EXEMPLAR GROWTH AND INCOME FUND

SEMI-ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period since inception to June 30, 2015

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

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

Forward-Looking Information

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

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

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

Management Discussion on Fund Performance

Investment Objective and Strategies

The investment objective of the Fund is to achieve long term growth and preservation of capital. The Fund will invest up to all of its assets in a diversified mix of other mutual funds (in order to gain indirect exposure to securities that the Fund would otherwise directly invest in), and may also invest in common shares, preferred shares, treasury bills, short-term notes, debentures, and bonds. The Fund invests primarily in Canadian securities.

To achieve the investment objective, the Manager utilizes the following allocation guidelines: 30-90% equity securities, 10-50% fixed income securities and 0-50% money market instruments. Fixed income securities may include investment grade, non-investment grade and distressed fixed income securities, issued by Canadian or non-Canadian corporations, trusts and international agencies and governments. The Fund is also permitted to invest in convertible bonds and debentures, loans, preferred shares, exchange traded funds and equities. The Fund may also hold cash. To achieve these target ranges, the Fund may invest in either individual securities or the Manager may invest up to 100% of the assets of the Fund in underlying funds.

The Fund may invest in foreign securities to an extent that will vary from time to time buy is not typically expected to exceed 30% of its assets at the time that foreign securities are purchased, however, as the Fund intends to invest certain of its assets in securities of other investments funds that may themselves invest in foreign securities, the actual exposure of the Fund to investments in foreign securities may exceed this amount.

Investment Risk

The risks of investing in the Fund remain as stated in the Fund's simplified prospectus. There were no material changes to the Fund over the period that affected the overall level or risk.

This Fund is suitable for investors who are able to accept a medium degree of risk and are prepared to invest for medium to long periods of time.

Results of Operations

For the period since inception ending June 30, 2015, Series A units of the Fund gained 2.6% while its benchmark (80% S&P/TSX, 20% FTSE All Corporate Bond Index) lost 1.6% over the same period. Please refer to the "Past Performance" section for performance information of the other series. The performance of the other series of the Fund differs from Series A units due largely to a varying level of expenses charged to each series, as explained in the management fees section.

Equities

The price of oil has been in decline ever since OPEC announced the decision to defend its market share at the expense of the oil price at the November 2014 meeting. It became clear to investors that the Canadian economy would be a laggard, as demand for Canadian resource exports would suffer not only as a result of the worldwide oil glut, but also because of the anemic global economic environment. Thus for 2015, we have positioned the portfolio to take advantage of the superior U.S. economic prospects. We increased exposure to U.S. companies with attractive domestic growth, as well as searched for Canadian companies with significant business exposure to the U.S. and the stronger north European economies. The most profitable holdings in the first half of 2015 were Valeant Pharmaceuticals (with a 67% increase), Constellation Software (with a 44% increase) and Element Financial (with a 40% increase). All three companies derive significant profits from the U.S. and fit exceptionally well into our other dominant themes of 'Industry consolidation' and 'Growth by acquisition'. We continue to pursue these themes as antidotes to glacial global growth. In fact, Element Financial just recently announced a game-changing deal by acquiring most of General Electric's fleet management business. This acquisition will increase Element's exposure to operations in the U.S., Mexico, Australia and New Zealand, and will continue Element's transformation into a global financial player.

Our call for a weak Canadian economy in 2015 proved correct, as depressed energy prices caused companies to postpone or rethink many projects and thus scale back capital spending and employment - mostly in Alberta and Saskatchewan. The unexpected win by the NDP party in the Alberta election exacerbated the already difficult environment by creating uncertainty about future government policies. Even our most pessimistic forecast failed to foresee the debilitating effects the exceptionally cold winter inflicted on the North American economy. We are seeing many signs that the U.S. is returning to healthy economic growth, but have no such hopes for Canada. Canada will not be able to resume growth without a recovery in commodity prices. Currently there is little hope for such recovery. China's economy has been decelerating and we expect it will take several years before China's appetite for commodities returns. European prospects are certainly improving, but the unresolved structural problems will only allow for sporadic growth in the region for years to come. When we consider the endless list of geopolitical problems facing the world, it becomes impossible to predict anything but tepid economic prospects.

As predicted last year, we are seeing divergent monetary policies across continents. While Euro-area and China pursue stimulative policies to help boost their underachieving economies, the single most important issue facing U.S. markets is the timing of Federal Reserve Chair Yellen's process of interest rate normalization. Market performance has mirrored this divergence. Equities of the leading European economies have outperformed the range bound U.S. Indexes, as investors begin to digest the consequences of rising interest rates in the U.S. We are confident that U.S. equities will resume their climb once the rate liftoff is in the rear view mirror - most likely in the fourth quarter this year.

Our defensive position has allowed the Fund to outperform Canadian equities in the first half of 2015. Lack of exposure to resource stocks and heavy reliance on defensive sectors proved to be the right formula. The Fund benefited from being overweighed in the best performing Health Care sector, while having the single largest exposure to the next-best performing Consumer Discretionary sector. Focusing on companies able to grow either organically or by acquisitions and giving preference to companies with significant operations outside Canada has also been rewarding. The Fund continues to carry larger than usual cash position, which we deploy during market corrections by picking away at some of our favorite stocks. This strategy has been helpful in mitigating market volatility.

Fixed Income

Both Canadian and U.S. bond yields rose during the second quarter of the year. Canadian bond yields rose by 10bps less than U.S. bond yields, we think mainly reflecting what is going on in Greece and China spooking investors. Investment grade spreads rose significantly in Q2 worldwide. Surprisingly, high yield credit spreads were unchanged in the quarter.

We thought the Fed wasn't going to raise rates in the first half of the year, and they did not. We believe this will happen in the second half of the year.

Credit markets became more cautious in Q2 especially in lower parts of the credit spectrum. The Greece issue was a major theme of Q1 and Q2 but we believe this to be primarily transitionary and in the next few months we will likely look back on this as an event that cleared the way for markets to go higher.

Supply is high which we believe is driven by companies trying to raise money before rates start rising. Concessions haven't been as high as they needed to be so we have stepped back from this active trading part of our portfolio.

Canadian spreads continue to rise from the tights in January 2014 as oil has stayed low and global issues in Greece and China have caused investors to step back on risk taking. Spreads have risen 30% from their tights without a corresponding fall in the equity markets. We believe this gives Canadian investment grade credit good value compared to other asset classes.

The Canadian vs. U.S. government interest rate differential has continued to expand as Canadian rates remain below U.S. government bond rates. We don't expect this to last as there is a weaker economy in Canada and a more volatile currency. Over the next several years we expect these two rates to come together, in particular that Canadian rates will rise by more than the U.S. rates will.

We are focusing on going up in credit quality with positions that provide good liquidity as well as focusing on reducing duration. Because of the diverging policies of the U.S. Federal Reserve and the Bank of Canada we also are continuing to stay exposed to the benefit from an appreciation of the U.S. Dollar. This is also supported by our opinion that the U.S. economy is set to significantly outperform the Canadian economy.

Recent Developments

There are no recent developments for the Fund.

Related Party Transactions

On March 25, 2015, Arrow seeded the Fund by investing $5,000 in Series A units and $145,000 in Series F units of the Fund.

As of June 30, 2015, the number of units owned by the Manager for the Fund is summarized as follows:

Fund	Number of units	Amount ($)	% of net assets attributable to holders of redeemable units
Exemplar Growth and Income Fund – A	504	5,136	0.2
Exemplar Growth and Income Fund – F	64,975	664,045	29.0
Exemplar Growth and Income Fund – FN	80,864	829,665	36.3
Exemplar Growth and Income Fund – LN	1,000	10,170	0.4

The Fund invests in units of Exemplar Performance Fund and Exemplar Tactical Corporate Bond Fund. The number of units owned by the Fund as of June 30, 2015 is summarized as follows:

Fund	Number of units	Amount ($)	% of net assets attributable to holders of redeemable units
Exemplar Performance Fund – Series I	133,219	1,360,636	59.5
Exemplar Tactical Corporate Bond Fund – Series I	45,089	452,247	19.8

Management Fees

Arrow receives a monthly management fee (the "Management Fee"), subject to HST (and any other applicable sales taxes), calculated as a percentage of the Fund's net asset value as of the close of business on each business day. The Management Fee rate applicable to Series A units and Series AN units is equal to 2.0% per annum. The Management Fee rate applicable to Series F units and Series FN units is equal to 1.0% per annum. The Management Fee rate applicable to Series L units and Series LN units is equal to 2.30% per annum. The Fund is also authorized to issue Series I units, for which the Management Fee is negotiable between Arrow and the dealer.

For the period ended June 30, 2015, Management Fees charged to the Fund equaled $3,739. The Management Fee is paid in consideration of investment management and administration services. No breakdown of such services was specified in the management agreement. From this Management Fee, the Manager pays fees to the investment advisor (Arrow, in its capacity as such) who provides portfolio management services to the Fund. A portion of the Management Fee paid by the Fund is for trailer fees paid to dealers whose clients hold units of the Fund. The trailer fees are a percentage of the net asset value of the Fund, calculated and payable monthly. The table below outlines the Fund's annual Management Fees and trailer fees.

ANNUAL RATE (%)	Series A, AN	Series F, FN	Series L, LN	Series I
Management Fees *(Annual Rate)*	2.0%	1.0%	2.3%	Negotiable
Trailer Fees *(as a % of Management Fees)*	12.2%	-	-	-

The Manager incurs operating expenses on behalf of the Fund and charges these expenses to the Fund. For the period ended June 30, 2015, the Manager has, in its discretion, agreed to absorb $38,527 of operating expenses associated with the Fund.

Financial Highlights

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

SERIES A - NET ASSETS PER UNIT For the period since March 24, 2015 (date of commencement of operations) to June 30, 2015	
Net Assets, beginning of period[1]	**$ 10.00**
Increase (decrease) from operations:	
Total revenue	0.01
Total expenses	(0.07)
Realized gains (loss) for the period	0.11
Unrealized gains (loss) for the period	0.07
Total increase (decrease) from operations[1]:	**$ 0.12**
Distributions[2]:	
From income (excluding dividends)	(0.07)
From dividends	
Return of capital	
Total distributions	**(0.07)**
Net Assets, end of period[1]	**$ 10.19**

SERIES A - RATIOS AND SUPPLEMENTAL DATA[7] For the period since March 24, 2015 (date of commencement of operations) to June 30, 2015	
Net Asset Value ("NAV")[1]	$268,993
Number of units outstanding	26,400
Management expense ratio[3]	2.53%*
Management expense ratio before waivers or absorptions[4]	13.58%*
Portfolio turnover rate[5]	212.7%
Trading expense ratio[6]	0.52%*

SERIES AN - NET ASSETS PER UNIT For the period since April 8, 2015 (date of commencement of operations) to June 30, 2015	
Net Assets, beginning of period[1]	**$ 10.00**
Increase (decrease) from operations:	
Total revenue	0.01
Total expenses	(0.06)
Realized gains (loss) for the period	0.08
Unrealized gains (loss) for the period	0.02
Total increase (decrease) from operations[1]:	**$ 0.05**
Distributions[2]:	
From income (excluding dividends)	-
From dividends	-
Return of capital	-
Total distributions	**-**
Net Assets, end of period[1]	**$ 10.14**

SERIES AN - RATIOS AND SUPPLEMENTAL DATA[7] For the period since April 8, 2015 (date of commencement of operations) to June 30, 2015	
Net Asset Value ("NAV")[1]	$227,315
Number of units outstanding	22,427
Management expense ratio[3]	2.52%*
Management expense ratio before waivers or absorptions[4]	15.66%*
Portfolio turnover rate[5]	212.7%
Trading expense ratio[6]	0.52%*

SERIES F - NET ASSETS PER UNIT For the period since March 24, 2015 (date of commencement of operations) to June 30, 2015	
Net Assets, beginning of period[1]	**$ 10.00**
Increase (decrease) from operations:	
Total revenue	0.02
Total expenses	(0.04)
Realized gains (loss) for the period	0.17
Unrealized gains (loss) for the period	0.14
Total increase (decrease) from operations[1]:	**$ 0.29**
Distributions[2]:	
From income (excluding dividends)	(0.08)
From dividends	-
Return of capital	-
Total distributions	**(0.08)**
Net Assets, end of period[1]	**$ 10.22**

SERIES F - RATIOS AND SUPPLEMENTAL DATA[7] For the period since March 24, 2015 (date of commencement of operations) to June 30, 2015	
Net Asset Value (“NAV”)[1]	$699,596
Number of units outstanding	68,477
Management expense ratio[3]	1.37%*
Management expense ratio before waivers or absorptions[4]	12.46%*
Portfolio turnover rate[5]	212.7%
Trading expense ratio[6]	0.52%*

SERIES FN - NET ASSETS PER UNIT For the period since April 2, 2015 (date of commencement of operations) to June 30, 2015	
Net Assets, beginning of period[1]	**$ 10.00**
Increase (decrease) from operations:	
Total revenue	0.00
Total expenses	(0.04)
Realized gains (loss) for the period	0.10
Unrealized gains (loss) for the period	(0.13)
Total increase (decrease) from operations[1]:	**$ (0.07)**
Distributions[2]:	
From income (excluding dividends)	-
From dividends	-
Return of capital	-
Total distributions	**-**
Net Assets, end of period[1]	**$ 10.26**

SERIES FN - RATIOS AND SUPPLEMENTAL DATA[7] For the period since April 2, 2015 (date of commencement of operations) to June 30, 2015	
Net Asset Value (“NAV”)[1]	$1,017,853
Number of units outstanding	99,171
Management expense ratio[3]	1.42%*
Management expense ratio before waivers or absorptions[4]	13.52%*
Portfolio turnover rate[5]	212.7%
Trading expense ratio[6]	0.52%*

SERIES L - NET ASSETS PER UNIT For the period since April 13, 2015 (date of commencement of operations) to June 30, 2015	
Net Assets, beginning of period[1]	**$ 10.00**
Increase (decrease) from operations:	
Total revenue	0.01
Total expenses	(0.06)
Realized gains (loss) for the period	0.07
Unrealized gains (loss) for the period	0.02
Total increase (decrease) from operations[1]**:**	**$ 0.04**
Distributions[2]**:**	
From income (excluding dividends)	(0.07)
From dividends	-
Return of capital	-
Total distributions	**(0.07)**
Net Assets, end of period[1]	**$ 9.98**

SERIES L - RATIOS AND SUPPLEMENTAL DATA[7] For the period since April 13, 2015 (date of commencement of operations) to June 30, 2015	
Net Asset Value ("NAV")[1]	$63,432
Number of units outstanding	6,354
Management expense ratio[3]	2.88%*
Management expense ratio before waivers or absorptions[4]	17.04%*
Portfolio turnover rate[5]	212.7%
Trading expense ratio[6]	0.52%*

SERIES LN - NET ASSETS PER UNIT For the period since May 14, 2015 (date of commencement of operations) to June 30, 2015	
Net Assets, beginning of period[1]	**$ 10.00**
Increase (decrease) from operations:	
Total revenue	0.01
Total expenses	(0.04)
Realized gains (loss) for the period	0.05
Unrealized gains (loss) for the period	0.15
Total increase (decrease) from operations[1]**:**	**$ 0.17**
Distributions[2]**:**	
From income (excluding dividends)	-
From dividends	-
Return of capital	-
Total distributions	**-**
Net Assets, end of period[1]	**$ 10.17**

SERIES LN - RATIOS AND SUPPLEMENTAL DATA[7] For the period since May 14, 2015 (date of commencement of operations) to June 30, 2015	
Net Asset Value ("NAV")[1]	$10,166
Number of units outstanding	1,000
Management expense ratio[3]	3.24%*
Management expense ratio before waivers or absorptions[4]	26.15%*
Portfolio turnover rate[5]	212.7%
Trading expense ratio[6]	0.52%*

The Fund was launched on March 16, 2015. Series A and F units began operations on March 24, 2015. Series AN units began operations on April 8, 2015. Series FN units began operations on April 2, 2015. Series L units began operations on April 13, 2015. Series LN units began operations on May 14, 2015.

*Ratios have been annualized.

1. The net assets per unit shown are referenced to net assets attributable to holders of redeemable units determined in accordance with International Financial Reporting Standards ("IFRS") and are derived from the Fund's financial statements. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.
2. Distributions, if any, were reinvested in additional units of the Fund.
3. Management expense ratio is based on total expenses (excluding certain taxes, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.
4. The Manager has absorbed certain expenses or waived certain fees otherwise payable by the Fund. The amount of expenses absorbed or waived is determined annually at the discretion of the Manager and the Manager can terminate the absorption or waiver at any time.
5. The Fund's portfolio turnover rate can indicate how actively the investment advisor manages the portfolio of investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of its securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.
6. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
7. Ratios and supplemental data, where applicable, are computed using the net asset value of the Fund.

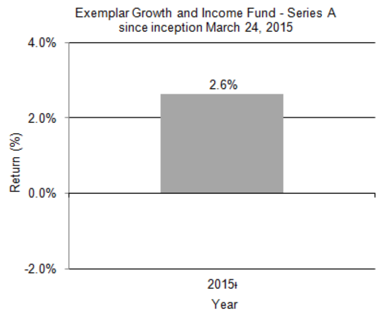
Past Performance

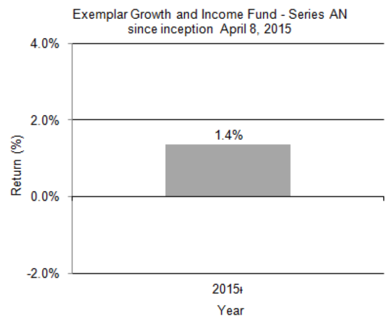
The performance information shown below assumes that all distributions, if any, made by the Fund in the period shown were reinvested in additional units of the Fund. If you hold the Fund outside a registered plan, you will be taxed on distributions. Distributions of income the Fund earns and capital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

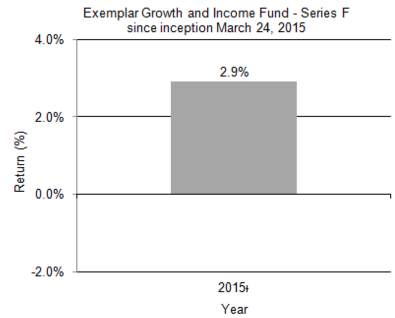
The indicated rates of return are historical annual compounded total returns including changes in unit value and do not take into account sale, redemption, distribution or other optional charges, that, if applicable, would have reduced returns or performance. An investment in the Fund is not guaranteed.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

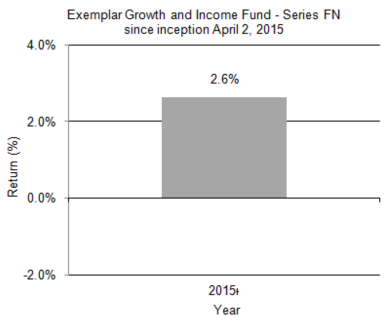
Year-By-Year Returns

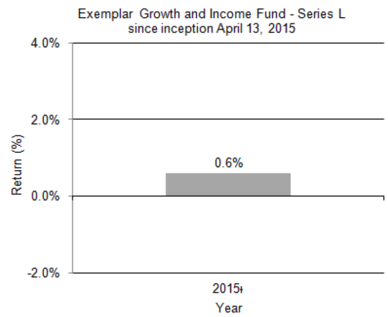
The bar chart below illustrates the Fund's performance for the period since inception to June 30, 2015. It shows, in percentage terms, how much an investment made on the first day of each financial year (or since inception) would have grown or decreased.

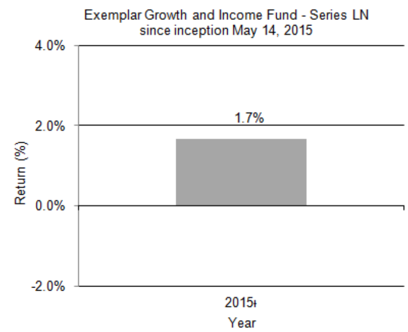












†Returns shown represent a partial year.

Annual Compound Returns (Compound Performance)

The following table shows the annual compound total returns of the Fund and for its blended benchmark (80% S&P/TSX, 20% FTSE All Corporate Bond Index, rebalanced monthly) for the period ended June 30, 2015. The Relative Performance returns show the performance of the Fund as compared to the benchmark.

	Since Inception
Series A	2.6%
Series AN	1.4%
Series F	2.9%
Series FN	2.6%
Series L	0.6%
Series LN	1.7%
Blended benchmark (March 31, 2015 to June 30, 2015)	(1.6)%

Summary of Investment Portfolio as at June 30, 2015

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

Top 25 Holdings	% of Net Assets
Exemplar Performance Fund Class I	59.5
Exemplar Tactical Corporate Bond Class I	19.8
Cash	4.0
Element Financial Corp.	0.9
Apple Inc.	0.7
Manulife Financial Corp.	0.5
Hudsons Bay Company	0.5
Bank of New York Mellon Corp.	0.5
American Hotel Income Properties	0.5
The Blackstone Group LP	0.4
Crown Castle International Corp.	0.4
Diversified Royalty Corp.	0.4
Maple Leaf Foods Inc.	0.4
Cineplex Inc	0.4
Citrix Systems Inc	0.4
Cargojet Inc.	0.4
Chorus Aviation Inc.	0.3
Bank of America Corp.	0.3
Royal Bank of Canada	0.3
Gluskin Sheff + Associates Inc.	0.3
Allied Properties REIT	0.3
Callidus Capital Corporation	0.3
Citigroup Inc.	0.3
CI Financial Inc.	0.3
Starbucks Corp.	0.3
Total	**92.4**
Total Net Assets	**$2,287,355**

Sector Weightings	% of Net Assets
Basic Materials	0.9
Communications	0.3
Consumer, Cyclical	2.0
Consumer, Non-Cyclical	1.6
Financial	6.4
Funds	79.3
Industrial	1.6
Technology	1.1
Utilities	0.3
Warrants	0.3

Regional Weightings	% of Net Assets
Canada	88.9
US	4.9