

EXEMPLAR CANADIAN FOCUS PORTFOLIO

SEMI-ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2017

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

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

Forward-Looking Information

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

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

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

Management Discussion on Fund Performance

Investment Objective and Strategies

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

The Portfolio invests predominantly in large and mid capitalization companies. The Portfolio may also invest in bonds and other debt instruments if warranted by financial conditions. The Portfolio does not specialize in any one industry other than to concentrate investments in those industries that offer the best opportunities for exceptional returns at each stage of the economic and market cycle. The Portfolio 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 Portfolio engages in short selling of securities which the investment advisor (as defined below) 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 positions in total may not exceed 40% of the Net Asset Value of the Portfolio. The Portfolio may hold cash or invest in short-term securities for the purpose of preserving capital and/or maintaining liquidity, based upon the investment advisor's ongoing evaluation of current and anticipated economic and market conditions. The Portfolio may also invest in foreign securities of the same type and characteristics as described above. It is currently expected that the investments in foreign securities will generally be no more than 49% of the Portfolio's assets. The Portfolio may invest in derivatives for hedging and non-hedging purposes as permitted by applicable securities laws. The Portfolio may enter into securities lending, repurchase and reverse repurchase transactions to generate additional income or as a short-term cash management tool.

Investment Risk

The risks of investing in the Portfolio remain as stated in the Portfolio's prospectus dated June 8, 2017.

The Portfolio is suitable for clients seeking medium to long-term growth (through capital appreciation) who have a moderate risk tolerance level.

Results of Operations

For the six month period ended June 30, 2017, Series F Shares of the Portfolio gained 2.9% (2.1% loss in 2016) while the Canadian benchmark, the S&P/TSX Total Return Index, posted a gain of 0.7% (9.8% gain in 2016) for the same period. Please refer to the Past Performance section for the performance of the other Series. The performance of the other Series offered by the Portfolio differs from Series F largely because of varying levels of expenses charged to each series, as explained in the Management Fee section.

In contrast to last year, Canadian equities underperformed most other major stock markets in the first six months of 2017. After many failed attempts, synchronized global growth improved investor sentiment and buoyed equity performance. In fact, the MSCI All Country World Index had its best first half in nearly 20 years. The Canadian economy was certainly not to blame for this underperformance, as it mustered the strongest first quarter GDP growth among G7 countries, accompanied by solid corporate profit rebound. Unfortunately the two heaviest S&P/TSX Index components failed to cooperate. After last year's oil price recovery, rising U.S. shale production and stubbornly high inventories began to weigh yet again on oil market fundamentals, depressing the performance of the Energy sector. The unfortunate developments at Home Capital cast a shadow over the entire mortgage industry, resulting in a wide spread sell off in the Financial sector despite recently reported strong bank earnings. The Portfolio benefitted from being significantly underweighted in both of these underperforming sectors. Having a 30% exposure to the much better performing U.S. market also enhanced the Portfolio's returns. Unfortunately the rapid appreciation of the Canadian currency in the last few weeks of the period meant giving back a portion of the outperformance.

Recent economic strength has finally allowed central bankers around the world to contemplate tightening fiscal policy. Traditionally this would translate into a massive rotation by investors into late stage economically sensitive sectors. The

current cycle has been anything but traditional, requiring unprecedented amounts of stimulus just to keep it alive, and has so far been devoid of inflationary pressures. Our view would be that initial tightening measures would represent merely an attempt to normalize overly depressed interest rates and bring better balance to financial conditions. Canada serves as a good example. On July 12, Governor Poloz delivered the first rate increase in almost 7 years. Despite a robust economic backdrop, the rate hike was not in response to rising inflation expectations. It merely begun the process of reversing the two interest rate cuts required in 2015 to offset the negative effects of plummeting oil prices on the Canadian economy.

Because of the lack of inflationary pressures, we fully expect central bank tightening to be executed at a measured pace in order to avoid derailing the economic recovery. The unorthodox nature of the current cycle is making sector selection unusually challenging. It is not clear at this stage whether investors will differentiate between interest rate normalization, as opposed to tightening necessitated by overheating economic conditions. One possible outcome could be a volatile macro-driven trading phase with sector rotation between late stage cyclical stocks driven by rising interest rates, and growth stocks driven by rising earnings. The most appropriate strategy might be to select stocks from both the cyclical and growth sectors, while avoiding defensive and rate sensitive stocks. We have also begun reducing the number of positions held in the portfolio to facilitate a more active trading style.

Even though the current cycle is already among history's longest, its demise might be several years away. The extended duration of the extremely low interest rates has caused mispricing of the global bond market. Despite widespread worries about the elevated equity valuations we are of the opinion that the bond market bubble is more likely to burst first. In a scenario of rising interest rates, capital will flow out of the overpriced bond market looking for an alternative. This flow of funds could extend the duration of current equity cycle.

Recent Developments

There are no recent developments for the Fund.

Related Party Transactions

As of June 30, 2017, Arrow held 1,591 Series A Shares and 6,835 Series F Shares of the Portfolio, with a market value of \$180,707. This represents 0.1% of the net assets of the Portfolio.

Management Fees

Arrow receives a monthly management fee (the "Management Fee") subject to HST (and any other applicable sales taxes), calculated as a percentage of the Portfolio's net asset value and is accrued daily and payable monthly. The Management Fee rate applicable to the Portfolio is 1.65% per annum in respect of Series A Shares, 1.95% per annum in respect of Series L Shares and 0.65% per annum in respect of Series F Shares. Shareholders of Series I Shares of the Portfolio pay a negotiated management fee. For the period ended June 30, 2017 the total Management Fee equaled \$844,882 (\$805,133 in 2016). The management fee is paid in consideration of investment management and administration services. No breakdown of such services was specified in the Management Agreement. A portion of the Management Fee paid by the Portfolio is for trailer fees paid to dealers whose clients hold shares of the Portfolio. The trailer fees are a percentage of the net asset value of the Portfolio, calculated and payable monthly. The table below outlines the Portfolio's annual Management Fees and trailer fees.

	Series A Shares	Series F Shares	Series L Shares	Series I Shares
Management Fees <i>(Annual Rate %)</i>	1.65%	0.65%	1.95%	Negotiable
Trailer Fees <i>(rate as % of Management Fees)</i>	33.3%	-	3.1%	-

In addition, the Portfolio pays Arrow performance fees ("Performance Fees") equal to 20% of the amount by which the Portfolio return in a period is in excess of the high water mark (the "High Water Mark"), and no Performance Fee is payable unless a hurdle rate of 6% is achieved in that year. Performance Fees will be payable in all circumstances where the performance of the Portfolio exceeds that of its High Water Mark and its hurdle rate. Please refer to the Portfolio's long form prospectus dated June 8, 2017, for further details relating to Performance Fees. The High Water Mark set as of January 1,

2017 was \$19.75 for Series A Shares, \$21.16 for Series F Shares and \$13.85 for Series L Shares. For the period ended June 30, 2017, the total Performance Fees equaled \$126,407 (\$72,359 in 2016). Performance Fees are calculated and accrued daily such that, to the extent possible, the share price each day will reflect any Performance Fees payable as at the end of such day. Performance Fees for the Portfolio will be calculated and accrued each day, but will only be payable following the end of the fiscal year of the Portfolio based on the actual annual performance of the Portfolio.

The Manager incurs operating expenses on behalf of the Portfolio and charges these expenses to the Portfolio.

Financial Highlights

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

SERIES A - NET ASSETS PER SHARE					
For the period ended June 30, 2017 and for the years ended December 31,					
	2017	2016	2015	2014	2013
Net Assets, beginning of period¹	\$ 19.64	\$ 19.85	\$ 19.01	\$ 17.27	\$ 14.08
Increase (decrease) from operations:					
Total revenue	0.17	0.21	0.33	0.27	0.36
Total expenses	(0.25)	(0.47)	(0.52)	(0.92)	(1.19)
Realized gains (losses)	0.13	0.59	1.04	1.70	0.23
Unrealized gains (losses)	0.43	(0.34)	0.27	0.96	4.00
Total increase (decrease) from operations¹:	\$ 0.48	\$ (0.01)	\$ 1.12	\$ 2.01	\$ 3.40
Distributions²:					
From dividends	-	(0.11)	(0.11)	(0.21)	(0.25)
From capital gains	-	-	(0.19)	-	-
Total distributions	\$ -	\$ (0.11)	\$ (0.30)	\$ (0.21)	\$ (0.25)
Net Assets, end of period¹	\$ 20.10	\$ 19.64	\$ 19.85	\$ 19.01	\$ 17.27

SERIES A - RATIOS AND SUPPLEMENTAL DATA⁷					
For the period ended June 30, 2017 and for the years ended December 31,					
	2017	2016	2015	2014	2013
Net Asset Value ("NAV") (000s) ¹	\$53,890	\$60,940	\$53,660	\$43,777	\$50,886
Number of shares outstanding	2,680,968	3,103,173	2,702,715	2,302,938	2,946,850
Management expense ratio ³	2.42%*	2.33%	2.76%	5.28%	7.71%
Management expense ratio before waivers or absorptions ⁴	2.42%*	2.33%	2.76%	5.28%	7.81%
Portfolio turnover rate ⁵	32.67%	70.39%	51.80%	50.95%	71.86%
Trading expense ratio ⁶	0.07%*	0.06%	0.07%	0.13%	0.08%
Net asset value per share	\$20.10	\$19.64	\$19.85	\$19.01	\$17.27

SERIES F - NET ASSETS PER SHARE					
For the period ended June 30, 2017 and for the years ended December 31,					
	2017	2016	2015	2014	2013
Net Assets, beginning of period¹	\$ 21.14	\$ 21.16	\$ 20.17	\$ 18.12	\$ 14.72
Increase (decrease) from operations:					
Total revenue	0.18	0.24	0.34	0.30	0.40
Total expenses	(0.17)	(0.28)	(0.55)	(1.02)	(1.30)
Realized gains (losses)	0.15	0.62	1.08	1.86	0.25
Unrealized gains (losses)	0.47	(0.20)	0.30	1.06	4.36
Total increase (decrease) from operations¹:	\$ 0.63	\$ 0.38	\$ 1.17	\$ 2.20	\$ 3.71
Distributions²:					
From dividends	-	(0.12)	(0.12)	(0.23)	(0.27)
From capital gains	-	-	(0.20)	-	-
Total distributions	\$ -	\$ (0.12)	\$ (0.32)	\$ (0.23)	\$ (0.27)
Net Assets, end of period¹	\$ 21.76	\$ 21.14	\$ 21.16	\$ 20.17	\$ 18.12

SERIES F - RATIOS AND SUPPLEMENTAL DATA⁷

For the period ended June 30, 2017 and for the years ended December 31,

	2017	2016	2015	2014	2013
Net Asset Value ("NAV") (000s) ¹	\$78,856	\$95,701	\$60,501	\$30,892	\$16,981
Number of shares outstanding	3,624,076	4,526,287	2,859,550	1,531,517	937,084
Management expense ratio ³	1.50%*	1.28%	2.12%	4.08%	7.12%
Management expense ratio before waivers or absorptions ⁴	1.50%*	1.28%	2.12%	4.08%	7.22%
Portfolio turnover rate ⁵	32.67%	70.39%	51.80%	50.95%	71.86%
Trading expense ratio ⁶	0.07%*	0.06%	0.07%	0.13%	0.08%
Net asset value per share	\$21.76	\$21.14	\$21.16	\$20.17	\$18.12

SERIES L - NET ASSETS PER SHARE

For the period ended June 30, 2017 and for the years ended December 31,

	2017	2016	2015	2014	2013
Net Assets, beginning of period¹	\$ 13.75	\$ 13.94	\$ 13.39	\$ 12.17	\$ 9.99
Increase (decrease) from operations:					
Total revenue	0.12	0.15	0.19	0.17	0.25
Total expenses	(0.19)	(0.37)	(0.31)	(0.62)	(0.84)
Realized gains (losses)	0.10	0.41	0.61	1.15	0.16
Unrealized gains (losses)	0.30	(0.16)	0.16	0.65	2.84
Total increase (decrease) from operations¹:	\$ 0.33	\$ 0.03	\$ 0.65	\$ 1.35	\$ 2.41
Distributions²:					
From dividends	-	(0.08)	(0.08)	(0.15)	(0.18)
From capital gains	-	-	(0.13)	-	-
Total distributions	\$ -	\$ (0.08)	\$ (0.21)	\$ (0.15)	\$ (0.18)
Net Assets, end of period¹	\$ 14.05	\$ 13.75	\$ 13.94	\$ 13.39	\$ 12.17

SERIES L - RATIOS AND SUPPLEMENTAL DATA⁷

For the period ended June 30, 2017 and for the years ended December 31,

	2017	2016	2015	2014	2013
Net Asset Value ("NAV") (000s) ¹	\$8,962	\$10,286	\$8,643	\$5,617	\$4,056
Number of shares outstanding	637,744	748,245	619,909	419,395	333,295
Management expense ratio ³	2.68%*	2.63%	2.80%	5.23%	8.42%
Management expense ratio before waivers or absorptions ⁴	2.68%*	2.63%	2.80%	5.23%	8.53%
Portfolio turnover rate ⁵	32.67%	70.39%	51.80%	50.95%	71.86%
Trading expense ratio ⁶	0.07%*	0.06%	0.07%	0.13%	0.08%
Net asset value per share	\$14.05	\$13.75	\$13.94	\$13.39	\$12.17

**Ratios have been annualized.*

1. The net assets per share shown are referenced to net assets attributable to holders of redeemable shares determined in accordance with International Financial Reporting Standards ("IFRS") and are derived from the Portfolio's financial statements. The increase/decrease from operations is based on the weighted average number of shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per share.
2. Distributions, if applicable, were reinvested in additional shares of the Portfolio at the discretion of the underlying shareholders.
3. Management expense ratio is based on total expenses (excluding certain taxes, commissions and other portfolio transaction costs) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratio is calculated in accordance with Part 15 of NI 81-106 and therefore includes performance fees, which were previously reported separately as dollar amounts.
4. The Manager may absorb certain expenses or waive certain fees otherwise payable by the Portfolio. The amount of expenses absorbed or waived (if applicable) is determined annually at the discretion of the Manager and the Manager can terminate the absorption or waiver at any time.

5. The portfolio turnover rate can indicate how actively the investment advisor manages the portfolio of investments. A portfolio turnover rate of 100% is equivalent to the Portfolio buying and selling all of its securities in its portfolio once in the course of the year. The higher the portfolio turnover rate in a year, the greater the trading costs payable by the Portfolio in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Portfolio.
6. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
7. Ratios and supplemental data, where applicable, are computed using the net asset value of the Portfolio.

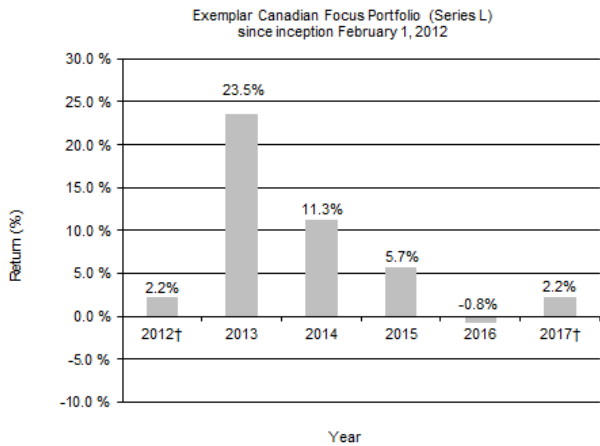
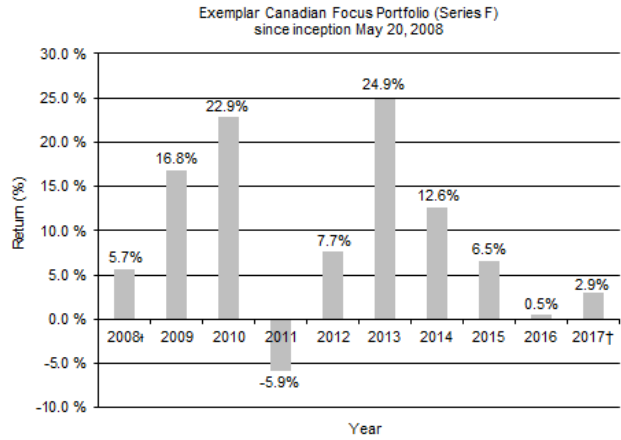
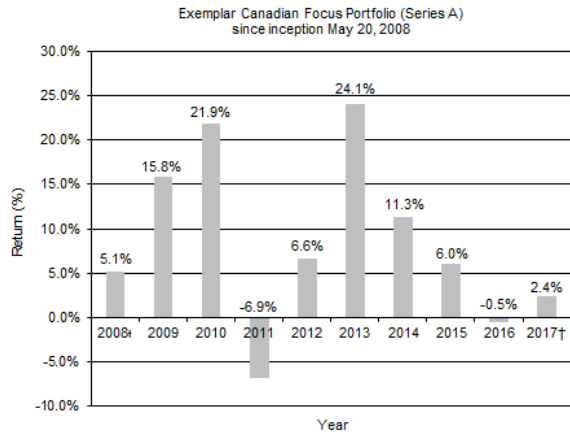
Past Performance

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

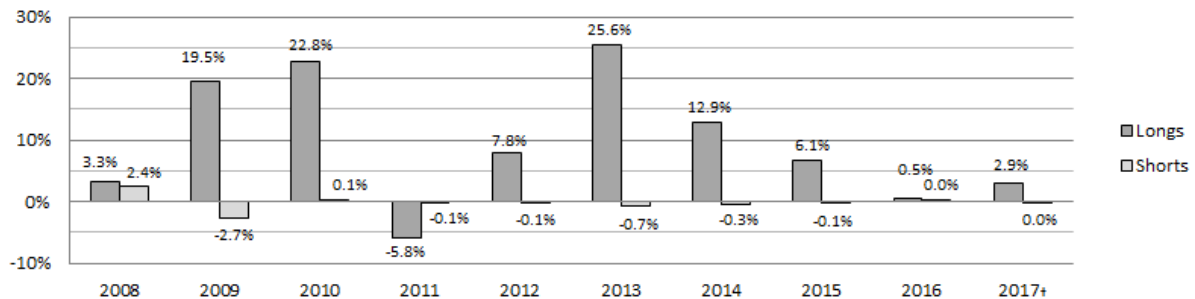
The indicated rates of return are historical annual compounded total returns including changes in share value and do not take into account sale, redemption, distribution or other optional charges, that, if applicable, would have reduced returns or performance. An investment in the Portfolio is not guaranteed.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

Year-By-Year Returns

The bar chart below illustrates the Portfolio's annual performance for each of the year(s) shown, and indicates how the Portfolio's performance has changed from year to year. It shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of the financial year.



The chart below illustrates the Portfolio's returns for Series F for the period ended June 30, 2017 and for the years ended December 31 for the Portfolio's shares by long and short holdings:



†Returns shown represent a partial year

Annual Compound Returns (Compound Performance)

The following table shows the annual compound total returns of the Portfolio, and for its benchmark, the S&P/TSX Total Return Index Value ("S&P/TSX TRIV") (a price weighted index of 300 of the largest, most widely-held stocks traded on the Toronto Stock Exchange), for the period ended June 30, 2017. The Relative Performance returns show the performance of the Portfolio as compared to the benchmark S&P/TSX TRIV.

	1 Year	3 Years	5 Years	Annualized Since Inception
Series A	4.5%	3.3%	9.7%	9.0%
Series F	5.6%	4.2%	10.6%	10.0%
Series L	4.3%	3.0%	9.3%	7.9%
S&P/TSX TRIV	11.1%	3.1%	8.7%	3.4%

Summary of Investment Portfolio as at June 30, 2017

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

Industry Sector	Exposure (%)		Top 25 Holdings	%
	Long	Short		
Consumer Discretionary	11.5	(0.1)	Cash and Cash Equivalents	8.4
Consumer Staples	7.8	(0.0)	Boyd Group Income Fund	8.0
Energy	9.3	(0.0)	CCL Industries Inc.	5.0
Financials	7.2	(0.0)	TransCanada Corporation	3.8
Funds	12.4	(0.0)	Alimentation Couche-Tard Inc.	2.1
Health Care	1.5	(0.0)	Brookfield Infrastructure Partners L.P.	2.1
Industrials	13.5	(0.1)	New Flyer Industries Inc.	1.8
Information Technology	9.6	-	The Descartes Systems Group Inc.	1.8
Materials	11.2	-	Spin Master Corp.	1.7
Real Estate	2.1	(0.0)	DHX Media Ltd.	1.7
Telecommunication Services	0.9	-	Bank of Montreal	1.6
Utilities	4.8	(0.1)	Amazon.com, Inc.	1.5
Cash and Cash Equivalents	8.4	-	Ag Growth International Inc.	1.5
Other Net Assets	0.1	-	Sleep Country Canada Holdings Inc.	1.4
	100.3	(0.3)	Kinaxis Inc.	1.3
			Brookfield Infrastructure Partners L.P.	1.2
			Northland Power Inc.	1.2
			Canadian Pacific Railway Limited	1.2
			WSP Global Inc.	1.2
			Exchange Income Corporation	1.1
			Sandstorm Gold Ltd.	1.0
			Broadcom Limited	1.0
			iShares S&P/TSX Capped Energy	1.0
			Burford Capital Limited	1.0
			AltaGas Ltd.	1.0
			Total (%)	54.6
			Total Net Asset Value (in \$ millions)	141.7