No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of securities only in those jurisdictions which may be lawfully offered for sale and therein only by persons permitted to sell these securities.

PROSPECTUS

Initial Public Offering and Continuous Offering June 8, 2018

EXEMPLAR PORTFOLIOS

EXEMPLAR PORTFOLIOS LTD.

Exemplar Canadian Focus Portfolio
Series A Shares, Series F Shares, Series L Shares and Series I Shares

Exemplar Diversified Portfolio
Series A Shares, Series F Shares, Series L Shares, Series I Shares and Series R Shares

The Exemplar Canadian Focus Portfolio and the Exemplar Diversified Portfolio are commodity pools. Exemplar Portfolios Ltd. (the "Company") is a mutual fund corporation incorporated under the laws of the province of Ontario. This prospectus qualifies the issuance of redeemable mutual fund shares (the "Shares") of two classes of the Company: the Exemplar Canadian Focus Portfolio class of shares and the Exemplar Diversified Portfolio class of shares. Each such class of Shares is referred to as a "Portfolio" and together they are referred to as the "Portfolios" in this prospectus. Each of the Portfolios maintains its own separate group of assets within the Company. This prospectus qualifies the issuance of the following series of Shares of the Portfolios: Series A Shares, Series F Shares, Series L Shares and Series I Shares of each Portfolio and Series R Shares of the Exemplar Diversified Portfolio (the "Offering").

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. See "*Investment Strategies - Exemplar Canadian Focus Portfolio*" on page 14.

The investment objective of the Exemplar Diversified 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 "Underlying Assets"). To pursue its investment objective, the Exemplar Diversified Portfolio has the option to gain exposure to Underlying Assets by investing directly in the Underlying Assets and/or by gaining indirect exposure to the Underlying Assets via a three-tier investment structure. Under both options, the selection and management of the Underlying Assets will be managed by the Investment Advisor, currently WaveFront Global Asset Management Corp. (formerly known as Integrated Managed Futures Corp.) Under this indirect investment structure available to the Exemplar Diversified Portfolio, the Portfolio may obtain exposure to the Underlying Assets by investing in IMFC Feeder Fund Shares (as defined herein) issued by Galaxy Plus Fund SPC (as defined herein) representing interests in IMFC Feeder Fund (as defined herein). Then, Galaxy Plus Fund SPC, on behalf of IMFC Feeder Fund, will acquire and maintain IMFC Master Fund Shares (as defined herein) issued by IMFC Master Fund (as defined herein). See "*Investment Strategies - Exemplar Diversified Portfolio*" on page 18.

Each of the Portfolios is managed by Arrow Capital Management Inc. ("Arrow" or the "Manager"). See "*Organization and Management Details of the Portfolios – Manager of the Portfolios*" on page 51. The investment advisor of each Portfolio is also Arrow. See "*Organization and Management Details of the Portfolios – Portfolio Advisor*" on page 52. The portfolio sub-advisor of the Exemplar Diversified Portfolio is WaveFront Global Asset Management Corp. (formerly known as Integrated Managed Futures Corp.) (the "Investment Advisor"). See "*Organization and Management Details of the Portfolios – The Investment Advisor*" on page 53. Shares of the Portfolios are only sold by dealers and their representatives duly registered to sell securities of mutual funds which are subject to National Instrument 81-104 *Commodity Pools*, in accordance with the requirements of Part 4 of that Instrument.

Price: Net Asset Value per Share
Minimum Initial Purchase: $1,000

You should carefully consider whether your financial condition and/or retirement savings objectives permit you to invest in a Portfolio. The Shares of the Portfolios are speculative and involve a high degree of risk. You may lose a substantial portion or even all of the money you invest in a Portfolio.

The assets of each Portfolio may include options, such as covered call or put options, among other derivatives. The Portfolios may also short synthetic indices. The risk of loss inherent in trading the types of instruments to be held in the Portfolios can be substantial. In considering whether to participate in a Portfolio, you should be aware that the investments of a Portfolio can quickly lead to large losses as well as gains for the Portfolio and consequently for the value of your interest in the Portfolio. Also, market conditions may make it difficult or impossible to liquidate a position. See "*Risk Factors*" starting on page 31.

The Company, Arrow and the Investment Advisor are subject to certain conflicts of interest. See "*Risk Factors - Conflicts of Interest*" on page 31.

The Company and each Portfolio will be subject to charges payable by it as described in this prospectus, that must be offset by revenues and trading gains before an investor earns a return on his or her investment. It may be necessary for a Portfolio to make substantial profits to avoid depletion or exhaustion of its assets before an investor earns a return on his or her investment. See "*Fees and Expenses*" on page 26.

Although the Company is a mutual fund under Canadian securities legislation and each Portfolio is considered to be a separate mutual fund under such legislation, certain provisions of such legislation and the policies of the Canadian Securities Administrators applicable to conventional mutual funds and designed to protect investors who purchase securities of mutual funds, do not apply.

Participation in transactions by a Portfolio may involve the execution and clearing of trades on or subject to the rules of a foreign market. None of the Canadian securities regulatory authorities or Canadian exchanges regulates activities of any foreign markets, including the execution, delivery and clearing of transactions, or has the power to compel enforcement of the rule of a foreign market or any applicable foreign law. Generally, any foreign transaction will be governed by applicable foreign laws. This is true even if the foreign market is formally linked to a Canadian market so that a position taken on a market may be liquidated by a transaction on another market. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, entities such as the Portfolios may not be afforded certain of the protective measures provided by Canadian legislation or Canadian exchanges. In particular, funds received from investors for transactions by a Portfolio may not be provided the same protection as funds received in respect of transactions by a Portfolio on Canadian exchanges.

These brief statements cannot disclose all the risks and other significant aspects of investing in a Portfolio. You should therefore carefully study this prospectus, including the description of the principal risk factors, before you decide to invest in a Portfolio. See "*Risk Factors*" starting on page 31.

Additional information about the Portfolios is available in the most recently filed annual financial statements together with the accompanying auditor's report and any interim financial statements filed after those annual financial statements, and annual and interim management reports of fund performance, of each Portfolio. These documents are incorporated by reference into this prospectus which means that they legally form part of this prospectus. For further details, see "*Documents Incorporated by Reference*" on page 65. You can get a copy of these documents at your request, and at no cost, by calling the Manager at 416-323-0477 or toll-free at 1-877-327-6048, or from your dealer. These documents are also available on the Manager's website at www.arrow-cpaital.com, or by contacting the Manager by e-mail at info@arrow-capital.com. These documents and other information about the Portfolios are also available on the website of SEDAR (the System for Electronic Document Analysis and Retrieval) at www.sedar.com.

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PROSPECTUS SUMMARY

The following is a summary only of the principal features of the Offering and is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this prospectus. All references in this prospectus to "dollars" or "$" are to Canadian dollars unless otherwise indicated. Capitalized terms not defined in this Summary have the meanings ascribed to them in the Glossary of Terms.

The Offering

The Company:	Exemplar Portfolios Ltd. (the "Company") is a mutual fund corporation incorporated under the laws of the province of Ontario. The authorized capital of the Company consists of 1,000 separate classes of non-voting redeemable mutual fund shares (the "Shares"), issuable in series, in addition to a class of voting common shares held in trust by certain employees of Arrow for the non-voting Shareholders. See "*Overview of the Legal Structure of the Portfolios*" on page 14.
The Portfolios:	This prospectus qualifies the issuance of Shares of two classes of the Company: the Exemplar Canadian Focus Portfolio class of Shares and the Exemplar Diversified Portfolio class of Shares. Each such class of Shares is referred to as a "Portfolio" and collectively as the "Portfolios" in this prospectus. This prospectus qualifies the issuance of the following series of Shares of the Portfolios: Series A Shares, Series F Shares, Series L Shares and Series I Shares of each Portfolio along with Series R Shares of the Exemplar Diversified Portfolio (the "Offering"). See "*Overview of the Legal Structure of the Portfolios*" on page 14. Each of the Portfolios maintains its own separate group of assets within the Company. An investor who exchanges Shares of one series in one Portfolio of Shares for another series in another Portfolio is deemed to have disposed of the Shares for proceeds equal to their fair market value. A capital gain or capital loss will result. For a more detailed discussion, see "Income Tax Considerations" on page 45. Redemption fees may apply if an investor switches from Series L Shares to another series of Shares within the same Portfolio, or to Shares, other than Series L Shares, of another Portfolio.
Exemplar Canadian Focus Portfolio:	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. For more information on the investment strategies of Exemplar Canadian Focus Portfolio, see "*Investment Strategies - Exemplar Canadian Focus Portfolio*" on page 14.
Exemplar Diversified Portfolio:	The investment objective of the Exemplar Diversified 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 "Underlying Assets"). For more information on the investment strategies of Exemplar Diversified Portfolio, see "*Investment Strategies - Exemplar Diversified Portfolio*" on page 18. The Exemplar Diversified Portfolio has obtained relief (See

	"*Exemptions and Approvals – Investment Structure Relief*" on page 64) giving the Portfolio the option to gain exposure to Underlying Assets by investing directly in the Underlying Assets and/or by gaining indirect exposure to the Underlying Assets via a three-tier investment structure. See "*Overview of Investment Structure – Exemplar Diversified Portfolio*" on page 22.
Qualification:	Series A Shares, as applicable, of each Portfolio are intended for individual investors purchasing on a front-end sales charge basis. Series L Shares of each Portfolio are intended for individual investors purchasing under the low-load sales charge option, whereby no sales commission is charged at the time of purchase, however, a redemption fee may be applicable at the time of redemption. Series F Shares, as applicable, are available to investors who participate in fee-based programs through their broker, dealer, or advisor. These investors pay an annual fee for ongoing financial planning advice. Series I Shares of each Portfolio and Series R Shares of the Exemplar Diversified Portfolio are typically for institutional investors such as pension plans, endowment funds and corporations, high net worth individuals and group RRSPs that maintain a minimum investment in a Portfolio (based on the net asset value of such investment) as negotiated with the Manager. See "*Fees and Expenses payable by Shareholders – Sales Charges*" on page 27.
Minimum Initial Purchase:	The initial investment in Series A, F, or L Shares must be at least $1,000 (or such lesser amount as the Manager may accept at its sole discretion). Subsequent investments must be at least $100 (or such lesser amount as the Manager may accept at its sole discretion). Series I Shares of each Portfolio and Series R Shares of Exemplar Diversified Portfolio are typically intended for institutional investors such as pension plans, endowment funds and corporations, high net worth individuals and group RRSPs that maintain a minimum investment in a Portfolio (based on the net asset value of such investment) as negotiated with the Manager. See "*Fees and Expenses*" on page 26 for information on the fees payable when Shares are purchased. Purchases must be paid for in cash. See "*Purchase of Shares*" on page 42.
Continuous Offering and Offering Price:	Shares of the Portfolios are only sold by dealers and their representatives duly registered to sell securities of mutual funds which are subject to NI 81-104, in accordance with the requirements of Part 4 of that Instrument. The issue price of the Shares of a Portfolio will be the Net Asset Value per Share of the relevant series next determined after the receipt by the relevant Portfolio of a purchase order. A separate Net Asset Value is maintained for each series of Shares of a Portfolio. A Portfolio may reject a purchase order within two days of receiving it. If a purchase order is rejected, the purchase price will be immediately refunded without interest. The Shares of each series of a Portfolio are nontransferable and no market for the Shares exists and none is likely to develop. However, Shares of a Portfolio are redeemable. See "*Purchase of Shares*" on page 42.
Redemption:	Shareholders may redeem Shares on a Valuation Date by providing the Manager with a written request. Signatures on such request must be guaranteed by a Canadian chartered bank, a trust company, or an investment dealer acceptable to the Manager. When redeeming Shares, a Shareholder must indicate the number of Shares to be redeemed, which may include fractional Shares. The redemption price of Shares of a particular series of a Portfolio is the Net Asset Value per Share for that series next determined after receipt by the Manager of this written request for redemption. See "*Redemption of Shares*" on page 43 for information on the fees payable

	when Shares are redeemed.
Short Selling:	Each Portfolio has received exemptive relief from the requirements set out in certain Canadian securities legislation that would otherwise restrict short selling by the Portfolios. See "*Investment Restrictions – Short Selling Restrictions*" on page 24.
Publication of Net Asset Value per Share:	The Portfolios will make the Net Asset Value per Share for Series A Shares of each Portfolio available to the financial press on a daily basis. Such prices will also be available on the Manager's website at www.arrow-capital.com. See "*Calculation of Net Asset Value*" on page 58.
Independent Review Committee (IRC):	The Manager has established, on behalf of the Portfolios, an independent review committee (the "IRC") pursuant to the requirements set out in National Instrument 81-107 *Independent Review Committee for Investment Funds* ("NI 81-107") to oversee decisions involving actual or perceived conflicts of interest. The IRC is comprised of three independent members: Ross MacKinnon, Ronald Riley and John Anderson. See "*Organization and Management Details of the Portfolio – Independent Review Committee*" on page 55.
Leverage:	The Exemplar Canadian Focus Portfolio will generally not use leverage in excess of 20% of its Net Asset Value. If the Exemplar Canadian Focus Portfolio's leverage is in excess of 20% of its Net Asset Value, it shall generally reduce its leverage to 20% of its Net Asset Value within 10 business days. The investment strategies employed by the Exemplar Diversified Portfolio include entering into futures and forward contracts and investments in other financial instruments. All contracts and positions to which the Exemplar Diversified Portfolio may have exposure at any time may be substantially larger than the actual amount invested with the result that the Exemplar Diversified Portfolio will be exposed to a form of notional leverage. The notional leverage of the Portfolio, excluding futures on government securities and Euro dollars, is generally between 0% and 300% and can never go above 500%. The notional leverage of the Exemplar Diversified Portfolio, including futures on government securities and Euro dollars, is typically around 300% but from time to time may be as high as 1000%. No form of cash leverage is permitted and, in the case of government securities and Euro dollars, futures positions are restricted to those that are based on investment grade government securities and Euro dollars. See "*Investment Strategies - Leverage"* on page 17 and page 20 specifically for the Exemplar Diversified Portfolio.
Termination of the Portfolios:	The Portfolios do not have a fixed duration and a Portfolio shall be terminated pursuant to an Extraordinary Resolution of the Shareholders of the Portfolio; or by the Manager when, in its opinion, it is no longer economically practical to continue the Portfolio or it would be in the best interest of the Shareholders to terminate the Portfolio. See "*Termination of the Portfolios*" on page 62.

Risk Factors

Risks Common to each of the Portfolios

An investment in the Shares of a Portfolio may be subject to certain risk factors that should be considered by prospective investors and their advisors, including the following:

- there is no guarantee that a Portfolio will meet its investment objective;

- each Portfolio’s performance will depend on the knowledge and expertise of Arrow or the Investment Advisor, and the trading strategies and analytical models utilized by them, as the case may be;

- the conflicts of interest to which Arrow and the Investment Advisor are subject;

- the stock market risks to which Portfolios that make direct or indirect equity investments are subject;

- the risks associated with investments in debt securities, including debt securities which have low ratings from credit rating agencies or which are unrated and interest rate risk, to which Portfolios that make fixed income investments are subject;

- issuers in which a Portfolio invests, directly or indirectly, may be subject to risks associated with the industries in which such issuers operate (sector risk);

- concentration risk;

- the risks of investing directly or indirectly in small capitalization companies;

- the risks associated with investing in a mutual fund corporation that is comprised of multiple funds;

- the risks of foreign investments, including foreign currency risks and trading on foreign exchanges;

- the risk associated with FATCA information reporting;

- the risk associated with CRS information reporting;

- the risk of investments in American depository receipts;

- the use of derivatives involves numerous risks, particularly since the Portfolios are not limited in their use of derivatives by the provisions of NI 81-102, and there can be no assurance that a Portfolio’s use of derivatives will be successful;

- short sales of securities will expose a Portfolio to losses if the value of the securities sold short increases, because the Portfolio may be required to purchase such securities in order to cover its short position at a higher price than the price at which such securities were sold short;

- the risks associated with direct or indirect investment in commodities markets;

- the risks associated with investing in Permitted ETFs;

- the risks associated with investing in BetaPro ETFs;

- the risks associated with securities lending, repurchase agreements and reverse repurchase agreements;

- credit risk;

- the risks of investing in convertible securities;

- the risks associated with the issuance of more than one series of Shares by the Portfolios;

- substantial redemptions of Shares may require a Portfolio to sell assets it would not otherwise sell and at less than optimal prices which could adversely affect the value of the Shares;

- the risks of changes in tax or securities laws or regulatory rules that could adversely affect the Portfolios or their Shareholders; and

- tax risks.

Risks Specific to the Exemplar Diversified Portfolio

An investment in the Shares of the Exemplar Diversified Portfolio may be subject to certain additional risk factors that should be considered by prospective investors and their advisors, including the following:

- the risks associated with futures and forward trading;
- futures trading may be illiquid;
- the risks associated with the trading of forward and OTC option contracts;
- the risks associated with using margin;
- the risks associated with using leverage;
- the risk associated with Galaxy Plus Fund SPC being an exempt company and related limited liability;
- the risk associated with the redemption of IMFC Feeder Fund Shares;
- the risk associated with the redemption of IMFC Master Fund Shares;
- the risk associated with the limited recourse to the Underlying Assets when indirectly held;
- the risk associated with the cross-class liabilities and limited recourse in connection with the investment structure;
- the risks associated with trading commodity options;
- the possible effects of speculative position limits;
- the risks associated with the failure of futures commission merchants;
- the risks associated with trading on foreign exchanges;
- reliance on trading strategies and analytical tools; and
- the risks associated with electronic trading.

See "*Risk Factors*" starting on page 31.

Income Tax Considerations

Taxation of the Portfolios

The Company qualifies as a mutual fund corporation under the Tax Act and intends to continue to so qualify. As a mutual fund corporation, the Company is entitled in certain circumstances to capital gains refunds in respect of its net realized capital gains. To the extent that the Company earns net income (other than dividends from taxable Canadian corporations and taxable capital gains) including interest or dividends from corporations other than taxable Canadian corporations, the Company is subject to income tax on such income and no refund of such tax is available. See "*Income Tax Considerations – Taxation of the Portfolios*" on page 46.

Taxation of Shareholders

Dividends, other than capital gains dividends, received by individuals on the Shares are generally subject to the gross-up and dividend tax credit rules for dividends received from a taxable Canadian corporation including an enhanced gross-up and dividend tax credit on "eligible dividends" that are so designated by the Company.

The amount of any capital gains dividend received by a Shareholder from the Company is considered to be a capital gain of the Shareholder from the disposition of capital property in the taxation year of the Shareholder in which the capital gains dividend is received.

A disposition, whether by way of redemption or otherwise, of a Share held as capital property will generally result in a capital gain or capital loss to the holder thereof.

A Shareholder who converts Shares of one Portfolio of the Company into Shares of another Portfolio, will be deemed to have disposed of the Shares for proceeds equal to their fair market value with the result that a capital gain or capital will arise. **Each investor should satisfy himself or herself as to the tax consequences of an investment in Shares by obtaining advice from his or her tax advisor.** See "*Income Tax Considerations – Taxation of Shareholders*" on page 48.

Eligibility for Investment

Provided that the Company continues to qualify as a mutual fund corporation, the Shares of each Portfolio will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans, registered education savings plans and tax-free savings accounts. See "*Income Tax Considerations – Taxation of Registered Plans*" on page 49.

Organization and Management of the Portfolios

Manager:	Arrow Capital Management Inc. ("Arrow" or the "Manager"), a corporation existing under the laws of the province of Ontario, is the manager of the Portfolios. The Manager will be responsible for providing or arranging for the provision of administrative services required by the Portfolios. The head office of the Manager is located at Suite 750, 36 Toronto Street, Toronto, Ontario M5C 2C5. See "*Organization and Management Details of the Portfolios – Manager of the Portfolios*" on page 51.
Investment Advisor:	Arrow is also the investment advisor of the Portfolios. Investment advisory and portfolio management services will be provided to the Portfolios by Arrow and specifically for the Exemplar Canadian Focus Portfolio by Veronika Hirsch, Executive Vice-President and Portfolio Manager of Arrow. See "*Organization and Management Details of the Portfolios – Portfolio Advisor*" on page 52.
Investment Advisor:	WaveFront Global Asset Management Corp. (formerly known as Integrated Managed Futures Corp.) ("WaveFront"), registered as a commodity trading manager in the province of Ontario and as an exempt market dealer in the provinces of Ontario, Quebec, British Columbia and Alberta and also registered in the United States as a commodity trading advisor and commodity pool operator with the Commodity Futures Trading Commission and as an investment advisor with the Securities and Exchange Commission, has been retained by Arrow to execute investment decisions on behalf of the Exemplar Diversified Portfolio. The head office of WaveFront is located in Toronto, Ontario. See "*Organization and Management Details of the Portfolios – The Investment Advisor*" on page 53.
Custodian:	CIBC Mellon Trust Company (the "Custodian") is the custodian of the assets of Exemplar Canadian Focus Portfolio and Exemplar Diversified Portfolio. The Custodian will provide custodial services to the Portfolios from their offices in Toronto, Ontario. See "*Organization and Management Details of the Portfolios – Custodian*" on page 56.
Auditor:	PricewaterhouseCoopers LLP is the auditor of the Portfolios. PricewaterhouseCoopers LLP will provide services to the Portfolios from its offices in Toronto, Ontario. See "*Organization and Management Details of the Portfolios – Auditor*" on page 57.
Securities Lending Agent:	The Bank of New York Mellon, a New York State chartered bank, is the securities lending agent (the "Securities Lending Agent") for the Portfolios.

The Securities Lending Agent is independent of the Manager. The Manager has appointed the Securities Lending Agent under the terms of a written agreement between the Manager and the Securities Lending Agent on behalf of the Portfolios in order to administer any securities lending, repurchase and reverse repurchase transactions for the Portfolios. See "*Organization and Management Details of the Portfolios – Securities Lending Agent*" on page 57.

Promoter: The Manager has taken the initiative in organizing the Company and the Portfolios and accordingly may be considered to be a "promoter" of the Portfolios within the meaning of the securities legislation of certain provinces of Canada. See "*Organization and Management Details of the Portfolios – Promoter*" on page 57.

Administrative Services: CIBC Mellon Global Securities Services Company is responsible for certain aspects of the day-to-day administration of the Portfolios. CIBC Mellon Global Securities Services Company will provide services to the Portfolios from its offices in Toronto, Ontario. See "*Organization and Management Details of the Portfolios – Administrative Services*" on page 58.

Recordkeeping Services: Pursuant to a recordkeeping services agreement between the Manager, the Company and RBC Investor Services Trust, RBC Investor Services Trust at its principal offices in Toronto, Ontario provides recordkeeping services for the Portfolios. See "*Organization and Management Details of the Portfolios – Recordkeeping Services*" on page 57.

Summary of Fees and Expenses

The following table lists the fees and expenses that Shareholders may have to pay if they invest in a Portfolio. Shareholders may have to pay some of these fees and expenses directly. Alternatively, a Portfolio may have to pay some of these fees and expenses, which will therefore reduce the value of an investment in the Portfolio.

Fees and Expenses Payable by the Portfolios

Management Fees: The Manager is entitled to a management fee from the Series A, Series F, and Series L Shares, as applicable, of each Portfolio equal to 1/12 of the percentage specified below of the Net Asset Value of that Series of Shares of the Portfolio at the end of each month, payable monthly in arrears.

Exemplar Canadian Focus Portfolio:	1.65% per annum in respect of the Series A Shares
	0.65% per annum in respect of the Series F Shares
	1.95% per annum in respect of the Series L Shares
Exemplar Diversified Portfolio:	2.00% per annum in respect of the Series A Shares
	1.00% per annum in respect of the Series F Shares
	2.30% per annum in respect of the Series L Shares
	Negotiable rate in respect of the Series R Shares, and will not exceed 2.30% per annum

No portion of the management fee charged to a Portfolio is borne by Series I Shares of a Portfolio. A holder of Series I Shares of a Portfolio pays a negotiated management fee directly to the Manager. The management fee in respect of Series I Shares of a Portfolio will be different for each investor, and will not exceed 2.30%. See "*Fees and Expenses*" on page 26.

Performance Bonus: Each Portfolio will pay to the Manager in respect of each fiscal year of the Portfolio ended December 31 a performance bonus per Share (the "Performance Bonus") equal to 20% 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 Portfolio 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. The Performance Bonus for a Portfolio will be estimated and accrued each Valuation Date, calculated as at the end of the fiscal year of the Portfolio based on the actual annual performance of the Portfolio, and paid within 15 days thereafter.

Notwithstanding the foregoing, no Performance Bonus will be payable with respect to any fiscal year of a Portfolio 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%. See "*Distribution Policy*" on page 42 and "*Fees and Expenses*" on page 26.

Operating Expenses: A Portfolio is responsible for payment of all operating and administrative expenses of the Portfolio. The main components of these expenses are legal and accounting fees, printing expenses, regulatory filing fees, custodial fees, fees and expenses of the Portfolio's IRC and expenses incurred as a result of making distributions to Shareholders. The Manager may, in some cases, at its discretion; pay a portion of the Portfolio's operating expenses.

As each Portfolio has more than one series of Shares, the Shareholders of each series bear their *pro rata* share of those expenses which are common to the operation of all series, as well as those expenses which are attributable solely to that series. See "*Fees and Expenses*" on page 26.

Fees and Expenses Payable Directly by Shareholders

Sales Charges: The Portfolios and the Manager do not charge a fee or commission when investors purchase Shares of a Portfolio. A broker, dealer or advisor may charge investors a commission of up to 5% at the time of purchase of Series A Shares of a Portfolio, which will reduce the amount of money invested in the Series A Shares of the Portfolio.

No commission is payable by the investor at the time of purchase of Series L Shares of a Portfolio and the Manager will pay the dealer a commission of up to 3% in respect of the amount invested. However, a redemption fee may be deducted by the Manager if such Series L Shares are redeemed or switched within three years of purchase. See "*Fees and Expenses*" on page 26.

Series F Shares of a Portfolio are available to investors who participate in fee-based programs through their broker, dealer or advisor.

A broker or advisor may charge investors in Series I Shares of a Portfolio or Series R Shares of Exemplar Diversified Portfolio an annual service fee relating to the investor's purchase of Series I or Series R Shares. Such annual fee will be calculated daily and will be based on the aggregate net asset value of Series I or Series R Shares that the investor holds at the end of each day. This fee, along with the applicable taxes, will be payable on a quarterly basis by way of an automatic redemption of Series I or Series R Shares. See "*Fees and Expenses*" on page 26.

Switch Fees: The Portfolios and the Manager do not charge fees to exchange or switch Series A, Series F, Series I, or Series R Shares, as applicable, of a Portfolio, for Shares of another Portfolio, provided such exchange or switch occurs at least 90 days after the date of purchase. If a Shareholder switches Shares within 90 days of purchase, the Portfolio may charge a short-term trading fee of up to 2% of the Net Asset Value of the Shares switched. The Shareholder's broker, dealer or advisor may, however, charge Shareholders a switch fee.

Redemption fees may apply if an investor switches from Series L Shares to another series of Shares within the same Portfolio, or to Shares, other than Series L Shares, of another Portfolio. See "*Fees and Expenses*" on page 26.

Short-Term Trading Fee: If a Shareholder switches or redeems Shares within 90 days of purchase, the Portfolio may charge a short-term trading fee of up to 2% of the Net Asset Value of the Shares switched or redeemed. See “*Fees and Expenses*” on page 26.

Redemption Fees: No redemption fees are charged to redeem Series A, Series F, Series I or Series R Shares, as applicable, of a Portfolio, other than the Short-Term Trading Fee (if applicable). See “*Fees and Expenses*” on page 26.

A redemption fee will be charged by the Manager if Series L Shares of a Portfolio are purchased and subsequently redeemed or switched (other than to Series L Shares of another Portfolio) within the time period specified by the Portfolios’ redemption schedule as described below. In order to minimize redemption fees, Series L Shares are redeemed on a “first in, first out” basis.

The following redemption fees will apply if you redeem or switch (other than to Series L Shares of another Portfolio) your Series L Shares within the following time periods after purchase:

If redeemed or switched during:	Redemption Charge as a Percentage of the original purchase price
Year 1	3.0%
Year 2	2.5%
Year 3	2.0%
Year 4	None (Series L Shares are automatically switched to Series A Shares)

No redemption fee is charged if you are redeeming Series L Shares of a Portfolio acquired through reinvestment of distributions.

If you are redeeming Series L Shares that were switched from another Portfolio, the redemption fee is based on the date and original purchase price of the securities before the switch.

Registered Tax Plan Fees: Registered tax plans may be available through the Manager or a Shareholder’s broker, dealer, or advisor. Shareholders should contact the Manager or their broker, dealer or advisor directly about these services and the related costs. See “*Fees and Expenses*” on page 26.

Annual Returns, Management Expense Ratio and Trading Expense Ratio

The following chart provides the annual returns, the management expense ratio (“MER”) and the trading expense ratio (“TER”) for Series A Shares of each Portfolio for each of the past five years as disclosed in the most recently filed annual management report of fund performance. All values provided below were calculated as at December 31 of the applicable year. All MER values provided below include fees and expenses absorbed by the Manager.

Exemplar Canadian Focus Portfolio	**2017**	**2016**	**2015**	**2014**	**2013**
Annual Return (%)	6.07	(0.52)	6.0	11.3	24.1
MER (%)[(1)]	2.44	2.31	2.74	5.27	7.71
TER (%)	0.09	0.08	0.05	0.14	0.08

Exemplar Diversified Portfolio	**2017**	**2016**	**2015**	**2014**	**2013**
Annual Return (%)	(13.20)	(21.6)	7.3	17.0	8.3
MER (%)[(2)]	2.95	2.88	5.17	4.04	3.05
TER (%)	1.18	1.02	0.88	1.04	0.94

1 Had fees and expenses not been absorbed by the Manager, the MER values would have been 2.44%, 2.31%, 2.74%, 5.27% and 7.81%, respectively, in 2017, 2016, 2015, 2014 and 2013. Such absorption of fees and expenses may be discontinued by the Manager at any time and without notice.

2 Had fees and expenses not been absorbed by the Manager, the MER values would have been 2.95%, 2.88%, 5.17%, 4.12% and 3.50%, respectively in 2017, 2016, 2015, 2014 and 2013. Such absorption of fees and expenses may be discontinued by the Manager at any time and without notice.

GLOSSARY OF TERMS

In this prospectus, the following terms have the meanings set forth below, unless otherwise indicated.

"**Adjusted Net Asset Value**" of any series of Shares of a Portfolio 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.

"**Administrative Services Agreement**" means the administrative services agreement dated as of November 14, 2012, as amended May 18, 2017, between Arrow, the Company and CIBC Mellon Global Securities Services Company, as amended.

"**Arrow**" means Arrow Capital Management Inc.

"**Business Day**" means any day except Saturday, Sunday, a statutory holiday in Toronto, Ontario or any other day on which the Toronto Stock Exchange is not open for trading.

"**Commodity ETFs**" has the meaning attributed to that term under "*Investment Strategies – Exemplar Canadian Focus Portfolio – Investing in Permitted ETFs*".

"**Company**" means Exemplar Portfolios Ltd., a mutual fund corporation incorporated under the laws of the province of Ontario.

"**CRA**" means the Canada Revenue Agency.

"**CRS**" means Common Reporting Standard .

"**Custodial Services Agreement**" means, the custodial services agreement dated June 27, 2014, as amended May 18, 2017, between Arrow, in its capacity as Manager of the Portfolios, and CIBC Mellon Trust Company.

"**Custodian**" means CIBC Mellon Trust Company, in its capacity as the custodian of the assets of the Exemplar Canadian Focus Portfolio and the Exemplar Diversified Portfolio pursuant to the Custodial Services Agreement or, if applicable, the successor custodian(s) of a Portfolio.

"**Extraordinary Resolution**" of a Portfolio means a resolution passed by the affirmative vote of at least 66⅔% of the votes cast, either in person or by proxy, at a meeting of Shareholders of the Portfolio called for the purpose of approving such resolution.

"**FATCA**" means the *Foreign Account Tax Compliance Act*.

"**Galaxy Plus Fund SPC**" means an exempted company registered as a segregated portfolio company incorporated with limited liability in the Cayman Islands on March 23, 2015, which issues the IMFC Feeder Fund Shares and acquires the IMFC Master Fund Shares on behalf of the IMFC Feeder Fund.

"**Gemini**" means Gemini Alternative Funds, LLC.

"**hedge**" (or "**hedged**" or "**hedging**") means to enter into an offsetting transaction intended to reduce the risk of loss of an investment, including loss due to fluctuations in interest rates, currency exchange rates or securities prices.

"**IMFC Feeder Fund**" means Galaxy Plus Fund – IMFC Global Investment Offshore Feeder Fund (513) Segregated Portfolio, a segregated portfolio of the Galaxy Plus Fund SPC.

"**IMFC Feeder Fund Shares**" means any class or series, as applicable, of redeemable non-voting participating shares issued by Galaxy Plus Fund SPC representing interests in IMFC Feeder Fund.

"**IMFC Master Fund**" means Galaxy Plus Fund – IMFC Global Investment Master Fund (513) LLC, a limited liability corporation formed on August 27, 2015 under the Delaware Limited Liability Company Act which issues IMFC Master Fund Shares and acquires the Underlying Assets.

"**IMFC Master Fund Shares**" means any class or series, as applicable, of redeemable non-voting participating shares issued by IMFC Master Fund.

"**Inverse ETFs**" has the meaning attributed to that term under "*Investment Strategies – Exemplar Canadian Focus Portfolio – Investing in Permitted ETFs*".

"**Investment Advisor**" means WaveFront, the investment advisor for the Exemplar Diversified Portfolio or, if applicable, the successor investment advisor for such Portfolio.

"**Investment Advisory Agreement**" means the agreement dated April 24, 2009 between Arrow and WaveFront.

"**IRC**" means the Portfolios' independent review committee established in accordance with the requirements of NI 81-107.

"**Leveraged ETFs**" has the meaning attributed to that term under "*Investment Strategies – Exemplar Canadian Focus Portfolio – Investing in Permitted ETFs*".

"**Long Assets**" of a Portfolio means the total value of the Long Positions held by the Portfolio.

"**Long Position**" means ownership of a security that gives the owner the right to any income paid by the security and the right to any profits and the obligation to take any losses generated as the security's value changes.

"**Management Agreement**" means the amended and restated agreement dated as of May 22, 2015 between the Company and the Manager.

"**Management Expense Ratio**" or "**MER**" is a ratio that measures the cost of operating a Portfolio for a fiscal year. It is based on the total expenses incurred by the Portfolio for the year divided by the average daily Net Asset Value of the Portfolio during the year. The MER of a Portfolio is shown at an annualized rate if the fiscal year of the Portfolio is less than 12 months and is calculated in accordance with NI 81-106.

"**Management Shares**" means voting class of common shares of the Company.

"**Manager**" means Arrow Capital Management Inc., in its capacity as manager of each Portfolio or, if applicable, the successor manager of a Portfolio.

"**Net Asset Value**" in respect of a Portfolio or of a series of Shares of a Portfolio means the net asset value of the Portfolio or the series of Shares of the Portfolio, as the case may be, calculated as set out under "*Price of a Share*".

"**Net Market Exposure**" means (Long Assets minus Short Assets) / Net Assets.

"**NI 81-102**" means National Instrument 81-102 *Investment Funds*.

"**NI 81-104**" means National Instrument 81-104 *Commodity Pools*.

"**NI 81-105**" means National Instrument 81-105 *Mutual Fund Sales Practices*.

"**NI 81-106**" means National Instrument 81-106 *Investment Fund Continuous Disclosure*.

"**NI 81-107**" means National Instrument 81-107 *Independent Review Committee for Investment Funds*.

“**Ordinary Resolution**” of a Portfolio means a resolution passed by the affirmative vote of at least 50% of the votes cast, either in person or by proxy, at a meeting of Shareholders of the Portfolio called for the purpose of approving such resolution.

“**Performance Bonus**” has the meaning attributed to that term under “*Fees and Expenses – Fees and Expenses Payable by the Portfolios – Performance Bonus*”.

“**Permitted ETFs**” has the meaning attributed to that term under “*Investment Strategies – Exemplar Canadian Focus Portfolio – Investing in Permitted ETFs*”.

“**Platform**” has the meaning attributed to that term under “*Overview of the Investment Structure – Exemplar Diversified Portfolio – Gemini*”.

“**Portfolio**” and “**Portfolios**” means each of Exemplar Canadian Focus Portfolio and Exemplar Diversified Portfolio, individually or together.

“**Securities Regulators**” means the securities commissions or other securities regulators of all provinces and territories of Canada.

“**Shareholder**” means a holder of a series of Shares, and “**Shareholders**” means all such holders collectively.

“**Shares**” means redeemable mutual fund shares of the Company.

“**Short Assets**” of a Portfolio means the total value of all the Short Positions held by the Portfolio.

“**Short Position**” means a sale of a security, which the seller does not own, or which is consummated by the delivery of a security borrowed by or for the account of the seller.

“**SPC Management Shares**” has the meaning attributed to that term under “*Overview of the Investment Structure – Exemplar Diversified Portfolio – Galaxy Plus Fund SPC*”.

“**Tax Act**” means the *Income Tax Act* (Canada), including the regulations promulgated thereunder, as amended from time to time.

“**Underlying Assets**” has the meaning ascribed thereto under “*Investment Objectives – Exemplar Diversified Portfolio*”.

“**Valuation Date**” means each Business Day.

“**WaveFront**” means WaveFront Global Asset Management Corp. (formerly known as Integrated Managed Futures Corp.)

FORWARD LOOKING STATEMENTS

Certain statements included in this prospectus constitute forward looking statements, including those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend” and similar expressions to the extent they relate to a Portfolio or the Manager. The forward looking statements are not historical facts but reflect a Portfolio’s or the Manager’s current expectations regarding future results or events. These forward looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed under “*Risk Factors*” and in other sections of this prospectus.

By their nature, forward-looking statements require the Portfolios or the Manager to make assumptions about future events which include, among other things, that the Portfolios will continue to have sufficient assets under management to effect its investment strategy, the investment strategy will produce the results intended by the

Portfolios, the markets will react and perform in a manner consistent with the investment strategies. The Manager believes the expectations reflected in forward-looking statements are reasonable. However, none of the Portfolios nor the Manager can assure that these expectations will prove to be correct. An investor should not unduly rely on forward-looking statements included in, or incorporated by reference into, this prospectus. These forward-looking statements speak only as of the date of this prospectus or as of the date specified in the documents incorporated by reference into this prospectus, as the case may be.

The actual results of the Portfolios could differ materially from those anticipated in these forward-looking statements as a result of the factors set out below under "Risk Factors", as well as those set out elsewhere in this prospectus.

The factors described in the foregoing paragraphs do not constitute an exhaustive list and when considering forward-looking statements in making decisions with respect to investing in the Portfolios, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, the Portfolios and the Manager do not undertake, and specifically disclaim, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

OVERVIEW OF THE LEGAL STRUCTURE OF THE PORTFOLIOS

Exemplar Portfolios Ltd. (the "Company") is a mutual fund corporation incorporated under the *Business Corporations Act* (Ontario). The Company was incorporated on March 18, 2008. The manager and investment advisor of each Portfolio is Arrow Capital Management Inc. (the "Manager"). Prior to April 1, 2014, the manager and investment advisor of each Portfolio was BluMont Capital Corporation. On December 2, 2013, Arrow acquired all the outstanding shares of BluMont Capital Corporation, resulting in a change of control of BluMont Capital Corporation. Arrow amalgamated with BluMont Capital Corporation April 1, 2014 continuing under the name "Arrow Capital Management Inc.". At a special meeting of shareholders on November 27, 2013, the shareholders of the Portfolios approved the change of manager. The portfolio sub-advisor of the Exemplar Diversified Portfolio is WaveFront. The authorized capital of the Company consists of 1,000 classes of non-voting, redeemable mutual fund shares (the "Shares"), issuable in series, in addition to a class of voting common shares held in trust by certain employees of Arrow for the benefit of the non-voting Shareholders.

The head office of the Company and the Manager is located at 36 Toronto Street, Suite 750, Toronto, Ontario M5C 2C5.

This prospectus qualifies the issuance of Shares of two classes of the Company: the Exemplar Canadian Focus Portfolio class of Shares and the Exemplar Diversified Portfolio class of Shares. Each such class of Shares is referred to as a "Portfolio" and together as the "Portfolios" in this prospectus.

This prospectus qualifies the issuance of the following series of Shares of the Portfolios: Series A Shares, Series F Shares, Series L Shares and Series I Shares of each Portfolio and Series R Shares of the Exemplar Diversified Portfolio.

Although the Company is a mutual fund under Canadian securities legislation and each Portfolio is considered to be a separate mutual fund under such legislation, certain provisions of such legislation and the policies of the Canadian Securities Administrators applicable to conventional mutual funds and designed to protect investors who purchase securities of mutual funds, do not apply. Accordingly, each Portfolio may have expanded derivative use compared to a conventional mutual fund and a performance fee calculation used that is not permitted in a conventional mutual fund.

INVESTMENT OBJECTIVES

Exemplar Canadian Focus Portfolio

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.

Exemplar Diversified Portfolio

The investment objective of the Exemplar Diversified 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 "**Underlying Assets**").

INVESTMENT STRATEGIES

Exemplar Canadian Focus Portfolio

The Portfolio will invest predominantly in large- and mid-capitalization Canadian companies. The Portfolio may also invest in bonds and other debt instruments if warranted by financial conditions. The Portfolio will 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 may also invest in foreign securities. It is currently expected that investments in foreign securities will generally be no more than 49% of the Portfolio's assets.

The Portfolio will engage in short selling of securities which the portfolio 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 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 portfolio manager'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.

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.

Covered Call Option Writing

The Portfolio may sell call options against an existing security to generate additional income and/or to provide downside protection.

Managing Long/Short Positions

The portfolio manager will manage the relative weightings of the long and short positions held by the Portfolio in order to achieve its investment objective. The Portfolio's Net Market Exposure will depend on, among other things, the portfolio manager's view of domestic and international economic and market trends. The Portfolio will be limited to short selling up to 40% of its net assets.

Pairs Trading

The portfolio manager may also take a Short Position in securities of a particular issuer while taking a Long Position in securities of another issuer in an attempt to take advantage of relative valuation differences between the two issuers. The portfolio manager may make such a "pairs trade" when it believes that the fundamentals of the issuer in which the Portfolio holds a Long Position will become increasingly attractive as compared to those of the issuer in which the Portfolio holds a Short Position.

Investment in Other Mutual Funds

From time to time the Portfolio may invest in other mutual funds and may purchase securities of, or enter into specified derivative transactions for which the underlying interest is based on the securities of other mutual funds. Such investments may be entered into in conjunction with other strategies and investments in a manner considered most appropriate to achieving the Portfolio's investment objectives stated above and enhancing returns as permitted by securities regulations, including as described under "*Investment Strategies – Exemplar Canadian Focus Portfolio – Investing in Permitted ETFs*" below. No percentage of net assets is dedicated to such investments. Accordingly, all the assets of the Portfolio may be invested in other mutual funds in accordance with securities legislation including NI 81-102 and the relief obtained by the Portfolio described under "*Investment Strategies – Exemplar Canadian Focus Portfolio – Investing in Permitted ETFs*" below.

Short Selling

The portfolio manager will engage in short selling of securities which the portfolio manager believes are overvalued, especially securities of issuers with deteriorating fundamentals and weak balance sheets. Short selling positions will not in total exceed 40% of the Net Asset Value of the Portfolio. To do this, the Portfolio will borrow the securities it is selling short, and will be under an obligation to return the borrowed securities to the lender at a future date. The

Portfolio will also be required to pay the lender any dividends declared on the borrowed securities, together with any securities borrowing fees. To return the borrowed securities, the Portfolio will purchase these same securities at a later date, with the result that the Portfolio will generally make a gain on the short sale if the price of the securities has declined by such later date. See "*Investment Restrictions - Short Selling Restrictions*" on page 24.

Investing in Permitted ETFs

The Portfolio has obtained permission from the regulators to invest in exchange traded funds listed on a Canadian or United States stock exchange that seek to replicate the daily performance of either (a) a widely-quoted market index (i) in an inverse multiple of 100% (an "Inverse ETF"), or (ii) by a multiple of up to 200% or an inverse multiple of up to 200% (a "Leveraged ETF"); or (b) gold or silver on an unlevered basis or by a multiple of up to 200% (a "Commodity ETF" and, together with Inverse ETFs and Leveraged ETFs, the "Permitted ETFs"). In each case: (a) the investment will be made by the Portfolio in accordance with its investment objective; (b) the aggregate investment by the Portfolio in Permitted ETFs will not exceed 10% of the Portfolio's net asset value, taken at market value at the time of purchase; and (c) the Portfolio will not purchase securities of a Permitted ETF or short sell securities of any issuer if, immediately after such purchase or short sale, more than 40% of the net assets of the Portfolio, taken at market value at the time of the transaction, would consist of, in aggregate, securities of Permitted ETFs and all securities sold short by the Portfolio.

Use of Derivatives

The Portfolio may, if market conditions are appropriate, use derivatives for both hedging and non-hedging purposes in order to generate an investment return. Unlike a conventional mutual fund, where the maximum mark-to-market exposure to any one counterparty under its derivatives positions is limited to 10% of the net assets of the fund, the Portfolio is permitted to use a single counterparty for all of its derivatives transactions but would limit its exposure to any one counterparty under its derivative positions to 50%.

The Portfolio may also acquire debt-like securities with an options component or options having a longer term to maturity than permitted to be used by conventional mutual funds and short synthetic indices without complying with the requirements of NI 81-102.

For hedging purposes, the Portfolio may write covered call options and cash covered put options and purchase call options and put options with the effect of closing out existing call options and put options written by the Portfolio. The Portfolio may also purchase put options in order to protect the Portfolio from declines in the market prices of the individual securities held by the Portfolio or in the value of the Portfolio as a whole. The Portfolio may enter into trades to close out positions in such permitted derivatives. The Portfolio may also use derivatives to hedge its foreign currency exposure. Such permitted derivatives may include exchange-traded options, futures contracts, options on futures, over-the-counter options and forward contracts.

The Portfolio may also purchase or sell a synthetic index when the Manager believes doing so will result in a higher return than a security tracking a real index. A synthetic index is the purchase of futures contracts, swaps and/or options such that the exposure and potential payout resembles that of an index. It can also be used when an index may be illiquid, inaccessible or have a large number of securities to physically track.

It is expected that such derivatives, unless exchange traded, will generally be entered into by the Portfolio using the standard form documentation of the International Swap and Derivatives Association, Inc.

The Portfolio may purchase a debt-like security that has an options component or an option and, unlike a conventional mutual fund, more than 10% of the net assets of the Portfolio, taken at market value at the time to purchase, can consist of those types of instruments if held for purposes other than hedging.

The Portfolio may not purchase an option that is not a clearing corporation option or a debt-like security or enter into a swap or a forward contract unless at the time of the transaction, the option, debt-like security, swap, contract or equivalent debt of the counterparty, or of a person or company that has fully and unconditionally guaranteed the obligations of the counterparty in respect of the option, debt-like security, swap or contract, has an approved credit rating.

If the credit rating of an option that is not a clearing corporation option, the credit rating of a debt-like security, swap or forward contract, or the credit rating of the equivalent debt of the writer or guarantor of the option, debt-like security, swap or contract, falls below the level of approved credit rating while the option, debt-like security, swap or contract is held by the Portfolio, the Portfolio must take the steps that are reasonably required to close out its position in the option, debt-like security, swap or contract in an orderly and timely fashion.

Notwithstanding any restrictions described herein, the Portfolio may enter into a trade to close out all or part of a position in a specified derivative, in which case the cash cover held to cover the underlying market exposure of the part of the position that is closed out may be released. The mark-to-market value of specified derivatives positions of the Portfolio with any one counterparty is, if the Portfolio has an agreement with the counterparty that provides for netting or the right of set-off, the net mark-to-market value of the specified derivatives positions of the Portfolio; and in all other cases, the aggregated mark-to-market value of the specified derivative positions of the Portfolio.

There can be no assurance that the use of derivatives by the Portfolio will be successful and it could restrict the ability of the Portfolio to increase in value. The use of derivatives involves numerous risks including that there is no guarantee that the Portfolio will be able to close out a derivative contract when it needs to, which could prevent it from making a profit or limiting a loss; a securities exchange could impose limits on the trading of derivatives and there can be no assurance that there will be a liquid over-the-counter market for the derivative held by the Portfolio; and the value of derivative instruments can be highly volatile. Consequently, the Net Asset Value of the Portfolio may be subject to a greater degree of volatility than it would if derivatives were not used. See "*Risk Factors*" starting on page 31.

In order to manage the risks associated with the use of specified derivatives, the portfolio manager responsible for investing the assets of the Portfolio reviews the Portfolio daily to ensure compliance with the Portfolio's investment objectives, strategies and restrictions in the first instance. In addition, the Designated Compliance Officer of the Manager receives a daily report for the Portfolio, which is used to monitor compliance with these matters.

Securities Lending, Repurchase and Reverse Repurchase Transactions

The Portfolio may engage in securities lending transactions. In a securities lending transaction, the Portfolio lends portfolio securities that it owns to a third party borrower. The borrower promises to return to the Portfolio at a later date an equal number of the same securities and to pay a fee to the Portfolio for borrowing the securities.

Over time, the value of the securities loaned in a securities lending transaction might exceed the value of the collateral held by the Portfolio. If the third party defaults on its obligation to return the securities to the Portfolio, the collateral may be insufficient to enable the Portfolio to purchase replacement securities and the Portfolio may suffer a loss for the difference.

Those risks are reduced by requiring the other party to provide collateral to the Portfolio. The value of the collateral must be at least 102% of the market value of the securities loaned. Securities lending transactions, together with repurchase transactions are limited to 50% of a Portfolio's assets, excluding collateral or sales proceeds received in a securities lending transaction and cash held by the Portfolio for securities sold in a repurchase transaction.

In engaging in securities lending, a Portfolio will bear the risk of loss of any collateral it invests, as well as the risk of loss should a borrower default on its obligations to return the borrowed securities and the collateral is insufficient to reconstitute the portfolio of loaned securities.

If securities are on loan on the record date established for a particular voting matter the lender is generally not entitled to exercise the voting right of such loaned securities. See "*Risk Factors - Securities Lending, Repurchase and Reverse Repurchase Risk*" on page 35.

Leverage

The Portfolio, unlike mutual funds that are not subject to NI 81-104, is permitted by NI 81-104 to leverage its assets. Leveraging allows the aggregate underlying market exposure of all derivatives held by the Portfolio calculated on a daily mark-to-market basis to exceed the Portfolio's cash and cash equivalents, including cash held as margin on deposit to support the Portfolio's derivatives trading activities.

The Portfolio will measure leverage in terms of the total underlying notional value of the financial derivative positions and securities as a ratio of the net assets held by the Portfolio.

The Portfolio will generally not use leverage in excess of 20% of its Net Asset Value. If the Portfolio's leverage is in excess of 20% of its Net Asset Value, it shall generally reduce its leverage to 20% of its Net Asset Value within 10 business days.

The financial statements of the Portfolio will include a further discussion of the minimum and maximum leverage ranges for the Portfolio.

The Portfolio's turnover rate may be higher than 70%. On a yearly basis, this would result in a higher proportion of realized (rather than unrealized) capital gains and/or losses on the securities in the Portfolio and higher brokerage fees than might be found in other mutual funds.

The investment strategies of the Portfolio may change, from time to time, without notice to, or consent of, Shareholders.

General Investment Restrictions

The Portfolio's assets will be invested in accordance with its investment objectives and strategies in compliance with the standard investment restrictions and practices described in NI 81-102 except (i) to the extent deviations from those investment restrictions and practices are permitted in accordance with NI 81-104, and (ii) that it will engage, in particular, in short selling and pledging of assets for purposes other than as permitted by NI 81-102, as described in this prospectus, in accordance with relief obtained from the Securities Regulators. See "*Investment Restrictions – Short Selling Restrictions*" on page 24 and "*Investment Strategies – Exemplar Canadian Focus Portfolio – Investing in Permitted ETFs*" on page 16. The Portfolio's activities are subject to the additional investment restrictions set out under "*Investment Restrictions*" below, which investment restrictions may be changed only with the approval of a majority of the Shareholders of the Portfolio by Ordinary Resolution.

Who Should Invest in this Portfolio?

This Portfolio is suitable for investors who are long term investors, who wish to add the appreciation potential of Canadian companies to their portfolio with the flexibility to protect capital through short-selling, cash management and derivative strategies. To invest in this Portfolio, investors should be able to accept a medium degree of risk. For more information about the risk rating and specific risks that can affect this Portfolio's returns, see "*Risk Factors*" starting on page 31 and "*Risk Factors – Investment Risk Classification Methodology*" on page 41.

Exemplar Diversified Portfolio

The central investment tenet of the Investment Advisor is that markets exhibit serial correlation or price trends and other persistent anomalies that cannot be explained by random behaviour or the assumption of fully informed and rational market participants. Price trends, or serial correlation in market prices, are caused by changes in risk premiums or the amount of return investors demand to compensate the risks they are taking. Risk premiums vary significantly over time in response to deeply rooted supply and demand trends for physical commodities, new market information, and changing economic environments. When risk premiums decrease or increase, underlying assets are re-priced. And since investors typically have different expectations, large shifts in markets can take several months or even years as expectations are gradually adjusted. Risk premiums include the cost of capital, equity risk premiums, yield differentials between currencies and the convenience yield associated with holding or not holding physical commodities.

The core investment strategy of 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. The Investment

Advisor utilizes a fixed risk budget that targets long-term average annualized downside deviation of less than 13%. 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. This risk budgeting strategy results in a 99% 1-month Portfolio Value-at-Risk (VaR) using Extreme Value Theory (EVT) of 10%. 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 Underlying Assets may include 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 Investment Advisor believes that the success of its investment strategy is primarily contingent upon the implementation of a robust and well defined risk management model. The Investment Advisor utilizes a multi-faceted risk management program based on low levels of risk exposure and broad diversification that includes, but is not limited to, the following measures:

Margin-to-Equity Targets

In an attempt to minimize exposure to the risk of adverse price movements, a level of trading activity is targeted that results in initial margin requirements (margin-to-equity) that are generally between 5% and 17%. Depending on market volatility and liquidity, these margin-to-equity ranges can be higher or lower but will be capped at 30%.

Risk Exposure Limits

The Investment Advisor utilizes a fixed risk budget that targets long-term average annualized portfolio volatility of less than 16%, long-term average downside deviation of less than 13% and a 99% 1-month Underlying Assets Value-at-Risk (VaR) using Extreme Value Theory (EVT) of 10%. Short-term volatility can however deviate substantially from targeted long-term average volatility. Furthermore, there may be circumstances where it is impossible to limit risk as described above. Such a circumstance may be a market that is locked limit up or down, or the occurrence of severe slippage on order execution due to extreme market volatility.

Diversification

Diversification is applied to minimize the overall portfolio risk from any given market or trading model. The Investment Advisor uses multiple non-correlated signal generators and trades a diversified portfolio of futures contracts that involves most major commodity groups (i.e., agriculture, currencies, energy, interest rates, equities, livestock, metals and soft commodities). The selection process seeks to avoid undue concentration in any particular futures group and to achieve a balance across several groups. However, on occasion there may be a heavier concentration of a given commodity or commodity group, or no weighting of a given commodity or commodity group, which could result in a greater return or risk to the Underlying Assets.

Risk Balancing

Risk balancing involves trading a number of contracts such that the expected dollar risk for trading any particular commodity is roughly the same as that of other commodities in the Underlying Assets. The Investment Advisor utilizes a multi-faceted look back array of past market volatilities in order to quantify a one week forecast of the maximum expected dollar risk for trading each particular commodity. These forecasts are then used in conjunction with allowable risk budgets in order to calibrate position size for each market.

Position Management

The Investment Advisor utilizes proprietary quantitative algorithms to identify potential periods of underperformance in any particular commodity for the Investment Advisor's strategies. In these situations, position sizes may be systematically reduced or eliminated until the same algorithms portend an end to the potential period of underperformance.

Investing in Permitted ETFs

The Underlying Assets may include Permitted ETFs. See "*Investment Strategies – Exemplar Canadian Focus Portfolio – Investing in Permitted ETFs*" on page 16 for a detailed discussion on investing in Permitted ETFs.

Use of Derivatives

The Underlying Assets will include derivatives. See "*Investment Strategies – Exemplar Canadian Focus Portfolio – Use of Derivatives*" on page 16 for a detailed discussion on the use of derivatives.

Securities Lending, Repurchase and Reverse Repurchase Transactions

The Underlying Assets may include entering into securities lending, repurchase or reverse repurchase transactions. While no such transactions are currently contemplated, they may be entered into in conjunction with other strategies and investments in a manner considered most appropriate to achieving the Portfolio's investment objectives stated above and enhancing returns as permitted by securities regulations. See "*Risk Factors - Securities Lending, Repurchase and Reverse Repurchase Risk*" on page 35.

Leverage

The Portfolio, unlike mutual funds that are not subject to NI 81-104, is permitted by NI 81-104 to leverage its assets. Leveraging allows the aggregate underlying market exposure of all derivatives held by the Portfolio calculated on a daily mark-to-market basis to exceed the Portfolio's cash and cash equivalents, including cash held as margin on deposit to support the Portfolio's derivatives trading activities.

The Portfolio will measure leverage in terms of the total underlying notional value of the financial derivative positions and securities as a ratio of the net assets held by the Portfolio.

The low margin deposits normally required in futures trading permit an extremely high degree of leverage. Typically, the margin requirements for futures trading are between 2% and 20% of the market value of the underlying interest of the futures contract being traded. At the time of the purchase, a percentage of the price of a derivative is deposited as margin. A decrease of more than the percentage deposited would result in a decrease in market value of more than the total margin deposit. Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial decrease in market value for the investor. To continue trading on margin, the Exemplar Diversified Portfolio may be required to deposit further margin drawn from its cash.

Margin deposits are lowest and hence leverage is highest in the least volatile markets. Maximum leverage would be available in investment grade government securities (i.e. bonds and interest rates) and Euro dollars, but these futures positions are hedged by a put or call option, as applicable, in the event that the Portfolio holds a substantial position. A substantial position in futures on government securities and Euro dollars is one which would cause a loss greater than 10% for the Portfolio given on an adverse price movement equal to the 99% 1 day cVaR of each of the positions in futures on government securities or Euro dollars. As such, when hedges are in place the risk is hedged by the strike price of the options. The rest of the markets in which the Portfolio trades do not have the same option coverage and on this basis the notional leverage of the Portfolio, excluding futures on government securities and Euro dollars, is generally between 0% and 300% and can never go above 500%. The notional leverage of the Portfolio, including futures on government securities and Euro dollars is typically around 300% but from time to time may be as high as 1000%. Notional leverage, as defined in NI 81-102, does not reflect the impact of put or call options which hedge futures positions as noted above. No form of cash leverage is permitted and, in the case of government securities and Euro dollars, futures positions are restricted to those that are based on investment grade government securities and Euro dollars.

The Exemplar Diversified Portfolio would be diversified across more than 60 different markets when fully invested, with varying margin requirements. As such the impact of one futures position on the Portfolio would have limited impact on total cash reserves. Cash reserves are typically 80-90% of the Exemplar Diversified Portfolio and at no time can go below 70% of portfolio assets. This is due to the diverse margin requirements across different markets and risk controls as outlined above in *"Margin-to-Equity Targets"*.

The financial statements of the Portfolio will include a further discussion of the leverage for the Portfolio.

The investment strategies of the Portfolio may change, from time to time, without notice to, or consent of, Shareholders, including to address circumstances that may arise whereby certain types of transactions in the Portfolio are characterized as income rather than capital in nature for tax purposes. See "*Risk Factors – All Portfolios – Tax Matters*" on page 37.

Investment Structure

The Exemplar Diversified Portfolio has obtained relief (See "*Exemptions and Approvals – Investment Structure Relief*" on page 64) giving the Portfolio the option to gain exposure to Underlying Assets by investing directly in the Underlying Assets and/or by gaining indirect exposure to the Underlying Assets via a three-tier investment structure. Under both options, the selection and management of the Underlying Assets will be managed by the Investment Advisor, currently WaveFront. See "*Overview of Investment Structure – Exemplar Diversified Portfolio*" on page 22.

General Investment Restrictions

The Portfolio's assets will be invested in accordance with its investment objectives and strategies in compliance with the standard investment restrictions and practices described in NI 81-102 except (i) to the extent deviations from those investment restrictions and practices are permitted in accordance with NI 81-104, and (ii) any short selling and pledging of assets for purposes other than as permitted by NI 81-102, as described in this prospectus, will be conducted in accordance with relief obtained from the Securities Regulators. See "*Investment Restrictions – Short Selling Restrictions*" on page 24 The Portfolio's activities are subject to the additional investment restrictions set out under "*Investment Restrictions*" below, which investment restrictions may be changed only with the approval of a majority of the Shareholders of the Portfolio by Ordinary Resolution.

Who Should Invest in this Portfolio?

This Portfolio is suitable for investors who are long term investors, who wish to add diversification through managed futures to their portfolio. To invest in this Portfolio, investors should be able to accept a medium degree of risk. For more information about the risk rating and specific risks that can affect this Portfolio's returns, see "*Risk Factors*" starting on page 31 and "*Risk Factors – Investment Risk Classification Methodology*" on page 41.

OVERVIEW OF THE INVESTMENT STRUCTURE

Exemplar Canadian Focus Portfolio

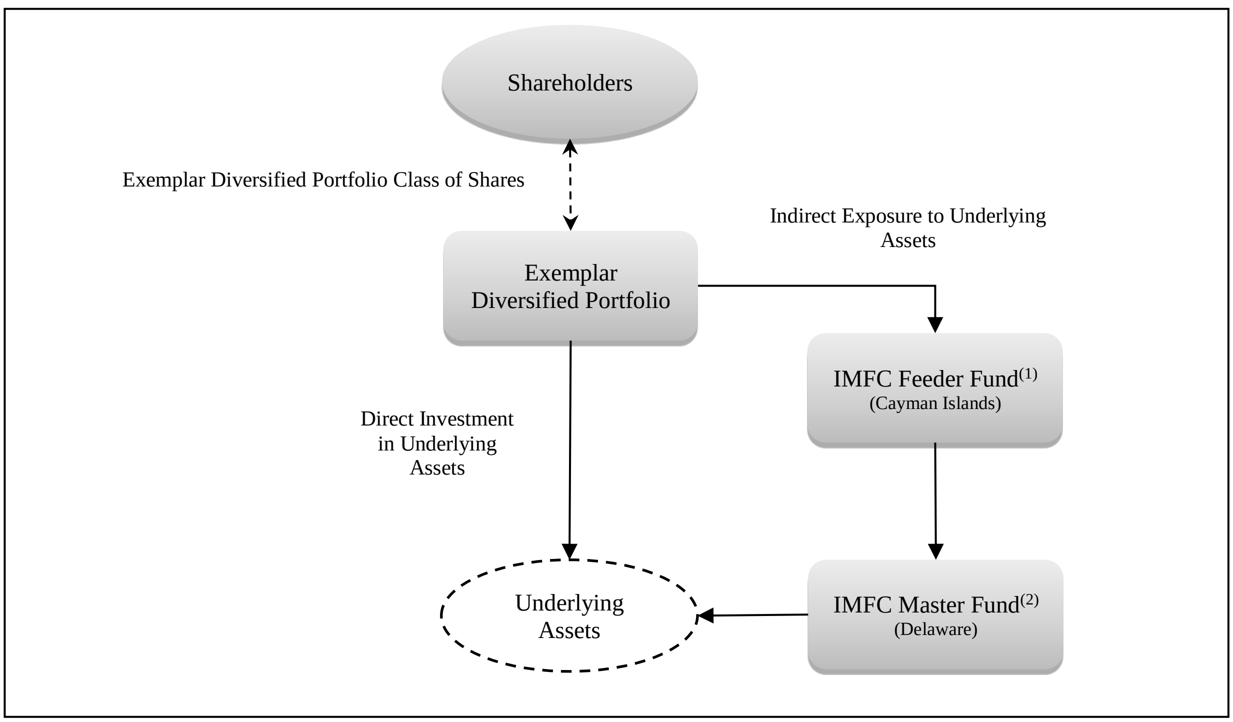
The Exemplar Canadian Focus Portfolio employs a simple investment structure whereby it gains exposure to investments by directly investing in the securities and instruments.

Exemplar Diversified Portfolio

As stated above, the investment objective of the Exemplar Diversified 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 the Underlying Assets, which consists of 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 Exemplar Diversified Portfolio has obtained relief (See "*Exemptions and Approvals – Investment Structure Relief*" on page 64) giving the Portfolio the option to gain exposure to Underlying Assets by investing directly in the Underlying Assets (as it historically has) and/or by gaining indirect exposure to the Underlying Assets via a three-tier investment structure. Under both options, the selection and management of the Underlying Assets will be managed by the Investment Advisor, currently WaveFront.

The investment structure of the Exemplar Diversified Portfolio and the exposure of the Exemplar Diversified Portfolio to IMFC Feeder Fund, IMFC Master Fund and the Underlying Assets are illustrated below. This diagram is provided for illustration purposes only and is qualified by the information set forth elsewhere in this prospectus.



Notes:

(1) "IMFC Feeder Fund" is Galaxy Plus Fund – IMFC Global Investment Offshore Feeder Fund (513) Segregated Portfolio, a segregated portfolio of Galaxy Plus Fund SPC, which is a segregated portfolio company incorporated with limited liability in the Cayman Islands on March 23, 2015, which issues the IMFC Feeder Fund Shares and acquires the IMFC Master Fund Shares on behalf of the IMFC Feeder Fund.

(2) "IMFC Master Fund" is Galaxy Plus Fund – IMFC Global Investment Master Fund (513) LLC, a limited liability corporation formed on August 27, 2015 under the Delaware Limited Liability Company Act which issues IMFC Master Fund Shares and acquires the Underlying Assets.

To pursue its investment objective, the Investment Advisor has the option to invest directly in the Underlying Assets or it may obtain exposure to the Underlying Assets through a three-tier structure by investing in IMFC Feeder Fund Shares issued by Galaxy Plus Fund SPC representing interests in IMFC Feeder Fund. Then, Galaxy Plus Fund SPC, on behalf of IMFC Feeder Fund, will acquire and maintain IMFC Master Fund Shares issued by IMFC Master Fund. Lastly, IMFC Master Fund will acquire and maintain the applicable portion on the Underlying Assets. WaveFront is the Investment Advisor for both the Exemplar Diversified Portfolio and the IMFC Master Fund and will manage the Underlying Assets with the same investment strategy whether invested directly or indirectly. Therefore, reference to Underlying Assets is the same for both the Exemplar Diversified Portfolio and the IMFC Master Fund, and the returns of the shareholders of the Exemplar Diversified Portfolio is based on the performance of the Underlying Assets.

Gemini

Gemini Alternative Funds, LLC ("Gemini") is the sponsor and commodity pool operator for Galaxy Plus Fund SPC, the IMFC Feeder Fund and the IMFC Master Fund (together the "Platform"). Gemini was formed on August 18, 2013, and its principal office is located at 209 West Jackson Boulevard, Suite 804, Chicago, Illinois 60606. Gemini is registered with the U.S. Commodity Futures Trading Commission as a commodity pool operator and as a commodity trading advisor and is a member of the U.S. National Futures Association in such capacities. Gemini acts only in an administrative, not an advisory, capacity with respect to the Platform.

As sponsor of the Platform, Gemini and its affiliates and their respective owners, principals, directors, managers, officers or employees will not be liable to the IMFC Feeder Fund, the IMFC Master Fund or Exemplar Diversified Portfolio except for any loss, claim, damages, liabilities, costs or expenses resulting from conduct that constitutes negligence or willful misconduct in the discharge of its contemplated or agreed-upon duties or a breach of a material term of the sponsor agreement governing the Platform or any fiduciary obligation to the IMFC Feeder Fund, the IMFC Master Fund or Exemplar Diversified Portfolio, and was not done in good faith and in a manner Gemini reasonably believed to be in, or not opposed to, the best interests of the IMFC Feeder Fund, the IMFC Master Fund or Exemplar Diversified Portfolio; provided, that Gemini and its related parties shall not be liable to the IMFC Feeder Fund, the IMFC Master Fund or Exemplar Diversified Portfolio or otherwise for its honest mistakes in judgment or for the negligence or willful misconduct of the Manager or the Investment Manager or other agent of the IMFC Feeder Fund, the IMFC Master Fund or Exemplar Diversified Portfolio or their principals, employees or agents.

The IMFC Feeder Fund and the IMFC Master Fund have indemnified Gemini and its related parties from and against any loss, claim, damages, liability (joint and several), costs and expenses (including any investigatory, legal and other expenses) resulting from a demand, claim, lawsuit, action or proceeding that relates to: (i) Gemini's actions or capacities relating to the business or activities of the IMFC Feeder Fund and the IMFC Master Fund; (ii) any activities of the IMFC Feeder Fund and the IMFC Master Fund; or (iii) any fund-related activity of any of the Manager or the Investment Advisor, the clearing broker(s) or any counterparty.

Galaxy Plus Fund SPC

Galaxy Plus Fund SPC is an exempted company registered as a segregated portfolio company incorporated with limited liability in the Cayman Islands on March 23, 2015. The registered office of Galaxy Plus Fund SPC is c/o Mourant Ozannes Corporate Services (Cayman) Limited at 94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman KY1-1108, Cayman Islands. Galaxy Plus Fund SPC's fiscal year ends on December 31 of each year.

Galaxy Plus Fund SPC is comprised of various segregated portfolios, including IMFC Feeder Fund which is a segregated portfolio under the name of "Galaxy Plus Fund – IMFC Global Investment Offshore Feeder Fund (513) Segregated Portfolio". Since Galaxy Plus Fund SPC constitutes a single legal entity, individual segregated portfolios including IMFC Feeder Fund do not constitute legal entities separate from Galaxy Plus Fund SPC. With respect to the IMFC Feeder Fund making investments, entering into agreements or otherwise taking action, such actions are carried out by Galaxy Plus Fund SPC acting for and on behalf of the IMFC Feeder Fund. Galaxy Plus Fund SPC will, on behalf of the IMFC Feeder Fund, acquire and maintain IMFC Master Fund Shares issued by IMFC Master Fund. IMFC Master Fund will acquire and maintain the Underlying Assets.

The authorized capital of Galaxy Plus Fund SPC consists of US$50,000 divided into 100 voting, non-participating shares of US$1.00 par value each (the "SPC Management Shares") and 4,990,000 IMFC Feeder Fund Shares of US$0.01 par value each. All of the issued and outstanding SPC Management Shares are owned by Gemini. Holders of the SPC Management Shares are not entitled to the payment of any dividends or to any amount (other than the par value of the SPC Management Shares) in respect of their SPC Management Shares. Holders of SPC Management Shares are entitled to one vote per SPC Management Share on all matters voted on by shareholders. Holders of IMFC Feeder Fund Shares (e.g. Exemplar Diversified Portfolio) have no voting rights but do have rights of redemption, rights to receive dividends and other rights to repayment of capital on winding up, all as set out in the articles of Galaxy Plus Fund SPC.

INVESTMENT RESTRICTIONS

Each of the Portfolios is subject to the investment restrictions listed below. For these purposes, all percentage limitations apply only immediately after a transaction, and any subsequent change in any applicable percentage resulting from changing values will not require disposition of any security from a Portfolio.

Sole Undertaking

A Portfolio will not engage in any undertaking other than the investment of the Portfolio's assets in accordance with its investment objective and investment strategies.

Mutual Fund Corporation Qualification

A Portfolio will manage its assets so as to ensure that the Company qualifies at all times as a mutual fund corporation within the meaning of the Tax Act or is deemed to so qualify and will not take any action that would cause the Company to cease to be a mutual fund corporation within the meaning of the Tax Act.

Short Selling Restrictions

The Portfolios have received regulatory relief in order to engage in short selling, though the Exemplar Diversified Portfolio does not currently intend to do so. Short selling will be undertaken by the Portfolios pursuant to written policies and procedures that set out the objectives and goals for short selling and the risk management procedures applicable to short selling. The compliance officer for Arrow is responsible for the setting of these policies and procedures and the Company's board of directors will approve them. These policies and procedures will be reviewed annually or as required by such compliance officer and all changes must be approved by the Company's board of directors. The portfolio managers of Arrow or the Investment Advisor, as the case may be, will be responsible for authorizing all short selling and for placing limits or other controls on such trades for the Portfolios. The manager of securities operations for Arrow or the Investment Advisor, as the case may be, independently will monitor each Portfolio on a daily basis to ensure that the short selling is performed in accordance with the established investment restrictions and policies and procedures. At this time, the Portfolios do not use risk measurement procedures or simulations to test for liquidity under stress conditions.

The Portfolios will engage in short selling only within the following controls and limitations:

(a) the aggregate market value of all securities sold short by a Portfolio does not exceed 40% of the net assets of that Portfolio on a daily marked-to-market basis, except as otherwise permitted by NI 81-104;

(b) at the time securities of a particular issuer are sold short, the aggregate market value of all short positions of a Portfolio in that issuer, whether direct short positions or indirect short positions through specified derivatives, will not exceed 10% of the net assets of that Portfolio;

(c) despite condition (b), the Portfolios shall not include in the determination referred to in condition (b) a security or an instrument that is a component of, but that represents less than 10% of,

(i) a stock or bond index that is the underlying interest of a specified derivative; or

(ii) the securities held by the issuer of an index participation unit;

(d) each Portfolio holds "cash cover" (as defined in NI 81-102) in an amount, including the Portfolio's assets deposited with either its custodian or a dealer (in either case, a "Borrowing Agent") as security in connection with short sale transactions, that is at least 150% of the aggregate market value of all equity securities sold short by the Portfolio on a daily marked-to-market basis;

(e) no proceeds from short sales of securities by a Portfolio will be used by that Portfolio to purchase long positions in securities other than cash cover;

(f) each Portfolio maintains appropriate internal controls regarding its short sales, including written policies and procedures, risk management controls and proper books and records;

(g) any short sale made by a Portfolio will be subject to compliance with its investment objective;

(h) for short sale transactions in Canada, every dealer that holds assets of a Portfolio as security in connection with short sale transactions by the Portfolio will be a registered dealer in Canada and a member of a self-regulatory organization that is a participating member of the Canadian Investment Protection Fund;

(i) for short sale transactions outside of Canada, every dealer that holds assets of a Portfolio as security in connection with short sale transactions by the Portfolio will:

(i) be a member of a stock exchange that requires the dealer to be subject to regulatory audit; and

(ii) have a net worth in excess of the equivalent of Cdn. $50 million determined from its most recent audited financial statements that have been made public;

(j) except where the Borrowing Agent is the custodian or a sub-custodian of a Portfolio, when a Portfolio deposits its assets with a Borrowing Agent as security in connection with a short sale transaction, the amount of the assets of the Portfolio deposited with the Borrowing Agent does not, when aggregated with the amount of the assets of the Portfolio already held by the Borrowing Agent as security for outstanding short sale transactions by the Portfolio, exceed 10% of the net assets of the Portfolio, taken at market value at the time of the deposit; and

(k) the security interest provided by a Portfolio over any of its assets that is required to enable the Portfolio to effect short sale transactions will be made in accordance with industry practice for that type of transaction and relate only to obligations arising under such short sale transactions.

Investment in Commodity Pools

The Portfolios have obtained relief to invest in certain exchange-traded funds managed by BetaPro Management Inc. that are commodity pools, and that use financial instruments that correlate to the performance of a "permitted index", as defined in NI 81-102 (the "BetaPro ETFs"). Investment in the BetaPro ETFs will expose the Portfolios to additional risk factors. See "*Risk Factors – Commodity Risk*" and "*Risk Factors - Risks of Investing in BetaPro ETFs*" on page 35.

Investment in Permitted ETFs

The Portfolios have obtained relief to invest in Permitted ETFs. The relief to invest in Permitted ETFs is subject to certain investment restrictions as more particularly described in the section "*Investment Strategies – Exemplar*

Canadian Focus Portfolio – Investing in Permitted ETFs" on page 16 and the section "*Investment Strategies – Exemplar Diversified Portfolio – Investing in Permitted ETFs*" on page 20.

Indirect Investment via Three-Tier Structure

Exemplar Diversified Portfolio has obtained relief to give the Portfolio the option to invest via three-tier investment structure described in the section "*Overview of Investment Structure – Exemplar Diversified Portfolio*" on page 22 and section "*Exemptions and Approvals – Investment Structure Relief*" on page 64. The relief to invest via the three-tier structure is subject to certain investment restrictions as more particularly described in the section "*Exemptions and Approvals – Investment Structure Relief*" on page 64.

FEES AND EXPENSES

Fees and Expenses Payable by the Portfolios

Monthly Management Fee

The Manager will be responsible for managing the ongoing activities of the Portfolios and monitoring their respective investment portfolios. In consideration for these and other services as described under "*Management of the Portfolios - The Manager*", each Portfolio will pay to the Manager a monthly management fee equal to one-twelfth of the percentage specified below of the Net Asset Value of a Portfolio, based on the average daily Net Asset Value, payable in arrears on or before the last day of each month, and calculated without regard to any accrual of the Performance Bonus (as defined below) and before payout of the Management Fee:

Exemplar Canadian Focus Portfolio:	1.65% per annum in respect of the Series A Shares
	0.65% per annum in respect of the Series F Shares
	1.95% per annum in respect of the Series L Shares
Exemplar Diversified Portfolio:	2.00% per annum in respect of the Series A Shares
	1.00% per annum in respect of the Series F Shares
	2.30% per annum in respect of the Series L Shares
	Negotiable rate in respect of the Series R Shares, and will not exceed 2.30% per annum

No portion of the management fee charged to a Portfolio is borne by Series I Shares of a Portfolio. A holder of Series I Shares of a Portfolio pays a negotiated management fee directly to the Manager. The management fee in respect of Series I Shares of a Portfolio will be different for each investor, and will not exceed 2.30%.

Performance Bonus

Each Portfolio will pay to the Manager in respect of each fiscal year of the Portfolio ended December 31 a performance bonus per Share (the "Performance Bonus") equal to 20% 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 Portfolio 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. The Performance Bonus for a Portfolio will be calculated and accrued each day the Net Asset Value of the Portfolio is calculated, but will only be payable following the end of the fiscal year of the Portfolio based on the actual annual performance of the Portfolio.

Notwithstanding the foregoing, no Performance Bonus will be payable with respect to any fiscal year of a Portfolio 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%.

The Performance Bonus will be estimated and accrued each Valuation Date, calculated as at the end of each fiscal year-end of the Portfolios and paid within 15 business days thereafter.

As described above, the Exemplar Diversified Portfolio may invest in other investment funds. There are fees and expenses payable by the other investment funds in addition to the fees and expenses payable by the Exemplar Diversified Portfolio. No management fees or performance bonus are payable by the Exemplar Diversified Portfolio that, to a reasonable person, would duplicate a fee payable by the other investment fund for the same service and no sales fees or redemption fees are payable by the Exemplar Diversified Portfolio in relation to its purchases or redemptions of the securities of the other investment fund if the other investment fund is managed by Arrow or an affiliate or associate of the manager of the Exemplar Diversified Portfolio, and no sales fees or redemption fees are payable by the Exemplar Diversified Portfolio in relation to its purchases or redemptions of securities of the other investment fund that, to a reasonable person, would duplicate a fee payable by an investor in the Exemplar Diversified Portfolio.

Operating Expenses

A Portfolio will pay all expenses incurred in connection with the operation and administration of the Portfolio, including applicable HST. Such costs and expenses may include, without limitation, the fees and expenses of the members of the IRC appointed under NI 81-107 and expenses related to compliance with NI 81-107; 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; any reasonable out-of-pocket expenses incurred by the Manager and the investment advisors in connection with the activities of the Portfolio; and any expenditures that may be incurred upon the termination of the Portfolio, 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 Portfolio. The Manager may provide any of these services and is reimbursed all of its costs in providing these services to the Portfolio which may include but are not limited to personnel costs, office space, insurance, and depreciation. The expenses of the Portfolio will be allocated among the Portfolios, as applicable. Each Portfolio will bear separately any expense item that can be attributed specifically to the Portfolio. Common expenses will be allocated based on a reasonable allocation methodology which will include allocations based on the assets of the Portfolio or the number of shareholders of the Portfolio or other methodology we determine is fair.

As each Portfolio has more than one series of Shares, the Shareholders of each series bear their *pro rata* share of those expenses which are common to the operation of all series, as well as those expenses which are attributable solely to that series.

Fees and Expenses Payable by Shareholders

Sales Charges

The Portfolios and the Manager do not charge a fee or commission when investors purchase Shares of a Portfolio. A broker, dealer or advisor may charge investors a commission of up to 5% at the time of purchase of Series A Shares of a Portfolio, which will reduce the amount of money invested in the Series A Shares of the Portfolio.

No commission is payable by the investor at the time of purchase of Series L Shares of a Portfolio and the Manager will pay the dealer a commission of up to 3% in respect of the amount invested. However, a redemption fee may be deducted by the Manager if such Series L Shares are redeemed or switched within three years of purchase.

Series F Shares are available to investors who participate in fee-based programs through their broker, dealer or advisor.

A broker or advisor may charge investors in Series I Shares of a Portfolio or Series R Shares of Exemplar Diversified Portfolio an annual service fee relating to the investor's purchase of Series I or Series R Shares. Such annual fee will be calculated daily and will be based on the aggregate net asset value of Series I or Series R Shares that the investor holds at the end of each day. This fee, along with the applicable taxes, will be payable on a quarterly basis by way of an automatic redemption of Series I or Series R Shares.

Switch Fees

The Portfolios and the Manager do not charge fees to exchange or switch Series A, Series F, Series I, or Series R Shares, as applicable, of a Portfolio, for Shares of another Portfolio, provided such exchange or switch occurs at least 90 days after the date of purchase. If a Shareholder switches Shares within 90 days of purchase, the Portfolio may charge a short-term trading fee of up to 2% of the Net Asset Value of the Shares switched. The Shareholder's broker, dealer or advisor may charge Shareholders a switch fee.

Redemption fees may apply if an investor switches from Series L Shares to another series of Shares within the same Portfolio, or to Shares, other than Series L Shares, of another Portfolio.

Redemption Fees

No redemption fees are charged to redeem Series A, Series F, Series I or Series R Shares, as applicable, of a Portfolio, other than the Short-Term Trading Fee (if applicable).

A redemption fee will be charged by the Manager if Series L Shares of a Portfolio are purchased and subsequently redeemed or switched (other than to Series L Shares of another Portfolio) within the time period specified by the Portfolios' redemption schedule as described below. In order to minimize redemption fees, Series L Shares are redeemed on a "first in, first out" basis.

The following redemption fees will apply if you redeem or switch (other than to Series L Shares of another Portfolio) your Series L Shares within the following time periods after purchase:

If redeemed or switched during:	**Redemption Charge as a Percentage of the original purchase price**
Year 1	3.0%
Year 2	2.5%
Year 3	2.0%
Year 4	None (Series L Shares are automatically switched to Series A Shares)

No redemption fee is charged if you are redeeming Series L Shares of a Portfolio acquired through reinvestment of distributions.

If you are redeeming Series L Shares that were switched from another Portfolio, the redemption fee is based on the date and original purchase price of the securities before the switch.

Short-term Trading Fees

A Portfolio may charge you a short-term trading fee of up to 2% of the Net Asset Value of the Shares if a Shareholder redeems or switches Shares of a Portfolio within 90 days of the date of purchase.

Registered Plan Fees

Registered tax plans may be available through the Manager or a Shareholder's broker, dealer or advisor. Shareholders should contact the Manager or their broker, dealer or advisor directly about these services.

Dealer Compensation

As set out under "*Fees and Expenses Payable by Shareholders – Sales Charges*" above, brokers, dealers or advisors selling Shares of a Portfolio may charge investors a commission of up to 5% at the time of purchase of Series A Shares of a Portfolio, which will reduce the amount of money invested in the Series A Shares of the Portfolio.

No commission is payable by the investor at the time of purchase of Series L Shares of a Portfolio and the Manager will pay the dealer a commission of up to 3% in respect of the amount invested. However, a redemption fee may be deducted by the Manager if such Series L Shares are redeemed or switched within three years of purchase. See "*Fees and Expenses Payable by Shareholders – Redemption Fees*".

A Portfolio may pay a portion of direct costs incurred by registered dealers, brokers or advisors which relate to sales commissions, so long as such payments are in compliance with NI 81-105. That is, the Portfolios or the Manager may assist brokers, dealers and advisors with certain of their direct costs associated with marketing the Portfolios and providing educational investor conferences and seminars about the Portfolios. They may also pay brokers, dealers and advisors a portion of the costs of educational conferences, seminars or courses that provide information about financial planning, investing in securities, mutual fund industry matters or mutual funds generally. The Manager may provide brokers, dealers and advisors with marketing materials about the Portfolios and other investment literature. It may provide brokers, dealers and advisors non-monetary benefits of a promotional nature and of minimal value and may engage in business promotion activities that result in brokers, dealers and advisors receiving non-monetary benefits. The Manager reviews the assistance provided under these programs on an individual basis. Subject to compliance with NI 81-105, the Portfolios or the Manager may change the terms and conditions of these servicing fees and programs, or may stop them, at any time. Other than the foregoing, and the servicing fee discussed below, the Portfolios pay no sales incentives of any kind.

Brokers, dealers and advisors may be paid a "servicing fee" by the Manager for assets that their sales representatives place in the Series A Shares and Series L Shares, as applicable. The Manager may, at its discretion, negotiate, change the terms and conditions of, or discontinue the servicing fee with brokers, dealers and advisors. Brokers, dealers or advisors qualifying for a servicing fee in respect of a Portfolio for the first time must contact the Manager in writing to arrange the first payment. Payments thereafter are made automatically as long as the broker, dealer or advisor continues to qualify.

The servicing fee is calculated as a percentage of assets each broker, dealer or advisor has placed in each series of Series A Shares and Series L Shares, as applicable. The servicing fee is calculated based on the aggregate net asset value of client accounts for each calendar month. The servicing fee will not be paid if the assets are removed from the Portfolios. Servicing fees are paid monthly in arrears at rates set within ranges according to the following table.

Series of Shares	*Annual Rate of Servicing Fees Paid*	*Annual Payment per $1,000 of Shares Held*
Series A Shares	Exemplar Canadian Focus Portfolio: 1%	$10
	Exemplar Diversified Portfolio: 1%	$10
Series F Shares	Exemplar Canadian Focus Portfolio: 0%	$0
	Exemplar Diversified Portfolio: 0%	$0
Series I Shares	Exemplar Canadian Focus Portfolio: 0%	$0
	Exemplar Diversified Portfolio: 0%	$0
Series R Shares	Exemplar Diversified Portfolio: 0%	$0

The servicing fee for Series L Shares of a Portfolio changes depending on how long the Series L Shares are held. The following table outlines the applicable rates:

Year(s) Since Purchase	*Annual Rate of Servicing Fee Paid*	*Annual Payment per $1,000 of Shares Held*
Year 1	0%	$0
Year 2	0.5%	$5
Year 3	0.5%	$5
Year 4	1%	$10

ANNUAL RETURNS AND MANAGEMENT EXPENSE RATIO

The following chart provides the annual returns, the management expense ratio (“MER”) and the trading expense ratio (“TER”) for Series A Shares of each Portfolio for each of the past five years as disclosed in the most recently filed annual management report of fund performance. All values provided below were calculated as at December 31 of the applicable year. All MER values provided below include fees and expenses absorbed by the Manager.

Exemplar Canadian Focus Portfolio	**2017**	**2016**	**2015**	**2014**	**2013**
Annual Return (%)	6.07	(0.52)	6.0	11.3	24.1
MER (%)[(1)]	2.44	2.31	2.74	5.27	7.71
TER (%)	0.09	0.08	0.05	0.14	0.08

Exemplar Diversified Portfolio	**2017**	**2016**	**2015**	**2014**	**2013**
Annual Return (%)	(13.20)	(21.6)	7.3	17.0	8.3
MER (%)[(2)]	2.95	2.88	5.17	4.04	3.05
TER (%)	1.18	1.02	0.88	1.04	0.94

1 Had fees and expenses not been absorbed by the Manager, the MER values would have been 2.44%, 2.31%, 2.74%, 5.27% and 7.81%, respectively, in 2017, 2016, 2015, 2014 and 2013. Such absorption of fees and expenses may be discontinued by the Manager at any time and without notice.

2 Had fees and expenses not been absorbed by the Manager, the MER values would have been 2.95%, 2.88%, 5.17%, 4.12%, and 3.50%, respectively in 2017, 2016, 2015, 2014 and 2013. Such absorption of fees and expenses may be discontinued by the Manager at any time and without notice.

RISK FACTORS

Risks Common to each of the Portfolios

There are certain risks associated with an investment in the Shares. Prospective investors and their advisors should consider the following risk factors associated with an investment in the Shares of the Portfolios before subscribing.

No Assurance of Achieving Investment Objectives

There is no guarantee that a Portfolio will meet its investment objective or that an investment in Shares will earn any positive return. Shares are not guaranteed or insured and an investment in Shares is speculative and appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

Reliance on Arrow or the Investment Advisor

The Portfolios will be dependent on the knowledge and expertise of Arrow or the Investment Advisor, as the case may be, for investment advisory and portfolio management services. Arrow or the Investment Advisor will depend to a great extent on the services of its officers and directors and the loss of the services of any one or more of such officers and directors for any reason could impair the ability of Arrow or the Investment Advisor to provide advisory and portfolio management services to the Portfolios. Arrow or the Investment Advisor, as the case may be, may not be able to find a qualified replacement or may require an extended period of time to do so, which may prevent the Portfolios from achieving their investment objectives.

Conflicts of Interest

Arrow and the Investment Advisor, their respective directors and officers and their respective affiliates and associates may engage in the promotion, management or investment management of, or may render advice to, other investment funds or clients. Although none of the directors or officers of Arrow or the Investment Advisor will devote his or her full time to the business and affairs of the Portfolios, such directors and officers will each devote as much time to the Portfolios as is necessary. Although officers, directors, members and professional staff of Arrow and the Investment Advisor, as the case may be, will devote as much time to the Portfolios as Arrow and the Investment Advisor deem appropriate to perform their duties, the staff of Arrow and the Investment Advisor may have conflicts in allocating their time and services among the Portfolios and the other investment funds or clients of Arrow and the Investment Advisor, as the case may be.

Stock Market Risk

If a Portfolio invests in equity investments (like stocks or shares), or in derivatives based on equities, the Portfolio will be affected by conditions affecting the stock markets on which those equities are traded and by general economic conditions. A stock’s value is also affected by company specific developments.

Interest Rate Risk

The Portfolios may directly or indirectly invest in fixed income securities. Fixed income securities are subject to risks resulting from changes in interest rates and from credit risk. When interest rates fall, bond prices rise. That is because existing bonds pay higher rates of interest than newly issued ones, and so are worth more. When interest rates rise, bond prices fall, and so will the value of mutual funds that hold them. The income earned by a Portfolio and the income paid by a Portfolio to Shareholders is also affected by changes in interest rates. Credit risk is the possibility that an issuer of a bond or other fixed income investment may not be able to pay interest or to repay the principal at maturity. The risk of this occurring is greater with some issuers than with others. For example, the risk of default is generally low for government and high quality corporate securities. Where the risk is considered greater, the interest rate paid by the issuer is generally higher than for an issuer where the risk is considered to be lower.

The assets of a Portfolio may include corporate and government debt securities, including debt securities which have low ratings from credit rating agencies or are unrated. Such debt securities may be regarded as speculative with respect to the issuer's ability to meet principal and interest payment obligations. They may also be more susceptible to adverse economic and competitive industry conditions than more highly rated securities and be less liquid than such securities. An analysis of the creditworthiness of issuers of such debt may be more complex than for issuers of higher-quality debt obligations.

Sector Risk

The Portfolios may be exposed to sector risk. A Portfolio that concentrates its investments, directly or indirectly, in a limited number of sectors increases its exposure to risk associated with those sectors.

Concentration Risk

Portfolios that directly or indirectly concentrate their investments in certain sectors or specific regions or countries are susceptible to higher volatility since the value of the Portfolio will vary more in response to changes in the market value of these securities, sectors, regions or countries. A Portfolio may directly or indirectly also concentrate its investments in a relatively small number of securities. A relatively high concentration of assets in a single or small number of investments may reduce the diversification and liquidity of a Portfolio.

Small Company Risk

The share price of small capitalization companies is usually more volatile than that of more established larger companies. Smaller companies may have limited resources, including limited access to funds, and their shares may trade less frequently and in smaller volume than shares of large companies. In general, investments in small capitalization companies tend to be less liquid than other types of investments. In general, the less liquid an investment, the more its value tends to fluctuate. Small companies may have few shares outstanding, so a sale or purchase of shares will have a greater impact on the share price. A Portfolio's direct or indirect investments in certain small or non-listed companies may be difficult to value accurately or to sell, and may trade at a price significantly lower than their value. As a result, a Portfolio may not be able to convert its investments to cash at a fair price when it needs to or it may bear additional costs in doing so. The value of these investments may rise and fall substantially.

Class Risk

Each Portfolio is a class of shares of the Company. Each Portfolio sells shares and the proceeds of such sales are used to invest in a portfolio of securities based on its investment objective. However, because each Portfolio is part of a single corporation, the corporation as a whole is liable for each Portfolio's expenses as well as the expenses of each other Portfolio that is part of the Company, as well as any funds of the Company that may in the future be sold under separate prospectuses. If any of the funds which make up the Company, including each Portfolio, cannot pay its expenses, the Company will be required to pay those expenses from the assets of the other funds, including the Portfolios, that make up the Company. Having to pay any expense or liability of this kind could cause the value of a Shareholder's investment to decline even though the value of a Shareholder's investment in a Portfolio might have otherwise increased.

Foreign Investments Risk

Foreign investments made by a Portfolio, directly or indirectly, may be subject to political risks, risks associated with changes in foreign exchange rates, foreign exchange control risks and volume and liquidity risks associated with foreign markets which could diminish the value of the Portfolio's foreign investments. Such investments may be affected by changes in currency exchange rates (see "*Risk Factors – Foreign Currency Risk*" on page 33); some foreign stock markets have less trading volume that may make it more difficult to sell an investment or may make prices of securities more volatile; there is often less information available about foreign companies and many countries do not have the same accounting, auditing and reporting standards that we have in Canada; a country may have foreign investment or exchange laws that make it difficult to sell an investment or it may impose withholding or other taxes that could reduce the return on the investment; political or social instability or diplomatic developments could affect the value of the investment and a country may have a weak economy due to factors like high inflation, weak currency, government debt or narrow industrial base. In addition, legal judgments against foreign counterparties may be more difficult or even impossible to enforce in a foreign jurisdiction.

FATCA Information Reporting

Pursuant to the Canada-US Intergovernmental Agreement ("IGA") and its implementing provisions under the Tax Act, shareholders of the Company (including certain entities having one or more controlling persons who are specified U.S. persons) may be required to provide identity and residency information to the Company. This information, along with certain financial information in respect of the interest in the company, may be provided by the Company to the CRA, which will in turn be provided to the U.S. tax authorities. If the Company fails to comply with the information reporting requirements under the IGA, they will be subject to the penalty provisions of the Tax Act. Any potential taxes or penalties associated with such reporting requirements may reduce the returns of the Portfolios.

CRS Information Reporting

The Common Reporting Standard ("CRS") was effective in Canada July 1, 2017, with a first exchange of information in 2018. As of July 1, 2017, Canadian financial institutions such as the Company must have procedures to identify financial accounts held by residents of any participating CRS country other than Canada or the U.S. and to report the required information to the CRA. The CRA will formalize exchange arrangements with other participating jurisdictions leading to the exchange of information on a multilateral basis. The due diligence and reporting requirements under the Canadian FATCA rules will continue to operate alongside the CRS regime.

Foreign Currency Risk

Portfolios that invest directly or indirectly in foreign securities are vulnerable to foreign currency risk which is the risk that the value of the Canadian dollar will increase as measured against a foreign currency. For example, a security traded in U.S. dollars will fall in value, in Canadian dollar terms, if the U.S. dollar declines in value relative to the Canadian dollar, even though there is no change to the U.S. dollar value of the security. Conversely, if the Canadian dollar falls in value relative to the U.S. dollar, there is a corresponding gain in the value of the security attributable solely to the change in the exchange rate.

American Depository Receipt Risk

In some cases, rather than directly holding securities of non-Canadian and non-U.S. companies, a Portfolio may hold these securities through an American depository security and receipt (an "ADR"). An ADR is issued by a U.S. bank or trust company to evidence its ownership of securities of a non-U.S. corporation. The currency of an ADR may be U.S. dollars rather than the currency of the non-U.S. corporation to which it relates. The value of an ADR will not be equal to the value of the underlying non-U.S. securities to which the ADR relates as a result of a number of factors. These factors include the fees and expenses associated with holding an ADR, the currency exchange relating to the conversion of foreign dividends and other foreign cash distributions into U.S. dollars, and tax considerations such as withholding tax and different tax rates between the jurisdictions.

In addition, the rights of a Portfolio, as a holder of an ADR, may be different than the rights of holders of the underlying securities to which the ADR relates, and the market for an ADR may be less liquid than that of the underlying securities. The foreign exchange risk will also affect the value of the ADR and, as a consequence, the performance of the Portfolio holding the ADR. As the terms and timing with respect to the depositary for an ADR are not within the control of a Portfolio or its portfolio manager and if the portfolio manager chooses only to hold ADRs rather than the underlying security, a Portfolio may be forced to dispose of the ADR, thereby eliminating its exposure to the non-U.S. corporation, at a time not selected by the portfolio manager of the Portfolio, which may result in losses to the Portfolio or the recognition of gain at a time which is not opportune for the Portfolio.

Risks of Investing in Derivatives

The Exemplar Canadian Focus Portfolio, as a complement to its principal investment objectives, and the Exemplar Diversified Portfolio each may invest in clearing corporation options and listed warrants to the extent and for the purposes permitted by Canadian securities authorities, including the more liberal derivatives regime under NI 81-104. The Portfolios may also write covered clearing corporation call options. An investment in a derivative may be a means of obtaining a leveraged position in the underlying security. The value of a derivative may change more than proportionately to changes in value of the underlying security. Writing covered clearing corporation call options is a means of obtaining income related to the premium associated with the option at the time of writing, although any capital gains would be limited by the exercise price of the option. The Portfolios may use derivatives for both hedging and non-hedging purposes.

The primary risk associated with an investment in a derivative instrument is that its value can be reduced to nil or a nominal amount if the price of the underlying security should decrease significantly below the exercise price (in the case of a call option or warrant) or increase significantly above the exercise price (in the case of a put option). Also, because permitted derivatives have a limited term, their value is influenced by the length of time to expiry. Some other risks of investing in derivatives are described below.

No assurances can be provided that a Portfolio's hedging strategies will be effective. There may be an imperfect historical correlation between changes in the market value of the investment or attributes of the investment (including currency exposure) being hedged and the instrument with which the investment or attribute is hedged. Any historical correlation may not continue for the period during which the hedge is in place. Hedging against changes in stock markets or interest rates does not eliminate fluctuations in the prices of portfolio securities or prevent losses if the prices of such securities decline. Similarly, no assurances can be provided that a liquid exchange or over-the-counter market will exist to permit the Portfolios to realize their profits or limit their losses by closing out positions.

The Portfolios are subject to the credit risk that their counterparties may be unable to meet their obligations. There is also a risk of loss of margin deposits in the event of bankruptcy of a dealer with whom the Portfolios have an open position in an option or futures or forward contract.

Derivative investments traded in foreign markets may offer less liquidity and greater credit risk than comparable instruments traded in North American markets.

The Portfolios' ability to close out their positions may also be affected by stock exchange imposed daily trading limits on options and futures contracts. If the Portfolios are unable to close out a position, they will be unable to realize profits or limit losses until such time as the option becomes exercisable or expires or the futures or forward contract terminates, as the case may be. If the Portfolios are unable to close out options, futures or forward positions, that could have an adverse impact on the Portfolios' ability to use derivatives to hedge its portfolio effectively or implement its investment strategy.

Stock index options and futures contracts present the additional risk that index prices may be distorted if trading of certain stocks included in the index is interrupted. Trading in these derivative instruments also may be interrupted if trading is halted in a substantial number of stocks included in the index. If this occurred, the Portfolios would be unable to close out their options and futures positions, and if restrictions on exercise of the options or performance of the futures contracts were imposed, the Portfolios might experience substantial losses.

Risk Associated with Short Sales

As one of their respective investment strategies, the Portfolios may engage in short selling securities. A short sale of a security may expose a Portfolio to losses if the price of the security sold short increases because the Portfolio may be required to purchase such securities in order to cover its short position at a higher price than the price at which such securities were sold short. The potential loss on the short sale of securities is unlimited; however, the Portfolios will hold cash cover in an amount that is not less than the relevant Portfolio's aggregate market exposure to short positions, as determined daily on a mark-to-market basis. In addition, a short sale entails the borrowing of the security in order that the short sale may be transacted. There is no assurance that the lender of the security will not require the security to be repaid before the relevant Portfolio wishes to do so, thereby requiring the Portfolio to borrow the security elsewhere or purchase the security in the market at an unattractive price. In addition, the borrowing of securities entails the payment of a borrowing fee. There is no assurance that a borrowing fee will not increase during the borrowing period, adding to the expense of the short sale strategy. In addition, there is no assurance that the security sold short can be repurchased due to supply and demand constraints in the marketplace.

Commodity Risk

A Portfolio's exposure to the commodities markets may subject the Portfolio to greater volatility than investments in traditional securities. The value of commodity linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or sectors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

Exchange-traded fund risk

When a mutual fund invests in an ETF, the ETF may, for a variety of reasons, not achieve the same return as the benchmark, index or commodity price it seeks to track. The market value of an ETF also may fluctuate for reasons other than changes in the value of its underlying benchmark, index or commodity price, and the net asset value of the fund will change with these fluctuations. The Portfolios have obtained permission to invest in Leveraged ETFs that employ leverage in an attempt to magnify returns by either a multiple or an inverse multiple of its underlying benchmark, index or commodity price. Leveraged ETFs typically involve a higher degree of risk and are subject to increased volatility.

Risks of Investing in BetaPro ETFs

The Portfolios may rely on relief obtained from the Canadian securities regulatory authorities in order to invest in the BetaPro ETFs. The BetaPro ETFs are exchange traded funds that seek to provide returns similar to a particular benchmark market, industry sector index or commodity and magnify returns by either a multiple or an inverse multiple of that benchmark, index or commodity. Investments in the BetaPro ETFs are highly speculative and involve a high degree of risk. The BetaPro ETFs are also subject to increased volatility as they seek to achieve a multiple or inverse multiple of a benchmark, index or commodity.

Securities Lending, Repurchase and Reverse Repurchase Risk

The Portfolios may enter into securities lending, repurchase transactions and reverse repurchase transactions in order to earn additional income. Securities lending involves lending securities held by a mutual fund to qualified borrowers who have posted collateral. In lending its securities, a Portfolio is subject to the risk that the borrower may not fulfill its obligations, leaving the Portfolio holding collateral worth less than the securities it has lent, resulting in a loss to the Portfolio. A repurchase transaction involves a Portfolio selling a security at one price and agreeing to buy it back from the same party at a lower price. A reverse repurchase transaction involves a Portfolio buying a security at one price and agreeing to sell it back to the same party at a higher price. Over time, the value of the securities sold under a repurchase transaction might exceed the value of the collateral held by the Portfolio. If the other party defaults on its obligation to resell the securities to the Portfolio, the collateral may be insufficient to enable the Portfolio to purchase replacement securities and the Portfolio may suffer a loss for the difference. Similarly, over time, the value of the securities purchased by a Portfolio under reverse repurchase transactions may decline below the amount of cash paid by the Portfolio to the other party. If the other party defaults on its obligation to repurchase the securities from the Portfolio, the Portfolio may need to sell the securities for a lower price and suffer a loss for the difference.

If a Portfolio engages in securities lending, repurchase transactions and reverse repurchase transactions, the Portfolio reduces its risk by requiring the other party to put up collateral the value of which must be at least 102% of the market value of the security sold (for a repurchase transaction), cash loaned (for a reverse repurchase transaction) or security loaned (for a securities lending agreement). The value of the collateral is checked and reset daily. A

Portfolio cannot lend more than 50% of the total value of its assets through securities lending or repurchase transactions.

Credit Risk

An issuer of debt instruments may be unable to make interest payments and repay principal. Changes in an issuer's financial strength or in an instrument's credit rating may affect an instrument's value and, thus, impact a Portfolio's performance. Each Portfolio will also be subject to credit risk with respect to the amount that the Portfolio expects to receive from counterparties in financial instruments transactions. If a counterparty defaults on its payment obligations to a Portfolio, the value of an investor's investment in Shares of a Portfolio may decline.

Convertible Securities Risk

A Portfolio is not limited in the percentage of its assets that may be invested in convertible securities. Convertible securities generally offer lower interest or dividend yields than traditional (i.e. non-convertible) securities of similar quality. The market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. However, the convertible securities market value tends to reflect the market price of the common shares of the issuing company when that stock price is greater than the convertible security's "conversion price". The conversion price is defined as the predetermined price at which the convertible security could be exchanged for the associated stock.

As the market price of the underlying common shares declines (other than in distressed situations), the price of the convertible security tends to be influenced more by the yield of the convertible security. Thus, it may not decline in price to the same extent as the underlying common shares. In the event of a liquidation of the issuing company, holders of convertible securities would be paid after the company's creditors but before the company's common shareholders. Consequently, the issuer's convertible securities generally may be viewed as having more risk than its debt securities, but less risk than its common shares.

Series Risk

The Shares of the Portfolios are available in more than one series. Each series has its own fees and expenses which a Portfolio tracks separately. If a Portfolio cannot pay the expenses of one series using that series' proportionate share of the assets of the Portfolio, the Portfolio will have to pay those expenses out of the other series' proportionate share of the assets, which would lower the investment return of those other series.

Redemptions of Shares

Substantial redemptions of Shares of a Portfolio may require the Portfolio to sell assets it would not otherwise sell and at less than optimal prices in order to raise the necessary cash to fund redemptions. Substantial redemptions may also require the Portfolio to sell assets to rebalance its investment portfolio to reflect a smaller asset base. A smaller asset base could limit the investment opportunities available to the Portfolio and increase its management expense ratio. Such factors could adversely affect the value of both the Shares being redeemed and of the Shares remaining outstanding.

The estimated Performance Bonuses, if any, payable to the Manager in respect of a Portfolio will be accrued at each Valuation Date as a liability of the Portfolio, reducing the Net Asset Value per Share. The redemption price received by an investor whose Shares are redeemed will reflect an accrual for Performance Bonuses based on any increase in Net Asset Value per Share from the beginning of the fiscal year through the date of redemption. However, the accrual of Performance Bonuses may subsequently be reversed if the Portfolio's performance declines and no adjustment to a redemption price will be made after it has been fixed.

Changes in Legislation

There can be no assurance that tax or securities laws, or the interpretation or application thereof, will not be changed in a manner that adversely affects a Portfolio or its Shareholders.

Furthermore, there can be no assurance that certain securities laws applicable to the Portfolios and commodity pools will not be changed in a manner that adversely affects the Portfolios or Shareholders. In particular, on September 22, 2016 the Canadian Securities Administrators published *CSA Notice and Request for Comment Modernization of Investment Fund Product Regulation – Alternative Funds* setting out proposed changes to NI 81-102, NI 81-104 *Commodity Pools*, and related instruments (the "**Alternative Funds Framework**"), which included the proposed repeal of NI 81-104 that governs the Portfolios. If the Alternative Funds Framework is implemented as currently proposed, it may adversely affects the Portfolios or Shareholders.

Tax Matters

In determining its income for tax purposes, the Company will generally treat gains and losses realized on the disposition of securities held by it, option premiums received on the writing of covered call options and cash covered put options and any losses sustained on closing out options as capital gains and capital losses in accordance with CRA's published administrative practice. See "*Income Tax Considerations*" on page 45. CRA's practice is not to grant advance income tax rulings on the character of items as capital or income and no advance income tax ruling has been applied for or received from CRA. Some of the transactions undertaken by the Portfolios have been treated on income rather than capital account and in the future, after-tax returns to Shareholders could be reduced and the Company may be subject to non-refundable income tax in respect of income from such transactions, and the Company may be subject to penalty taxes in respect of excessive capital gains dividend elections.

Risks Specific to the Exemplar Diversified Portfolio

There are certain risks associated with an investment in Shares of the Exemplar Diversified Portfolio in addition to those described above. Prospective investors and their advisors should consider the following risk factors associated with an investment in the Shares of the Exemplar Diversified Portfolio before subscribing.

Futures and Forward Trading is Speculative and Volatile

Futures and forwards markets are highly volatile. Price movements of futures and forward contacts may be influenced by, among other things, changing supply and demand relationships, weather, agricultural, trade, fiscal, monetary, and exchange control programs and policies of governments, domestic and foreign political and economic events, changes in domestic and foreign interest rates and rates of inflation, currency devaluations and revaluations, and emotions of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets. Such intervention is often intended to influence prices directly. Any investment in the Exemplar Diversified Portfolio is also subject to the risk of failure of any of the exchanges on which such contracts trade or of the exchange's clearinghouses, if any.

Futures Trading May be Illiquid

Most futures exchanges limit fluctuations in certain contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Pursuant to such regulations, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract has increased or decreased by an amount equal to the daily limit, positions in the contract can be neither taken nor liquidated unless traders are willing to effect trades at or within the limit. Prices of various contracts have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Exemplar Diversified Portfolio from promptly liquidating its unfavorable positions and subject it to substantial losses. While daily limits may reduce or effectively eliminate the liquidity of a particular market, they do not limit ultimate losses, and may in fact substantially increase losses because it may prevent the liquidation of unfavorable positions. There is no limitation on daily price moves in trading forward contracts. In addition, the Exemplar Diversified Portfolio may not be able to execute trades at favorable prices if little trading in the contracts involved is taking place. Under certain circumstances, the Exemplar Diversified Portfolio may be required to accept or make delivery of the underlying commodity if the position cannot be liquidated prior to its expiration date. It also is possible that an exchange might suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract or order that trading in a particular contract be conducted for liquidation only. Similarly, trading in options on a particular futures contract may become restricted if trading in the underlying futures contract has become restricted.

Trading of Forward and Over-the-Counter ("OTC") Option Contracts

The Investment Advisor may engage in trading forward and OTC option contracts in currencies. Such forward and OTC options contracts are not traded on exchanges; rather, banks and dealers typically act as principals in these markets, called generally the interbank or forex market. Trading in the interbank market presents certain risks not present in futures trading because no governmental agency regulates trading in forward and OTC option contracts. Consequently, in the case of forward contracts, there is no limitation on daily price movements and no margin need be posted, although the Exemplar Diversified Portfolio's futures commission merchant ("FCM") may require good faith deposits to be made in lieu of margin. Because performance of forward and OTC options contracts on currencies is not guaranteed by any exchange or clearinghouse, the customer is subject to counterparty risk: the risk that the principals or agents with or through which the FCM trades will be unable or will refuse to perform with respect to such contracts. Furthermore, principals in the forward markets have no obligation to continue to make markets in the forward contracts traded.

Use of Margin

Each long or short position initiated by the Exemplar Diversified Portfolio requires a margin deposit. The funds in the Exemplar Diversified Portfolio will be applied to the margin requirements established by the futures commission merchant (which must be at least equal to the margin levels established by the applicable exchange) carrying the Exemplar Diversified Portfolio's account. A margin deposit is similar to a cash performance bond that helps assure a trader's performance of the futures contract. If the market value of a futures position moves to such a degree that the initial margin deposit is not sufficient to satisfy minimum maintenance requirements, the futures commission merchant will make a "margin call" for additional margin money. The margin call must be satisfied within a reasonable period of time. If the Exemplar Diversified Portfolio does not make payment of the margin call within a reasonable time, the futures commission merchant may liquidate the open position(s). In periods of high volatility, the exchanges may increase minimum margin levels. Also, the futures commission merchant may elect to increase the amount of margin they require to carry futures positions for their customers even though the applicable exchange did not increase the minimum margin levels.

Use of Leverage

The low margin deposits normally required in futures trading or the good faith deposits which may be required in forward contracts permit an extremely high degree of leverage. As a result, a relatively small price movement in a contract may result in immediate and substantial losses to a trader holding a position in such contract. Thus, like other such leveraged investments, any purchase or sale of a futures contract or forward contract may result in losses in excess of the amount invested in margin deposits or good faith deposits, as the case may be. To mitigate the risk, the Exemplar Diversified Portfolio will maintain a leverage maximum as measured by an initial margin-to-equity ratio cap of 30%.

Exempted Company and Limited Liability

Galaxy Plus Fund SPC (and by implication the IMFC Feeder Fund) is incorporated as an exempted company registered as a segregated portfolio company incorporated with limited liability in the Cayman Islands. As an exempted company, Galaxy Plus Fund SPC (and by implication the IMFC Feeder Fund) may not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of Galaxy Plus Fund SPC carried on outside the Cayman Islands. The liability of a holder of Galaxy Plus Fund SPC is limited to the amount, if any, unpaid in respect of the shares held by that shareholder.

Redemption of IMFC Feeder Fund Shares

Holders of IMFC Feeder Fund Shares (e.g. Exemplar Diversified Portfolio) will not know in advance of giving a redemption notice the price at which the IMFC Feeder Fund Shares will be redeemed. In the period after a redemption notice has been given and before the relevant redemption date, the net asset value of IMFC Feeder Fund Shares and therefore the redemption price which will be payable to the holders of IMFC Feeder Fund Shares may change substantially due to market movements. Holders of IMFC Feeder Fund Shares are not entitled to withdraw a request for redemption, except in certain very limited circumstances. In various circumstances the redemption of

IMFC Feeder Fund Shares, the payment of redemption proceeds and/or the calculation of the net asset value of the IMFC Feeder Fund Shares may be suspended. The ability of Exemplar Diversified Portfolio to redeem IMFC Feeder Fund Shares may depend upon the liquidity of the IMFC Master Fund Shares and the Underlying Assets.

Redemption of IMFC Master Fund Shares

Holders of IMFC Master Fund Shares (e.g. IMFC Feeder Fund) will not know in advance of giving a redemption notice the price at which the IMFC Master Fund Shares will be redeemed. In the period after a redemption notice has been given and before the relevant redemption date, the net asset value of IMFC Master Fund Shares and therefore the redemption price which will be payable to the holders of IMFC Master Fund Shares may change substantially due to market movements. Holders of IMFC Master Fund Shares are not entitled to withdraw a request for redemption, except in certain very limited circumstances. In various circumstances the redemption of IMFC Master Fund Shares, the payment of redemption proceeds and/or the calculation of the net asset value of the IMFC Master Fund Shares may be suspended. The ability of the IMFC Feeder Fund to redeem IMFC Master Fund Shares may depend upon the liquidity of the Underlying Assets.

No Recourse to Underlying Assets Via Indirect Exposure Structure

The return to the Shareholders of the Exemplar Diversified Portfolio will be dependent upon the return of the Underlying Assets. However, to the extent the Portfolio has gained exposure to the Underlying Assets through direct or indirect investment in the IMFC Feeder Fund and IMFC Master Fund, the Shareholders will have limited or no recourse to the Underlying Assets.

Cross-class Liabilities and Limited Recourse

Galaxy Plus Fund SPC has the power to issue shares in different classes. Galaxy Plus Fund SPC and the IMFC Feeder Fund do not benefit from any form of statutory segregation.

Generally, liabilities incurred in respect of a specific class of shares will be attributed to that class, while other general expenses as determined in the discretion of the valuation services provider will be incurred at the IMFC Feeder Fund level and/or allocated to each class on a pro-rata basis.

The rights of each holder of the IMFC Feeder Fund Shares are limited to the net asset value per IMFC Feeder Fund Share attributable to the relevant class of IMFC Feeder Fund Shares. In the event that the net asset value of the relevant class of IMFC Feeder Fund Shares is insufficient to make payments to holders of such class of shares, such holders of IMFC Feeder Fund Shares will not be entitled to exercise any rights or have recourse to the net asset value attributable to any other class of IMFC Feeder Fund Shares or any other assets of Galaxy Plus Fund SPC.

However, Galaxy Plus Fund SPC is a single legal entity and the assets and liabilities attributable to each class will not be segregated as a matter of Cayman Islands law, nor will contracts with service providers seek to limit their recourse to the net asset value attributable to any particular class. All of the assets of Galaxy Plus Fund SPC will be available to meet all of its liabilities, regardless of the class to which such assets or liabilities are attributable. In practice, cross-class liability would arise where one class becomes insolvent and is unable to meet all of its liabilities. In such a case, the assets of Galaxy Plus Fund SPC attributable to other classes may be applied to cover the liabilities of the insolvent class.

Options

The Exemplar Diversified Portfolio may engage in the trading of commodity options, including options on physical commodities and on futures contracts. Such trading involves risks substantially similar to those involved in trading commodity futures contracts, in that options are speculative and highly leveraged. Specific market movements of the commodities, futures contracts or securities underlying an option cannot be predicted accurately.

Writing covered call options – i.e., where the Exemplar Diversified Portfolio owns the security or other investment that is subject to the call – may limit the Exemplar Diversified Portfolio's gain on portfolio investments if the option is exercised because the Exemplar Diversified Portfolio will have to sell the underlying investments below the current market price. Also, writing put options may require the Exemplar Diversified Portfolio to buy the underlying investment at a disadvantageous price above the current market price. Writing uncovered call options – i.e., where the Exemplar Diversified Portfolio does not own the security or other investment that is subject to the call – entails the risk that the price of the underlying investment at the time the option is exercised theoretically could have risen without limit. The risk of loss of uncovered put options written by the Exemplar Diversified Portfolio is limited to the exercise price of the option less the premium received. Purchasing and writing put and call options are highly specialized activities and may entail greater than ordinary market risks.

Possible Effects of Speculative Position Limits

The Commodity Futures Trading Commission ("CFTC") and certain futures exchanges have established limits referred to as "speculative position limits" on the maximum net long or net short position which any person or group of persons may own, hold or control in particular futures contracts, and limits referred to as "trading limits" on the maximum number of futures contracts which any person or group of persons may trade on a particular trading day. All accounts owned, controlled or managed by the Investment Advisor and its principals and affiliates may be combined for position and trading limit purposes. It is possible that, from time to time, the trading system or instructions of the Investment Advisor to the Exemplar Diversified Portfolio may have to be modified and that positions held by the Exemplar Diversified Portfolio may have to be liquidated in order to avoid exceeding such limits. Such modifications or liquidation, if required, could adversely affect the operations and profitability of the Exemplar Diversified Portfolio.

Failure of Futures Commission Merchant

Under CFTC Regulations, FCMs are required to maintain customer assets in a segregated account. If the Exemplar Diversified Portfolio's FCM fails to do so, the Exemplar Diversified Portfolio may be subject to a risk of loss of funds on deposit with the FCM in the event of its bankruptcy. In addition, even if funds are properly segregated, under certain circumstances there is a risk that assets deposited by the Investment Advisor on behalf of the Exemplar Diversified Portfolio as margin with an FCM may be used to satisfy losses of other clients of the FCM which cannot be satisfied by such other clients or by the FCM. In the case of any such bankruptcy or client loss, the Exemplar Diversified Portfolio might recover, even in respect of property specifically traceable to the Exemplar Diversified Portfolio, only on a *pro rata* share of all property available for distribution to all of the FCM's customers.

Trading on Foreign Exchanges

The Exemplar Diversified Portfolio may trade in futures, forward and option contracts on exchanges located outside Canada and outside the United States where the Commodity Futures Trading Commission regulations do not apply. Some foreign exchanges, in contrast to U.S. and Canadian exchanges, are "principals' markets" in which performance with respect to a contract is the responsibility only of the individual member with whom the trader has entered into a contract and not of the exchange or clearinghouse, if any. In the case of trading on such foreign exchanges, the Exemplar Diversified Portfolio will be subject to the risk of the inability of, or refusal by, the counterparty, to perform with respect to such contracts. The Exemplar Diversified Portfolio also may not have the same access to certain trades as do various other participants in foreign markets. Due to the absence of a clearinghouse system on certain foreign markets, such markets are significantly more susceptible to disruptions than Canadian or United States exchanges. Trading on foreign exchanges may involve certain risks which may not be applicable to trading on Canadian or United States exchanges, such as the risks of exchange controls, expropriation, burdensome or confiscatory taxation, moratoriums, or political or diplomatic events. In addition, certain of these foreign markets are newly formed and may lack personnel experienced in floor trading as well as in monitoring floor traders for compliance with exchange rules. Also, trading on foreign exchanges will be subject to the risk of currency fluctuations and to the possibility of exchange controls which may adversely affect the Exemplar Diversified Portfolio.

Reliance on Trading Strategies and Analytical Tools

The Investment Advisor to the Exemplar Diversified Portfolio uses certain strategies that depend on the reliability and accuracy of analytical models. To the extent that such models, or the assumption underlying them, do not prove to be correct, the Investment Advisor may not perform as anticipated, which could result in substantial losses for the

Exemplar Diversified Portfolio and, therefore, indirectly, for Shareholders of the Exemplar Diversified Portfolio. Since the Investment Advisor's trading and risk-management strategies are proprietary, it is also not possible to independently verify that the Investment Advisor is following these strategies. There can be no assurance that the strategies currently being used will produce results similar to those produced in the past.

Electronic Trading Risk Disclosure

The Investment Advisor may execute trades on the Exemplar Diversified Portfolio's behalf using electronic trading facilities. Most electronic trading facilities are supported by computer-based component systems for the data collection, order generation, order-routing, execution, matching, registration, or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. The Exemplar Diversified Portfolio's ability to recover certain losses due to technical failure may be subject to limits on liability imposed by the system provider, the market, the broker, the clearing house and/or member firms. Transactions undertaken on an electronic trading system will expose the Exemplar Diversified Portfolio to risks associated with the system including the failure of hardware and software. The result of any system failure may be that Exemplar Diversified Portfolio's order is either not executed according to the Investment Advisor's instructions or is not executed at all.

Investment Risk Classification Methodology

The methodology used to determine each Portfolio's investment risk level for purposes of disclosure in this prospectus is based on the Investment Risk Classification Methodology in NI 81-102 that came into force effective September 1, 2017, as such methodology may be amended and updated from time to time (the "**Methodology**"). The Methodology reflects the view of the Canadian Securities Administrators ("**CSA**") that the most comprehensive, easily understood form of risk in this context is historical volatility risk as measured by the standard deviation of fund performance. However, the Manager and the CSA recognize that other types of risk, both measurable and non-measurable, may exist and we remind you that a Portfolio's historical performance may not be indicative of future returns and that a Portfolio's historical volatility may not be indicative of its future volatility. There may be times when the Methodology produces a result that the Manager believes is inappropriate in which case the Manager may re-classify a Portfolio to a higher risk level, if appropriate.

Based on the Methodology, each Portfolio's risk level as described in this document, is determined by calculating its ten-year standard deviation. If a Portfolio does not have at least ten years of performance history, a reference index that is expected to reasonably approximate the Portfolio's standard deviation is used as a proxy for the ten-year period. Each Portfolio is assigned an investment risk level in one of the following categories:

Low – for Portfolios with a standard deviation range of 0 to less than 6;

Low-to-Medium – for Portfolios with a standard deviation range of 6 to less than 11;

Medium – for Portfolios with a standard deviation range of 11 to less than 16

Medium-to-High – for Portfolios with a standard deviation range of 16 to less than 20; and

High – for Portfolios with a standard deviation range of 20 or greater.

The risk ratings set forth in the table below do not necessarily correspond to an investor's risk tolerance assessment. Investors are advised to consult their financial advisor for advice regarding an individual investor's personal circumstances.

Portfolio	Reference Index	Risk Rating
Exemplar Canadian Focus Portfolio	S&P/TSX Composite Total Return	Medium
Exemplar Diversified Portfolio	SG CTA PR USD, converted to CAD	Medium

Although monitored on a semi-annual basis, we review the investment risk level of each Portfolio on an annual basis and each time a material change is made to the Portfolio's investment strategies and/or investment objective.

Information about the Methodology is available on request, at no cost by calling us toll-free at 1-877-327-6048 or by sending an email to info@arrow-capital.com.

DISTRIBUTION POLICY

All Portfolios

The board of directors of the Company may declare dividends at its discretion. Generally, the Company will pay sufficient dividends to recover, under the Tax Act, any capital gains tax and any Part IV tax payable. A Shareholder will be subject to tax on any such dividends in the manner described under "*Income Tax Considerations*" notwithstanding that the dividends may be reinvested in additional Shares of the same Portfolio.

All dividends payable to a Shareholder (net of applicable withholding taxes in the case of non-residents) will be either: (1) automatically reinvested by a Portfolio for the account of the Shareholder in additional Shares of the same series at the Net Asset Value thereof as of the business day of payment; or (2) received in cash. Unless we receive written notice five business days before the Valuation Date on which the dividend is payable that you want to receive distributions in cash, the default is to have dividends automatically reinvested in additional Shares of the applicable Portfolio. The Portfolio will furnish to each Shareholder a report of the Shares issued for the participant's account in respect of each distribution.

A Shareholder who wishes to receive distributions in cash shall, upon completing an appropriate written request at least five business days prior to a Valuation Date, be paid all or part of the distributions payable to the Shareholder by cheque or bank draft mailed by ordinary mail to the Shareholder's last address appearing in the relevant Portfolio's register until the Shareholder revokes such request. Please see page 65 for the Manager's contact information.

Cash distributions shall also be paid to non-resident Shareholders of a Portfolio if they reside in jurisdictions where the Portfolio is not entitled to distribute additional Shares. In any event, distributions to non-residents will be subject to applicable withholding taxes.

The costs of distributions will be paid by the relevant Portfolio. The re-investment of distributions in Shares will not relieve participants of any income tax applicable to such distributions. See "*Income Tax Considerations*" on page 45.

At the beginning of each year, the Company will send to Shareholders of a Portfolio information identifying all of the distributions that were paid by the Portfolio to the Shareholder during the previous year.

PURCHASE OF SHARES

Investors may buy Shares by contacting their broker, dealer or advisor. Shares of the Portfolios are only sold by dealers and their representatives duly registered to sell securities of mutual funds which are subject to NI 81-104, in accordance with the requirements of Part 4 of that Instrument.

Shares are categorized into series, each of which is targeted at a specific type of investor. Series A Shares of each Portfolio are intended for individual investors purchasing on a front-end sales charge basis. Series L Shares of each Portfolio are intended for individual investors purchasing under the low-load sales charge option, whereby no sales commission is charged at the time of purchase, however, a redemption fee may be applicable at the time of redemption. Series F Shares are available to investors who participate in fee-based programs through their broker, dealer, or advisor. These investors pay an annual fee for ongoing financial planning advice. The Manager does not pay any servicing fee to such brokers, dealers or advisors. Series I Shares of each Portfolio and Series R Shares of Exemplar Diversified Portfolio are typically for institutional investors such as pension plans, endowment funds and corporations, high net worth individuals, accounts of discretionary portfolio managers and group RRSPs that maintain a minimum investment in a Portfolio (based on the net asset value of such investment) as negotiated with the Manager.

The issue price of the Shares of a Portfolio is the Net Asset Value per Share of the relevant series next determined after the receipt by the relevant Portfolio of a purchase order.

Participation by a broker, dealer or advisor in the Portfolios' Series F program is subject to the Manager's own terms and conditions. If the Company or the Manager becomes aware that a Shareholder no longer qualifies to hold Series F Shares, the Company may convert those Series F Shares into Series A Shares of the same Portfolio after the Shareholder is given at least 10 days' prior notice.

The initial investment in Series A, F, or L Shares must be at least $1,000 (or such lesser amount as the Manager may accept at its sole discretion). Subsequent investments must be at least $100 (or such lesser amount as the Manager may accept at its sole discretion). See "*Fees and Expenses*" on page 26 for information on the fees payable when Shares are purchased. Purchases must be paid for in cash.

A purchase order should be sent to the investor's broker, dealer or advisor. Cheques should be made payable to the relevant Portfolio, or to the broker, dealer or advisor who purchases Shares on an investor's behalf. If a cheque is returned or the Manager or the Portfolio does not otherwise receive payment for a purchase order within three business days (not including the day the Net Asset Value is determined), the Portfolio will cancel the purchase order and redeem the Shares issued. If the Shares are redeemed for more than the purchase price paid, the difference will be retained by the relevant Portfolio. If the Shares are redeemed for less than the purchase price paid, the Shareholder's broker, dealer or advisor will be required to reimburse the relevant Portfolio for the difference, including any additional costs, expenses and lost interest. The Shareholder may then be responsible to their broker, dealer or advisor for this amount, depending upon the arrangements with such broker, dealer or advisor.

A Portfolio may reject a purchase order within two days of receiving it. If a purchase order is rejected, the purchase price will be refunded immediately without interest.

The Company does not issue certificates for Shares of any Portfolio, but investors will be sent a confirmation statement relating to all purchases (and redemptions) of Shares within 15 days of the transaction.

REDEMPTION OF SHARES

Shareholders may redeem Shares on a Valuation Date by providing the Manager with a written request. Signatures on such request must be guaranteed by a Canadian chartered bank, a trust company, or an investment dealer acceptable to the Manager. When redeeming Shares, a Shareholder must indicate the number of Shares to be redeemed, which may include fractional Shares. The redemption price of Shares of a particular series of a Portfolio is the Net Asset Value per Share for that series next determined after receipt by the Manager of this written request for redemption. See "*Fees and Expenses*" on page 26 for information on the fees payable when Shares are redeemed.

As a security measure, telephone or fax redemption requests will normally not be accepted. When Shares are redeemed through FundSERV or directly through the registrar of the Portfolio, the proceeds of redemption will be sent to Shareholders within three business days after the calculation date for the Net Asset Value per Share used in establishing the redemption price. There is no minimum notice period for redemption orders.

If the Manager has not received from a Shareholder all documentation needed to settle a redemption request within 10 business days, they are required under securities legislation to repurchase the Shareholder's Shares. If the redemption proceeds are less than the repurchase amount, the Manager will pay the Portfolio the difference and may seek reimbursement from the Shareholder's broker, dealer or advisor, together with any banking costs charged to the relevant Portfolio. Such broker, dealer or advisor may be entitled to recover any losses from the Shareholder. If the redemption proceeds are greater than the repurchase amount, the relevant Portfolio will keep the difference.

Suspension of Redemptions

As permitted by the Securities Regulators, the Company may suspend your right to redeem Shares of a Portfolio if normal trading is halted or suspended on all stock exchanges within or outside Canada on which securities are listed which represent more than 50% by value of the Portfolio's total assets, without allowance for liabilities; or, with the consent of the Securities Regulators, for any period during which the Company determines that disposal of the assets owned by the Portfolio is not reasonably practicable or that it is not reasonably practicable to determine fairly the value of the Portfolio's assets. If the Portfolio suspends the right to redeem Shares, it will also suspend the right to purchase Shares. The suspension may, at the discretion of the Portfolio, apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. If a Shareholder makes a request for redemption during a suspension (unless the suspension lasts for less than 48 hours), they will be advised by the Portfolio of the suspension and that the redemption will be in effect on the basis of the Net Asset Value per series of Shares determined on the first Valuation Date following the suspension termination. The redeeming Shareholder will have and will (unless the suspension lasts for less than 48 hours) be advised that they have the right to withdraw your request for redemption. The suspension will terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent that it is not inconsistent with rules and regulations promulgated by any government body having jurisdiction over the Portfolios, any declaration of suspension made by the Portfolio shall be conclusive.

Short-Term Trading

Arrow has adopted policies and procedures to detect and deter short-term trading. Short-term trades are defined as a combination of a purchase and redemption within a short period of time that Arrow believes is detrimental to other investors in a Portfolio.

The interests of Shareholders and a Portfolio's ability to manage its investments may be adversely affected by short-term trading because, among other things, these types of trading activities can dilute the value of Shares, can interfere with the efficient management of the Portfolio and can result in increased administrative costs to the Portfolio. While Arrow will actively take steps to monitor, detect and deter short-term trading, it cannot ensure that such trading activity will be completely eliminated.

If a Shareholder switches or redeems Shares within 90 days of purchase, the Portfolio may charge a short-term trading fee of up to 2% of the Net Asset Value of the Shares switched or redeemed. See "*Fees and Expenses - Fees and Expenses Payable by Shareholders*" on page 27.

Arrow may take such additional action as it considers appropriate to prevent further similar activity by an investor who utilizes short-term trades. These actions may include the delivery of a warning to the investor, placing the investor on a watch list to monitor his/her trading activity and the subsequent refusal of further trades by the investor if the investor continues to attempt such trading activity and closure of the investor's account.

SWITCHES

A Shareholder may switch Shares of a particular series in one of the Portfolios for Shares of the same series in one or more of the other Portfolios or a Shareholder may switch his or her Shares of one series for Shares of another series within the same Portfolio, provided that in each case the Shareholder meets any minimum initial investment and account qualifications, including minimum account balance requirements. Redemption fees may apply if an investor switches from Series L Shares to another series of Shares within the same Portfolio, or to Shares, other than Series L Shares, of another Portfolio. Shares will only be switched if the Shareholder completes the necessary documents and sends them to the Manager. A conversion of Shares between Portfolios is a disposition at fair market value for tax purposes which will likely trigger capital gains or capital losses. A Shareholder may, however, switch Shares of one series of one Portfolio for Shares of another series of the same Portfolio, provided the Shareholder is qualified to hold the series into which the Shareholder is switching. The switch should occur on a tax-deferred basis so that the Shareholder does not realize a capital gain or capital loss. See "*Income Tax Considerations*" below.

PRICE OF A SHARE

A Portfolio's Net Asset Value on a Valuation Date shall be the sum of each of the series of the Shares' Net Asset Values on that Valuation Date. The price of a Share is equal to the relevant Portfolio's Net Asset Value attributable to a series, divided by the number of outstanding securities in that series. A Portfolio's Net Asset Value is determined by taking the Portfolio's assets and deducting its liabilities. The Portfolio Net Asset Value for a series of shares is determined by taking the series' proportionate share of the Portfolio's common assets less common liabilities and deducting from this amount all liabilities that relate solely to a specific series and dividing the remainder by the number of outstanding Shares of the series. For purposes of Share issue or redemption, the issue or redemption price is the Net Asset Value per series of Shares next determined after receipt of a written request for purchase or redemption. The common liabilities are the costs and expenses and other similar amounts common to all series of Shares and not specifically referable to an individual series of Shares as determined by the Portfolio.

The Portfolio's Net Asset Value per series of Shares will be determined at market closing on each Valuation Date or such other time as the Portfolio may determine. See "*Calculation of Net Asset Value*" on page 58.

INCOME TAX CONSIDERATIONS

In the opinion of Wildeboer Dellelce LLP, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations that generally apply to the acquisition, holding and disposition of Shares by a Shareholder who is an individual, and who acquires such Shares pursuant to this prospectus. This summary only applies to a Shareholder who, for the purposes of the Tax Act and at all relevant times, is resident in Canada, deals at arm's length with the Company, is not affiliated with the Company, and holds Shares as capital property.

Generally, Shares will be considered to be capital property to a holder provided the holder does not hold the Shares in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Shareholders who might not otherwise be considered to hold Shares as capital property may, in certain circumstances, be entitled to have such Shares, and all other "Canadian securities" owned by the Shareholder, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is not applicable to a Shareholder: (a) that is a "financial institution", as defined in the Tax Act for purposes of the mark-to-market rules; (b) an interest in which would be a "tax shelter" or "tax shelter investment" as defined in the Tax Act; (c) that is a "specified financial institution" as defined in the Tax Act; (d) that has elected to report its "Canadian tax results", as defined in the Tax Act, in a currency other than Canadian currency; (e) that is a corporation resident in Canada (for purposes of the Tax Act), and that is, or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of Shares, controlled by a non-resident corporation for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act; or (f) that has entered into or will enter into a "derivative forward agreement", as defined in the Tax Act, with respect to the Shares. Any such Shareholder to which this summary does not apply should consult its own tax advisor with respect to an investment in Shares.

This summary is based on the current provisions of the Tax Act, counsel's understanding of the current administrative policies and assessing practices of the CRA made publicly available prior to the date hereof, and all specific proposals to amend the Tax Act as publicly announced by the Minister of Finance (Canada) prior to the date hereof (such proposals will be referred to hereafter as the "Tax Proposals"). There can be no assurance that any of the Tax Proposals will be implemented in their current form, or at all. This summary is also based in part on a certificate of an officer of the Company as to certain factual matters.

This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations.

This summary is based on the additional assumptions that:

(a) the Company was not established and will not be maintained primarily for the benefit of non-residents of Canada, and that at no time will the total fair market value of the Shares held by persons who are non-residents of Canada and/or partnerships (other than Canadian partnerships within the meaning of the Tax Act) exceed 50% of the fair market value of all of the outstanding Shares;

(b) each Portfolio will at all times comply with its respective investment objectives and investment restrictions, which will include the requirement that it not take any action that would cause the Company to cease to be a mutual fund corporation for purposes of the Tax Act;

(c) the Company will neither elect not to be a public corporation nor will it be designated by the CRA not to be a public corporation; and

(d) the Company will be a mutual fund corporation for purposes of the Tax Act at all relevant times.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Shares of a Portfolio. Moreover, the income and other tax consequences of acquiring, holding or disposing of Shares will vary depending on the investor's particular circumstances including the jurisdiction(s) in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any investor. Investors should consult their own tax advisors for advice with respect to the income tax consequences of an investment in the Shares, based on their particular circumstances and review the tax-related risk factors.

Status of the Portfolios

As noted above, this summary is based on the assumptions that the Company will qualify at all times as a "mutual fund corporation" for purposes of the Tax Act. In order to qualify as a mutual fund corporation the Company must be a "public corporation". In addition, the sole undertaking of the Company must, in general, be the investing of its funds in property (other than real property or interests in real property), and the Shares must be redeemable at the demand of the holders of those shares. If the Company were to fail to qualify as a mutual fund corporation, the income tax considerations described below would in some respects be materially and adversely different.

Provided that the Company qualifies as a mutual fund corporation, the Shares of each Portfolio will be qualified investments for trusts governed by tax-free savings accounts ("TFSA"), registered retirement savings plans ("RRSP"), registered retirement income funds ("RRIF"), registered disability savings plans ("RDSP"), registered education savings plans ("RESP") and deferred profit sharing plans ("DPSP") (each a "Registered Plan").

Taxation of the Portfolios

The Portfolios may earn income from various sources including capital gains, dividends and ordinary income.

As a mutual fund corporation, the Company is entitled in certain circumstances to a refund of income tax paid by it in respect of its net realized capital gains. In certain circumstances where the Company has recognized a capital gain in a taxation year, it may elect not to pay capital gains dividends in that taxation year in respect thereof and instead pay refundable capital gains tax, which may in the future be fully or partially refundable upon the payment of sufficient capital gains dividends and/or capital gains redemptions. Also, as a mutual fund corporation, the Company maintains a capital gains dividend account in respect of capital gains realized by the Company and from which it may elect to pay dividends ("capital gains dividends") which are treated as capital gains in the hands of the Shareholders of the Company (see "*Tax Treatment of Shareholders*" on page 48).

The Company is required to include in computing its income all dividends received. In computing its taxable income, the Company generally is entitled to deduct from taxable income all taxable dividends received or deemed to be received on shares of taxable Canadian corporations. Dividends received by the Company on shares of corporations, other than taxable Canadian Corporation, are included in computing its income, and are not deductible in computing its taxable income.

The Company is a “financial intermediary corporation” (as defined in the Tax Act) and, as such, is neither subject to tax under Part IV.1 of the Tax Act on dividends received by it nor is it generally liable to tax under Part VI.1 of the Tax Act on dividends paid by it on “taxable preferred shares” (as defined in the Tax Act). If the Company is a mutual fund corporation which is not an “investment corporation” as defined in the Tax Act, it will generally be subject to a refundable tax of 38 1/3% under Part IV of the Tax Act on taxable dividends received during the year to the extent such dividends are deductible in computing its taxable income. This tax is fully refundable upon payment of sufficient dividends other than capital gains dividends (“Ordinary Dividends”) by the Company.

To the extent that the Company earns income (other than dividends from taxable Canadian corporations and taxable capital gains), including interest, option premiums on income account and dividends from corporations other than taxable Canadian corporations, that exceeds the Company’s deductible expenses the Company will be subject to income tax on such income at full corporate income tax rates applicable to mutual fund corporations as they are not entitled to the federal corporate rate reduction. No refund will be available in respect thereof.

The Company may derive income or gains from investments in countries other than Canada and, as a result, may be liable to pay income or profits tax to such countries. Generally, in computing the amount of its Canadian income taxes, the Company will be entitled to reduce any Canadian income tax liability in respect of foreign taxes paid by the Company and foreign taxes withheld at source to the extent permitted by the detailed rules in the Tax Act. To the extent that a tax credit is not claimed, the Company generally will be able to deduct any foreign withholding taxes paid in computing its income.

The Company generally intends to treat and report transactions undertaken in respect of its investments on capital account. Generally, the Company will be considered to hold such investments on capital account unless the Company is considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Company has acquired the securities in a transaction or transactions considered to be an adventure or concern in the nature of trade. Counsel has been advised that the Company has elected in accordance with the Tax Act to have each of its “Canadian securities” (as defined in subsection 39(6) of the Tax Act) treated as capital property. Such an election ensures that gains or losses realized by the Company on dispositions of Canadian securities (including physically settled short sales) are and will be taxed as capital gains or capital losses. Gains and losses in respect of certain derivatives, including certain other short sales of securities, will generally be treated as being on income account except where the derivative is used to hedge property of the Corporation held by it on capital account.

In computing the adjusted cost base of any particular security, the Company will generally be required to average the cost of that security with the adjusted cost base of all other identical securities owned by the Company at the time of acquisition, regardless of whether such identical securities are tracked separately or together. As a result, despite the fact that the Company notionally keeps separate portfolios relating to each Portfolio, the Tax Act provides that the adjusted cost base of securities held in more than one such notional portfolio is subject to averaging, which may have a material impact on the after-tax return realized by investors.

While the Manager will generally endeavour to otherwise calculate income or loss and net realized capital gains separately for each Portfolio, this may not be permitted in all cases under the Tax Act, and accordingly the tax consequences to an investor of holding an investment in a single entity such as the Company, which notionally holds separate portfolios for each Portfolio may differ from the tax consequences that would have arisen had the investor invested in a single entity which holds a single portfolio.

Premiums received on call options written by the Company (to the extent such call options relate to securities actually owned by the Company at the time the option is written and such securities are held on capital account) and on cash covered put options on securities that, if acquired by the Company, would be held on capital account will constitute capital gains of the Company in the year received, and gains or losses realized upon dispositions of securities owned by the Company (whether upon the exercise of call options written by the Company or otherwise) will constitute capital gains or capital losses of the Company in the year realized. Where such a covered call (or cash covered put option) is exercised, the proceeds received by the Company for the option will be included in the proceeds of disposition (deducted in computing the adjusted cost base) of the securities sold (acquired) pursuant to the option and the premium received for such option will not give rise to a capital gain at the time the option is written.

In computing its income for a particular taxation year, a Portfolio must include its share of the foreign accrual property income (“FAPI”) earned by a “controlled foreign affiliate” (as defined in the Tax Act) (“CFA”) of a Portfolio for each taxation year of the CFA that ends in the particular taxation year of the Portfolio. This is the case regardless of whether any such income is actually received by the Portfolio from the CFA. In general terms, the adjusted cost base to the Portfolio of its interest in a CFA will be increased by the amount of the FAPI so included in the income of the Portfolio. Subject to detailed provisions of the Tax Act in this regard, if a Portfolio receives a dividend from a CFA in a particular taxation year, the portion of such dividend that is attributable to amounts included in income as FAPI for the particular taxation year or a previous taxation year, will generally be deductible to the Portfolio in the year that the dividend is received but there will be a corresponding reduction in the adjusted cost base to the Portfolio of its interest in the CFA.

The Tax Act contains rules which may require a taxpayer to include in income in each taxation year an amount in respect of the holding of an “offshore investment fund property” (“OIF Property”). If applicable, these rules would generally require a Portfolio to include in income for each taxation year in which it owns OIF Property (i) an imputed return for the taxation year computed on a monthly basis and determined by multiplying the Portfolio’s “designated cost” (as defined in the Tax Act) of the OIF Property at the end of the month, by 1/12th of the sum of the applicable prescribed rate for the period that includes such month plus 2%, less (ii) the Portfolio’s income for the year (other than a capital gain) from OIF Property determined without reference to these rules. Any amount required to be included in computing a Portfolio’s income under these provisions will be added to the adjusted cost base to the Portfolio of such OIF Property.

All dividends, distributions, cost and proceeds of disposition of securities, interest and all other amounts arising in a currency other than the Canadian dollar will be determined for purposes of the Tax Act in Canadian dollars at the exchange rate prevailing at the time of the relevant transaction. The Company may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars.

The “suspended loss” rules in the Tax Act may prevent the Company from recognizing capital losses on the disposition of securities in certain circumstances which may increase the amount of capital gains dividends to be paid to investors.

Taxation of Shareholders

Shareholders may receive dividends or returns of capital from the Company in respect of their Shares. Shareholders may also realize a capital gain (or capital loss) upon a disposition of their Shares.

Shareholders must include in income Ordinary Dividends received from the Company whether they are paid in cash or in additional Shares. Ordinary Dividends will be subject to the gross-up and dividend tax credit rules with respect to taxable dividends paid by taxable Canadian corporations under the Tax Act including the enhanced gross-up and dividend tax credit on “eligible dividends” which are so designated by the Company.

The amount of any capital gains dividend received by a Shareholder from the Company (whether they are paid in cash or reinvested in additional Shares) will be considered to be a capital gain of the shareholder from the disposition of capital property in the taxation year of the Shareholder in which the capital gains dividend is received.

Where a dividend is paid in Shares, or paid in cash and reinvested in Shares, the cost of such Shares acquired by a Shareholder will be equal to the amount of the dividend, or the amount of cash so reinvested, as the case may be.

The Company may make distributions of paid-up capital on Shares. Such distributions generally are not subject to tax, but will reduce the adjusted cost base of the Shares to the Shareholder who receives such distribution by the amount of the distribution. To the extent that the adjusted cost base of a Shareholder’s Shares becomes negative, the

Shareholder will be considered to have realized a capital gain equal to the negative amount and the adjusted cost base of the Shares to the Shareholder will be reset to nil.

Upon the redemption, retraction or other disposition of a Share, a capital gain (or a capital loss) will be realized to the extent that the proceeds of disposition of the Share exceed (or are less than) the aggregate of the adjusted cost base of the Share and any reasonable costs of disposition.

For purposes of computing the adjusted cost base of each Share of a particular series, a Shareholder must average the cost of such Share with the adjusted cost base of all other Shares of that series then held as capital property.

Generally, one-half of a capital gain is included in computing income as a taxable capital gain and one-half of a capital loss must be deducted against taxable capital gains in accordance with the provisions of the Tax Act.

In certain situations where a Shareholder disposes of Shares and would otherwise realize a capital loss, the loss may be denied in accordance with the detailed rules contained in the Tax Act.

Shareholders realizing net capital gains on the disposition of Shares or receiving ordinary or capital gains dividends may be subject to an alternative minimum tax under the Tax Act.

A Shareholder who converts Shares of one Portfolio of the Company into Shares of another Portfolio will be considered to have disposed of the Shares so converted for proceeds equal to their fair market value. The cost to the Shareholder of the Shares received on the conversion will be deemed to be the fair market value to the Shareholder of the Shares that were converted. In certain circumstances, if a Shareholder converts Shares of one class into Shares of another class, the Company may be required to pay capital gains dividends to the Shareholders who continue to hold Shares of the first class in order to enable the Company to obtain a refund of capital gains taxes. A Shareholder may switch Shares of one series of one Portfolio for Shares of another series of the same Portfolio, provided the Shareholder is qualified to hold the series into which the Shareholder is switching. In this case, generally, the switch should occur on a tax-deferred basis so that the Shareholder does not realize a capital gain or capital loss.

Taxation of Registered Plans

Shareholders who are Registered Plans are not subject to taxation in respect of income realized on such Shares. The Shares will generally not be a "prohibited investment" for a TFSA, RRSP, RRIF, RDSP or RESP unless the holder of the TFSA or RDSP, the annuitant under the RRSP or RRIF or the subscriber under the RESP, as applicable, (i) does not deal at arm's length with the Company for purposes of the Tax Act, or (ii) has a "significant interest" as defined in the Tax Act in the Company. Generally, a holder or annuitant, as the case may be, will not have a significant interest in the Company unless the holder or annuitant, as the case may be, owns directly or indirectly at least 10% of the any class or series of Shares, either alone or together with persons and partnerships with which the holder or annuitant, as the case may be, does not deal at arm's length. In addition, the Shares will generally not be a "prohibited investment" if the Shares are "excluded property" as defined in the Tax Act for a TFSA, RRSP, RRIF RDSP or RESP. Holders or annuitants should consult their own tax advisors with respect to whether Shares would be prohibited investments, including with respect to whether the Shares would be "excluded property".

Tax Implications of the Portfolios' Distribution Policy

The net asset value of Shares of a Portfolio may include income and capital gains that have been earned in the Portfolio but which have not yet been realized and/or paid out as a dividend. If a Shareholder invests in the Portfolio before a dividend is declared, the Shareholder will have to pay tax on such dividend that is paid to the Shareholder. If a Portfolio only pays dividends late in a taxation year, a Shareholder who invests in the Portfolio late in the taxation year but prior to the dividend being paid will have to pay tax on the entire dividend which will generally reflect the income and/or capital gains earned by the Portfolio throughout the taxation year up to the time of payment regardless of the fact that the Shareholder only recently acquired Shares of the Portfolio.

ORGANIZATION AND MANAGEMENT DETAILS OF THE PORTFOLIOS

Officers and Directors of the Company

The Board of Directors of the Company currently consists of three members. Each member of the Board of Directors shall serve as a director until the Company's next annual meeting of voting shareholders. The following chart sets out the names, municipalities of residence, present position with the Company and principal occupations during the past five years of the directors and officers of the Company.

Name and Municipality of Residence	Position with the Company	Principal Occupation for Past 5 Years
JAMES McGOVERN Toronto, Ontario	Chief Executive Officer and Director	Managing Director and Chief Executive Officer of Arrow
VERONIKA HIRSCH Toronto, Ontario	Chief Investment Officer and Director	Until March 31, 2014, Chief Investment Officer of BluMont and from January 1, 2014 to present, Executive Vice-President and Portfolio Manager of Arrow
ROBERT MAXWELL Toronto, Ontario	Chief Financial Officer and Director	Managing Director and Chief Financial Officer of Arrow

James McGovern is the Chief Executive Officer and a director of the Company and the Chief Executive Officer, a Managing Director, Chairman and a director of Arrow. Mr. McGovern founded Arrow Capital Management Inc. in 1999 after working for over thirteen years at BPI Financial Corporation (Canada), the company of which he co-founded, and where he ultimately held the positions of President and Chief Executive Officer. BPI Financial Corporation (Canada), a publicly traded company, managed or administered over $6 billion dollars in assets on behalf of Canadian and U.S. investors. Mr. McGovern was the founding Chairman (currently, Past Chairman) of the Canadian Chapter of the Alternative Investment Management Association. He is actively involved in the international hedge fund community and has spoken at conferences in Canada and globally. Mr. McGovern graduated from the University of Toronto with a Bachelor of Commerce and Finance degree in 1985. He is active in charitable organizations, including Hedge Funds Care Canada and University Health Network. He also serves on the Board of Trustees of the Fraser Institute, an independent Canadian economic and social research and educational organization.

Robert Maxwell, *MBA, CPA, CMA, CAIA,* is the Chief Financial Officer and a director of the Company and the Chief Financial Officer, a Managing Director, Corporate Secretary and a director of Arrow. Mr. Maxwell oversees all financial accounting and administrative functions with respect to all Arrow offerings. Prior to joining Arrow in early 2000, Mr. Maxwell held financial management roles at BPI Financial Corporation, rising to become Corporate Controller in 1999. Mr. Maxwell graduated from Queens University with a Bachelor of Commerce degree in 1993. Mr. Maxwell completed his MBA from the University of Toronto in 2000 and is also a Certified Management Accountant.

Veronika Hirsch is the Chief Investment Officer and a director of the Company and became Executive Vice-President and Portfolio Manager of Arrow in January 2014. Ms. Hirsch was Chief Investment Officer of BluMont Capital Corporation until March 2014. Prior thereto, Ms. Hirsch was a co-founder of Integrated Investment Management Inc. Prior thereto, she was a Vice-President and Portfolio Manager at AGF Management Limited, Fidelity Management and Research Co. and Prudential Life insurance Company of America. Ms. Hirsch holds a Bachelor of Commerce degree and is a Fellow of Life Management Institute.

As of the date of this prospectus, of the 100 issued and outstanding (voting) Management Shares of the Company, 50 Management Shares are held in trust by James McGovern, Robert Parsons and Mark Kennedy for the benefit of the holders from time to time of the non-voting Shares of the Company and 50 Management Shares are held in trust by Robert Maxwell, Mark Purdy and Frederick Dalley for the benefit of the holders from time to time of the non-voting Shares of the Company. As of the date of this prospectus, the directors and officers of the Company, as a group, beneficially own, or control or direct, directly or indirectly, less than 10% of the Shares of each of the Portfolios.

Manager of the Portfolios

Arrow is an employee-owned company, founded in 1999. Arrow's expertise in active portfolio management and manager selection is evident in its strong, diverse platform, which provides clients with access to a global selection of actively managed investment funds. Arrow is committed to continuously providing investors with access to a wide range of investment solutions. Arrow manages over $1 billion of assets.

Arrow is a founding member of the Canadian Chapter of the Alternative Investment Management Association (AIMA Canada) and is dedicated to setting new standards in delivering alternative products and services to Canadian retail investors.

The principal office of Arrow is located at 36 Toronto Street, Suite 750, Toronto, Ontario M5C 2C5.

Duties and Services to be Provided by the Manager

Arrow will be responsible for providing or arranging for the provision of all management and administrative services required by the Portfolios.

Details of the Management Agreement

The Management Agreement provides for the assumption by the Manager of full responsibility to provide, or cause to be provided, the management and administration of the Portfolios. The Manager shall discharge the powers granted under the Management Agreement and execute its duties thereunder honestly, in good faith and in the best interests of the Portfolios and their respective Shareholders, and in connection therewith, shall exercise that degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Manager shall protect and indemnify the Portfolios and the Company from and against all losses, claims, costs, damages and liabilities caused by or arising, directly or indirectly, by reason of the failure of the Manager to comply with the standards provided in the preceding sentence.

In furnishing each Portfolio with investment management services with respect to the investment, substitution, acquisition and re-investment of the assets of the Portfolio, neither the Manager, nor any officer, director, representative or agent thereof shall be held liable to the Company or the Portfolio for errors of judgment, acts or omissions except willful misfeasance, bad faith or gross negligence in the performance of its duties, or failure to fulfill its obligations and duties under the terms of the Management Agreement. The Manager may rely and act upon information furnished to it and reasonably believed by the Manager to be accurate and reliable and that, except as provided above, the Manager shall not be accountable for any loss suffered by the Portfolio by reason of the action or non-action of the Portfolio on the basis of any investment management advice provided under the Management Agreement by the Manager. The Manager is entitled to be indemnified out of the assets of the Portfolios against all losses, claims, costs, damages and liabilities incurred by the Manager in respect of any civil, criminal or administrative action or proceeding to which it is made a party by reason of being or having been manager of the Portfolios, if (i) it complied with the standards set out in the Management Agreement; and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, it had reasonable grounds for believing that its conduct was lawful. The Manager shall not be responsible for the acts or omissions of the Company or the Custodian.

The Management Agreement provides for a continuing term with no expiry date. The Management Agreement may be terminated at any time at the request of the Manager upon 180 days' prior written notice to the Company. The Management Agreement may be terminated immediately by either party by notice in writing to the other if: (i) the other party shall cease to carry on business, become bankrupt or insolvent, resolve to wind up or liquidate or if a receiver of any of the assets of the other party is appointed; or (ii) the other party shall commit any material breach of the provisions of the Management Agreement, or any other relevant law to provide the services required under the

Management Agreement, and shall not have remedied such breach within 30 days after written notice requiring same to be remedied.

Officers and Directors of the Manager of the Portfolios

The name, municipality of residence, present positions and principal occupations during the past five years of the directors and senior officers of the Manager are as follows:

Name and Municipality of Residence	Position with the Manager	Principal Occupation for Past 5 Years
JAMES Mc GOVERN Toronto, Ontario	Managing Director and Chief Executive Officer and Director	Managing Director and Chief Executive Officer of Arrow
MARK PURDY Ajax, Ontario	Managing Director and Chief Investment Officer and Director	Managing Director and Chief Investment Officer of Arrow
ROBERT MAXWELL Toronto, Ontario	Managing Director and Chief Financial Officer and Director	Managing Director and Chief Financial Officer of Arrow
FREDERICK DALLEY Toronto, Ontario	Managing Director, Portfolio Management and Director	Managing Director, Portfolio Management of Arrow
ROBERT PARSONS Toronto, Ontario	Managing Director and Chief Operating Officer	Managing Director and Chief Operating Officer of Arrow
MARK KENNEDY Toronto, Ontario	Chief Compliance Officer	Chief Compliance Officer of Arrow

Biographic information for James McGovern and Robert Maxwell can be found under "*Organization and Management Details of the Portfolios – Officer and Directors of the Company*" on page 50; additional biographical information for the other directors and officers of Arrow is provided below:

Mark R. Purdy, *CFA*, is Managing Director and Chief Investment Officer and a director of Arrow. Prior to joining the Manager in June 2000, Mr. Purdy was Vice-President of Business Development for internet start-up, BayStreetDirect.com. From 1997 to 1999 Mr. Purdy was associate Vice-President of Sales at BPI. Prior to BPI, he held various financial, sales and marketing roles with IBM over a ten-year period.

Frederick F. Dalley is Managing Director, Portfolio Management and a director of Arrow. Prior to joining the Manager in December 1999, Mr. Dalley was Executive Vice President, Portfolio Management of BPI and led a team of 8 investment professionals directly managing over $3.5 billion on behalf of Canadian investors. Mr. Dalley has more than 20 years' experience in the investment industry.

Robert Parsons, *MBA, CAIA,* is Managing Director and Chief Operating Officer of Arrow. He joined the Manager in 2002 and his responsibilities include the oversight of the firm's sales, compliance, technology and operations. Prior to 2002, Mr. Parsons was an Investment Advisor, Vice President and Branch Manager at RBC Dominion Securities Inc.

Mark Kennedy is Chief Compliance Officer of Arrow. He joined the Manager in 2010 and has over 15 years' experience in the investment industry. Prior to joining Arrow, Mr. Kennedy worked for two years as a Compliance Consultant with numerous hedge funds and private equity firms in London, UK. His experience also includes roles as a Compliance Officer and Business Risk Manager with CIBC Wood Gundy in Toronto. Mark holds a Bachelor of Science Degree from Simon Fraser University and numerous certifications from the Canadian Securities Institute.

Portfolio Advisor

Arrow will provide investment advisory and portfolio management services to the Portfolios pursuant to the terms of the Management Agreement. See "*Organization and Management Details of the Portfolios – Details of the*

Management Agreement" on page 51. Arrow is registered as an exempt market dealer, investment fund manager, and portfolio manager under the *Securities Act* (Ontario) and as commodity trading manager in the province of Ontario. Investment advisory and portfolio management services will be provided to the Portfolios by Arrow and specifically to the Exemplar Canadian Focus Portfolio by Veronika Hirsch, Executive Vice-President and Portfolio Manager of Arrow.

Directors and Officers of Arrow

The name, municipality of residence, position with Arrow and principal occupation of each of the directors and officers of Arrow can be found above in the section entitled "*Organization and Management Details of the Portfolios – Officers and Directors of the Company*" and "*Organization and Management Details of the Portfolios – Officers and Directors of the Manager of the Portfolios*"

The Investment Advisor

WaveFront Global Asset Management Corp. (formerly known as Integrated Managed Futures Corp.) has been appointed Investment Advisor of the Exemplar Diversified Portfolio pursuant to a sub-advisory agreement made as of the 24th day of April, 2009, between Arrow and the Investment Advisor (the "Investment Advisory Agreement"). The Investment Advisor is registered as a commodity trading manager in the province of Ontario and as an exempt market dealer in the provinces of Ontario, Quebec, British Columbia and Alberta and is also registered in the United States as a commodity trading advisor and commodity pool operator with the Commodity Futures Trading Commission and as an investment advisor with the Securities and Exchange Commission. The principal office of the Investment Advisor is located at 36 Toronto Street, Suite 750, Toronto, Ontario M5C 2C5.

Portfolio Manager of the Investment Advisor

The name, municipality of residence, position with the Investment Advisor and the experience of the portfolio manager of the Investment Advisor are provided in the chart below.

Name of Individual	Position with Investment Advisor	Details of Experience
Roland P. Austrup Port Sydney, Ontario	Chief Executive Officer and Chief Investment Officer	Associated with WaveFront since 2003

Additional biographical information about the portfolio managers who will be providing investment advisory and portfolio management services to the Exemplar Diversified Portfolio on behalf of the Investment Advisor is provided below.

Roland P. Austrup, B.A. Mr. Austrup is Chairman, Chief Executive Officer & Chief Investment Officer of WaveFront. Registered with the Commodity Futures Trading Commission (CFTC) in the United States as an Associated Person and Principal since June 1997 and with the Ontario Securities Commission (OSC) as an Advisor since February 1999, Mr. Austrup is also an Associate Member of the National Futures Association, a member of the advisory board of the Master of Quantitative Finance program at the University of Waterloo, a member of the AIMA (Canada) Managed Futures Committee, and past member of the Ontario Securities Commission Investment Funds Product Advisory Committee (IFPAC). Previously, Mr. Austrup was President, CEO and a cofounder of Aero Capital Corporation (a formerly registered commodity trading advisor and Member of NFA) and, prior to that, was an investment advisor with BMO Nesbitt Burns from 1991 to 1996 and a commodities broker with ScotiaMcLeod from 1988 to 1990. Mr. Austrup holds a B.A. (Hons.) in Philosophy from the University of Western Ontario.

Details of the Investment Advisory Agreement

Subject to the termination rights set out therein, the Investment Advisory Agreement shall remain in force for the term of the Exemplar Diversified Portfolio.

Pursuant to the terms of the Investment Advisory Agreement, a party may terminate an Investment Advisory Agreement: (i) upon 90 days prior written notice to the other party; or (ii) immediately, if the other party: (a) commits a fraudulent act in the conduct of its business; (b) violates any applicable legal requirement, which, in the reasonable opinion of the party wishing to terminate the Investment Advisory Agreement, has or is likely to have a material adverse effect on such party's business or reputation; (c) becomes bankrupt or insolvent, passes a resolution for its dissolution, has an order for its dissolution ordered against it or makes a general assignment for the benefit of its creditors; or (d) fails to obtain and maintain any registration or qualification required in a jurisdiction in connection with performance of its respective obligations under the Investment Advisory Agreement.

Upon termination of an Investment Advisory Agreement for any reason, the Investment Advisor shall: (a) be entitled to payment of all fees that have accrued up to the date of such termination; and (b) update, reconcile and deliver upon request to Arrow copies of all material books and records maintained by it concerning the management and investment of the assets of the Portfolio, and retain originals, provided that such copies can be produced at a reasonable cost.

Pursuant to the terms of the Investment Advisory Agreement, the Investment Advisor shall exercise its powers and duties thereunder honestly, in good faith and in a manner believed to be in the best interest of the Portfolio, and in that connection shall devote such time and attention and shall exercise such degree of care, diligence and skill as reasonably may be expected of a reasonably prudent investment counsel/portfolio manager of an investment fund, with objectives, similar to those of the Portfolio, in comparable circumstances. The Investment Advisor may rely and act upon any statement, report or opinion prepared by or any advice received from auditors, solicitors, notaries or other professionals and shall not be responsible or held liable for any loss or damage resulting from relying or acting thereon if the advice was within the area of professional competence of the person from whom it was received and the Sub-Investment Advisor acted reasonably in relying thereon.

Pursuant to the terms of the Investment Advisory Agreement, the Investment Advisor will not be liable to Arrow or the Portfolio for any error of judgement or mistake of law or fact or for any loss sustained by reason of taking any action (or failure to take action) by reason of instructions from Arrow or the adoption or implementation of any investment policy or the purchase, sale or retention of any security whether or not such purchase, sale or retention shall have been based upon the Investment Advisor's own investigation and research, or upon investigation and research made by any other individual, firm or corporation if such other individual, firm or corporation shall have been selected by the Investment Advisor with due care and in good faith; provided, however, the Investment Advisory Agreement shall not be construed to protect the Investment Advisor against any liability to Arrow or the Portfolio by reason of loss resulting from breach of the standard of care set out in the Investment Advisory Agreement, wilful default, bad faith or gross negligence in the performance of its duties or by reason of its reckless disregard of its obligations and duties under the Investment Advisory Agreement.

Arrow and the Exemplar Diversified Portfolio shall indemnify and save harmless the Investment Advisor and its affiliates and each and every one of their directors, officers, associates, employees, sub-contractors, agents and shareholders (collectively the "Indemnified Parties" and individually an "Indemnified Party") from and against any and all claims, costs, charges, losses, actions and expenses (including costs of counsel to the Indemnified Parties) resulting from any act, deed, matter or thing whatsoever made, done acquiesced in or omitted in or about or in relation to the execution by the Investment Advisor of its duties as investment advisor to the Portfolio, provided that Arrow and the Portfolio shall have no obligation to indemnify or hold harmless any of the Indemnified Parties for losses or damages resulting from his, her or its wilful default, dishonesty, bad faith or gross negligence.

Arrow is responsible for the payment of all fees owing to the Investment Advisor.

Conflicts Of Interest

Ownership of the Company and the Portfolios

As of the date of this prospectus, of the 100 issued and outstanding (voting) Management Shares of the Company, 50 Management Shares are held in trust by James McGovern, Robert Parsons and Mark Kennedy for the benefit of the holders from time to time of the non-voting Shares of the Company and 50 Management Shares are held in trust by Robert Maxwell, Mark Purdy and Frederick Dalley for the benefit of the holders from time to time of the non-voting Shares of the Company. All six individuals are employees of the Manager and James McGovern, Mark Purdy, Robert Maxwell and Frederick Dalley are directors of the Manager.

The Manager has invested $50,000 in each of the Portfolios, acquiring 5,000 Series A Shares of the Exemplar Canadian Focus Portfolio, and 500 Series A Shares and 4,500 Series F Shares of each of the Exemplar Diversified Portfolio. Such Shares of each of the Portfolios may be redeemed only if Shares with an aggregate issue price of $50,000 remain outstanding and at least $50,000 invested by the Manager remains invested in each Portfolio.

As at June 5, 2018, to the knowledge of the Manager, there was no other person or company that owned of record or beneficially, directly or indirectly, more than 10% of the outstanding Shares of any series of the Portfolios other than as follows:

Shareholders	Portfolio	Number of Shares Held	Percentage of Series of Shares
Pension Plan A*	Exemplar Diversified Portfolio – Series I	228,206.164	100.00%
Individual Investor A*	Exemplar Diversified Portfolio – Series A	19,094.389	10.83%
Individual Investor B*	Exemplar Diversified Portfolio – Series F	230,474.742	24.48%
Individual Investor C*	Exemplar Diversified Portfolio – Series L	16,030.047	16.00%.
Individual Investor D*	Exemplar Diversified Portfolio – Series R	494,925.360	14.84%

* *To protect the privacy of the pension fund and individual investors, the Manager has omitted the name of the shareholder. This information is available on request by contacting the Manager.*

Arrow (the Manager, the portfolio advisor and the promoter) is a corporation formed under the laws of the province of Ontario. Arrow is a privately-owned corporation. The directors and senior officers of Arrow collectively own, directly or indirectly, together with their spouses, approximately 83.7% of all the issued and outstanding shares of Arrow.

Independent Review Committee

NI 81-107 requires all publicly-offered investment funds, such as the Portfolios, to establish an independent review committee. The IRC is required to be comprised of a minimum of three members, each of whom must be independent of the Manager and the Portfolios. The current members of the independent review committee of the Portfolios are Ross MacKinnon (chair), John Anderson and Harvey Naglie. Below is a brief profile of each committee member.

Ross MacKinnon was director of financial markets with the Bank of Canada from February 2000 until February 2009. Mr. MacKinnon began his employment with Nesbitt Burns in February 1985 and held the position of Senior Vice President and Director from September 1987 until June 1999. Mr. MacKinnon received an Honours Business Administration degree from the University of Western Ontario in 1972.

John Anderson has over 30 years of financial and corporate governance experience including 14 years as a partner at Ernst & Young from 1979 to 1992. Mr. Anderson was the Chief Financial Officer of LPBP Inc., a company which formerly invested in health science-focussed partnerships, since May 2004. Mr. Anderson was the Chief Financial Officer of TriNorth Capital Inc. from June 2009 to December 2009 and the Chief Financial Officer of

Impax Energy Services Income Trust, an income trust, from June 2006 to May 2009. From 2005 to June 2006, Mr. Anderson was self-employed. Previously, he was the Chief Financial Officer of The T. Eaton Company Limited. Mr. Anderson currently serves as a director and chair of the Audit Committee of Pivot Technology Solutions Inc. (CVE:PTG) and an independent director of Marret Resources Corp (TSE:MAR). Mr. Anderson was formerly the Chairman of the Board of Directors of Ridley College. Mr. Anderson holds a Bachelor of Arts degree from the University of Toronto and is a chartered professional accountant regulated by the Canadian Institute of Chartered Accountants in Canada. In 2006, Mr. Anderson obtained the ICD.D designation by graduating from the Rotman Institute of Corporate Directors at the University of Toronto.

Harvey Naglie (MA, MBA, LLM.) is a member of the Ontario Securities Commission Investor Advisory Panel (IAP) and the Ombudsman of Banking and Investment Services Consumer and Investor Advisory Committee. Mr. Naglie is also a certified ICD Corporate Director. Prior to retiring in November 2016, Mr. Naglie was a senior policy advisor working for the government of the Province of Ontario. Previously, he held senior positions as Vice President of Business Development at Mount Sinai Hospital, President of Financial Executives International and President of BT Bank of Canada.

Arrow has established written policies and procedures for dealing with conflict of interest matters, maintain records in respect of these matters and provide assistance to the IRC in carrying out its functions. The IRC conducts regular assessments and provides reports to the Manager in respect of its functions at least annually. Reports are available at the Manager's website at www.arrow-capital.com or will be sent, upon request and at no cost, to Shareholders by calling the Manager's toll-free number at 1-877-327-6048. Additional information about the IRC is available in the public disclosure of the Portfolios on SEDAR at www.sedar.com.

The Manager reports to the IRC regularly on the operation of the Portfolios and periodically on: (i) compliance with its policies and procedures for dealing with conflict of interest matters; (ii) appropriate resolution of potential or perceived conflicts of interest; (iii) the accuracy of weekly Net Asset Value calculations; and (iv) compliance with regulatory requirements.

The compensation and other reasonable expenses of the IRC are paid *pro rata* out of the assets of the Portfolios, as well as out of the assets of the other investment funds for which the IRC acts as the independent review committee. The compensation for members of the IRC consists of an annual retainer. The chair of the IRC is entitled to an additional fee. Expenses of the IRC include premiums for insurance coverage, legal fees, travel expenses and reasonable out-of-pocket expenses. The *pro rata* portion of these IRC fees and expenses paid by the Exemplar Canadian Focus Portfolio and the Exemplar Diversified Portfolio for their 2017 fiscal year was $5,590 and $5,590, respectively.

Custodian

The Custodian acts as the custodian of the assets of the Portfolios pursuant to the Custodial Services Agreement. The Custodian will provide custodial services to the Portfolios from its offices in Toronto, Ontario.

Details of the Custodial Services Agreements

The Manager or the Custodian may terminate the applicable Custodial Services Agreement without any penalty: (a) upon at least ninety days' written notice or such lesser notice as the other may agree to, or (b) immediately, if (i) any party to the agreement is declared bankrupt or shall be insolvent, (ii) the assets or the business of either party shall become liable to seizure or confiscation by any public or governmental authority, or (iii) the Manager's powers and authorities to act on behalf of or represent the Portfolios has been revoked or terminated.

The Custodian shall exercise the same degree of care, diligence and skill in the safekeeping of a Portfolio's account and providing the services described under the applicable Custodial Services Agreement that a reasonably prudent person would exercise in the circumstances, or, if higher, the degree of care, diligence and skill that the Custodian uses in respect of its own property of a similar nature in its custody (for the purposes of this section, the "Standard of Care").

The Custodian shall indemnify and hold harmless the Manager, on behalf of a Portfolio, in respect of all direct loss, damage or expense arising out of any breach of the Standard of Care by the Custodian, provided, however, that the liability for any loss, damage or expense to which the above indemnity would apply shall be limited as follows: in the case of a loss of a security, the security shall be replaced where commercially practicable and reasonably feasible; where replacement of such security is not commercially practicable and reasonably feasible, the Manager shall be paid the market value of such security at the time the loss is discovered; and in any other case, the amount of any interest or income arising from the security to which the Manager or the Portfolio, as the case may be, is entitled, but which is not received by the Manager shall be paid to it.

In addition to and without derogation from any other indemnity afforded to any of them under the applicable Custodial Services Agreement or otherwise by law, the Manager shall indemnify and hold harmless the Custodian, from any loss, damage or expense, including reasonable counsel fees and expenses, arising in connection with the Custodial Services Agreement, except to the extent caused by a breach of the Standard of Care.

Auditor

The auditor of the Portfolios is PricewaterhouseCoopers LLP, 18 York Street – Suite 2600 Toronto, Ontario, M5J 0B2.

Recordkeeping Services

Pursuant to a recordkeeping services agreement dated May 1, 2009, as amended periodically, and on February 28, 2017, RBC Investor Services Trust at its principal offices in Toronto, Ontario provides recordkeeping services for the Shares.

Securities Lending Agent

The Bank of New York Mellon, a New York State chartered bank, is the securities lending agent (the "Securities Lending Agent") for the Portfolios. The Securities Lending Agent is independent of the Manager. The Manager has appointed the Securities Lending Agent under the terms of a written agreement between the Manager and the Securities Lending Agent on behalf of the Portfolios in order to administer any securities lending, repurchase and reverse repurchase transactions for the Portfolios. See "*Securities Lending, Repurchase and Reverse Repurchase Transactions*" on pages 17 and 20 for additional information regarding the Securities Lending Agent and securities lending practices of the Exemplar Canadian Focus Portfolio and Exemplar Diversified Portfolio, respectively.

Pursuant to the Securities Lending Agreement, the Portfolios will indemnify the Securities Lending Agent, and the Securities Lending Agent and affiliates will indemnify the Portfolios, from all claims, losses, damages, liabilities, costs and expenses (including reasonable counsel fees and expenses but excluding consequential or indirect damages), suffered by any party arising from: (i) the failure of the indemnifying party to perform any of its obligations under the Securities Lending Agreement, (ii) any inaccuracy of any representation or warranty made by the indemnifying party in the Securities Lending Agreement, or (iii) any fraud, bad faith, wilful misconduct, gross negligence or reckless disregard of duties by the indemnifying party, in connection with or relating to the Securities Lending Agreement. The Securities Lending Agreement may be terminated at any time at the option of either party upon 30 days' prior written notice to the other party.

Promoter

The Manager has taken the initiative in organizing the Company and the Portfolios and, accordingly, may be considered to be a "promoter" of the Portfolios within the meaning of the securities legislation of certain provinces of Canada. See "*Organization and Management Details of the Portfolios*" for more information regarding the Manager.

The Manager has invested $50,000 in each of the Portfolios, acquiring 5,000 Series A Shares of the Exemplar Canadian Focus Portfolio, and 500 Series A Shares and 4,500 Series F Shares of each of the Exemplar Diversified Portfolio.

The Manager will receive fees from the Portfolios and will be entitled to reimbursement of expenses incurred in relation to the Portfolios as described under "*Fees and Expenses*".

Administrative Services

The Manager has entered into the Administrative Services Agreement, pursuant to which CIBC Mellon Global Securities Services provides certain services to the Portfolios. Under the Administrative Services Agreement, CIBC Mellon Global Securities Services provides, among other things, valuation and financial reporting services to the Portfolios and calculates the Net Asset Value per Share of each of the Portfolios on each Valuation Date, which is each business day and such other day or days as the Manager shall determine from time to time.

PORTFOLIO GOVERNANCE

The Manager has responsibility for governance of the Portfolios. The Manager is registered under the *Securities Act* (Ontario) as an advisor in the category of portfolio manager and as an investment fund manager and exempt market dealer and as commodity trading manager in the province of Ontario. As both an advisor and a dealer, the Manager maintains reasonable policies and procedures to minimize the potential for conflict resulting from its activities as both an advisor and a dealer and discloses that it provides both services, and its policies relating to potential conflicts in its adopted Statement of Policies, which is available for review on the Manager's website.

The policies and procedures that the Portfolios follow when voting proxies relating to portfolio securities are available upon request, at no cost, by calling the Manager toll-free at 1-877-327-6048 or 416-323-0477 or by e-mail at info@arrow-capital.com. Portfolios' proxy voting record for the most recent period ended June 30 of each year is available free of charge to any Shareholder of the Portfolios upon request at any time after August 31 of that year.

CALCULATION OF NET ASSET VALUE

A Portfolio's Net Asset Value on a Valuation Date shall be the sum of each of the series of the Shares' Net Asset Values on that Valuation Date. A Portfolio's Net Asset Value is determined by taking the Portfolio's assets and deducting its liabilities. The Portfolio Net Asset Value for a series of shares is determined by taking the series' proportionate share of the Portfolio's common assets less common liabilities and deducting from this amount all liabilities that relate solely to a specific series and dividing the remainder by the number of outstanding Shares of the series. The common liabilities are the costs and expenses and other similar amounts common to all series of Shares and not specifically referable to an individual series of Shares as determined by the Portfolio.

The Portfolio's Net Asset Value per series of Shares will be determined at market closing on each Valuation Date or such other time as the Portfolio may determine.

Valuation Policies and Procedures of the Portfolios

For the purpose of calculating Net Asset Value of a Portfolio on a Valuation Date, the assets of the Portfolio on such Valuation Date will be determined as follows:

(a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash received (or declared to holders of record on or before the date of valuation and to be received) and interest accrued and not yet received, shall be deemed to be the full amount thereof, provided that: (i) the value of any security which is a debt obligation which, at the time of acquisition, had a remaining term to maturity of one year or less shall be the amount paid to acquire the obligation plus the amount of any interest accrued on such obligation since the time of acquisition (for this purpose, interest accrued will include amortization over the remaining term to maturity of any discount or premium from the face value of an obligation at the time of its acquisition); (ii) any interest or other amount due in respect of an obligation in respect of which the issuer has ceased paying interest or has otherwise defaulted shall be excluded from such calculation; and (iii) if the Manager has determined that any such deposit, bill, demand note or account receivable is not otherwise worth the full amount thereof, the value thereof shall be deemed to be such value as the Manager determines to be the fair value thereof;

(b) the value of any security (which includes, without limitation, index futures and index options) which is listed on any recognized exchange shall be the closing sale price on the Valuation Date on the principal exchange on which such security is listed or, if there is no sale price, the average between the closing bid and closing ask prices on the Valuation Date, all as reported by any report in common use or authorized as official by any recognized exchange; provided that if such exchange is not open for trading on the Valuation Date, then the value of such security shall be such price or average on the last previous date on which such exchange was open for trading;

(c) the value of any security which is traded over-the-counter shall be the fair market value as determined by the Manager;

(d) the value of any security which is not listed or traded on a stock exchange or the resale of which is restricted or limited by reason of a representation, undertaking or agreement by the Portfolio or by law (but does not include clearing corporation options, options other than clearing corporation options, debt-like securities and conventional warrants) shall be determined on the basis of such price or yield equivalent quotations (which may be public quotations or may be obtained from major market makers) as the Manager determines best reflects its fair value;

(e) any market price reported in currency other than Canadian dollars shall be translated into Canadian currency at the prevailing rate of exchange, as determined by the Manager, on the Valuation Date;

(f) the value of listed securities subject to a hold period will be valued as described in paragraphs (a), (b), (c), (d) and (e) above with an appropriate discount as determined by the Manager. Investments in assets for which no published market exists will be valued at the lesser of cost and the most recent value at which such securities have been exchanged in an arm's length transaction which approximates a trade effected in a published market, unless a different fair market value is otherwise determined to be appropriate by the Manager;

(g) long positions in clearing corporation options, options on futures, options on indices, options on individual securities, over-the-counter options, debt-like securities and listed warrants shall be valued at the average of the last bid and ask prices thereof, unless the Manager determines that the bid price or the ask price more accurately reflects the value thereof;

(h) if a covered clearing corporation option, option on futures, option on indices, option on individual securities or an over-the-counter option is written, the option premium received by the Portfolio will, so long as the option is outstanding, be reflected as a deferred credit which will be valued at an amount equal to the current market value of the option which would have the effect of closing the position; any difference resulting from revaluation will be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the Net Asset Value;

(i) the value of a forward contract or of a futures contract shall be the gain or loss with respect thereto that would be realized if, on the date of determination of Net Asset Value, the position in the forward contract or the futures contract, as the case may be, were to be closed out, unless "daily limits" are in effect, in which case fair value shall be based on the current market value of the underlying interest;

(j) margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin; and

(k) the value of any security or property to which, in the opinion of the Manager, the above principles cannot be applied (whether because no price or yield equivalent quotations are available as above the provided, or for any other reason) shall be the fair value thereof determined in good faith in such manner as the Manager from time to time adopts.

The value of all liabilities and contractual obligations will be the value determined by the Manager to most accurately reflect fair value; while liabilities and contractual obligations payable in a foreign currency shall be translated into Canadian currency at the prevailing rate of exchange, as determined by the Manager, on the relevant Valuation Date.

Reporting of Net Asset Value

Each Portfolio will make the Net Asset Value per Share for Series A Shares of the Portfolio available on the Manager's website at www.arrow-capital.com, and will also make them available to the financial press daily.

ATTRIBUTES OF THE SECURITIES

Description of the Securities Distributed

The authorized capital of the Company consists of a class of shares designated as voting, common shares (the "Management Shares"), and 1,000 classes of Shares each issuable in series, which classes shall either be sequentially numbered and designated or labelled with such other name as determined by the board of directors of the Company. As of the date of this prospectus, of the 100 issued and outstanding (voting) Management Shares, 50 Management Shares are held in trust by James McGovern, Robert Parsons and Mark Kennedy for the benefit of the holders from time to time of the non-voting Shares of the Company and 50 Management Shares are held in trust by Robert Maxwell, Mark Purdy and Frederick Dalley for the benefit of the holders from time to time of the non-voting Shares of the Company. The board of directors of the Company has authorized the issue of the two classes of Shares that are currently being distributed under this prospectus and may at any time and from time to time authorize the issue of any additional classes of Shares in one or more series. No Shareholder approval is required for any such filing.

The Company may issue an unlimited number of Shares of any class or series. The Shares are non-voting, unless otherwise required by the *Business Corporations Act* (Ontario) or by applicable securities laws. Shareholders are entitled to receive on a *pro rata* basis such dividends as may be declared from time to time by the board of directors of the Company. See "*Distribution Policy*" on page 42. Each Share is redeemable upon demand of the Shareholder by the Company for an amount equal to the Net Asset Value per Share of that series. In the event of the liquidation, dissolution or winding up of a Portfolio, the Shareholders of that Portfolio shall be entitled to receive the relevant Net Asset Value per Share of that series. A fractional Share will carry the rights and privileges and be subject to the restrictions and conditions applicable to whole Shares of the same series.

The Shares will be fully paid and non-assessable when issued. Shareholders of a Portfolio are entitled to require the Portfolio to redeem all or any of their Shares.

The Series A, Series F, Series L Series I and Series R Shares

The Company may issue an unlimited number of Series A, Series F, Series L and Series I Shares, as applicable, in respect of each Portfolio and Series R Shares in respect of the Exemplar Diversified Portfolio. These are the only series of Shares currently being issued to investors; however, the Company may determine to issue additional series without Shareholder approval. The board of directors of the Company shall file articles of amendment prior to the creation of any additional series of Shares.

Modification of Terms

The rights which attach to the Shares may only be altered by articles of amendment. Articles of amendment must be authorized by an Extraordinary Resolution passed at a meeting of Shareholders, in addition to any other vote which may be required by the *Business Corporations Act* (Ontario).

SECURITYHOLDER MATTERS

Meetings of Securityholders

The board of directors of the Company may call a meeting of Shareholders by providing notice of the date, time and place of the meeting to each Shareholder entitled to vote at the meeting, each director and the auditor. Such notice shall be sent no less than 21 days and no more than 50 days before the meeting.

If the Company has only one shareholder entitled to vote at a meeting of Shareholders, that Shareholder constitutes a quorum. Otherwise, any two voting persons present shall constitute a quorum. Unless the chairman of a meeting of Shareholders directs a ballot, or a voting person demands one, each motion shall be voted upon by a show of hands. Each voting person has one vote in a vote by show of hands. The only persons entitled to attend a meeting of Shareholders are voting persons, the directors, the auditor and, if any, the chairman, the managing director and the President, as well as others permitted by the chairman of the meeting.

An Extraordinary Resolution means a resolution passed by the affirmative vote of at least 66⅔% of the votes cast, either in person or by proxy, at a meeting of Shareholders called for the purpose of approving such resolution.

Matters Requiring Securityholder Approval

NI 81-102 stipulates that the following changes to the Portfolios may only be made with the consent of the majority of the Shareholders at a meeting called to consider the matter:

(a) any change in the basis of calculating the fees or other expenses that are charged to a Portfolio which could result in an increase in charges to the Portfolio unless the Portfolio is at arm's length to the person or company charging the fee or expense, the current prospectus discloses that the fee or expense may be changed on 60 days' prior notice and Shareholders of the Portfolio are provided at least 60 days prior notice of the change of fee or expense;

(b) the introduction of a fee or expense, to be charged to a Portfolio or directly to Shareholders by the Portfolio in connection with the holding of securities of the Portfolio that could result in an increase in charges to the Portfolio or to Shareholders;

(c) any change in a Portfolio's fundamental investment objectives;

(d) any change in a Portfolio's manager, unless the new manager is an affiliate of the current manager;

(e) any decrease in the frequency of calculating the Net Asset Value per Share;

(f) a Portfolio undertaking a reorganization with, or transferring assets to, another issuer, if (i) the Portfolio ceases to continue after the reorganization or asset transfer, and (ii) the transaction results in the Portfolio's shareholders becoming shareholders in the other issuer;

(g) a Portfolio undertaking a reorganization with, or acquiring assets from, another issuer, if (i) the Portfolio continues after the reorganization or asset acquisition, (ii) the transaction results in the shareholders of the other issuer becoming Portfolio Shareholders, and (iii) the transaction would be a significant change to the Portfolio; or

(h) a Portfolio implements any of the following: (i) a restructuring into a non-redeemable investment fund; or (ii) a restructuring into an issuer that is not an investment fund.

Shareholder approval will not be required for a change of auditor or reorganization with, or transfers of assets to another mutual fund managed by the Manager or an affiliate provided that (a) the Independent Review Committee has approved such changes; (b) Shareholders have been provided with at least 60 days written notice of the changes;

and (c) in the case of a reorganization with, or transfer of assets to another mutual fund managed by the Manager or an affiliate, certain other criteria set out in NI 81-102 are complied with.

Reporting to Securityholders

The Company will deliver to Shareholders any reports or documents required to be delivered to Shareholders under applicable securities and/or income tax laws. The fiscal year of each Portfolio ends on the 31st day of December of each year.

TERMINATION OF THE PORTFOLIOS

The Portfolios do not have a fixed duration and a Portfolio shall be terminated pursuant to an Extraordinary Resolution of the Shareholders of the Portfolio; or by the Manager when, in its opinion, it is no longer economically practical to continue the Portfolio or it would be in the best interest of the Shareholders to terminate the Portfolio, or pursuant to the mandatory termination provisions discussed below. If a Portfolio is so terminated, the date on which the Portfolio terminates shall be known as the "Termination Date."

In the event that a Portfolio is to be terminated without Shareholder approval as contemplated above, at least 60 days prior to the Termination Date, the Portfolio shall give notice to Shareholders of the commencement of the winding-up of the affairs of the Portfolio and such notice shall designate the time or times at which Shareholders may surrender their Shares for cancellation and the date at which the register of the Portfolio shall be closed.

Prior to the Termination Date, the portfolio manager will, to the extent practicable, convert the assets of the relevant Portfolio to cash. The Manager may, in its discretion and upon not less than 30 days' prior written notice to the Shareholders, extend the Termination Date by 90 days to allow additional time for conversion of the assets to cash if the portfolio manager will be unable to convert all of the assets of the relevant Portfolio to cash prior to the Termination Date and the Manager determines that it would be in the best interests of the Shareholders to do so. In the event that liquidation of certain securities is not possible, or in the opinion of the Manager is not advisable, prior to the Termination Date, such securities will be distributed to the Shareholders in specie, subject to compliance with any securities or other laws applicable to such distributions.

In the event of the liquidation, dissolution or winding-up of the Company or other distribution of assets of the Company among the Shareholders for the purpose of winding-up its affairs, Shareholders of each class shall, in priority to any distribution of the property and assets of the Company among Shareholders, be entitled to receive an amount, in cash or in property, equal to the value of the net assets referable to such class, but shall not be entitled to participate in the distribution of any other assets or property of the Company.

Mandatory Termination

While each Portfolio is considered to be a separate fund for securities law purposes, and maintains to the extent possible assets which are separate and distinct from the assets of the other Portfolios, the Company is a single legal entity, and the assets of the Company as a whole are available to satisfy the creditors of the Company, with the result that the assets of one Portfolio could be required to be paid to the creditors of another Portfolio. The Manager and the portfolio advisors will manage the Portfolios' respective portfolios with a view to ensuring that the assets of a Portfolio are sufficient to satisfy the creditors of that Portfolio, whether in respect of the Portfolio's derivative activities, short selling activities, or otherwise. In the event, however, that the Net Asset Value of a Portfolio falls below an economically viable level (as determined by the Manager in its discretion), the Portfolio will cease investing activities and will be terminated not later than 60 days thereafter. The cessation of investment activities or termination of a Portfolio shall not affect the Company or the other Portfolios.

PRINCIPAL HOLDERS OF SECURITIES OF THE PORTFOLIOS

See "*Organization and Management Details of the Portfolios - Conflicts of Interest*" on page 54.

PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD

Arrow has established policies and procedures for the Portfolios to follow to determine whether, and how, to vote proxies relating to the securities held by the Portfolios. These policies prescribe that voting rights should be exercised with a view to the best interests of the Portfolios. The policies and procedures include: (a) a standing policy for dealing with routine matters on which the Portfolios may vote; (b) the circumstances under which the Portfolios will deviate from the standing policy for routine matters; (c) the policies under which, and the procedures by which, the Portfolios will determine how to vote or refrain from voting on non-routine matters; and (d) procedures to ensure that securities held by the Portfolios are voted in accordance with the policies and procedures. The proxy voting policies that have been developed by Arrow are general in nature and cannot contemplate all possible proposals or non-routine matters with which the Portfolios may be presented. Under the standing policy for dealing with routine matters on which the Portfolios may vote, routine matters are limited to the election of directors, the compensation of management, the appointment of auditors, and the remuneration of auditors. Non-routine matters generally include all matters that are not specified to be routine, and would include securities-based compensation, issuance of rights and warrants, employee and management bonuses, and amendments to the issuer's articles of incorporation or other constating documents. In order to discharge its obligations under the proxy voting policies, the Portfolio will review all relevant available documentation, including research on management performance, corporate governance and all other factors that it considers relevant. In the unlikely event that a matter on which the Portfolio may vote presents a conflict of interest or perceived conflict of interest, the matter will be referred to an appropriate independent third party, which may be the Independent Review Committee or the legal counsel of the Portfolio. The Portfolio will be required to vote in a manner consistent with the recommendation of the independent third party, or refrain from voting on such matter. A copy of the Portfolios' policies and procedures on proxy voting is currently available at Arrow's website at www.arrow-capital.com.

MATERIAL CONTRACTS

The Company was formed by articles of incorporation dated March 18, 2008, as amended. For further in respect of the articles see "*Attributes of the Securities - Description of the Securities Distributed*". Material contracts that have been, or will be, entered into by the Company and/or the Portfolios since their formation or prior to the date hereof, other than contracts entered into in the ordinary course of business, are as follows:

(a) the Investment Advisory Agreement. See "*Organization and Management Details of the Portfolios – The Investment Advisor*" on page 53;

(b) the Management Agreement referred to under "*Organization and Management Details of the Portfolios – Details of the Management Agreement*" on page 51; and

(c) the Custodial Services Agreement. See "*Organization and Management Details of the Portfolios – Custodian*" on page 56.

Copies of the articles of incorporation of the Company and the contracts referred to above are available on SEDAR at www.sedar.com.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

The Company is not involved in any legal proceedings, nor is the Manager aware of existing or pending legal or administrative proceedings involving the Company or any Portfolio.

EXPERTS

PricewaterhouseCoopers LLP, the auditor of the Portfolios, has prepared an auditor's report accompanying the Portfolios' audited annual financial statements and incorporated by reference in this prospectus. Wildeboer Dellelce LLP, legal counsel to Arrow, has provided a legal opinion on the principal Canadian federal income tax considerations that apply to an investment in the Shares by a person resident in Canada. See "*Income Tax Considerations*" on page 45.

As of June 7, 2018, partners and associates of Wildeboer Dellelce LLP, as a group, owned, directly or indirectly, less than 1.0% of the outstanding Shares of the Company. As at March 29, 2018, PricewaterhouseCoopers LLP had advised that they are independent with respect to the Company and the Portfolios within the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

EXEMPTIONS AND APPROVALS

Short Selling Relief

Each Portfolio has received exemptive relief from the requirements set out in certain Canadian securities legislation that restrict short selling by the Portfolios. See "*Investment Restrictions –Short Selling Restrictions"* on page 24.

BetaPro ETFs Relief

The Portfolios may rely on relief obtained from the Canadian securities regulatory authorities in order to invest in the BetaPro ETFs. The BetaPro ETFs are exchange traded funds that seek to provide returns similar to a particular benchmark market, industry sector index or commodity and magnify returns by either a multiple or an inverse multiple of that benchmark, index or commodity. See "*Investment Restrictions – Investment in Commodity Pools*" on page 25.

Permitted ETFs Relief

The Portfolios have received exemptive relief from the requirements set out in certain Canadian securities legislation in order to invest in Permitted ETFs. See "*Investment Strategies – Canadian Focus Portfolio – Investing in Permitted ETFs*" on page 16 and See "*Investment Strategies – Exemplar Diversified Portfolio – Investing in Permitted ETFs*" on page 20.

Investment Structure Relief

The Exemplar Diversified Portfolio has received exemptive relief from the Canadian securities regulatory authorities in each of the provinces and territories of Canada from the requirements contained in subsections 2.1(1), 2.2(1), 2.5(2)(a) and 2.5(2)(c) of NI 81-102 in order to permit the Exemplar Diversified Portfolio to indirectly gain exposure to the Underlying Asset by means of the three-tier investment structure as described in section "*Overview of Investment Structure – Exemplar Diversified Portfolio*" on page 22, provided that, among other things:

(a) the Exemplar Diversified Portfolio is a commodity pool subject to NI 81-102 and NI 81-104;

(b) the IMFC Feeder Fund is an investment fund that complies with the investment restrictions contained in NI 81-102 and the Underlying Assets are managed in accordance with these restrictions, except as otherwise permitted by NI 81-104 and in accordance with any exemptions therefrom obtained by Exemplar Diversified Portfolio;

(c) the IMFC Master Fund is an investment fund that complies with the investment restrictions contained in NI 81-102 and the Underlying Assets are managed in accordance with these restrictions, except as otherwise permitted by NI 81-104 and in accordance with any exemptions therefrom obtained by Exemplar Diversified Portfolio;

(d) the investment by Exemplar Diversified Portfolio in securities of the IMFC Feeder Fund is in accordance with the fundamental investment objectives of Exemplar Diversified Portfolio;

(e) the prospectus of Exemplar Diversified Portfolio discloses, and any annual information form filed will disclose, that Exemplar Diversified Portfolio will invest in securities of the IMFC Feeder Fund, which will in turn invest in the IMFC Master Fund and the risks associated with such an investment structure;

(f) the IMFC Feeder Fund is a reporting issuer subject to NI 81-106;

(g) the IMFC Master Fund is a reporting issuer subject to NI 81-106;

(h) no securities of the IMFC Feeder Fund or the IMFC Master Fund are distributed in Canada other than the distribution of the securities of the IMFC Feeder Fund to Exemplar Diversified Portfolio;

(i) the investment by Exemplar Diversified Portfolio in securities of the IMFC Feeder Fund is made in compliance with each provision of paragraph 2.5 of NI 81-102, except paragraph 2.5(a) and 2.5(c) of NI 81-102; and

(j) the IMFC Feeder Fund's and IMFC Master Fund's custodian meets the requirements of a sub-custodian for assets held outside Canada under section 6.3 of NI 81-102.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase mutual fund securities within two business days after receipt of a prospectus and any amendment or within 48 hours after the receipt of a confirmation of a purchase of such securities. If the agreement is to purchase such securities under a contractual plan, the time period during which withdrawal may be made may be longer. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to the applicable provisions of the securities legislation of the province or territory for the particulars of these rights or should consult with a legal advisor.

DOCUMENTS INCORPORATED BY REFERENCE

Each Portfolio will prepare and file with the Securities Regulators audited annual financial statements for each fiscal year of the Portfolio ended December 31 in each year within 90 days of the end of that fiscal year, and unaudited interim financial statements for each six-month period ended June 30 in each year within 60 days after the end of that interim period. Such statements are prepared in accordance with the requirements of NI 81-106. In accordance with NI 81-106, each Portfolio also prepares and files a management report of fund performance for each annual and interim period of the Portfolio.

Additional information about the Portfolios is available in the most recently filed annual financial statements together with the accompanying auditor's report and any interim financial statements, which are unaudited, filed after those annual financial statements, and annual and interim management reports of fund performance, of each Portfolio. These documents are incorporated by reference into the prospectus, which means that they legally form part of this document just as if they were printed as part of this document.

You can get a copy of these documents at your request, and at no cost, by calling the Manager at 416-323-0477 or toll-free at 1-877-327-6048, or from your dealer. These documents are also available on the Manager's website at www.arrow-capital.com, or by contacting the Manager by e-mail at info@arrow-capital.com. These documents and other information about the Portfolios are also available on the website of SEDAR (the System for Electronic Document Analysis and Retrieval) at www.sedar.com.

Any documents of the type described above, if filed by the Portfolios after the date of the prospectus and before the termination of the distribution, are deemed to be incorporated by reference in the prospectus.

CERTIFICATE OF THE COMPANY
AND ARROW CAPITAL MANAGEMENT INC. AS MANAGER AND PROMOTER OF THE COMPANY

June 8, 2018

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of all of the provinces and territories of Canada.

"JAMES MCGOVERN" James McGovern Chief Executive Officer of Exemplar Portfolios Ltd.	*"ROBERT MAXWELL"* Robert Maxwell Chief Financial Officer of Exemplar Portfolios Ltd

On behalf of the Board of Directors
of EXEMPLAR PORTFOLIOS LTD.

"JAMES MCGOVERN" James McGovern Director of Exemplar Portfolios Ltd	*"ROBERT MAXWELL"* Robert Maxwell Director of Exemplar Portfolios Ltd	*"VERONIKA HIRSCH"* Veronika Hirsch Director of Exemplar Portfolios Ltd

On behalf of ARROW CAPITAL MANAGEMENT INC.
as Manager and Promoter of EXEMPLAR PORTFOLIOS LTD.

"JAMES MCGOVERN" James McGovern Chief Executive Officer of Arrow Capital Management Inc.	*"ROBERT MAXWELL"* Robert Maxwell Chief Financial Officer of Arrow Capital Management Inc.

On behalf of the Board of Directors of ARROW CAPITAL MANAGEMENT INC.
as Manager and Promoter of EXEMPLAR PORTFOLIOS LTD.

"MARK PURDY" Mark Purdy Director of Arrow Capital Management Inc.	*"FREDERICK DALLEY"* Frederick Dalley Director of Arrow Capital Management Inc.