	USD	8,550	60,693	60,287
NMI Holdings Inc., Class 'A'	USD	465	20,256	20,035
Reinsurance Group of America Inc.	USD	215	45,255	45,524
RenaissanceRe Holdings Ltd.	USD	160	40,057	40,727
S&P Global Inc.	USD	95	32,813	33,684
Tradeweb Markets Inc., Class 'A'	USD	2,000	122,513	120,376
UniCredit SPA	EUR	10,000	182,036	189,647
Walker & Dunlop Inc.	USD	210	18,160	17,638
Wells Fargo & Co.	USD	1,615	114,976	112,827
			2,756,568	2,759,658

Health Care - 3.7%

Align Technology Inc.	USD	195	70,169	70,658
AMN Healthcare Services Inc.	USD	1,500	121,014	121,369
Anthem Inc.	USD	600	228,963	235,321
Astellas Pharma Inc.	JPY	1,700	37,745	37,993
Bio-Rad Laboratories Inc., Class 'A'	USD	65	31,326	31,233
Bio-Techne Corp.	USD	85	24,280	24,229
Biogen Inc.	USD	200	79,564	77,064
Bristol-Myers Squibb Co.	USD	3,000	216,063	250,062
Cerner Corp.	USD	1,410	134,643	134,374
Charles River Laboratories International Inc.	USD	110	21,867	21,820
Cooper Cos. Inc. (The)	USD	100	41,956	41,721
Cresco Labs Inc.	CAD	10,400	95,585	92,872
CRISPR Therapeutics AG	USD	650	43,582	51,407
Cronos Group Inc.	CAD	28,150	280,115	280,656

ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS

Schedule of Investment Portfolio – As at December 31, 2019

Curaleaf Holdings Inc.	CAD	12,800	95,281	104,704
Dentsply Sirona Inc.	USD	550	41,306	40,417
Eli Lilly and Co.	USD	900	153,808	153,602
Green Thumb Industries Inc.	CAD	10,200	121,731	130,458
GW Pharmaceuticals PLC, ADR	USD	950	140,149	128,988
Magellan Health Inc.	USD	1,455	148,699	147,845
MEDNAX Inc.	USD	3,500	125,888	126,303
PRA Health Sciences Inc.	USD	140	20,196	20,207
Quest Diagnostics Inc.	USD	700	98,360	97,071
Sanofi SA, ADR	USD	1,100	68,208	71,706
Syneos Health Inc.	USD	230	17,766	17,763
Takeda Pharmaceutical Co. Ltd.	JPY	2,800	152,643	144,962
Vertex Pharmaceuticals Inc.	USD	450	128,666	127,943
Zimmer Biomet Holdings Inc.	USD	650	126,580	126,339
			2,866,153	2,909,087

Industrials - 3.1%

ABB Ltd., ADR	USD	6,200	179,354	193,949
AGCO Corp.	USD	185	18,634	18,558
Air Canada	CAD	735	36,848	35,655
Cargojet Inc.	CAD	260	26,104	26,866
Carlisle Cos. Inc.	USD	335	69,948	70,403
Clean Harbors Inc.	USD	310	35,048	34,519
Delta Air Lines Inc.	USD	800	61,536	60,751
Deluxe Corp.	USD	890	58,927	57,693
Deutsche Post AG, Registered	EUR	3,800	190,932	188,246
Eaton Corp. PLC	USD	140	17,374	17,220
Emerson Electric Co.	USD	1,945	180,648	192,608
FedEx Corp.	USD	650	129,687	127,630
IHS Markit Ltd.	USD	295	27,169	28,864
ITOCHU Corp.	JPY	3,100	90,646	93,899
Jacobs Engineering Group Inc.	USD	160	18,859	18,664
Johnson Controls International PLC	USD	470	26,307	24,846
Morneau Shepell Inc.	CAD	1,125	36,879	38,014
MSA Safety Inc.	USD	115	19,097	18,870
Old Dominion Freight Line Inc.	USD	90	22,334	22,179
Ritchie Bros. Auctioneers Inc.	CAD	630	34,704	35,104
Siemens AG, Registered	EUR	1,900	327,835	322,525
Signify NV	EUR	4,600	188,472	186,670
Stericycle Inc.	USD	505	42,449	41,845
Teledyne Technologies Inc.	USD	120	53,910	54,000
Textron Inc.	USD	3,300	204,963	191,121
Toro Co. (The)	USD	265	27,570	27,416
Union Pacific Corp.	USD	85	19,999	19,955
United Parcel Service Inc., Class 'B'	USD	600	93,643	91,205
YASKAWA Electric Corp.	JPY	3,900	197,137	194,361
			2,437,013	2,433,636

Information Technology - 3.9%

Adobe Inc.	USD	65	26,023	27,838
Advanced Micro Devices Inc.	USD	1,000	59,691	59,552
Anaplan Inc.	USD	1,350	96,210	91,859
Applied Materials Inc.	USD	1,950	157,896	154,564
Arrow Electronics Inc.	USD	245	26,174	26,960
Atlassian Corp. PLC	USD	400	65,099	62,507
Cardtronics PLC	USD	335	17,809	19,423
CGI Inc.	CAD	775	83,701	84,219
Constellation Software Inc.	CAD	15	19,052	18,917
CSG Systems International Inc.	USD	245	18,430	16,474
Diodes Inc.	USD	355	23,751	25,986
EVERTEC Inc.	USD	535	21,764	23,648
Exlservice Holdings Inc.	USD	255	23,366	23,000
Hitachi Ltd.	JPY	3,000	162,311	165,858
II-VI Inc.	USD	665	29,319	29,075
Keysight Technologies Inc.	USD	1,230	168,840	163,922

ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS

Schedule of Investment Portfolio – As at December 31, 2019

Knowles Corp.	USD	670	18,828	18,401
Lumentum Holdings Inc.	USD	1,200	124,085	123,570
MasterCard Inc., Class 'A'	USD	700	269,958	271,414
Microsoft Corp.	USD	515	101,939	105,462
MongoDB Inc.	USD	700	119,106	119,632
NVIDIA Corp.	USD	400	120,833	122,220
Power Integration Inc.	USD	200	24,952	25,688
QUALCOMM Inc.	USD	3,200	370,589	366,627
Rogers Corp.	USD	135	22,703	21,866
salesforce.com Inc.	USD	105	21,645	22,176
Samsung Electronics Co. Ltd., GDR	USD	40	57,061	61,967
Semtech Corp.	USD	450	29,646	30,912
SYNNEX Corp.	USD	155	25,455	25,924
Taiyo Yuden Co. Ltd.	JPY	1,500	60,542	60,144
Tech Data Corp.	USD	110	20,923	20,512
TTEC Holdings Inc.	USD	345	17,331	17,750
Twilio Inc.	USD	1,400	182,860	178,670
Visa Inc., Class 'A'	USD	1,150	279,046	280,597
Weimob Inc.	HKD	50,000	35,862	28,246
Workday Inc., Class 'A'	USD	400	87,809	85,419
Xilinx Inc.	USD	900	116,708	114,263
			<u>3,107,317</u>	<u>3,095,262</u>
Materials - 3.5%				
Agnico Eagle Mines Ltd.	CAD	1,950	151,134	155,961
Air Products and Chemicals Inc.	USD	95	29,007	28,989
Albemarle Corp.	USD	4,300	395,741	407,838
Barrick Gold Corp.	CAD	9,700	216,995	233,964
Cascades Inc.	CAD	3,295	38,763	36,937
Eagle Materials Inc.	USD	1,300	159,143	153,045
Franco-Nevada Corp.	CAD	1,300	169,075	174,317
Jiangxi Ganfeng Lithium Co. Ltd.	HKD	24,500	48,863	79,207
Linde PLC	USD	230	62,473	63,586
Lithium Americas Corp.	CAD	16,100	65,792	66,976
Louisiana Pacific Corp.	USD	2,745	105,598	105,759
Martin Marietta Materials Inc.	USD	510	185,048	185,195
Materion Corp.	USD	1,140	88,964	88,007
Neenah Paper Inc.	USD	390	36,880	35,668
Pan American Silver Corp.	CAD	5,000	120,143	153,800
Pilbara Minerals Ltd.	AUD	126,200	50,713	32,200
Schweitzer-Mauduit International Inc.	USD	720	41,895	39,259
Scotts Miracle-Gro Co. (The), Class 'A'	USD	575	77,523	79,281
SSR Mining Inc.	CAD	4,550	93,942	113,705
Valvoline Inc.	USD	5,100	156,796	141,790
Vulcan Materials Co.	USD	885	166,484	165,476
Wheaton Precious Metals Corp.	CAD	4,350	161,533	168,084
			<u>2,622,505</u>	<u>2,709,044</u>
Real Estate - 2.4%				
Alexander & Baldwin Inc.	USD	1,050	31,016	28,578
American Tower Corp.	USD	720	203,625	214,872
Colliers International Group Inc.	CAD	185	17,552	18,704
Crown Castle International Corp.	USD	1,000	186,033	184,589
Dream Industrial REIT	CAD	1,965	25,790	25,820
Easterly Government Properties Inc.	USD	2,045	62,234	63,016
European Residential REIT	CAD	47,800	227,650	222,270
FirstService Corp.	CAD	230	27,606	27,805
Franklin Street Properties Corp.	USD	2,950	33,165	32,791
Granite REIT, Stapled Units	CAD	735	48,711	48,495
Independence Realty Trust	USD	7,525	137,616	137,584
Inovalis REIT	CAD	12,800	136,320	136,448
MGM Growth Properties LLC	USD	5,300	212,800	213,145
NorthWest Healthcare Properties REIT	CAD	5,425	65,874	64,720
Office Properties Income Trust	USD	1,325	55,209	55,299
SBA Communications Corp.	USD	500	157,034	156,469

ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS

Schedule of Investment Portfolio – As at December 31, 2019

Summit Industrial Income REIT	CAD	1,925	24,457	23,216
Weyerhaeuser Co.	USD	6,350	249,948	249,023
			<u>1,902,640</u>	<u>1,902,844</u>

Utilities - 2.0%

Algonquin Power & Utilities Corp.	CAD	2,765	51,375	50,793
AltaGas Ltd.	CAD	3,450	68,783	68,241
American Water Works Co. Inc.	USD	1,025	165,147	163,515
ATCO Ltd., Class 'I'	CAD	610	30,586	30,360
Brookfield Infrastructure Partners L.P.	CAD	2,105	141,699	136,530
Brookfield Renewable Partners L.P.	CAD	3,940	244,580	237,582
Canadian Utilities Ltd., Class 'A'	CAD	1,450	57,461	56,797
Capital Power Corp.	CAD	2,550	86,229	87,695
El Paso Electric Co.	USD	2,105	187,057	185,574
Northland Power Inc.	CAD	4,415	121,540	120,088
Southern Co. (The)	USD	3,700	309,475	306,055
TransAlta Corp.	CAD	6,530	58,294	60,598
TransAlta Renewables Inc.	CAD	3,375	50,575	52,380
			<u>1,572,801</u>	<u>1,556,208</u>
			25,477,836	25,785,596

Equities - Short - (13.9%)

Sector Name	Currency	No. of Shares/Units	Average Cost (\$)	Fair Value (\$)
Communication Services - (1.4%)				
Altice USA Inc., Class 'A'	USD	(6,500)	(220,321)	(230,765)
Care.com Inc.	USD	(2,255)	(44,381)	(44,011)
Discovery Inc., Series 'A'	USD	(630)	(26,802)	(26,784)
Discovery Inc., Series 'C'	USD	(675)	(26,709)	(26,725)
Electronic Arts Inc.	USD	(320)	(44,870)	(44,674)
Fox Corp., Class 'A'	USD	(570)	(27,588)	(27,438)
Fox Corp., Class 'B'	USD	(495)	(23,406)	(23,397)
Interpublic Group of Cos. Inc. (The)	USD	(1,370)	(40,985)	(41,095)
Netflix Inc.	USD	(535)	(204,763)	(224,792)
New York Times Co. (The), Class 'A'	USD	(1,615)	(68,342)	(67,466)
Omnicom Group Inc.	USD	(770)	(81,644)	(81,011)
QuinStreet Inc.	USD	(3,470)	(70,654)	(68,986)
SoftBank Group Corp., Unsponsored ADR	USD	(7,750)	(197,580)	(216,773)
			<u>(1,078,045)</u>	<u>(1,123,917)</u>
Consumer Discretionary - (3.0%)				
Best Buy Co. Inc.	USD	(750)	(72,315)	(85,510)
Canada Goose Holdings Inc.	USD	(2,250)	(110,564)	(105,884)
Canadian Tire Corp. Ltd., Class 'A'	CAD	(1,100)	(157,994)	(153,725)
Cheesecake Factory Inc. (The)	USD	(1,200)	(62,486)	(60,554)
Dine Brands Global Inc.	USD	(2,050)	(209,262)	(222,333)
Domino's Pizza Inc.	USD	(150)	(57,400)	(57,223)
Dunkin' Brands Group Inc.	USD	(1,650)	(165,264)	(161,853)
G-III Apparel Group Ltd.	USD	(355)	(15,314)	(15,443)
Great Canadian Gaming Corp.	CAD	(2,600)	(101,450)	(111,904)
Hanesbrands Inc.	USD	(11,050)	(223,616)	(213,082)
Harley-Davidson Inc.	USD	(765)	(37,801)	(36,944)
Hasbro Inc.	USD	(190)	(25,672)	(26,057)
Home Depot Inc. (The)	USD	(320)	(89,961)	(90,745)
Jack in the Box Inc.	USD	(1,850)	(193,012)	(187,453)
Lithia Motors Inc., Class 'A'	USD	(450)	(94,978)	(85,899)
Magna International Inc.	CAD	(290)	(21,288)	(20,648)
McDonald's Corp.	USD	(650)	(166,430)	(166,794)
Monarch Casino & Resort Inc.	USD	(750)	(45,629)	(47,283)
Oxford Industries Inc.	USD	(1,800)	(169,384)	(176,286)
Sleep Country Canada Holdings Inc.	CAD	(955)	(19,756)	(19,301)
Tesla Motors Inc.	USD	(600)	(236,069)	(325,933)
			<u>(2,275,645)</u>	<u>(2,370,854)</u>

ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS

Schedule of Investment Portfolio – As at December 31, 2019

Consumer Staples - (0.7%)

Archer-Daniels-Midland Co.	USD	(1,140)	(67,400)	(68,614)
Chefs' Warehouse Inc. (The)	USD	(540)	(25,900)	(26,723)
Cott Corp.	USD	(9,900)	(169,951)	(175,865)
Energizer Holdings Inc.	USD	(1,035)	(68,216)	(67,496)
Premium Brands Holdings Corp.	USD	(1,400)	(117,466)	(127,344)
Walgreens Boots Alliance Inc.	USD	(790)	(61,046)	(60,484)
			(509,979)	(526,526)

Financials - (3.5%)

Ally Financial Inc.	USD	(2,200)	(91,629)	(87,304)
American Express Co.	USD	(925)	(144,609)	(149,532)
BlackRock Inc.	USD	(35)	(22,925)	(22,847)
Blackstone Group Inc. (The), Class 'A'	USD	(2,300)	(158,881)	(167,074)
Canadian Imperial Bank of Commerce	CAD	(2,900)	(317,080)	(313,374)
Capital One Financial Corp.	USD	(1,195)	(149,153)	(159,692)
Credit Acceptance Corp.	USD	(450)	(255,328)	(258,474)
Discover Financial Services	USD	(1,750)	(187,485)	(192,750)
Donnelley Financial Solutions Inc.	USD	(4,375)	(62,216)	(59,482)
ECN Capital Corp.	CAD	(5,150)	(22,179)	(24,668)
FirstCash Inc.	USD	(290)	(30,756)	(30,364)
Interactive Brokers Group Inc., Class 'A'	USD	(725)	(44,842)	(43,890)
KKR & Co. Inc.	USD	(2,400)	(92,298)	(90,909)
Laurentian Bank of Canada	CAD	(4,580)	(203,099)	(203,489)
Primerica Inc.	USD	(150)	(26,604)	(25,431)
Royal Bank of Canada	CAD	(3,400)	(353,898)	(349,350)
Santander Consumer USA Holdings Inc.	USD	(6,200)	(200,640)	(188,152)
Synchrony Financial	USD	(1,900)	(92,923)	(88,845)
Toronto-Dominion Bank (The)	CAD	(4,200)	(308,025)	(305,886)
			(2,764,570)	(2,761,513)

Health Care - (0.1%)

Molina Healthcare Inc.	USD	(260)	(46,491)	(45,812)
Omniceil Inc.	USD	(280)	(30,216)	(29,713)
			(76,707)	(75,525)

Industrials - (2.9%)

AG Growth International Inc.	CAD	(450)	(20,378)	(20,898)
Applied Industrial Technologies Inc.	USD	(375)	(32,508)	(32,475)
AZZ Inc.	USD	(275)	(15,189)	(16,409)
Canadian National Railway Co.	CAD	(1,700)	(197,990)	(199,699)
Cummins Inc.	USD	(1,250)	(287,424)	(290,486)
Deere & Co.	USD	(400)	(88,842)	(89,995)
Fastenal Co.	USD	(3,150)	(146,387)	(151,141)
Hubbell Inc.	USD	(90)	(17,549)	(17,276)
Insperty Inc.	USD	(1,150)	(120,148)	(128,486)
Interface Inc.	USD	(2,045)	(45,178)	(44,055)
Kirby Corp.	USD	(340)	(39,524)	(39,528)
Oshkosh Corp.	USD	(240)	(29,489)	(29,498)
Robert Half International Inc.	USD	(660)	(52,948)	(54,122)
Rollins Inc.	USD	(3,050)	(144,613)	(131,333)
Roper Technologies Inc.	USD	(300)	(137,103)	(137,996)
Saia Inc.	USD	(645)	(77,947)	(77,994)
TFI International Inc.	CAD	(565)	(24,661)	(24,730)
TriNet Group Inc.	USD	(2,350)	(173,965)	(172,751)
United Airlines Holdings Inc.	USD	(1,100)	(128,418)	(125,828)
W.W. Grainger Inc.	USD	(450)	(182,002)	(197,813)
Wabtec Corp.	USD	(2,500)	(240,736)	(252,568)
Westshore Terminals Investment Corp.	CAD	(875)	(17,859)	(16,581)
			(2,220,858)	(2,251,662)

Information Technology - (1.4%)

3D Systems Corp.	USD	(1,530)	(17,372)	(17,384)
Amphenol Corp., Class 'A'	USD	(285)	(40,310)	(40,054)
Autodesk Inc.	USD	(400)	(94,060)	(95,293)

ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS

Schedule of Investment Portfolio – As at December 31, 2019

Celestica Inc.	CAD	(2,045)	(22,223)	(22,025)
Cisco Systems Inc.	USD	(665)	(41,661)	(41,415)
Corning Inc.	USD	(725)	(27,544)	(27,406)
Littelfuse Inc.	USD	(95)	(23,703)	(23,599)
Microchip Technology Inc.	USD	(1,100)	(148,950)	(149,583)
Monolithic Power Systems Inc.	USD	(950)	(188,911)	(219,609)
PayPal Holdings Inc.	USD	(1,100)	(152,508)	(154,511)
Qualys Inc.	USD	(340)	(38,135)	(36,808)
Shopify Inc., Class 'A'	CAD	(125)	(64,627)	(64,537)
Square Inc., Class 'A'	USD	(2,450)	(202,085)	(199,031)
			(1,062,089)	(1,091,255)

Materials - (0.7%)

Ball Corp.	USD	(735)	(65,720)	(61,723)
CF Industries Holdings Inc.	USD	(2,600)	(155,623)	(161,181)
Chemours Co. (The)	USD	(1,280)	(29,411)	(30,068)
FMC Corp.	USD	(125)	(16,201)	(16,203)
Freeport-McMoRan Inc.	USD	(3,125)	(50,739)	(53,241)
Kaiser Aluminum Corp.	USD	(340)	(49,910)	(48,959)
LSB Industries Inc.	USD	(3,790)	(20,645)	(20,670)
LyondellBasell Industries NV, Class 'A'	USD	(440)	(53,956)	(53,982)
Myers Industries Inc.	USD	(1,295)	(28,977)	(28,049)
Nucor Corp.	USD	(370)	(27,198)	(27,040)
RPM International Inc.	USD	(275)	(27,308)	(27,411)
US Concrete Inc.	USD	(550)	(30,658)	(29,754)
			(556,346)	(558,281)

Real Estate - (0.2%)

EastGroup Properties Inc.	USD	(905)	(157,576)	(155,912)
			(157,576)	(155,912)

(10,701,815) **(10,915,445)**

Funds - Long - 48.5%

Security Name	Currency	No. of Shares	Average Cost (\$)	Fair Value (\$)
Curvature Market Neutral Fund, Class 'F**'	CAD	206,661	2,551,811	2,390,347
East Coast Investment Grade Income Fund**	CAD	63,810	577,386	576,204
Energy Select Sector SPDR Fund	USD	7,700	635,370	600,330
Global X FTSE Greece 20 ETF	USD	11,900	153,830	156,536
Global X Silver Miners ETF	USD	8,500	358,437	366,230
Health Care Select Sector SPDR Fund	USD	4,550	590,461	601,830
iPath Series B Bloomberg Livestock Subindex Total Return ETN	USD	5,050	305,999	300,538
iShares Floating Rate Bond ETF	USD	36,495	2,444,748	2,413,128
iShares iBoxx \$ Investment Grade Corporate Bond ETF	USD	20,925	3,522,540	3,476,949
iShares MBS ETF	USD	23,440	3,335,253	3,289,132
iShares MSCI Emerging Markets ETF	USD	52,900	3,098,840	3,082,268
iShares MSCI Europe Financials ETF	USD	6,000	154,460	151,852
iShares S&P GSCI Commodity-Indexed Trust	USD	72,200	1,519,664	1,519,774
iShares Silver Trust	USD	56,600	1,205,740	1,225,945
iShares TIPS Bond ETF	USD	49,950	7,659,517	7,561,030
iShares U.S. Aerospace & Defense ETF	USD	500	150,898	144,191
iShares U.S. Dow Jones Medical Equipment Index	USD	1,350	450,510	463,364
SPDR Gold Shares ETF	USD	33,150	6,059,060	6,151,407
SPDR Oil & Gas Equipment & Services ETF	USD	14,800	158,721	155,478
SPDR S&P Oil & Gas Exploration & Production ETF	USD	10,100	309,893	310,834
UltraShort Semiconductor ProShares	USD	6,300	122,804	121,360
VanEck Vectors Gold Miners ETF	USD	4,100	155,868	155,888
VanEck Vectors Junior Gold Miners ETF	USD	2,800	144,462	153,655
Vanguard FTSE Europe ETF	USD	20,300	1,540,304	1,544,729
Vanguard REIT ETF	USD	10,400	1,253,589	1,253,122
			38,460,165	38,166,121

ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS

Schedule of Investment Portfolio – As at December 31, 2019

Funds - Short - (0.0%)

Security Name	Currency	No. of Shares	Proceeds (\$)	Fair Value (\$)
iShares S&P/TSX Capped Energy Index ETF	CAD	(1,835)	(15,011)	(17,130)
			(15,011)	(17,130)
Commissions			(9,521)	
Total Investments - 67.3%			53,211,654	53,019,142
Derivatives (see schedule of derivative instruments) - 1.1%				826,767
Cash and Other Net Assets (Liabilities) - 31.5%				24,778,525
Net Assets Attributable to Holders of Redeemable Shares - 100.0%				78,624,434

** Fund is managed by Arrow Capital Management Inc.

ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS

Schedule of Investment Portfolio – As at December 31, 2019

Schedule of Derivative Instruments

Futures Contracts - Long - 0.0%

Security Name	Contract Size	Expiry Date	Currency	No. of Contracts	Notional Value (\$)	Unrealized Gain/(Loss) (\$)
Bond Futures - 0.0%						
US 5 Year Treasury Notes Futures	1,000	03-31-20	USD	80	12,321,616	1,035
						1,035
Commodity Futures - 0.0%						
Gold 100 oz Futures	100	02-26-20	USD	9	1,780,039	11,804
Natural Gas Futures	10,000	03-27-20	USD	7	195,341	(5,012)
Silver Futures	5,000	03-27-20	USD	5	581,783	22,108
						28,900
						29,935

Futures Contracts - Short - (0.1%)

Security Name	Contract Size	Expiry Date	Currency	No. of Contracts	Notional Value (\$)	Unrealized Gain/(Loss) (\$)
Index Futures - (0.1%)						
NASDAQ 100 E-mini Index Futures	20	03-20-20	USD	(11)	(2,500,352)	(11,992)
Russell 2000 E-mini Index Futures	50	03-20-20	USD	(91)	(9,870,577)	(74,478)
						(86,470)

Options Bought - 0.1%

Security Name	Strike Price (\$)	Expiry Date	Currency	No. of Contracts	Average Cost (\$)	Fair Value (\$)
Invesco Senior Loan ETF Put Option	21	01-16-21	USD	719	77,837	38,280
iShares MSCI Emerging Markets Call Option	48	01-18-20	USD	1,181	32,367	1,991
iShares iBoxx High Yield Corp Put Option	86	01-18-20	USD	500	6,810	6,168
					117,014	46,439

Options Written - (0.0%)

Security Name	Strike Price \$	Expiry Date	Currency	No. of Contracts	Proceeds (\$)	Fair Value (\$)
Schlumberger Ltd Call Option	42	02-01-20	USD	(30)	(2,818)	(2,922)
					(2,818)	(2,922)

Forward Currency Contracts - 1.1%

Counterparty	Purchased		Sold		Credit Rating	Contract Rate	Maturity Date	Unrealized Gain/(Loss) (\$)	
	Currency	Notional Value (\$)	Currency	Notional Value (\$)					
CIBC WM	CAD	36,101,043	USD	(27,161,000)	Aa2	1.329149	01-06-20	831,697	
CIBC WM	CAD	514,947	USD	(391,000)	Aa2	1.317001	01-06-20	7,222	
CIBC WM	CAD	33,821	USD	(25,700)	Aa2	1.316001	01-06-20	449	
CIBC WM	CAD	18,943	USD	(14,400)	Aa2	1.3155	01-06-20	244	
CIBC WM	CAD	57,334	USD	(43,700)	Aa2	1.312	01-06-20	589	
Unrealized Gains								840,201	
CIBC WM	USD	6,400	CAD	(8,398)	Aa2	0.762079	01-06-20	(87)	
CIBC WM	USD	20,000	CAD	(26,300)	Aa2	0.760456	01-06-20	(329)	
Unrealized Losses								(416)	
Total forward currency contracts								839,785	
Total Derivative Instruments at Fair Value								\$114,196	\$826,767

ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS

NOTES TO THE AUDITED FINANCIAL STATEMENTS – FUND SPECIFIC INFORMATION

For the years ended December 31, 2019 and 2018

The investment objective of the Arrow Global Advantage Alternative Class 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. To achieve this 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.

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 Arrow Capital Management Inc. (the "Manager") in accordance with the Fund's prospectus. The Fund 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.

The Fund's use of leverage and borrowings can increase the Fund's exposure to these risks, which in turn can increase the potential returns the Fund can achieve. The Fund manages these exposures on a daily basis in accordance with the investment restrictions that have been established by the Fund to manage the overall potential exposure. The Fund is permitted to borrow cash up to a maximum of 50% of its net asset value. The aggregate market value of all securities sold short by the Fund will not exceed 50% of the total net assets of the Fund. The combined use of shortselling and cash borrowing by the Fund is subject to an overall limit of 50% of its net asset value.

The aggregate gross exposure of the Fund, to be calculated as the sum of the following, must not exceed three times the Fund's net asset value: (i) the aggregate market value of the Fund's long positions; (ii) the aggregate market value of physical short sales on equities, fixed income securities or other portfolio assets; and (iii) the aggregate notional value of the Fund's specified derivatives positions excluding any specified derivatives used for hedging purposes.

A general discussion of risks associated with financial instruments for the Arrow Funds is contained in Note 4: FINANCIAL INSTRUMENTS – RISK MANAGEMENT.

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. As at December 31, 2019, the Fund had no direct investments in debt instruments and therefore was not subject to direct related credit risk. The Fund may be exposed to credit risk indirectly through its investments.

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 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.

The Fund has provided the broker with a general lien over assets held in return for services including borrowed securities and derivatives trading. The terms and conditions associated with collateral have no significant unusual requirements from the usual practice of recourse when a default occurs. Therefore, the Fund is also exposed to credit risk of the broker.

The Fund is exposed to counterparty credit risk on cash and cash equivalents, cash held at broker, margin deposits, options, futures contracts, receivable for securities sold and other receivable balances. The Fund's brokerage agreements require cash collateral up to 150% of the fair market values of securities sold short. The Fund's brokerage services are provided by CIBC World Markets which has a credit rating as obtained from Moody's bond rating services of Aa2 as at December 31, 2019. The counterparty to the Fund's futures and forward contracts are Interactive Brokers Canada Inc., which has a credit rating obtained from the S&P of BBB and Scotia Capital Inc. and CIBC World Markets, which have a credit rating from Moody's

ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS

NOTES TO THE AUDITED FINANCIAL STATEMENTS – FUND SPECIFIC INFORMATION

For the years ended December 31, 2019 and 2018

bond rating services of Aa2 and Aa2, respectively as at December 31, 2019. Cash collateral is presented as "Margin deposits" in the Statements of Financial Position.

The Fund is also exposed to credit risk on cash deposits held at Royal Bank of Canada which has a credit rating as rated by Moody's bond rating services of Aa2 (2018 Aa2). In the prior year, 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 as at 2018.

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.

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.

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 as at December 31, 2019 (2018 A1).

The Fund may engage in securities lending up to a maximum of 50% of the aggregate net asset value of the Fund, excluding, the collateral held in respect to such loans, and is exposed to counterparty risk on all such loans, if any. The credit risk related to the securities lending program is limited as the Fund holds a minimum collateral equal to 102% of the fair value of the loaned securities. The collateral and loaned securities are marked to market on each valuation date. All counterparties have a credit rating equivalent to a Moody's credit rating of not less than Baa2.

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

From time to time, the Fund may use margin borrowings in one or more of its brokerage accounts. For the year ending December 31, 2019, the minimum margin borrowings used was \$nil and the maximum margin borrowings used was \$16,960,806 (2018: min: \$nil, max: \$nil).

(a) Currency Risk

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, forward currency contracts, futures, options, and other current receivables and payables. Non-monetary items are comprised of long and short equities and funds.

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June 30, 2019	Exposure			Impact on net assets attributable to holders of redeemable shares		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
Currency	\$	\$	\$	\$	\$	\$
United States Dollar - Long	8,892,185	51,957,870	60,850,055	889,219	5,195,787	6,085,006
United States Dollar - Short	(54,599,494)	(8,945,145)	(63,544,639)	(5,459,949)	(894,515)	(6,354,464)
Australian Dollar - Long	-	32,200	32,200	-	3,220	3,220
Australian Dollar - Short	(98,764)	-	(98,764)	(9,876)	-	(9,876)
Danish Kroner - Long	15,257	-	15,257	1,526	-	1,526
Euro Currency - Long	1,803,594	1,275,991	3,079,585	180,359	127,599	307,958
Euro Currency - Short	(1,529,440)	-	(1,529,440)	(152,944)	-	(152,944)
British Pound - Long	5,040,272	197,325	5,237,597	504,027	19,733	523,760
British Pound - Short	(2,133,436)	-	(2,133,436)	(213,344)	-	(213,344)
Hong Kong Dollar - Long	-	202,547	202,547	-	20,255	20,255
Hong Kong Dollar - Short	(127,331)	-	(127,331)	(12,733)	-	(12,733)
Japanese Yen - Long	2,414,789	1,217,226	3,632,015	241,479	121,723	363,202
Japanese Yen - Short	(644,629)	-	(644,629)	(64,463)	-	(64,463)
Mexican Peso - Short	(1,361)	-	(1,361)	(136)	-	(136)
Norwegian Krone - Long	382	125,124	125,506	38	12,512	12,550
Norwegian Krone - Short	(135,267)	-	(135,267)	(13,527)	-	(13,527)
New Zealand Dollar - Short	(8,675)	-	(8,675)	(868)	-	(868)
Singapore Dollar - Short	(13,599)	-	(13,599)	(1,360)	-	(1,360)
Swedish Kroner - Long	1,234	-	1,234	123	-	123
Swiss Franc - Long	8,125	-	8,125	813	-	813
Total	(41,116,158)	46,063,138	4,946,980	(4,111,616)	4,606,314	494,698
% of net assets attributable to holders of redeemable shares	(52.3%)	58.6%	6.3%	(5.2%)	5.9%	0.6%

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate because of changes in market interest rates. As at December 31, 2019 (2018 nil) the Fund held securities with fixed interest rates that expose the Fund to fair value market interest rate risk.

The table below summarizes the Fund's exposure to interest rate risk as at December 31, 2019 and 2018. The table also illustrates the potential impact, or sensitivity, on the net assets attributable to holders of redeemable units if the prevailing levels of market interest rates changed by 1.0%, assuming a parallel shift in the yield curve with all other variables held constant

Term to Maturity	Long Exposure		Short Exposure	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Greater than 5 years	12,321,616	-	-	-
Total	\$ 12,321,616	\$ -	\$ -	\$ -
Sensitivity:				
Total \$ sensitivity	+/- \$ 518,715	+/- \$ -	+/- \$ -	+/- \$ -
Total % sensitivity	0.7%	0.0%	0.0%	0.0%

(c) Price Risk

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 Fund's prospectus, as summarized below.

The Fund invests predominantly in a diversified portfolio of four global asset classes: equities, fixed income securities, commodities and currencies. The Fund will invest its assets in publicly listed global equity securities, though it is anticipated that the majority of the securities traded by the Fund will be issued by companies domiciled in Canada and the United States. The Fund will include both long and short positions in the Fund's portfolio. The Fund

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will invest long and short in fixed income securities identified as attractive or unattractive investment candidates, and may include high yield bonds, corporate bonds, government treasury securities, credit ETFs and treasury futures.

The Fund will invest in commodities. Exposure to commodity prices can be indirect through the equity or fixed income of a resource company, or directly through the use of derivatives, such as options, futures, forwards or swaps.

The Fund will engage in currency forward contracts and/or hold foreign currency for hedging purposes and for non-hedging purposes to participate in foreign markets.

The Fund may engage in short selling of securities which the Manager believes are overvalued, especially securities of issuers with deteriorating fundamentals and weak balance sheets. The aggregate market value of all securities sold short by the Fund will not exceed 50% of the total net assets of the Fund; and the aggregate market value of all securities of any particular issuer sold short by the Fund will not exceed 10% of the total net assets of the Fund.

The Fund may use derivatives for hedging and non-hedging purposes as permitted by applicable securities laws. The Fund may enter into securities lending, repurchase and reverse repurchase transactions to generate additional income or as a short-term cash management tool.

The Fund holds cash and invests 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. The Fund may also invest in foreign securities of the same type and characteristics as described above.

The impact on net assets of the Fund due to a 5% change in market prices of equity securities, funds, warrants and fixed income with all other variables held constant, is presented in the following table.

Impact on net assets attributable to holders of redeemable shares		
	December 31, 2019	December 31, 2018
	%	%
5% Increase	2,653,698	N/A
5% Decrease	(2,653,698)	N/A

The Fund engages in short selling activities, wherein it borrows securities and sells them to third parties. Until the Fund covers its short sales, it is exposed to market risk to the extent that subsequent market fluctuations may require purchasing securities sold short at prices which may be significantly higher than the fair value reflected on the financial statements.

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 by market segment, as a percentage of net assets attributable to holders of redeemable shares:

Market Segment	December 31, 2019		December 31, 2018	
	Long (%)	Short (%)	Long (%)	Short (%)
Communication Services	2.1	(1.4)	N/A	N/A
Consumer Discretionary	3.5	(3.0)	N/A	N/A
Consumer Staples	1.6	(0.7)	N/A	N/A
Energy	3.5	-	N/A	N/A
Financials	3.5	(3.5)	N/A	N/A
Funds	48.5	(0.0)	N/A	N/A
Health Care	3.7	(0.1)	N/A	N/A
Industrials	3.1	(2.9)	N/A	N/A
Information Technology	3.9	(1.4)	N/A	N/A
Materials	3.4	(0.7)	N/A	N/A
Real Estate	2.4	(0.2)	N/A	N/A
Utilities	2.0	-	N/A	N/A
Derivatives	1.2	(0.1)	N/A	N/A
Totals	82.4	(14.0)	N/A	N/A

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Market Risk

The following include sensitivity analyses that show how the net assets attributable to holders of redeemable shares would have been affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ and the differences could be material.

FAIR VALUE MEASUREMENT

A general discussion of fair value measurement for the Arrow Funds appears as Note 5: FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENT.

The following table illustrates the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2019.

December 31, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
Equities	25,785,596	-	-	25,785,596
Funds	35,775,774	2,390,347	-	38,166,121
Derivatives	81,386	840,201	-	921,587
	61,642,756	3,230,548	-	64,873,304
Financial liabilities				
Equities sold short	(10,915,445)	-	-	(10,915,445)
Fixed income sold short	-	-	-	-
Funds	(17,130)	-	-	(17,130)
Derivatives	(94,404)	(416)	-	(94,820)
	(11,026,979)	(416)	-	(11,027,395)
Total	50,615,777	3,230,132	-	53,845,909

All fair value measurements above are recurring. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. 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 Manager is responsible for performing the fair value measurements included in the financial statements of the Fund, including Level 3 measurements, if any. The Manager obtains pricing from a third party pricing vendor which is monitored and reviewed daily by the Manager.

a) Equities/Funds and Equities/Funds Sold Short

The Fund's equity positions and some investment in funds are classified as Level 1 as the securities are actively traded on a recognized exchange and a quoted price is available. Equity positions which have resale restrictions but otherwise trade on the market are classified as Level 2. Funds that do not trade on an exchange are valued by valuation agents and are classified as Level 2.

b) Bonds

The Fund's bond holdings are comprised of Canadian and US Bonds. Bond pricing is obtained from bid and ask prices provided by independent security pricing services or recognized investment dealers. Bond prices may be derived by using models which include inputs such as interest rate curves, credit spreads and volatilities. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds have been classified as Level 2.

c) Derivatives

Derivative assets and liabilities consist of warrants, futures contracts, forward contracts and options.

Warrants are valued using models and valuation techniques commonly used in the industry, including inputs such as underlying stock price, restrictions on exercise and days to expiry. Exchange traded warrants are classified as Level 1. When the inputs that are significant to valuation are generally observable, the warrants are classified as Level 2.

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Futures contracts and options are exchange traded and are classified as Level 1 as they are actively traded and a reliable price is observable. Forward currency contracts are valued based primarily on the contract notional amount and the difference between the contract rate and the forward market rate for the same currency, adjusted for counterparty risk. Forward currency contracts are classified as Level 2.

d) Structured Entities

Investments in underlying funds (“Structured Entities”) are classified as Level 1 when the security is actively traded and a reliable price is observable. When the Structured Entity investment is not traded on public exchanges, observable prices are not available. In such cases, fair value is determined using the fund prices as reported by the respective Structured Entities’ administrator, which have been determined using observable market data, and the fair value is classified as Level 2. If the determination of fair value requires significant unobservable data, the measurement is classified as Level 3.

There were no Level 3 Structured Entities as at December 31, 2019 and 2018.

During the years ended December 31, 2019 and 2018 there were no transfers between Level 1 and Level 2. The following table presents the movement in Level 3 instruments for the years ended December 31, 2019 and 2018 by class of financial instrument. The Level 3 instrument held was Arrow Distressed Securities Fund, Class A.

Financial assets at fair value through profit and loss		
	December 31, 2019	December 31, 2018
	\$	\$
Opening balance	-	N/A
Net purchases and sales	(314,436)	N/A
Net transfers in (out)	-	N/A
Realized gain (loss)	314,436	N/A
Unrealized appreciation (depreciation)	-	N/A
Closing balance	-	N/A

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1. THE FUNDS

Exemplar Portfolios Ltd. (the “Company”) is an open-ended mutual fund corporation incorporated under the Business Corporations Act (Ontario) on March 18, 2008. The Company’s shares comprise of three classes of redeemable mutual fund shares: Arrow Canadian Advantage Alternative Class (formerly, Exemplar Canadian Focus Portfolio), Arrow Global Advantage Alternative Class and WaveFront Global Diversified Investment Class (formerly, Exemplar Diversified Portfolio) (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 funds are as follows:

<u>Name of the Fund</u>	<u>Date of Inception</u>	<u>Series Information</u>
Arrow Canadian Advantage Alternative Class	March 18, 2008	Series A and F
	January 10, 2012	Series L
Arrow Global Advantage Alternative Class	December 31, 2018	Series A, F and ETF
	February 12, 2019	Series U and G

On December 31, 2018, pursuant to articles of amendment, Arrow seeded the Arrow Global Advantage Alternative Class with a purchase of 500 Series A Shares, 14,000 Series F Shares and 250 Series ETF Shares. On February 28, 2019, pursuant to articles of amendment dated February 12, 2019, Arrow seeded 100 shares each of Series U and G shares with a purchase of \$1,000 USD and \$1,000 USD, respectively.

These audited financial statements present the financial results for two classes of shares of the Company, Arrow Canadian Advantage Alternative Class (the “Canadian Advantage Alternative Class”) and Arrow Global Advantage Alternative Class (the “Global Advantage Alternative Class”), each a “Fund” and collectively, the “Arrow Funds”. The audited financial statements for the third class of the Company, WaveFront Global Diversified Investment Class (formerly Exemplar Diversified Portfolio) are available on SEDAR.

Arrow is the portfolio advisor of the Arrow Funds.

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

The Statements of Financial Position of the Arrow Funds 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 Arrow Funds are for the years ended December 31, 2019 and 2018, except for any class of the Arrow Funds established during either year, in which case the information for the class is provided for the period from the start date of the class to the year then ended. The Schedule of Investment Portfolio for the Arrow Funds 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 Canadian Advantage Alternative Class became an alternative mutual fund effective May 15, 2019, which permits the Canadian Advantage Alternative Class 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. As a result of this change, on May 15, 2019 Exemplar Canadian Focus Fund changed its name to Canadian Advantage Alternative Class to better reflect that it was an alternative mutual fund. Arrow Global Advantage Alternative Class is also an alternative mutual fund.

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 units of the Continuing

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Fund in exchange for their units of the Terminating Funds on a taxable basis. The merger was effected by transferring the net assets of the Terminating Funds in exchange for securities of the Continuing Fund at fair market value. The merger has been accounted for as an acquisition of the Terminating Funds. Following the merger, the Terminating Funds was terminated.

Effective October 31, 2019, after receiving unitholder approval, Curvature Market Neutral Fund (the "Merged Fund" merged into Arrow Global Advantage Alternative Class (the "Continuing Fund"). Unitholders of the Merged Fund received units of the Continuing Fund in exchange for their units of the Merged Funds on a taxable basis. The merger was effected by transferring the net assets, at fair market value, of the Merged Fund to the Continuing Fund. To effect the transfer of investments held by the Merged Fund, the Continuing Fund received an investment in the Merged Fund equal to the fair market value of the investments held by the Merged Fund at the time of the merger. The merger has been accounted for as an acquisition of the Merged Fund.

Arrow paid the expenses incurred to effect the mergers.

Details relating to the mergers are as follows:

	Net Assets acquired by Arrow Global Advantage Alternative Class (Continuing Fund) \$	Units issued by Arrow Global Advantage Alternative Class	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	
Total	13,707,398	1,382,656					

	Net Assets acquired by Arrow Global Advantage Alternative Class (Continuing Fund) \$	Units issued by Arrow Global Advantage Alternative Class	Conversion Ratios of Lazard Global Credit II Fund (Terminating Fund)											
			Class A	Class F	Class U	Class G	Class AI	Class FI	Class UI	Class GI	Class AN	Class FN	Class UN	Class GN
Series A	8,362,611	845,845	0.8575				0.3754					1.1140		
Series F	6,351,628	640,569		0.9174				0.4435					1.1460	
Series G	491,447	48,618				0.9019				0.5890				1.1400
Series U	1,038,556	102,691			0.8766				0.4768				1.1094	
Total	16,244,242	1,637,723												

	Net Assets acquired by Arrow Global Advantage Alternative Class (Continuing Fund) \$	Units issued by Arrow Global Advantage Alternative Class	Conversion Ratios of Curvature Market Neutral Fund (Merging Fund)	
			Class A	Class F
Series A	13,153,068	1,341,288	1.1942	
Series F	23,751,749	2,398,512		1.2469
Total	36,904,817	3,739,800		

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.

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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.

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 Arrow 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 Arrow Funds’ 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).

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 Arrow Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS9”).

a) Classification

Assets

The Arrow Funds classify their investments based on their business model for managing the financial assets and the contractual cash flow characteristics of their financial assets. Each of the Arrow Funds financial assets are managed and performance is evaluated on a fair value basis. The Arrow Funds are primarily focused on fair value information and use that information to assess the assets’ performance and to make decisions. The Arrow Funds have not taken the option to irrevocably designate any equity securities as Fair Value Through Other Comprehensive Income (“FVOCI”). The contractual cash flows of the Arrow Funds’ 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 Arrow Funds business model’s objective. Consequently, all investments are measured at Fair Value Through Profit or Loss (“FVTPL”).

Liabilities

The Arrow Funds make 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 at FVTPL.

As such, the Arrow Funds classify all of their investment portfolios as financial assets or liabilities at FVTPL.

The Arrow Funds’ 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 its trade date – the date on which the Arrow Funds commit 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 Arrow Fund’s become a party to the contractual requirements of the instrument.

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

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'.

The Arrow Funds' 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.

Interest for distribution purposes shown on the Statements of Comprehensive Income (Loss) represents the coupon interest received by the Arrow Fund accounted for on an accrual basis. The Arrow Funds do not amortize premiums or discounts received on the purchase of fixed income securities.

Dividend income and dividend expense on short sales is recognized in the Statements of Comprehensive Income (Loss) on the ex-dividend date. Distributions received from investment trust units are recorded as dividends, interest for distribution purposes, net realized gains (losses) on sale of investments or a return of capital, based on the best information available to the Manager. Due to the nature of those investments, actual allocations could vary from this information.

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 Arrow Funds use 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 Arrow Funds' 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 Arrow Funds 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 Arrow Fund purchases an option, an amount equal to fair value which is based on the premium paid is recorded as an asset. When the Arrow Fund writes an option, an amount equal to fair value which is based on the premium received by the Arrow Fund is recorded as a liability. Options held by the Arrow 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'.

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e) Forward Currency Contracts

Each Arrow 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 Arrow 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).

f) Futures Contracts

The Arrow Funds 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 investments and derivatives' 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 investments and derivatives' 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 Arrow Funds enter 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 Arrow Funds in the management of short-term commitments. Cash and cash equivalents are measured at amortized cost which closely approximates their fair value. Bank overdrafts are shown within borrowings in current liabilities in the Statements of Financial Position.

2.7 Margin Deposits

Cash collateral provided by each Arrow Fund to brokers for securities sold short and counterparties to derivative transactions is identified in that Arrow 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 Arrow Fund's broker and is payable upon demand (if applicable) and is identified in the Arrow Fund's Statements of Financial Position as 'Margin Loans'.

2.9 Investments in Structured Entities

The Arrow Funds may invest in underlying funds ("Structured Entities") that are managed by their respective Investment Advisors and whose investment objectives may range from achieving short-term to long-term income and capital growth. Structured Entities may use leverage in a manner consistent with their respective objectives and as permitted by their respective governing regulatory authorities. Structured Entities finance their operations by issuing redeemable units which are puttable at the holder's option and entitles the holder to a proportionate stake in the respective Structured Entity's net assets. The Arrow Funds' interest in Structured Entities as at December 31, 2019 and 2018, held the form of redeemable units, which are included at their fair value in the Statements of Financial Position which represents the Arrow Funds' maximum exposure in these Structured Entities. Please refer

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to Note 8 for more information. The Arrow Funds do not provide, and have not committed to provide, any additional significant financial or other support to the Structured Entities. The change in fair value of each of the Structured Entities during the period is included in 'Net change in unrealized appreciation (depreciation) of value of investments and derivatives' and 'Net realized gain (loss) on investments and derivatives' in the Statements of Comprehensive Income (Loss).

2.10 Securities Lending

The Arrow Funds 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).

2.11 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.

2.12 Income and Expense Allocation

The net assets of each series of each Arrow Fund are computed by calculating the value of that series' proportionate share of that Arrow Fund's assets less that series' proportionate share of the Arrow 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 Arrow Funds or the number of shareholders in the Arrow Funds or other methodology the Manager determines is fair. Class G and Class U units are issued in US dollars. The Arrow Funds utilizes notional forward exchange contracts and cash to hedge the currency exposure for these classes. Any resulting gains or losses have been included in the increase (decrease) in net assets attributable to holders of redeemable shares of those specific classes.

The Manager may reimburse the Arrow Funds' or each Arrow Fund's expenses at the Manager's discretion.

2.13 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 redeemable shares outstanding in that series during the period. Refer to Note 12 for the calculation.

2.14 Classification of Redeemable Shares issued by the Funds

The Funds' or each Arrow 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 Arrow Fund's obligation for net assets attributable to shareholders is presented at the redemption amount.

2.15 Impairment Policy

At each reporting date, the Arrow Funds 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 Arrow Funds 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.

2.16 Mergers

The Arrow Funds apply the acquisition method of accounting for Arrow Fund mergers. Under this method, one of the Arrow Funds in each merger is identified as the acquiring Fund, and is referred to as the Continuing Fund, and the other Arrow Funds involved in the merger are referred to as the

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Terminating Fund. This identification is based on the comparison of the relative net asset values of the Arrow Funds as well as consideration of the continuation of such aspects of the Continuing Fund as: investment advisors; investment objectives and practices; type of portfolio securities; and management fees and expenses.

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 Arrow Funds 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, an Arrow 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 Arrow Funds consider 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 Arrow 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 Arrow Funds, 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 Arrow Funds' 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 Arrow Funds' financial statements.

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. Each Arrow 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. Each Arrow Fund measures and evaluates the performance of substantially all of its investments on a fair value basis.

Determination if Underlying Funds Meet the Structured Entity Definition

The Arrow Funds have concluded that their investments in the Underlying Funds are investments in unconsolidated structured entities. This represents a significant judgment by the Arrow Funds that is based generally on the fact that the decision making about the Underlying Funds investing activities is not governed by voting rights held by the Arrow Funds and other investors.

4. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

In the normal course of business, each Arrow 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. Please refer to Notes to Financial Statements – Fund Specific Information for each Arrow Fund's specific risk disclosure.

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Credit Risk

Each Arrow 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 Arrow Funds are also exposed to counterparty credit risk on cash, margin deposits and other receivable balances. The Arrow Funds may also participate in securities lending and; therefore, be exposed to counterparty risk on all such loans, if any.

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 an Arrow Fund's rights to its assets in the case of an insolvency of any such party.

The Arrow Funds measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider 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 Baa3 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 each Arrow Fund.

Liquidity Risk

Liquidity risk is the risk that an Arrow Fund will encounter difficulty in meeting obligations associated with financial liabilities. Each Arrow Fund is exposed to daily cash redemptions and as such, retains sufficient cash to fund anticipated redemptions. The Arrow Funds aim to retain sufficient cash to maintain adequate liquidity including coverage of obligations related to short sales and all current liabilities. In addition, each Arrow Fund generally invests in securities that are highly liquid and where there is an observable market price that is quoted by multiple dealers.

Market Risk

The Arrow Funds' 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 Arrow Funds invest in financial instruments and enter into transactions that are denominated in currencies other than the Canadian dollar. Consequently, the Arrow Funds are 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 Arrow Funds may enter into foreign exchange currency contracts to reduce their foreign currency exposure.

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. An Arrow Fund may hold securities with fixed interest rates that expose that Arrow Fund to fair value interest rate risk.

c) Price Risk

The Arrow Funds are 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 Arrow Funds' investments are subject to the risk of changes in the prices of equity securities, bonds and derivatives.

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.

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Capital Risk Management

Shares issued and outstanding are considered to be the capital of the Arrow Funds. The Arrow Funds do 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 an Arrow 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. FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENT

Each Arrow 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). Please refer to Notes to the Financial Statements – Fund Specific Information for each Arrow Fund's specific risk disclosure.

The three levels of the fair value hierarchy are:

- Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Arrow 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.

The Arrow Funds may participate in securities lending and therefore, receive collateral categorized as Level 1 or 2 as defined above. Such collateral is not considered significant to the financial instrument hierarchy of the securities owned by the Arrow Funds.

6. OFFSETTING OF FINANCIAL INSTRUMENTS

In the normal course of business, the Arrow Funds enter 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. There was no offsetting as at December 31, 2018. The "Net amount" column displays what the net impact would be on an Arrow Fund's Statements of Financial Position if all amounts were set off.

Canadian Advantage Alternative Class	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	
December 31, 2019	\$	\$	\$	\$	\$	\$
Financial assets:						
Counterparty 1	279,136	-	279,136	-	-	279,136
Counterparty 2	-	-	-	-	-	-
	279,136	-	279,136	-	-	279,136
Financial liabilities:						
Counterparty 1	-	-	-	-	-	-
Counterparty 2	(974)	-	(974)	-	974	-
	(974)	-	(974)	-	974	-

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Global Advantage Alternative Class						
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	886,640	-	886,640	(3,340)	-	883,300
Counterparty 2	34,947	-	34,947	(34,947)	-	-
	921,587	-	921,587	(38,287)	-	883,300
Financial liabilities:						
Counterparty 1	(3,340)	-	(3,340)	3,340	-	-
Counterparty 2	(91,480)	-	(91,480)	34,947	56,533	-
	(94,820)	-	(94,820)	38,287	56,533	-

7. SECURITIES LENDING

Canadian Advantage Alternative Class has entered into a securities lending program which is administered by BNY Mellon, in its capacity as Lending Agent. The tables below summarize the securities loaned and collateral held as at December 31, 2019 and 2018 and the security lending income received for the years ended December 31, 2019 and 2018:

Canadian Advantage Alternative Class			
As at	December 31, 2019	December 31, 2018	
	\$	\$	
Non-cash Collateral Coverage			
Collateral received for securities on loan	17,265,482	8,246,133	
Market value of securities loaned	(16,317,865)	(7,846,012)	
Collateral in excess of securities loaned	947,617	400,121	
Collateral as a percentage of securities loaned	105.8%	105.1%	
Non-cash Collateral Exposure			
CAD	3,560,772	4,064,743	
USD	13,704,710	4,181,390	
	17,265,482	8,246,133	

Canadian Advantage Alternative Class				
For the periods ended	December 31, 2019		December 31, 2018	
	\$	% of gross security lending income	\$	% of gross security lending income
Net Amount Received by the Fund				
Securities lending income	189,796	100.00%	213,404	100.00%
Withholding taxes	(5,652)	-2.98%	(7,442)	-3.49%
BNY mellon lending agent fees	(73,647)	-38.80%	(82,377)	-38.60%
Securities lending income (net)	110,497	58.22%	123,585	57.91%

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8. INVESTMENT IN STRUCTURED ENTITIES

Information related to investments in Structured Entities is as follows:

Canadian Advantage Alternative Class – December 31, 2019

	Fair Value of Fund's Investment in Underlying Fund (\$)	Net Assets Attributable to Holders of Redeemable Shares (%)	Ownership of Underlying Fund (%)
Arrow Global Advantage Alternative Class, Series ETF	8,534,705	11.00	10.85
BMO Equal Weight Banks Index ETF	2,930	0.00	0.00
Consumer Staples Select Sector SPDR Fund	441,626	0.57	0.00
Energy Select Sector SPDR Fund	269,759	0.35	0.00
ETFMG Prime Cyber Security ETF	56,612	0.07	0.00
Financial Select Sector SPDR Fund	21,983	0.03	0.00
Global X Silver Miners ETF	155,109	0.20	0.03
Health Care Select Sector SPDR Fund	351,839	0.45	0.00
iShares 20+ Year Treasury Bond ETF	460,930	0.59	0.00
iShares Barclays 3-7 Year Treasury Bond Fund	5,225,365	6.74	0.05
iShares MSCI Emerging Markets ETF	1,310,984	1.69	0.00
iShares MSCI Europe Financials ETF	63,272	0.08	0.01
iShares S&P GSCI Commodity-Indexed Trust	644,115	0.83	0.08
iShares S&P/TSX Capped Energy Index ETF	693,591	0.89	0.10
iShares S&P/TSX Global Gold Index ETF	16,616	0.02	0.00
iShares Silver Trust	1,047,469	1.35	0.02
iShares TIPS Bond ETF	3,193,949	4.12	0.02
iShares U.S. Aerospace & Defense ETF	64,886	0.08	0.00
iShares U.S. Dow Jones Medical Equipment Index	205,940	0.27	0.00
iShares U.S. Home Construction ETF	10,383	0.01	0.00
SPDR Gold Shares	4,676,182	6.03	0.01
SPDR Oil & Gas Equipment & Services ETF	30,465	0.04	0.02
SPDR S&P Aerospace & Defense ETF	5,667	0.01	0.00
SPDR S&P Homebuilders ETF	7,092	0.01	0.00
SPDR S&P Oil & Gas Exploration & Production ETF	264,670	0.34	0.01
Technology Select Sector SPDR Fund	127,371	0.16	0.00
UltraShort Semiconductor ProShares	52,011	0.07	0.52
Utilities Select Sector SPDR Fund	58,739	0.08	0.00
VanEck Vectors Gold Miners ETF	520,895	0.67	0.00
VanEck Vectors Junior Gold Miners ETF	65,852	0.08	0.00
VanEck Vectors Semiconductor ETF	176,283	0.23	0.01
Vanguard Communication Services ETF	28,054	0.04	0.00
Vanguard FTSE Europe ETF	654,417	0.84	0.00
Vanguard REIT ETF	1,319,392	1.70	0.00
Invesco QQQ Trust, Series '1'	(3,285,408)	(4.24)	(0.00)
iShares iBoxx High Yield Corporate Bond ETF	(114,194)	(0.15)	(0.00)
iShares MSCI Hong Kong ETF	(8,846)	(0.01)	(0.00)
iShares Russell 2000 ETF	(4,343,490)	(5.60)	(0.01)
iShares S&P/TSX 60 Index ETF	-927,828	(1.20)	(0.01)
SPDR S&P 500 ETF Trust	-1,922,576	(2.48)	(0.00)
SPDR S&P International Small Cap ETF Trust	-731,175	(0.94)	(0.00)

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Global Advantage Alternative Class – December 31, 2019

	Fair Value of Fund's Investment in Underlying Fund (\$)	Net Assets Attributable to Holders of Redeemable Shares (%)	Ownership of Underlying Fund (%)
Curvature Market Neutral Fund, Class 'F'	2,390,347	3.04	78.12
East Coast Investment Grade Income Fund	576,204	0.73	0.49
Energy Select Sector SPDR Fund	600,330	0.76	0.01
Global X FTSE Greece 20 ETF	156,536	0.20	0.05
Global X Silver Miners ETF	366,230	0.47	0.07
Health Care Select Sector SPDR Fund	601,830	0.76	0.00
iPath Series B Bloomberg Livestock Subindex Total Return ETN	300,538	0.38	0.66
iShares Floating Rate Bond ETF	2,413,128	3.07	0.02
iShares iBoxx \$ Investment Grade Corporate Bond ETF	3,476,949	4.42	0.01
iShares MBS ETF	3,289,132	4.18	0.02
iShares MSCI Emerging Markets ETF	3,082,268	3.92	0.01
iShares MSCI Europe Financials ETF	151,852	0.19	0.02
iShares S&P GSCI Commodity-Indexed Trust	1,519,774	1.93	0.20
iShares Silver Trust	1,225,945	1.56	0.02
iShares TIPS Bond ETF	7,561,030	9.61	0.04
iShares U.S. Aerospace & Defense ETF	144,191	0.18	0.00
iShares U.S. Dow Jones Medical Equipment Index	463,364	0.59	0.01
SPDR Gold Shares ETF	6,151,407	7.82	0.01
SPDR Oil & Gas Equipment & Services ETF	155,478	0.20	0.09
SPDR S&P Oil & Gas Exploration & Production ETF	310,834	0.40	0.01
UltraShort Semiconductor ProShares	121,360	0.15	1.21
VanEck Vectors Gold Miners ETF	155,888	0.20	0.00
VanEck Vectors Junior Gold Miners ETF	153,655	0.20	0.00
Vanguard FTSE Europe ETF	1,544,729	1.96	0.01
Vanguard REIT ETF	1,253,122	1.59	0.00
iShares S&P/TSX Capped Energy Index ETF	(17,130)	(0.02)	(0.00)

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Canadian Advantage Alternative Class – December 31, 2018

	Fair Value of Fund's Investment in Underlying Fund (\$)	Net Assets Attributable to Holders of Redeemable Shares (%)	Ownership of Underlying Fund (%)
Consumer Staples Select Sector SPDR Fund	457,544	0.52	0.00
ETFMG Prime Cyber Security ETF	50,608	0.06	0.00
Health Care Select Sector SPDR Fund	120,466	0.14	0.00
Horizons Medical Marijuana Life Sciences ETF, Class 'A'	34,153	0.04	0.00
iShares 20+ Year Treasury Bond ETF	301,912	0.34	0.00
iShares S&P/TSX Capped Energy Index ETF	709,632	0.80	0.09
SPDR Gold Shares	827,653	0.93	0.00
Utilities Select Sector SPDR Fund	57,797	0.07	0.00
Vanguard REIT ETF	725,855	0.82	0.00
Financial Select Sector SPDR Fund	(3,577)	(0.00)	(0.00)
Industrial Select Sector SPDR Fund	(220,711)	(0.25)	(0.00)
Invesco CurrencyShares British Pound Sterling Trust	(8,440)	(0.01)	(0.01)
Invesco CurrencyShares Euro Trust	(58,290)	(0.07)	(0.02)
Invesco QQQ Trust, Series '1'	(86,344)	(0.10)	(0.00)
iShares China Large-Cap ETF	(13,338)	(0.02)	(0.00)
iShares Edge MSCI USA Momentum Factor ETF	(1,368)	(0.00)	(0.00)
iShares iBoxx High Yield Corporate Bond ETF	(52,037)	(0.06)	(0.00)
iShares MSCI Europe Financials ETF	(11,570)	(0.01)	(0.00)
iShares MSCI Germany ETF	(9,344)	(0.01)	(0.00)
iShares MSCI Saudi Arabia ETF	(13,410)	(0.02)	(0.01)
iShares Russell 2000 ETF	(233,984)	(0.26)	(0.00)
iShares S&P/TSX 60 Index ETF	(580,713)	(0.65)	(0.01)
SPDR S&P 500 ETF Trust	(61,414)	(0.07)	(0.00)
SPDR S&P Biotech ETF	(7,836)	(0.01)	(0.00)
Technology Select Sector SPDR Fund	(8,462)	(0.01)	(0.00)
VanEck Vectors Pharmaceutical ETF	(13,533)	(0.02)	(0.01)
VanEck Vectors Semiconductor ETF	(72,684)	(0.08)	(0.01)

9. REDEEMABLE SHARES

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

Canadian Advantage Alternative Class - for the year ended December 31, 2019

	Redeemable shares outstanding at beginning of year	Redeemable shares issued	Redeemable shares issued on reinvestment of distributions	Redeemable shares redeemed	Redeemable shares issued and outstanding at end of year
Series A	1,813,439	45,605	9,082	(520,432)	1,347,694
Series F	2,359,677	203,186	9,697	(718,634)	1,853,926
Series L	418,512	1,366	1,657	(158,077)	263,458

Canadian Advantage Alternative Class - for the year ended December 31, 2018

	Redeemable shares outstanding at beginning of year	Redeemable shares issued	Redeemable shares issued on reinvestment of distributions	Redeemable shares redeemed	Redeemable shares issued and outstanding at end of year
Series A	2,257,526	92,604	18,890	(555,581)	1,813,439
Series F	3,198,223	213,444	18,270	(1,170,260)	2,259,677
Series L	575,983	2,840	4,085	(164,396)	418,512

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Global Advantage Alternative Class - for the year ended December 31, 2019

	Redeemable shares outstanding at beginning of year	Redeemable shares issued	Redeemable shares issued on reinvestment of distributions	Redeemable shares redeemed	Redeemable shares issued and outstanding at end of year
Series A	500	3,181,401	-	(920,388)	2,261,513
Series F	14,000	5,323,505	-	(1,203,011)	4,134,494
Series G	-	211,311	-	(55,122)	156,189
Series U	-	131,170	-	(48,860)	82,310
Series ETF	250	615,022	-	-	615,272

Global Advantage Alternative Class - for the year ended December 31, 2018

	Redeemable shares outstanding at beginning of year	Redeemable shares issued	Redeemable shares issued on reinvestment of distributions	Redeemable shares redeemed	Redeemable shares issued and outstanding at end of year
Series A	-	500	-	-	500
Series F	-	14,000	-	-	14,000
Series ETF	-	250	-	-	250

10. RELATED PARTY TRANSACTIONS

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

As at December 31, 2019

Fund Held By	Fund Invested In	Number of shares	Fair Value (\$)	% of net assets attributable to holders of redeemable shares
Canadian Advantage Alternative Class	Arrow Global Advantage Alternative Class - ETF	425,015	8,534,705	11.0%
Global Advantage Alternative Class	Curvature Market Neutral Fund, Class F	206,661	2,390,347	3.0%
Global Advantage Alternative Class	East Coast Investment Grade Income Fund	63,810	576,204	0.7%

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

	Number of shares	Amount (\$)	% of net assets attributable to holders of redeemable shares
Canadian Advantage Alternative Class - Series A	564	12,278	0.0
Canadian Advantage Alternative Class - Series F	17,279	412,450	0.5
Global Advantage Alternative Class - Series A	6,160	60,430	0.1
Global Advantage Alternative Class - Series F	211,700	2,100,064	2.7
Global Advantage Alternative Class - Series G	49,264	650,285	0.8
Global Advantage Alternative Class - Series U	756	9,904	0.0
Global Advantage Alternative Class - Series ETF	615,272	12,337,041	15.7

ARROW FUNDS

GENERAL NOTES TO THE AUDITED FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

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

	Number of shares	Amount (\$)	% of net assets attributable to holders of redeemable shares
Canadian Advantage Alternative Class - Series A	560	10,642	0.0
Canadian Advantage Alternative Class - Series F	5,045	104,333	0.1
Global Advantage Alternative Class - Series A	500	5,000	100.0
Global Advantage Alternative Class - Series F	14,000	140,000	100.0
Global Advantage Alternative Class - Series G	N/A	N/A	N/A
Global Advantage Alternative Class - Series U	N/A	N/A	N/A
Global Advantage Alternative Class - Series ETF	250	5,000	100

Management Fee and Performance Bonus

The management fee paid to the Manager by the Canadian Advantage Alternative Class is 1.65% of the net asset value of the Class per annum on Series A Shares, 0.65% per annum on Series F Shares and 1.95% per annum on Series L Shares. The management fee paid to the Manager by the Global Advantage Alternative Class is 1.95% per annum on Series A and Series U Shares and 0.95% per annum on Series F, Series G and Series ETF Shares.

The Canadian Advantage Alternative Class and Global Advantage Alternative Class will pay to the Manager in respect of each fiscal year of the Funds ended December 31 a performance bonus per Share (the "Performance Bonus") equal to 20% and 15%, respectively, 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 a 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 of the Fund. The Performance Bonus for each 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 a 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% and 5% (the "Hurdle Rate") for the Canadian Advantage Alternative Class and Global Advantage Alternative Class, respectively.

The Performance Bonus is estimated and accrued each Valuation Date, calculated as at the end of each fiscal year-end of the Funds and paid within 15 business days thereafter. If any shares of the Funds are purchased during the calendar year, the Hurdle Rate will be prorated in the calculation of the performance fee with respect to those shares, in the same manner as described above. If any shares of the Funds 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. For greater certainty, the Hurdle Rate will be prorated in the calculation of the performance fee on a share redeemed during the calendar year. This performance fee is paid to the Funds quarterly.

Each Fund is responsible for all operating expenses incurred by or on behalf of that Fund. At the discretion of the Manager, certain fees may be absorbed by the Manager. During the period ended December 31, 2019, the Manager, agreed to absorb certain expenses associated with the Canadian Advantage Alternative Class of \$nil (2018: \$nil) and Global Advantage Alternative Class of 115,045 (2018: n/a)

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

	December 31, 2019		December 31, 2018	
	Management Fees	Performance Fees	Management Fees	Performance Fees
	\$	\$	\$	\$
Canadian Advantage Alternative Class	74,507	1,573,683	172,995	1,351
Global Advantage Alternative Class	75,988	-	-	-

ARROW FUNDS

GENERAL NOTES TO THE AUDITED FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Operation and Administration Fees

The Funds pay 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.

11. BROKERAGE COMMISSIONS

Total commissions paid to dealers for the years ended December 31, 2019 and 2018 in connection with portfolio transactions are as follows:

	December 31, 2019	December 31, 2018
	\$	\$
Canadian Advantage Alternative Class	172,196	96,023
Global Advantage Alternative Class	311,557	-

For the year ended December 31, 2019, \$29,592 and \$30,013 were used for market data services by the Canadian Advantage Alternative Class and Global Advantage Alternative Class (2018: \$52,174 and \$nil).

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 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 (\$)
Canadian Advantage Alternative Class - Series A	4,771,443	1,519,478	3.14
Canadian Advantage Alternative Class - Series F	7,331,042	2,046,646	3.58
Canadian Advantage Alternative Class - Series L	732,108	327,884	2.23
Global Advantage Alternative Class - Series A	(132,168)	1,309,480	(0.10)
Global Advantage Alternative Class - Series F	162,575	1,608,099	0.10
Global Advantage Alternative Class - Series G	(65,457)	159,836	(0.41)
Global Advantage Alternative Class - Series U	(51,192)	97,185	(0.53)
Global Advantage Alternative Class - Series ETF	32,041	610,217	0.05

ARROW FUNDS

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 (\$)
Canadian Advantage Alternative Class - Series A	(2,371,024)	1,996,700	(1.19)
Canadian Advantage Alternative Class - Series F	(2,856,101)	2,492,880	(1.15)
Canadian Advantage Alternative Class - Series L	(383,408)	495,929	(0.77)
Global Advantage Alternative Class - Series A	-	-	-
Global Advantage Alternative Class - Series F	-	-	-
Global Advantage Alternative Class - Series G	-	-	-
Global Advantage Alternative Class - Series U	-	-	-
Global Advantage Alternative Class - Series ETF	-	-	-

13. TAXATION

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

The Company 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 Company is not taxable on capital gains. Similarly, the Company is subject to Part IV tax on dividends received from Canadian corporations, however, they are refundable once paid to shareholders. As a result, the Company 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 Company'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 Company 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.

14. 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 Arrow Funds' 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 Arrow Funds, will be affected in the near term.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

March 24, 2020

TO THE SHAREHOLDERS OF ARROW CANADIAN ADVANTAGE ALTERNATIVE CLASS and ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS (COLLECTIVELY THE "ARROW FUNDS")

The accompanying audited financial statements have been prepared by Arrow Capital Management Inc. ("Arrow" or the "Manager" of the Arrow Funds), 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 Arrow Funds are described in Note 2 to the financial statements.

PricewaterhouseCoopers LLP is the external auditor of the Arrow Funds, 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
Arrow Canadian Advantage Alternative Class (formerly Exemplar Canadian Focus Portfolio)
Arrow Global Advantage Alternative Class
(individually, a Fund)

Our opinion

In our opinion, the accompanying December 31, 2019 financial statements of each Fund present fairly, in all material respects, the financial position of each Fund, its financial performance and its cash flows as at and for the periods indicated in note 1 in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The financial statements of each Fund comprise:

- the statements of financial position as at the period-end dates indicated in note 1;
- the statements of comprehensive income (loss) for the periods indicated in note 1;
- the statements of changes in net assets attributable to holders of redeemable shares for the periods indicated in note 1;
- the statements of cash flows for the periods indicated in note 1; 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 each 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
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Other information

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

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 of each Fund, 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 of each Fund 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 of each Fund 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 ability of each Fund 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 any Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of each Fund.

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 for each Fund 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 the financial statements of each Fund.

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 of each Fund, 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 internal control of each Fund.
- 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 ability of each Fund 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 of each Fund 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 any Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of each Fund, 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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