

EXEMPLAR INVESTMENT GRADE FUND ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the year ended December 31, 2020

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

Securityholders may also contact us using one of these methods to request a copy of the Fund's annual financial reports, 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 generate income and capital preservation by investing in a diversified portfolio of primarily North American investment grade corporate bonds.

To achieve the investment objectives, the Fund will invest primarily in investment grade debt securities of Canadian corporate and government issuers that are rated BBB- or higher by a recognized rating agency. The Fund may also include non-investment grade debt securities and may invest in other asset classes if warranted by financial conditions.

In managing the Fund, East Coast Fund Management Inc. ("East Coast"), the sub-advisor, will seek to generate income and preserve capital in each stage of the credit cycle; and seek to protect the Fund from interest rate risk associated with higher nominal interest rates and systemic risk. The sub-advisor will utilize the following investment process: (i) top-down analysis (macro-economic environment and sector); (ii) bottom-up analysis (company fundamentals); and (iii) quantitative analysis (asset class and security relative valuation). The outcome of this research will enable the sub-advisor to identify investment opportunities as well as ways of mitigating and avoiding undesirable market risk. The combination of all three investment processes will assist the sub-advisor in attempting to reduce the downside risk associated with an investment as much as possible prior to acquisition of the investment.

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 year that affected the overall level of risk.

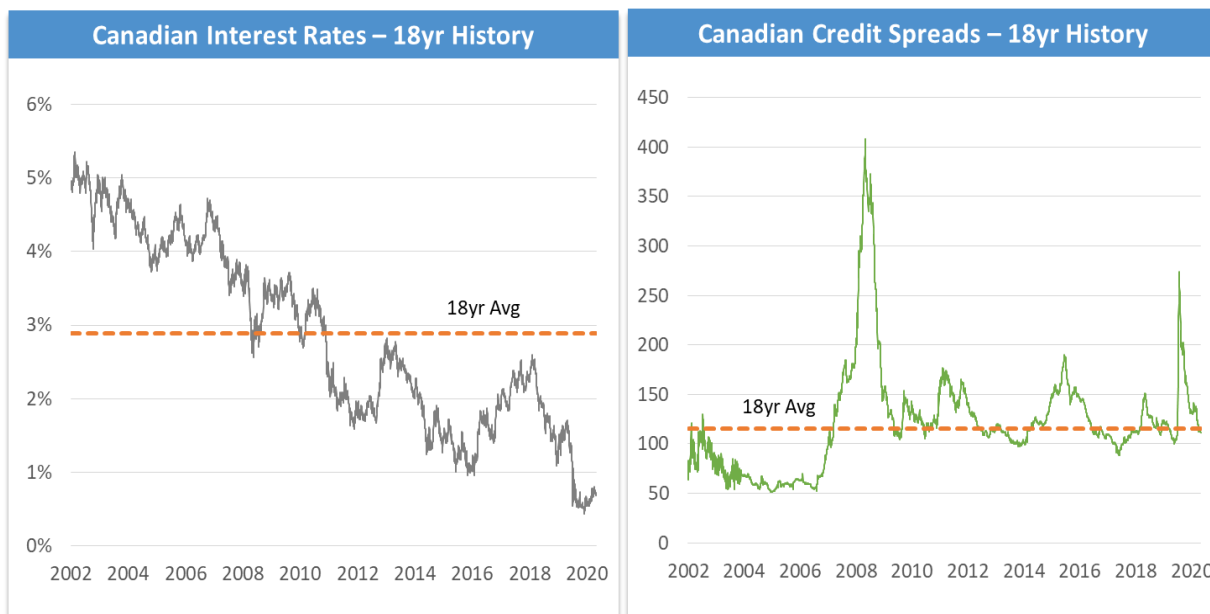
This Fund is suitable for investors who are able to accept a low degree of risk and are prepared to invest for the medium term.

Results of Operations

The net asset value ("NAV") of the Fund decreased from \$180.5 million to \$134.1 million from December 31, 2019 to December 31, 2020. The Fund had net redemptions of \$45.5 million for the year. The Fund paid distributions of \$5.2 million while the portfolio's performance increased assets by \$4.3 million. For the year ended December 31, 2020, Series F units of the Fund posted a gain of 3.6% (gain of 6.1% in the year ended December 31, 2019) while its benchmark, the FTSE TMX Canada Universe Bond Index, gained 8.7% for the same year (gain of 6.9% in the year ended December 31, 2019) for the same year. Please refer to the Past Performance section for the performance of the other Series. The performance of the other Series offered by the Fund differs from Series F largely because of varying levels of expenses charged to each series, as explained in the Management Fee section.

After a very tumultuous year for markets, 2020 has ended on a positive note. Risk assets rallied as worldwide rollout of multiple COVID-19 vaccines were initiated and after much fanfare, a new fiscal relief bill was finally signed. Canadian equities (S&P/TSX Comp) added +1.72% in December while U.S. equities (S&P 500) had a strong final week of trading, returning +3.84% in December. Credit spreads also rallied into yearend with spreads 7-8bps tighter (rally) on both sides of the border. Unlike equity markets that closed the year higher, credit spreads closed the year small wider (weaker) with Canadian IG spreads 7bps weaker and U.S. IG spreads 2bps weaker on the year. If we just looked at the year-end equity and credit results it would seem that not much happened in 2020, despite living through COVID-19, March's liquidity crisis, and the subsequent 10mos recovery.

It is within the interest rate market that a more accurate story is told – the fear, uncertainty and volatility in 2020 was evident as 10yr interest rate yields in Canada and the U.S. rallied (moved lower) approximately 100bps (1%). Rate curves steepened dramatically (shorter-dated maturity yields dropped more than longer-dated maturity yields) as global Central Banks, in the height of the liquidity crisis, dropped their target rates to zero and launched massive QE programs seemingly overnight. Central Banks had one goal: rescue the economy (and market). As one can see from the charts below, interest rates are now at their all-time low yields (high prices) – much more expensive than their 18yr average, while credit spreads remain weaker than where they started 2020 and on top of their 18yr average.



With rates remaining at these all-time lows and negative real returns expected across all traditional fixed income for the foreseeable future, investors will need to proactively adjust their investment mix. Inaction implies a willingness to accept next to zero returns at best and capital losses when rates rise (as witnessed thus far in 2021). At the same time, indiscriminate chasing of yields (return) likely brings unwanted portfolio risk. What investors often forget is the extremely high correlation (typically +0.70 to +0.95) of all traditional fixed income funds (universe, corporate etc.) to interest rates. Interest rates rallied significantly (1.6% to 0.5%), while credit spreads were slightly weaker (1.0% to 1.1%). The interest rate portion of a corporate bond yields only 0.5% and we believe there is more risk than return opportunity remaining in rate exposure.

Recent Developments

(BASED ON INFORMATION AS AT FEBRUARY 10, 2021)

Canadian investment grade credit spreads are currently 111bps (1.11%). Spreads remain weaker (wider) than early 2020 and are trading on top of their historic median 115bps (1.15%) over the past 18 years. Currently there is too much global money chasing extremely limited yield opportunities. Most asset classes traded at all-time highs in 2020, yet credit spreads haven't even tested post-GFC tight, 88bps (0.88%), let alone pre-GFC tight, 51bps (0.51%). Conversely, we believe any spread widening will be limited and occur slowly – meaning portfolio yield and active trading should be able to offset any modest widening in 2021.

Without exposure to interest rates (which rallied 7% on the year), the East Coast strategy was still able to outperform traditional fixed income (interest rates, universe and corporate bond mandates) as well as Canadian equities. These additional “rates” return portion of traditional fixed income is off to a rocky start. Ten-year Gov't bonds (GCAN10s) have risen from 0.67% to 0.84%, which doesn't seem like much, but represents a -1.5% loss. Credit spreads, on the other hand, have rallied (tightened) to start the year. Rates are volatile and will likely rally that back, but we believe rates will not test the lows of 2020 and are much more likely to slowly rise, resulting in price depreciation (losses) over time.

Related Party Transactions

Arrow Capital Management Inc. is the Manager, Portfolio Advisor and Trustee of the Fund. The Manager, in consideration for management fees, provides management services required in the day-to-day operations of the Fund. The Fund also reimburses the Manager for any operating or administrative expenses the Manager pays on behalf of the Fund. For the year ended December 31, 2020, the Manager has, in its discretion, agreed to absorb \$177,662 (\$115,036 in 2019) of operating expenses associated with the Fund.

The Fund may invest in other funds also managed by the Manager. These investments will either be made into a series that does not pay management fees or the Manager may pay a rebate to the Fund or other fund to offset fees paid by the other fund to the Manager.

Management Fees

The table below outlines the Fund's annual Management Fee rate. It also states the percentage of the total management fees that were used to pay trailer commissions. The remainder of the management fees were used to pay for investment management services and sub-advisory fees to East Coast.

ANNUAL RATE (%)	Series A, AI, AN, U	Series F, FI, FN, G, ETF	Series I
Management Fees <i>(Annual Rate)</i>	1.3%	0.8%	Negotiable
Trailer Fees <i>(as a % of Management Fees)</i>	38.3%	-	-

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 years ended December 31,					
	2020	2019	2018	2017	2016
Net Assets, beginning of year¹	\$ 9.59	\$ 9.37	\$ 9.75	\$ 9.72	\$ 9.36
Increase (decrease) from operations:					
Total revenue	0.31	0.42	0.39	0.32	0.40
Total expenses	(0.16)	(0.16)	(0.16)	(0.17)	(0.16)
Realized gains (loss)	0.09	0.04	(0.18)	0.06	0.02
Unrealized gains (loss)	(0.05)	0.22	(0.15)	0.06	0.37
Total increase (decrease) from operations¹:	\$ 0.19	\$ 0.52	\$ (0.10)	\$ 0.27	\$ 0.63
Distributions²:					
From income (excluding dividends)	(0.04)	(0.19)	(0.25)	(0.21)	(0.12)
From capital gains	(0.15)	0.00	0.00	-	(0.17)
From return of capital	(0.11)	(0.10)	(0.04)	(0.08)	-
Total distributions	\$ (0.29)	\$ (0.29)	\$ (0.29)	\$ (0.29)	\$ (0.29)
Net Assets, end of year¹	\$ 9.58	\$ 9.59	\$ 9.37	\$ 9.75	\$ 9.72

SERIES A - RATIOS AND SUPPLEMENTAL DATA⁸					
For the years ended December 31,					
	2020	2019	2018	2017	2016
Net Asset Value ("NAV") (000s) ¹	\$21,533	\$28,805	\$33,857	\$32,007	\$14,184
Number of units outstanding	2,246,731	3,002,110	3,612,725	3,281,116	1,459,186
Management expense ratio ^{4,9}	1.65%	1.65%	1.65%	1.63%	1.61%
Management expense ratio before waivers or absorptions ^{5,9}	1.76%	1.71%	1.71%	1.74%	1.92%
Portfolio turnover rate ⁶	348.25%	311.56%	543.01%	562.92%	564.52%
Trading expense ratio ^{7,9}	0.04%	0.03%	0.04%	0.07%	0.11%
Net asset value per unit	\$9.58	\$9.59	\$9.37	\$9.75	\$9.72

SERIES AI - NET ASSETS PER UNIT

For the years ended December 31,

	2020	2019	2018	2017	2016
Net Assets, beginning of year¹	\$ 8.64	\$ 8.60	\$ 9.14	\$ 9.28	\$ 9.11
Increase (decrease) from operations:					
Total revenue	0.27	0.37	0.37	0.31	0.39
Total expenses	(0.13)	(0.14)	(0.15)	(0.15)	(0.15)
Realized gains (loss)	0.06	0.03	(0.17)	0.05	0.03
Unrealized gains (loss)	(0.05)	0.16	(0.14)	0.07	0.37
Total increase (decrease) from operations¹:	\$ 0.15	\$ 0.42	\$ (0.09)	\$ 0.28	\$ 0.64
Distributions²:					
From income (excluding dividends)	(0.03)	(0.21)	(0.25)	(0.20)	(0.13)
From capital gains	(0.13)	-	-	-	(0.17)
From return of capital	(0.27)	(0.22)	(0.21)	(0.26)	(0.16)
Total distributions	\$ (0.43)	\$ (0.43)	\$ (0.46)	\$ (0.46)	\$ (0.46)
Net Assets, end of year¹	\$ 8.45	\$ 8.64	\$ 8.60	\$ 9.14	\$ 9.28

SERIES AI - RATIOS AND SUPPLEMENTAL DATA⁸

For the years ended December 31,

	2020	2019	2018	2017	2016
Net Asset Value ("NAV") (000s) ¹	\$4,904	\$7,814	\$4,623	\$4,575	\$2,549
Number of units outstanding	580,164	904,532	537,584	500,780	274,643
Management expense ratio ^{4,9}	1.59%	1.58%	1.58%	1.58%	1.55%
Management expense ratio before waivers or absorptions ^{5,9}	1.70%	1.64%	1.64%	1.69%	1.86%
Portfolio turnover rate ⁶	348.25%	311.56%	543.01%	562.92%	564.52%
Trading expense ratio ^{7,9}	0.04%	0.03%	0.04%	0.07%	0.11%
Net asset value per unit	\$8.45	\$8.64	\$8.60	\$9.14	\$9.28

SERIES AN - NET ASSETS PER UNIT

For the years ended December 31,

	2020	2019	2018	2017	2016
Net Assets, beginning of year¹	\$ 10.25	\$ 9.93	\$ 10.26	\$ 10.10	\$ 9.71
Increase (decrease) from operations:					
Total revenue	0.33	0.44	0.42	0.34	0.43
Total expenses	(0.17)	(0.17)	(0.17)	(0.17)	(0.17)
Realized gains (loss)	0.03	0.04	(0.20)	0.07	0.06
Unrealized gains (loss)	(0.18)	0.20	(0.15)	0.07	0.39
Total increase (decrease) from operations¹:	\$ 0.01	\$ 0.51	\$ (0.10)	\$ 0.31	\$ 0.71
Distributions²:					
From income (excluding dividends)	(0.05)	(0.24)	(0.23)	(0.18)	(0.10)
From capital gains	(0.18)	-	-	-	(0.19)
From return of capital	-	-	-	-	-
Total distributions	\$ (0.23)	\$ (0.24)	\$ (0.23)	\$ (0.18)	\$ (0.29)
Net Assets, end of year¹	\$ 10.33	\$ 10.25	\$ 9.93	\$ 10.26	\$ 10.10

SERIES AN - RATIOS AND SUPPLEMENTAL DATA⁸

For the years ended December 31,

	2020	2019	2018	2017	2016
Net Asset Value ("NAV") (000s) ¹	\$4,011	\$7,254	\$5,732	\$5,292	\$3,180
Number of units outstanding	388,211	707,852	577,037	515,597	314,815
Management expense ratio ^{4,9}	1.62%	1.60%	1.61%	1.59%	1.59%
Management expense ratio before waivers or absorptions ^{5,9}	1.73%	1.66%	1.67%	1.70%	1.89%
Portfolio turnover rate ⁶	348.25%	311.56%	543.01%	562.92%	564.52%
Trading expense ratio ^{7,9}	0.04%	0.03%	0.04%	0.07%	0.11%
Net asset value per unit	\$10.33	\$10.25	\$9.93	\$10.26	\$10.10

SERIES F - NET ASSETS PER UNIT

For the years ended December 31,

	2020	2019	2018	2017	2016
Net Assets, beginning of year¹	\$ 9.87	\$ 9.59	\$ 9.93	\$ 9.84	\$ 9.44
Increase (decrease) from operations:					
Total revenue	0.32	0.43	0.40	0.33	0.42
Total expenses	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)
Realized gains (loss)	0.14	0.04	(0.18)	0.06	(0.01)
Unrealized gains (loss)	(0.03)	0.22	(0.15)	0.05	0.37
Total increase (decrease) from operations¹:	\$ 0.32	\$ 0.58	\$ (0.04)	\$ 0.33	\$ 0.67
Distributions²:					
From income (excluding dividends)	(0.07)	(0.24)	(0.28)	(0.27)	(0.14)
From capital gains	(0.23)	-	-	-	(0.17)
From return of capital	-	(0.06)	(0.02)	(0.02)	-
Total distributions	\$ (0.30)	\$ (0.30)	\$ (0.30)	\$ (0.29)	\$ (0.31)
Net Assets, end of year¹	\$ 9.91	\$ 9.87	\$ 9.59	\$ 9.93	\$ 9.84

SERIES F - RATIOS AND SUPPLEMENTAL DATA⁸

For the years ended December 31,

	2020	2019	2018	2017	2016
Net Asset Value ("NAV") (000s) ¹	\$67,767	\$79,517	\$83,253	\$84,467	\$34,961
Number of units outstanding	6,840,858	8,060,067	8,684,027	8,506,130	3,554,196
Management expense ratio ^{4,9}	1.09%	1.09%	1.10%	1.08%	1.06%
Management expense ratio before waivers or absorptions ^{5,9}	1.20%	1.16%	1.16%	1.19%	1.37%
Portfolio turnover rate ⁶	348.25%	311.56%	543.01%	562.92%	564.52%
Trading expense ratio ^{7,9}	0.04%	0.03%	0.04%	0.07%	0.11%
Net asset value per unit	\$9.91	\$9.87	\$9.59	\$9.93	\$9.84

SERIES FI - NET ASSETS PER UNIT

For the years ended December 31,

	2020	2019	2018	2017	2016
Net Assets, beginning of year¹	\$ 8.92	\$ 8.83	\$ 9.32	\$ 9.41	\$ 9.19
Increase (decrease) from operations:					
Total revenue	0.28	0.37	0.38	0.32	0.40
Total expenses	(0.09)	(0.10)	(0.10)	(0.11)	(0.10)
Realized gains (loss)	0.01	0.02	(0.18)	0.07	0.05
Unrealized gains (loss)	(0.09)	0.13	(0.15)	0.07	0.30
Total increase (decrease) from operations¹:	\$ 0.11	\$ 0.42	\$ (0.05)	\$ 0.35	\$ 0.65
Distributions²:					
From income (excluding dividends)	(0.04)	(0.29)	(0.29)	(0.26)	(0.17)
From capital gains	(0.22)	-	-	-	(0.17)
From return of capital	(0.18)	(0.15)	(0.17)	(0.20)	(0.12)
Total distributions	\$ (0.44)	\$ (0.44)	\$ (0.46)	\$ (0.46)	\$ (0.46)
Net Assets, end of year¹	\$ 8.78	\$ 8.92	\$ 8.83	\$ 9.32	\$ 9.41

SERIES FI - RATIOS AND SUPPLEMENTAL DATA⁸

For the years ended December 31,

	2020	2019	2018	2017	2016
Net Asset Value ("NAV") (000s) ¹	\$8,251	\$21,276	\$6,244	\$5,446	\$5,446
Number of units outstanding	940,051	2,385,247	707,025	584,286	584,286
Management expense ratio ^{4,9}	1.06%	1.05%	1.05%	1.05%	1.03%
Management expense ratio before waivers or absorptions ^{5,9}	1.17%	1.11%	1.11%	1.16%	1.33%
Portfolio turnover rate ⁶	348.25%	311.56%	543.01%	562.92%	564.52%
Trading expense ratio ^{7,9}	0.04%	0.03%	0.04%	0.07%	0.07%
Net asset value per unit	\$8.78	\$8.92	\$8.83	\$9.32	\$9.41

SERIES FN - NET ASSETS PER UNIT

For the years ended December 31,

	2020	2019	2018	2017	2016
Net Assets, beginning of year¹	\$ 10.39	\$ 10.04	\$ 10.34	\$ 10.10	\$ 9.68
Increase (decrease) from operations:					
Total revenue	0.34	0.45	0.43	0.34	0.43
Total expenses	(0.12)	(0.12)	(0.12)	(0.12)	(0.11)
Realized gains (loss)	(0.04)	0.04	(0.21)	0.04	0.05
Unrealized gains (loss)	(0.19)	0.21	(0.18)	0.06	0.39
Total increase (decrease) from operations¹:	\$ (0.01)	\$ 0.58	\$ (0.08)	\$ 0.32	\$ 0.76
Distributions²:					
From income (excluding dividends)	(0.08)	(0.27)	(0.25)	(0.16)	(0.13)
From capital gains	(0.33)	-	-	-	(0.18)
From return of capital	-	-	-	-	-
Total distributions	\$ (0.41)	\$ (0.27)	\$ (0.25)	\$ (0.16)	\$ (0.31)
Net Assets, end of year¹	\$ 10.35	\$ 10.39	\$ 10.04	\$ 10.34	\$ 10.10

SERIES FN - RATIOS AND SUPPLEMENTAL DATA⁸

For the years ended December 31,

	2020	2019	2018	2017	2016
Net Asset Value ("NAV") (000s) ¹	\$14,528	\$27,271	\$19,404	\$15,981	\$3,150
Number of units outstanding	1,403,649	2,625,491	1,931,962	1,545,306	311,722
Management expense ratio ^{4,9}	1.10%	1.09%	1.08%	1.08%	1.04%
Management expense ratio before waivers or absorptions ^{5,9}	1.21%	1.16%	1.15%	1.19%	1.35%
Portfolio turnover rate ⁶	348.25%	311.56%	543.01%	562.92%	564.52%
Trading expense ratio ^{7,9}	0.04%	0.03%	0.04%	0.07%	0.11%
Net asset value per unit	\$10.35	\$10.39	\$10.04	\$10.34	\$10.10

SERIES I - NET ASSETS PER UNIT

For the years ended December 31,

	2020	2019	2018	2017	2016 [†]
Net Assets, beginning of year¹	\$ 10.81	\$ 10.40	\$ 10.72	\$ 10.41	\$ 10.00
Increase (decrease) from operations:					
Total revenue	0.38	0.48	0.44	0.37	0.31
Total expenses	(0.03)	(0.02)	(0.03)	(0.03)	(0.02)
Realized gains (loss)	1.24	0.05	(0.20)	0.08	0.22
Unrealized gains (loss)	0.85	0.23	(0.17)	0.08	0.38
Total increase (decrease) from operations¹:	\$ 2.44	\$ 0.74	\$ 0.04	\$ 0.50	\$ 0.89
Distributions²:					
From income (excluding dividends)	(0.05)	(0.33)	(0.35)	(0.20)	(0.13)
From capital gains	(0.45)	-	-	-	(0.18)
From return of capital	-	-	-	-	-
Total distributions	\$ (0.50)	\$ (0.33)	\$ (0.35)	\$ (0.20)	\$ (0.31)
Net Assets, end of year¹	\$ 10.79	\$ 10.81	\$ 10.40	\$ 10.72	\$ 10.41

SERIES I - RATIOS AND SUPPLEMENTAL DATA⁸

For the years ended December 31,

	2020	2019	2018	2017	2016 [†]
Net Asset Value ("NAV") (000s) ¹	\$6	\$6	\$6	\$5	\$5
Number of units outstanding	574	549	533	515	506
Management expense ratio ^{4,9}	0.23%	0.19%	0.22%	0.20%	0.21%*
Management expense ratio before waivers or absorptions ^{5,9}	0.34%	0.25%	0.28%	0.31%	0.52%*
Portfolio turnover rate ⁶	348.25%	311.56%	543.01%	562.92%	564.52%
Trading expense ratio ^{7,9}	0.04%	0.03%	0.04%	0.07%	0.11%*
Net asset value per unit	\$10.79	\$10.81	\$10.40	\$10.72	\$10.41

SERIES G - NET ASSETS PER UNIT

For the years ended December 31,

	2020	2019	2018	2017	2016
Net Assets, beginning of year¹ - CAD	\$ 13.34	\$ 13.52	\$ 12.79	\$ 13.46	\$ 13.29
Increase (decrease) from operations:					
Total revenue	(0.02)	0.77	1.25	(0.51)	0.45
Total expenses	(0.16)	(0.16)	(0.15)	(0.14)	(0.14)
Realized gains (loss)	0.34	0.06	(0.16)	0.06	0.01
Unrealized gains (loss)	0.03	(0.46)	0.26	(0.18)	0.17
Total increase (decrease) from operations¹:	\$ 0.19	\$ 0.21	\$ 1.20	\$ (0.77)	\$ 0.49
Distributions²:					
From income (excluding dividends)	(0.09)	(0.34)	(0.37)	(0.28)	(0.20)
From capital gains	(0.31)	-	-	-	(0.18)
From return of capital	-	(0.06)	(0.02)	(0.07)	-
Total distributions	\$ (0.40)	\$ (0.40)	\$ (0.39)	\$ (0.35)	\$ (0.38)
Net Assets, end of year¹ - CAD	\$ 13.16	\$ 13.34	\$ 13.52	\$ 12.79	\$ 13.46
Net Assets, beginning of year¹ - USD	\$ 10.27	\$ 10.28	\$ 10.18	\$ 10.02	\$ 9.60
Net Assets, end of year¹ - USD	\$ 10.34	\$ 10.27	\$ 10.28	\$ 10.18	\$ 10.02

SERIES G - RATIOS AND SUPPLEMENTAL DATA⁸

For the years ended December 31,

	2020	2019	2018	2017	2016
Net Asset Value ("NAV") (000s) ¹	\$1,424	\$893	\$783	\$1,760	\$56
Number of units outstanding	108,212	66,984	57,951	137,568	4,176
Management expense ratio ^{4,9}	1.12%	1.12%	1.07%	1.05%	1.03%
Management expense ratio before waivers or absorptions ^{5,9}	1.23%	1.18%	1.14%	1.16%	1.33%
Portfolio turnover rate ⁶	348.25%	311.56%	543.01%	562.92%	564.52%
Trading expense ratio ^{7,9}	0.04%	0.03%	0.04%	0.07%	0.11%
Net asset value per unit - USD	\$10.34	\$10.27	\$10.28	\$10.18	\$10.02

SERIES U - NET ASSETS PER UNIT

For the years ended December 31,

	2020	2019 [†]
Net Assets, beginning of year¹ - CAD	\$ 13.13	\$ 13.16
Increase (decrease) from operations:		
Total revenue	0.11	0.40
Total expenses	(0.21)	(0.19)
Realized gains (loss)	0.19	0.03
Unrealized gains (loss)	0.10	(0.25)
Total increase (decrease) from operations¹:	\$ 0.19	\$ (0.01)
Distributions²:		
From income (excluding dividends)	(0.04)	(0.31)
From capital gains	(0.20)	-
From return of capital	(0.15)	(0.02)
Total distributions	\$ (0.38)	\$ (0.33)
Net Assets, end of year¹ - CAD	\$ 12.92	\$ 13.13
Net Assets, beginning of year¹ - USD	\$ 10.11	\$ 10.00
Net Assets, end of year¹ - USD	\$ 10.15	\$ 10.11

SERIES U - RATIOS AND SUPPLEMENTAL DATA⁸

For the years ended December 31,

	2020	2019 [†]
Net Asset Value ("NAV") (000s) ¹	\$105	\$106
Number of units outstanding	8,111	8,108
Management expense ratio ^{4 9}	1.57%	1.68%
Management expense ratio before waivers or absorptions ^{5 9}	1.68%	1.75%
Portfolio turnover rate ⁶	348.25%	311.56%
Trading expense ratio ^{7 9}	0.04%	0.03%
Net asset value per unit - USD	\$10.15	\$10.11

SERIES ETF - NET ASSETS PER UNIT

For the years ended December 31,

	2020	2019	2018	2017 ¹
Net Assets, beginning of year¹	\$ 20.08	\$ 19.50	\$ 20.03	\$ 20.00
Increase (decrease) from operations:				
Total revenue	0.64	0.86	0.83	0.07
Total expenses	(0.22)	(0.23)	(0.22)	(0.02)
Realized gains (loss)	0.47	0.07	(0.38)	(0.08)
Unrealized gains (loss)	0.09	0.35	(0.31)	0.08
Total increase (decrease) from operations¹:	\$ 0.98	\$ 1.05	\$ (0.08)	\$ 0.05
Distributions²:				
From income (excluding dividends)	(0.13)	(0.52)	(0.53)	-
From capital gains	(0.47)	-	-	-
From return of capital	-	(0.08)	-	-
Total distributions	\$ (0.60)	\$ (0.60)	\$ (0.53)	\$ -
Net Assets, end of year¹	\$ 20.17	\$ 20.08	\$ 19.50	\$ 20.03

SERIES ETF - RATIOS AND SUPPLEMENTAL DATA⁸

For the years ended December 31,

	2020	2019	2018	2017 ¹
Net Asset Value ("NAV") (000s) ¹	\$11,598	\$7,529	\$4,388	\$2,003
Number of units outstanding	575,000	375,000	225,000	100,000
Management expense ratio ^{4 9}	1.10%	1.11%	1.07%	1.02%*
Management expense ratio before waivers or absorptions ^{5 9}	1.21%	1.17%	1.13%	1.13%*
Portfolio turnover rate ⁶	348.25%	311.56%	543.01%	562.92%
Trading expense ratio ^{7 9}	0.04%	0.03%	0.04%	0.07%
Net asset value per unit	\$20.17	\$20.08	\$19.50	\$20.03
Closing market price	\$20.13	\$20.06	\$19.40	\$20.01

The Fund was launched on June 27, 2014. Series A, AI and F units began operations on July 28, 2014. Series FI units began operations on August 21, 2014. Series FN units began operations on December 5, 2014. Series AN units began operations on January 29, 2015. Series G units began operations on July 15, 2015. Series I units began operations on April 01, 2016. Series ETF units began operations on December 1, 2017. Series U units began operations on March 1, 2019.

**Ratios have been annualized.*

1. The net assets per share shown are referenced to net assets attributable to holders of redeemable shares determined in accordance with International Financial Reporting Standards (“IFRS”) and are derived from the Fund’s financial statements. The increase/decrease from operations is based on the weighted average number of shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per share.
2. Distributions, if applicable, were reinvested in additional shares of the Fund at the discretion of the underlying shareholders.
3. The Manager may absorb certain expenses or waive certain fees otherwise payable by the Fund. The amount of expenses absorbed or waived (if applicable) is determined annually at the discretion of the Manager and the Manager can terminate the absorption or waiver at any time.
4. Management expense ratio (“MER”) is calculated as total expenses net of waived fees, if applicable, and excludes certain taxes, commissions and other fund transaction costs for the stated year expressed as an annualized percentage of daily average NAV during the stated year. The management expense ratio is calculated in accordance with Part 15 of NI 81-106.
5. Management expense ratio before waivers or absorptions is the MER inclusive of performance fees before any waivers or absorptions are deducted.
6. 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 the 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. The portfolio turnover ratio for the years ended 2019, 2018, 2017 and 2016 were calculated based on the average net portfolio of the Fund. The ratios for these years have been restated to be based on average gross portfolio of the Fund.
7. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average NAV during the period.
8. Ratios and supplemental data, where applicable, are computed using the NAV of the Fund.
9. The management expense ratio before performance fees, management expense ratio, management expense ratio before waivers or absorptions and trading expense ratio for the year ended 2016 have been restated to reflect the reclassification of certain custodial transaction costs related to the purchase and sale of securities.

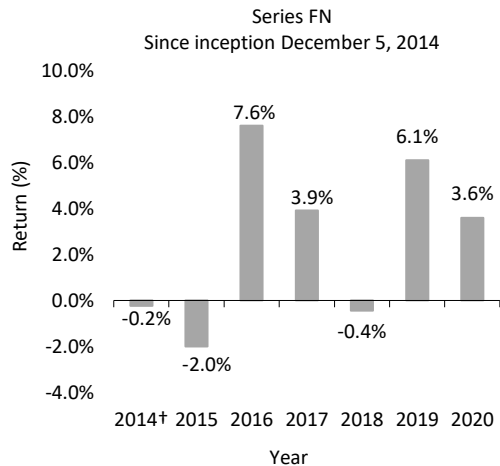
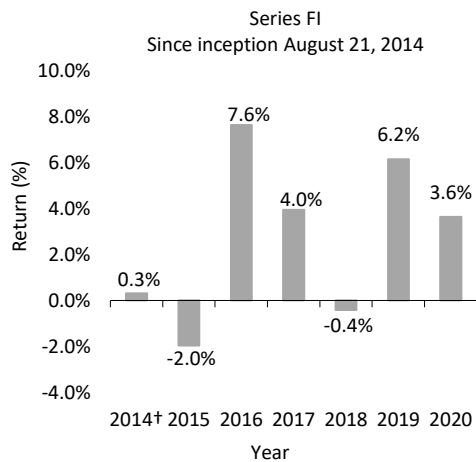
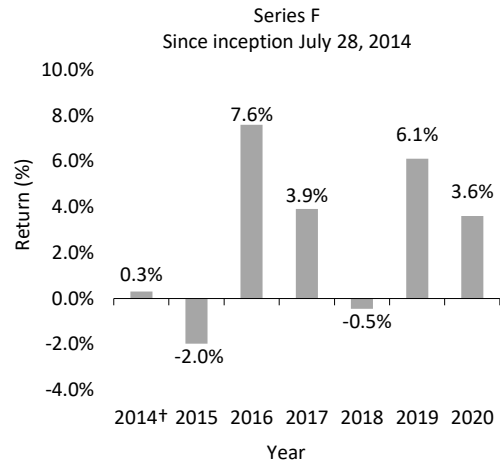
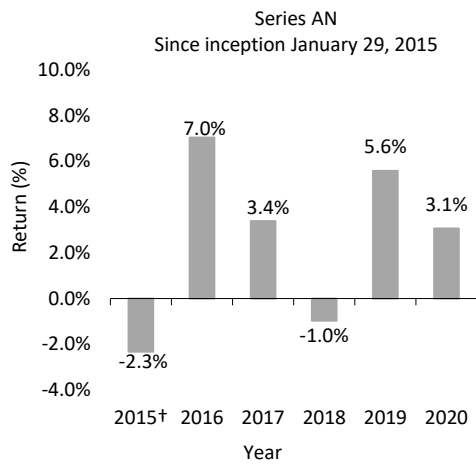
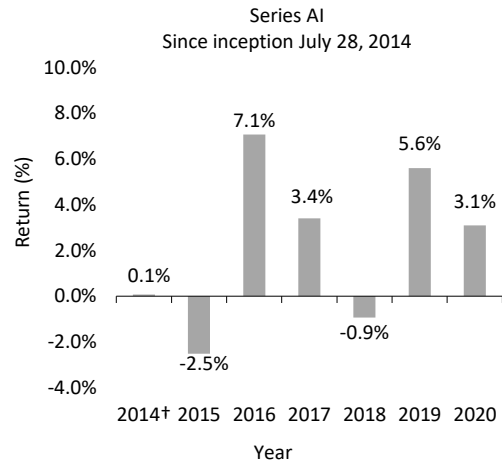
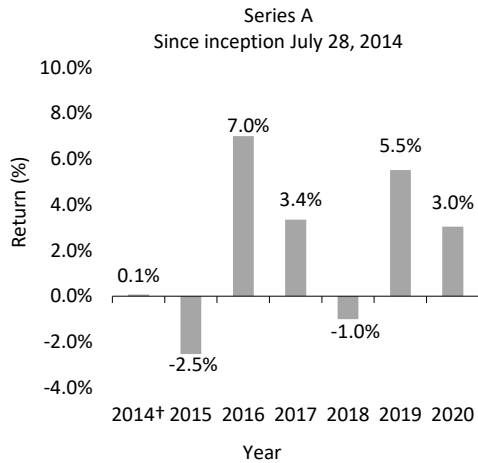
Past Performance

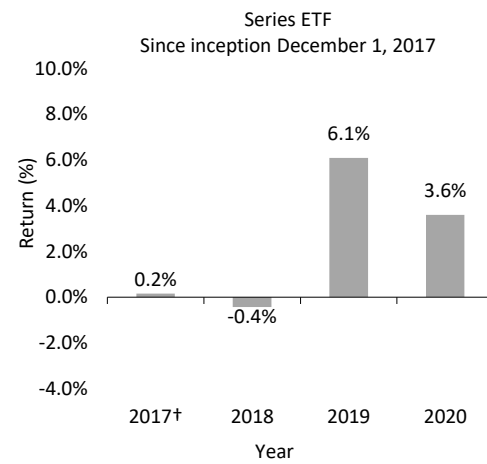
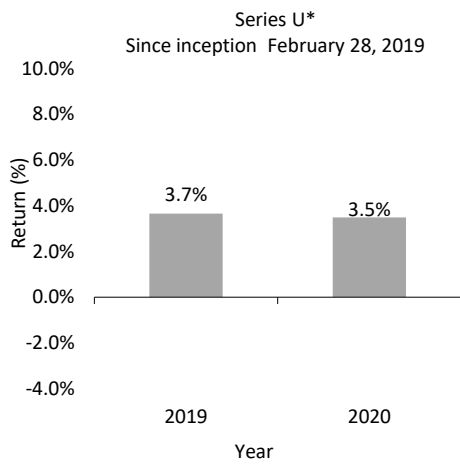
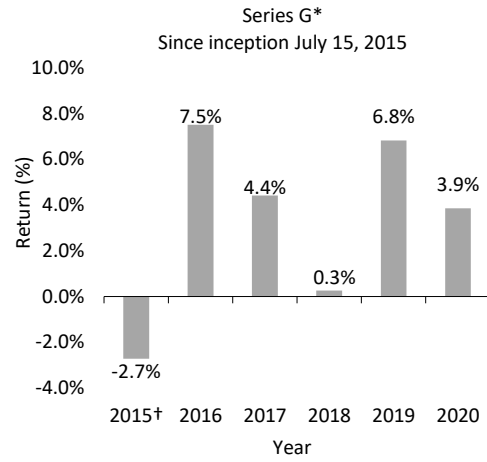
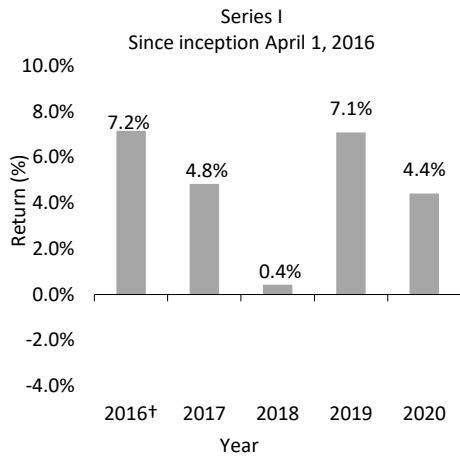
The performance information shown below assumes that all distributions, if any, made by the Fund in the periods shown were reinvested in additional units of the Fund. If you hold the Fund outside a registered plan, you will be taxed on distributions. Distributions of income the Fund earns and capital 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 indicate how it will perform in the future.

Year-By-Year Returns

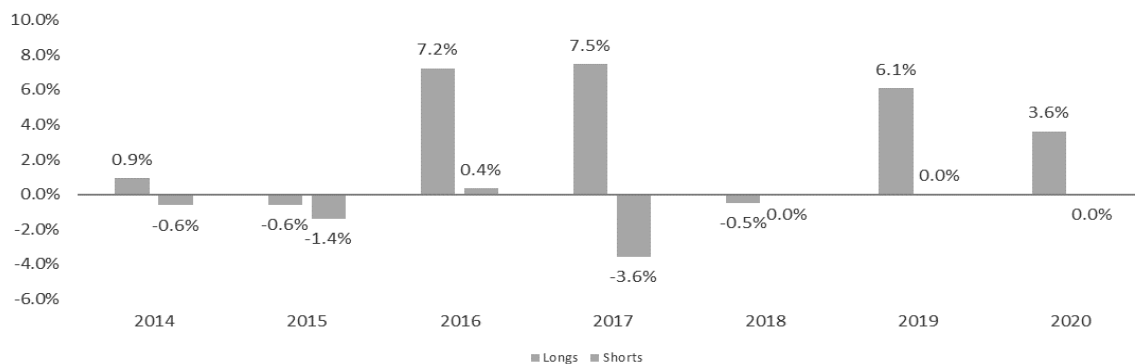
The bar chart below illustrates the Fund's performance for the years shown. It shows, in percentage terms, how much an investment made on the first day of each financial year (or since inception) would have grown or decreased.





†Returns shown represent a partial year.
* Returns shown in USD.

The chart below illustrates the Fund's returns for Series F for the year ended December 31, 2020 and for the years ended December 31 for the Fund units by long and short holdings:



Annual Compound Returns (Compound Performance)

The following table shows the total returns of the Fund and for its benchmark, the FTSE TMX Canada Universe Bond Index (a market cap weighted index designed to be a broad measure of the Canadian investment grade fixed income market) for the year shown ended December 31, 2020. The Relative Performance returns show the performance of the Fund as compared to the benchmark.

	1 Year	3 Years	5 Years	Annualized Since Inception
Series A	3.0%	2.5%	3.5%	2.4%
Series AI	3.1%	2.5%	3.6%	2.4%
Series AN	3.1%	2.5%	3.6%	2.6%
Series F	3.6%	3.1%	4.1%	2.9%
Series FI	3.6%	3.1%	4.2%	3.0%
Series FN	3.6%	3.1%	4.1%	3.1%
Series I	4.4%	3.9%	N/A	5.0%
Series G	3.9%	3.6%	4.5%	3.8%
Series U	3.5%	N/A	N/A	3.9%
Series ETF	3.6%	3.1%	N/A	3.0%
FTSE TMX Canada Universe Bond Index	8.7%	5.6%	4.2%	4.3%

Summary of Investment Portfolio as at December 31, 2020

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.

Industry Sector	% of Net Assets		Top 25 Holdings	%
	Long	Short		
Corporate Bonds	87.4	-	Merrill Lynch & Co. Inc., Variable Rate, Callable	10.1
Derivatives	-	(0.5)	Cash and Cash Equivalents	6.8
Equities	2.6	-	National Bank of Canada, Variable Rate, Callable	7.7
Cash and Cash Equivalents	6.8	-	Laurentian Bank of Canada, Floating Rate	5.7
Other Net Assets	3.7	-	Ford Credit Canada Co.	5.6
Totals	100.5	(0.5)	Bank of Montreal, Variable Rate, Callable	5.2
			Sysco Canada Inc., Callable	4.7
			Ford Credit Canada Co., Floating Rate	4.5
			Brookfield Asset Management Inc., Callable	3.9
			Enbridge Inc., Variable Rate, Callable	3.9
			Morgan Stanley, Floating Rate, Callable	3.7
			Coast Capital Savings Federal Credit Union, Floating Rate	3.7
			Inter Pipeline Ltd., Series '19-B', Variable Rate, Callable	3.6
			Royal Bank of Canada, Series '2', Variable Rate, Callable	3.6
			TransCanada PipeLines Ltd., Callable	3.4
			Molson Coors International L.P., Callable	3.0
			Morguard Corp., Series G	2.4
			Wells Fargo & Co., Callable	2.0
			Brookfield Property Finance ULC	1.9
			Goldman Sachs Group Inc. (The), Variable Rate, Callable	1.9
			Brookfield Asset Management Inc., Callable	1.8
			TransCanada Trust, Series '17-B', Variable Rate, Callable	1.5
			Bank of Nova Scotia, Preferred, Series '36', Variable Rate, Perpetual	1.4
			Sienna Senior Living Inc., Series 'B', Restricted, Callable	1.3
			Molson Coors International L.P., Callable	1.2
			Total (%)	94.5
			Total Net Asset Value (in \$ millions)	134.1

Credit Rating(*)	% of Total Debt Securities	
A	23.9	
BBB	54.2	
Below BBB	21.9	
Total	100.0	

**Credit ratings are obtained from Standard & Poor's, Moody's and/or Dominion Bond Rating Service.*