

EXEMPLAR DIVERSIFIED PORTFOLIO

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the year ended December 31, 2018

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

Securityholders may also contact us using one of these methods to request a copy of the Portfolio's 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 Portfolio is to seek superior long-term absolute and risk-adjusted returns with the potential for low correlation to global equity and fixed-income market returns through the selection and management of long and short positions in a globally diversified portfolio of futures, options, forward contracts and other financial derivative instruments on agricultural and soft commodities, metals, energies, currencies, interest rates and equity indices.

The core investment strategy of WaveFront Global Asset Management Corp. ("WFGAM"), the investment advisor, is based on a risk budgeting strategy of allocating capital to markets and utilizing that capital based on the amount of risk premium being priced into markets. WFGAM utilizes a fixed risk budget that targets long-term average annualized downside deviation of less than 13%. Downside deviation is a risk measure that focuses on returns that fall below a minimum acceptable return. This risk budget is then equally allocated across over 60 markets, adjusted by their volatilities and correlations. As a result of this allocation methodology, generally 50% of the portfolio risk budget is allocated to globally-traded industrial and agricultural commodity futures markets, and 50% is allocated to global currency, treasury debt and equity index futures markets.

The degree to which a market's allocated risk budget is utilized is then determined by the net position of multiple trading strategies or algorithms that sample market prices in order to capture persistent risk premiums and changes in risk premiums over time. Unutilized risk budgets that result from conflicting underlying signals are not re-allocated to other markets but go to cash. In addition to the core investment strategy, the investment advisor may utilize trading strategies based on other persistent anomalies or structural biases identified in market data.

The investment advisor transacts on highly liquid exchanges globally that may include, but are not limited to, all futures exchanges in the United States and Canada, the London Metals Exchange (LME), Euronext-LIFFE, the Eurex Deutschland (EUREX), the International Petroleum Exchange of London Limited (IPE), the Singapore International Monetary Exchange (SIMEX), the Sydney Futures Exchange Ltd. and the Tokyo Commodities Exchange (TCE).

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.

Investment Risk

The risks of investing in the Portfolio remain as stated in the Portfolio's prospectus dated June 8, 2018. There were no material changes to the Portfolio over the year that affected the overall level or risk.

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 year ended December 31, 2018, Series F Shares of the Portfolio delivered a loss of 12.1% (loss of 12.3% in 2017). Its benchmark, the Societe Generale CTA Index, posted a loss of 5.8% over the same year (gain of 2.5% in 2017). 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 due largely to varying level of expenses charged to each series, as explained in the Management Fees section.

2018 was the third consecutive difficult year for the Managed Futures industry. The Exemplar Diversified Portfolio experienced two distinct losing periods in equities which are best described as the opportunity cost of positioning the Portfolio to participate in the upside of a prolonged bull market, while also attempting to generate profits from a major bear market. The equity strategy was a significant contributor to positive performance in 2017 when it offset a portion of the program's losses in physical commodities, but 2018 saw somewhat of a reversal of that dynamic. Despite some positive performance coming from the crude oil complex in the first half of the year, only minor trends were captured in commodities, and commodity trends were unlike the typical large moves that we have witnessed in at least one commodity sector the majority of years since the 1920s. Despite the overall frustrating environment for equities, and uninspiring environment for

commodities, the year was capped off by a positive streak in December when the program turned risk-off as a nascent bear market appeared to be taking shape. December demonstrated that the program is more than capable of generating substantial positive performance during period of market stress, especially given that the December returns were achieved with only slightly more than half the total risk budget being deployed. Commodities also failed to respond to the risk-off sentiment to the degree that would typically be expected in a true bear market.

The Portfolio performed relatively well compared to industry benchmarks over the course of the year, and the second half of the year was a particularly good time to have the diversification benefit of being overweight physical commodities relative to most other managers in the category.

The hope of experiencing divergent commodity trends based on market supply and demand fundamentals typically associated with a healthy economy now seems a distant dream. Today, macro concerns are elevated and inter-market correlations will spike dramatically due to disparate types of information. The global economy continues to face uncertainty over the U.S. unwinding its QE program and attempting to normalize interest rates. The recent divergence in rates between the U.S. and the rest of the world is striking, and it could lead to significant macro trends that systematic momentum-based strategies can be uniquely positioned to profit from. The Exemplar Diversified Portfolio's focus on being able to deliver strong positive performance during periods of market stress will always be the core of what it does. The Portfolio should also be an uncorrelated source of return during normal market environments, but extraordinary monetary policy does not seem to be capable of creating a normal market environment.

Despite the uncertainties surrounding QE, or perhaps because of the uncertainties of QE, the importance of including trend-based Managed Futures as a core investment strategy may never be greater than it is now.

Recent Developments

There are no recent developments for the Portfolio.

Related Party Transactions

As of December 31, 2018, Arrow held 500 Series A Shares and 5,493 Series F Shares of the Portfolio, with a market value of \$52,438. This represents 0.2% 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 as of the close of business accrued each business day and payable monthly. The Management Fee rate applicable to the Portfolio is 2.00% per annum in respect of Series A Shares, 1.00% per annum in respect of Series F Shares and 2.30% per annum in respect of Series L Shares. Shareholders of Series I Shares and Series R Shares of the Portfolio pay a negotiated management fee. For the year ended December 31, 2018, the total Management Fee equaled \$300,413 (2017: \$340,981). The Management Fee is paid in consideration of investment management and administration services. No breakdown of such services was specified in the Management Agreement. From this Management Fee, the Manager pays fees to the investment advisor (WFGAM, in its capacity as such) who provides portfolio management services to the Portfolio. All fees and expenses payable to the investment advisor for its services will be borne by Arrow and not by the Portfolio. 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 the trailer fees.

| | Series A Shares | Series F Shares | Series I Shares/ Series R Shares | Series L Shares |
|---|-----------------|-----------------|-------------------------------------|-----------------|
| Management Fees (Annual Rate (%)) | 2.00% | 1.00% | Negotiable | 2.30% |
| Trailer Fees* (rate as % of Management Fees) | 48.5% | - | - | 34.6% |

*Trailer fees calculation was changed from fund based to series based in 2018.

In addition, the Portfolio pays Arrow performance fees (“Performance Fees”) equal to 20% of the amount by which the Portfolio return in a year is in excess of the high water mark (the “High Water Mark”), and no Performance Fee is payable unless an annual 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, 2018 was \$13.56 for Series A Shares, \$13.71 for Series F Shares, \$12.11 for Series I Shares, \$11.30 for Series L Shares and \$8.48 for Series R Shares. For the year ended December 31, 2018, the total Performance Fees equaled \$10,093 (2017: \$3,536). 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 years ended December 31, | | | | | |
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Net Assets, beginning of year¹ | \$ 9.27 | \$ 10.68 | \$ 13.63 | \$ 12.69 | \$ 10.85 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.10 | 0.05 | 0.06 | 0.06 | 0.03 |
| Total expenses | (0.35) | (0.40) | (0.50) | (0.71) | (0.36) |
| Realized gains (loss) | (1.01) | (1.38) | (2.52) | 2.40 | 1.22 |
| Unrealized gains (loss) | (0.02) | 0.21 | 0.12 | (0.61) | 0.08 |
| Total increase (decrease) from operations¹: | \$ (1.28) | \$ (1.52) | \$ (2.84) | \$ 1.14 | \$ 0.97 |
| Distributions²: | | | | | |
| From dividends | - | - | - | - | - |
| From capital gains | - | - | - | - | - |
| Total distributions | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net Assets, end of year¹ | \$ 8.06 | \$ 9.27 | \$ 10.68 | \$ 13.63 | \$ 12.69 |

| SERIES A - RATIOS AND SUPPLEMENTAL DATA⁷ | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| For the years ended December 31, | | | | | |
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Net Asset Value (“NAV”) (000s) ¹ | \$1,199 | \$1,905 | \$3,856 | \$5,655 | \$7,245 |
| Number of shares outstanding | 148,707 | 205,558 | 360,986 | 415,011 | 570,704 |
| Management expense ratio ^{3,8} | 2.90% | 2.95% | 2.88% | 5.17% | 4.04% |
| Management expense ratio before waivers or absorptions ^{4,8} | 3.04% | 2.95% | 2.88% | 5.17% | 4.12% |
| Portfolio turnover rate ⁵ | n/a | n/a | n/a | n/a | n/a |
| Trading expense ratio ^{6,8} | 1.26% | 1.18% | 1.02% | 0.88% | 1.04% |
| Net asset value per share | \$8.06 | \$9.27 | \$10.68 | \$13.63 | \$12.69 |

SERIES F - NET ASSETS PER SHARE

For the years ended December 31,

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|------------------|------------------|------------------|-----------------|-----------------|
| Net Assets, beginning of year¹ | \$ 10.02 | \$ 11.43 | \$ 14.44 | \$ 13.35 | \$ 11.40 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.11 | 0.05 | 0.04 | 0.05 | 0.07 |
| Total expenses | (0.28) | (0.32) | (0.39) | (0.67) | (0.80) |
| Realized gains (loss) | (1.09) | (1.54) | (2.79) | 2.27 | 2.70 |
| Unrealized gains (loss) | 0.01 | 0.25 | 0.12 | (0.57) | 0.18 |
| Total increase (decrease) from operations¹: | \$ (1.25) | \$ (1.56) | \$ (3.02) | \$ 1.08 | \$ 2.15 |
| Distributions²: | | | | | |
| From dividends | - | - | - | - | - |
| From capital gains | - | - | - | - | - |
| Total distributions | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net Assets, end of year¹ | \$ 8.81 | \$ 10.02 | \$ 11.43 | \$ 14.44 | \$ 13.35 |

SERIES F - RATIOS AND SUPPLEMENTAL DATA⁷

For the years ended December 31,

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---------|-----------|-----------|-----------|-----------|
| Net Asset Value ("NAV") (000s) ¹ | \$7,890 | \$10,094 | \$16,726 | \$22,456 | \$26,579 |
| Number of shares outstanding | 895,368 | 1,007,359 | 1,463,507 | 1,554,720 | 1,990,816 |
| Management expense ratio ^{3 8} | 1.82% | 1.92% | 1.82% | 3.77% | 4.87% |
| Management expense ratio before waivers or absorptions ^{4 8} | 1.96% | 1.92% | 1.82% | 3.77% | 5.04% |
| Portfolio turnover rate ⁵ | n/a | n/a | n/a | n/a | n/a |
| Trading expense ratio ^{6 8} | 1.26% | 1.18% | 1.02% | 0.88% | 1.04% |
| Net asset value per share | \$8.81 | \$10.02 | \$11.43 | \$14.44 | \$13.35 |

SERIES I - NET ASSETS PER SHARE

For the years ended December 31,

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|------------------|------------------|------------------|-----------------|-----------------|
| Net Assets, beginning of year¹ | \$ 9.33 | \$ 10.48 | \$ 13.03 | \$ 11.92 | \$ 10.30 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.10 | 0.05 | 0.04 | 0.05 | 0.05 |
| Total expenses | (0.13) | (0.15) | (0.16) | (0.66) | (0.67) |
| Realized gains (loss) | (1.01) | (1.44) | (2.54) | 2.24 | 2.29 |
| Unrealized gains (loss) | 0.09 | 0.09 | 0.10 | (0.57) | 0.16 |
| Total increase (decrease) from operations¹: | \$ (0.95) | \$ (1.45) | \$ (2.56) | \$ 1.06 | \$ 1.83 |
| Distributions²: | | | | | |
| From dividends | - | - | - | - | - |
| From capital gains | - | - | - | - | - |
| Total distributions | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net Assets, end of year¹ | \$ 8.33 | \$ 9.33 | \$ 10.48 | \$ 13.03 | \$ 11.92 |

SERIES I - RATIOS AND SUPPLEMENTAL DATA⁷

For the years ended December 31,

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---------|---------|---------|---------|---------|
| Net Asset Value ("NAV") (000s) ¹ | \$1,847 | \$1,749 | \$7,535 | \$9,190 | \$7,836 |
| Number of shares outstanding | 221,635 | 187,435 | 718,833 | 705,240 | 657,665 |
| Management expense ratio ^{3 8} | 0.31% | 0.37% | 0.30% | 2.62% | 6.10% |
| Management expense ratio before waivers or absorptions ^{4 8} | 0.45% | 0.37% | 0.30% | 2.62% | 6.26% |
| Portfolio turnover rate ⁵ | n/a | n/a | n/a | n/a | n/a |
| Trading expense ratio ^{6 8} | 1.26% | 1.18% | 1.02% | 0.88% | 1.04% |
| Net asset value per share | \$8.33 | \$9.33 | \$10.48 | \$13.03 | \$11.92 |

SERIES L - NET ASSETS PER SHARE

For the years ended December 31,

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|------------------|------------------|------------------|-----------------|-----------------|
| Net Assets, beginning of year¹ | \$ 7.99 | \$ 9.23 | \$ 11.81 | \$ 11.04 | \$ 9.60 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.09 | 0.04 | 0.04 | 0.04 | 0.05 |
| Total expenses | (0.32) | (0.37) | (0.45) | (0.51) | (0.57) |
| Realized gains (loss) | (0.89) | (1.19) | (2.20) | 1.74 | 1.92 |
| Unrealized gains (loss) | (0.03) | 0.21 | 0.09 | (0.44) | 0.13 |
| Total increase (decrease) from operations¹: | \$ (1.15) | \$ (1.31) | \$ (2.52) | \$ 0.83 | \$ 1.53 |
| Distributions²: | | | | | |
| From dividends | - | - | - | - | - |
| From capital gains | - | - | - | - | - |
| Total distributions | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net Assets, end of year¹ | \$ 6.94 | \$ 7.99 | \$ 9.23 | \$ 11.81 | \$ 11.04 |

SERIES L - RATIOS AND SUPPLEMENTAL DATA⁷

For the years ended December 31,

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|--------|---------|---------|---------|---------|
| Net Asset Value ("NAV") (000s) ¹ | \$567 | \$877 | \$1,117 | \$1,575 | \$1,784 |
| Number of shares outstanding | 81,720 | 109,794 | 121,072 | 133,351 | 161,645 |
| Management expense ratio ^{3 8} | 3.12% | 3.20% | 3.11% | 5.04% | 6.61% |
| Management expense ratio before waivers or absorptions ^{4 8} | 3.29% | 3.20% | 3.11% | 5.04% | 6.75% |
| Portfolio turnover rate ⁵ | n/a | n/a | n/a | n/a | n/a |
| Trading expense ratio ^{6 8} | 1.26% | 1.18% | 1.02% | 0.88% | 1.04% |
| Net asset value per share | \$6.94 | \$7.99 | \$9.23 | \$11.81 | \$11.04 |

SERIES R - NET ASSETS PER SHARE

For the years ended December 31,

| | 2018 | 2017 | 2016 | 2015 [†] |
|---|------------------|------------------|------------------|-------------------|
| Net Assets, beginning of year¹ | \$ 6.95 | \$ 7.90 | \$ 9.96 | \$ 10.00 |
| Increase (decrease) from operations: | | | | |
| Total revenue | 0.08 | 0.03 | 0.02 | 0.00 |
| Total expenses | (0.18) | (0.20) | (0.25) | 0.03 |
| Realized gains (loss) | (0.84) | (0.90) | (1.95) | (0.09) |
| Unrealized gains (loss) | (0.08) | 0.25 | 0.07 | 0.02 |
| Total increase (decrease) from operations¹: | \$ (1.02) | \$ (0.82) | \$ (2.11) | \$ (0.04) |
| Distributions²: | | | | |
| From dividends | - | - | - | - |
| From capital gains | - | - | - | - |
| Total distributions | \$ - | \$ - | \$ - | \$ - |
| Net Assets, end of year¹ | \$ 6.13 | \$ 6.95 | \$ 7.90 | \$ 9.96 |

SERIES R - RATIOS AND SUPPLEMENTAL DATA⁷

For the years ended December 31,

| | 2018 | 2017 | 2016 | 2015 [†] |
|---|-----------|-----------|-----------|-------------------|
| Net Asset Value ("NAV") (000s) ¹ | \$12,159 | \$18,911 | \$12,664 | \$13,224 |
| Number of shares outstanding | 1,983,916 | 2,721,578 | 1,602,562 | 1,327,895 |
| Management expense ratio ^{3 8} | 1.49% | 1.63% | 1.65% | 0.07%* |
| Management expense ratio before waivers or absorptions ^{4 8} | 1.68% | 1.63% | 1.65% | 0.07%* |
| Portfolio turnover rate ⁵ | n/a | n/a | n/a | n/a |
| Trading expense ratio ^{6 8} | 1.26% | 1.18% | 1.02% | 0.88%* |
| Net asset value per share | \$6.13 | \$6.95 | \$7.90 | \$9.96 |

[†] Series R Shares commenced operations on November 10, 2015.

*Ratios have been annualized.

- 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 year. This table is not intended to be a reconciliation of beginning to ending net assets per share.
- Distributions, if applicable, are reinvested in additional shares of the Portfolio at the discretion of the underlying shareholders.
- Management expense ratio is based on total expenses (excluding 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.
- 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.
- 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 rates 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. There is no portfolio turnover rate because the Portfolio only holds derivatives.

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 year.
7. Ratios and supplemental data, where applicable, are computed using the Net Asset Value of the Portfolio.
8. The management expense ratio, management expense ratio before waivers or absorptions and trading expense ratio for the years ended 2016, 2015, 2014 and 2013 have been restated to reflect the reclassification of certain custodial transaction costs related to the purchase and sale of securities.

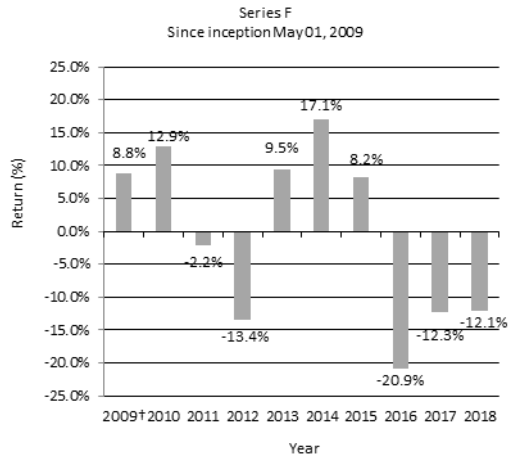
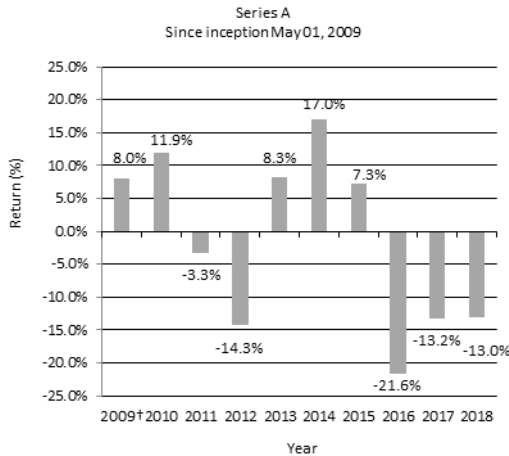
Past Performance

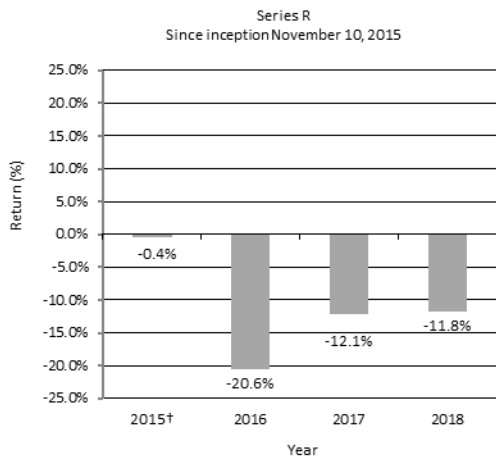
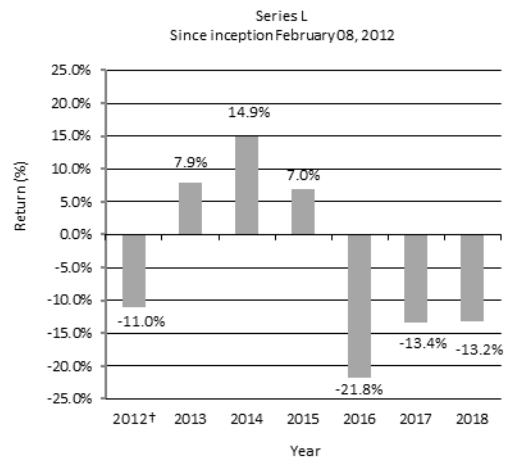
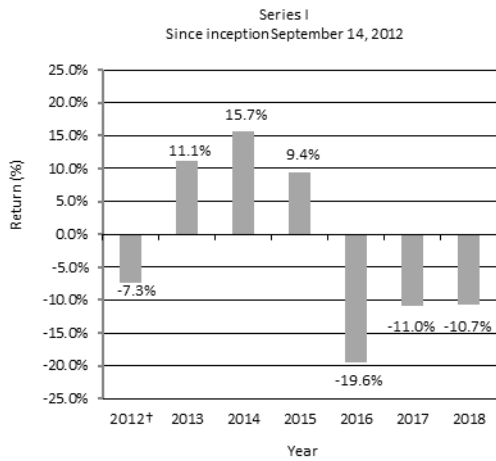
The performance information shown below assumes that all distributions, if any, made by the Portfolio in the years shown were reinvested in additional shares of the Portfolio. If you hold the Portfolio outside a registered plan, you will be taxed on distributions. Distributions of income the Portfolio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





†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 Societe Generale CTA Index (the Societe Generale CTA Index is an equal weighted, daily calculated annually re-balanced, return index for a pool of CTAs selected from the larger managers that are open to new investment) for the year ended December 31, 2018. The Relative Performance returns show the performance of the Portfolio as compared to the benchmark.

| | 1 Year | 3 Years | 5 Years | Annualized Since Inception |
|----------------------------|---------|---------|---------|----------------------------|
| Series A | (13.0%) | (16.0%) | (5.8%) | (2.2%) |
| Series F | (12.1%) | (15.2%) | (5.0%) | (1.3%) |
| Series I | (10.7%) | (13.8%) | (4.1%) | (2.6%) |
| Series L | (13.2%) | (16.3%) | (6.3%) | (5.2%) |
| Series R | (11.8%) | N/A | N/A | (14.4%) |
| Societe Generale CTA Index | (5.8%) | (2.1%) | 1.6% | 0.9% |

Summary of Investment Portfolio as at December 31, 2018

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.

| Sector | Exposure (%) (*) | | Top 25 Holdings (*) | |
|-------------------------|------------------|----------------|--|----------------|
| | Long | Short | | % |
| Bond Futures | 58.0 | (68.4) | Long Positions | |
| Commodity Futures | 14.7 | (77.4) | 3 Month Euro Euribor Futures | 351.4 |
| Currency Futures | 11.5 | (76.1) | Bank Acceptance Futures | 202.4 |
| Index Futures | 0.0 | (51.6) | 90 Day Eurodollar Futures | 96.8 |
| Interest Rate Futures | 681.7 | 0.0 | Cash & Cash Equivalent | 95.8 |
| Options | 0.1 | 0.0 | Australian 10 Year Bond Futures | 33.4 |
| Cash & Cash Equivalents | 95.8 | 0.0 | 90 Day Bank Acceptance Futures | 28.3 |
| Other Net Assets | 0.1 | - | Long Gilt Futures | 16.3 |
| Totals | 861.9 | (273.5) | EURO/GBP Futures | 10.8 |
| | | | Canada 10 Year Bond Futures | 7.5 |
| | | | Top long positions as a % of total net asset value | 842.7 |
| | | | Short Positions | |
| | | | Japan 10 Year Mini Bond Futures | (37.0) |
| | | | Canadian Dollar Futures | (29.3) |
| | | | EURO-BOBL Futures | (17.5) |
| | | | S&P/TSX 60 Index Futures | (13.8) |
| | | | Australian Dollar Currency Futures | (13.4) |
| | | | Aluminum HG Futures | (9.9) |
| | | | SPI 200 Futures | (9.6) |
| | | | British Bound Currency Futures | (9.2) |
| | | | Cotton No. 2 Futures | (8.5) |
| | | | Euro FX Currency Futures | (7.5) |
| | | | EURO/JPY Futures | (7.4) |
| | | | EURO/CHF Futures | (7.4) |
| | | | DAX Index Futures | (7.0) |
| | | | S&P 500 E-mini Index Futures | (6.5) |
| | | | Canola Futures | (6.3) |
| | | | Coffee Robusta 10 ton Futures | (6.1) |
| | | | Top short positions as a % of total net asset value | (196.4) |
| | | | Total (%) | 646.3 |
| | | | Total Net Asset Value (in \$ millions) | 23.7 |

(*) Futures positions are calculated using notional values.