

### EXEMPLAR PERFORMANCE 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 Performance 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](http://www.arrow-capital.com) or SEDAR at [www.sedar.com](http://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 achieve capital appreciation over both short and long-term horizons primarily through the selection and management of shares of Canadian equity securities.

To achieve the investment objective the Fund invests predominantly in large and mid-capitalization Canadian companies. Generally, no more than 49% of the Fund is invested outside of this investment focus and no more than 49% of the Fund's portfolio is expected to be invested outside of Canada. The Fund may also invest in bonds and other debt instruments if warranted by financial conditions. The Fund 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 Fund may follow a more concentrated investment approach and, from time to time, over weight certain geographic regions and industry sectors when deemed appropriate by Arrow. This may result in the Fund's portfolio weightings being substantially different from the weightings of the S&P/TSX Composite Total Return Index (or its successor index).

The Fund may hold cash or invest in short term securities for the purpose of preserving capital and/or maintaining liquidity, based upon the investment advisor's ongoing evaluation of current and anticipated economic and market conditions. The Fund may also invest in foreign securities of the same type and characteristics as described above.

The Fund may use derivatives such as options, forwards and futures for hedging and non-hedging purposes and may also engage in short selling. The Fund may enter into repurchase transactions, reverse repurchase transactions, and securities lending transactions.

### **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 or risk.

This Fund is suitable for investors who seek the long term appreciation potential of Canadian companies and are comfortable with short selling. To invest in this Fund, investors should be able to accept a medium degree of risk.

### **Results of Operations**

The net asset value ("NAV") of the Fund increased from \$39.4 million to \$41.2 million from December 31, 2019 to December 31, 2020. The Fund had net redemptions of \$2.7 million for the year. The Fund paid distributions of \$0.6 million while the portfolio's performance increased assets by \$5.1 million. For the year ended December 31, 2020, Series F units of the Fund delivered a gain 14.6% (gain of 19.0% in the year ended December 31, 2019) while the Canadian benchmark, the S&P TSX Composite Total Return Index, posted a gain of 5.6% (gain of 22.9% 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.

2020 was without doubt the most challenging year we have ever had to navigate. Despite the unfamiliarity with repercussions of a pandemic, the correct portfolio response was not dissimilar to a response appropriate for any downturn - involving raising cash as well as selling and shorting stocks of companies likely to suffer the most severe consequences. The experience of having managed through a variety of crises and recessions came in handy, however the speed of the sell-off left little time for planning a comprehensive strategy. The timely monetary and fiscal response by authorities around the globe caused markets to begin rallying as quickly as they declined. The outcome was an often puzzling decoupling of market performance from economic reality. Markets were roaring higher by the time the grim results of the economic dislocation were reported.

Historically, significant innovations are borne out of crises. So Covid-19 brought many innovations as digitization became imperative for companies to succeed during the ensuing lockdowns. Lack of pandemic experience meant investors had to rely on observations, earnings and guidance announcements to pick winners. A whole new group designated as 'WFH companies' embarked on an unprecedented outperformance, lead by the likes of ZOOM. The successful portfolios were able to jump on 'winners of the pandemic' early. We shifted out of Canadian stocks to seek better opportunities in US technology companies. Having said that, our long-standing large position in Shopify was a meaningful contributor to the portfolio's outperformance. Just as our comfort level with innovators grew, the high efficacy announcements of the new vaccines had investors head for the cyclical value stocks which had better leverage to the re-opening economies. Thus, the challenge last year did not lie so much in positioning for each scenario, but rather in figuring out which scenario would take hold next. It often felt as if several years' worth of events were compressed into a single year.

The November U.S. presidential election added yet another layer of uncertainty, as the outcome would determine which sectors became beneficiaries. We did lean toward a Democrat win by beefing up several 'green' positions. The cyclicals never looked back after the election as they rallied into yearend, driven by a larger stimulus expected from the new Democrat regime. Many of the doom prognostications did not materialize. In hindsight, every correction presented a buying opportunity, and having a cash reserve just weighed on portfolio returns. A second wave was always predicted to cause markets to retreat; yet additional stimulus expectations are driving markets to all time highs, even as infections and deaths are reaching record levels.

### **Recent Developments**

*(BASED ON INFORMATION AS AT FEBRUARY 10, 2021)*

Valuation of U.S. equities is stretched on any measure, yet current wisdom has excess liquidity driving markets higher for at least the first half of 2021. Thus, the current scenario considers a possible market peak just as global economy begins to return to normalcy and sustained GDP growth. Advice from most strategists is to stay invested until there are more convincing signs of a market top. Given November's strength, we saw some much-needed consolidation in pockets of the market, although overall, we continued to see stability. Looking below the hood however, risk tolerance returned, with small caps, special acquisition corps and Cannabis as areas that outperformed. Going into 2021, we are constructive, and positioned for a continued NORMALIZATION of the economy, and our holdings reflect this. High level, this entails a greater weighting to small caps, value, and cyclicals. We continue to find new opportunities with cheap optionality.

### **Related Party Transactions**

Arrow Capital Management Inc. is the Manager, Portfolio Advisor and Trustee of the Fund. The Manager, in consideration for management fees and performance 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 \$45,764 (\$nil 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.

ANNUAL RATE (%)	Series A	Series AD	Series L	Series LD	Series F	Series FD	Series I
Management Fees (Annual Rate)	2.0%	2.0%	2.3%	2.3%	1.0%	1.0%	Negotiable
Trailer Fees (as a % of Management Fees)	49.7%	50.2%	40.5%	40.7%	-	-	-

In addition, the Fund will pay the Manager a performance fee ("Performance Fees") equal to 20% of the amount by which the Fund outperforms the S&P TSX Composite Total Return Index (the "Index"), even in circumstances where the overall performance of the Fund has declined. If the performance of a Series of the Fund in any year is less than the performance of the Index (the "Deficiency"), then no performance fee will be payable in any subsequent year until the performance of the applicable Series of the Fund, on a cumulative basis calculated from the first of such subsequent years has exceeded the amount of the Deficiency. Please refer to the Fund's simplified prospectus for further details relating to Performance Fees.

## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help the reader understand the Fund's historical financial performance for the past five years. 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
<b>Net Assets, beginning of year<sup>1</sup></b>	<b>\$ 14.28</b>	<b>\$ 12.13</b>	<b>\$ 13.05</b>	<b>\$ 11.95</b>	<b>\$ 11.65</b>
Increase (decrease) from operations:					
Total revenue	0.19	0.15	0.18	0.22	0.15
Total expenses	(0.47)	(0.41)	(0.39)	(0.38)	(0.35)
Realized gains (loss)	2.91	1.07	0.18	0.38	(0.08)
Unrealized gains (loss)	(0.59)	1.47	(0.86)	0.90	0.70
<b>Total increase (decrease) from operations<sup>1</sup>:</b>	<b>\$ 2.04</b>	<b>\$ 2.28</b>	<b>\$ (0.89)</b>	<b>\$ 1.12</b>	<b>\$ 0.42</b>
<b>Distributions<sup>2</sup>:</b>					
From income (excluding dividends)	-	-	-	-	-
From capital gains	(0.18)	-	-	-	-
From return of capital	-	-	-	-	-
<b>Total distributions</b>	<b>\$ (0.18)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Assets, end of year<sup>1</sup></b>	<b>\$ 16.20</b>	<b>\$ 14.28</b>	<b>\$ 12.13</b>	<b>\$ 13.05</b>	<b>\$ 11.95</b>

**SERIES A - RATIOS AND SUPPLEMENTAL DATA<sup>8</sup>**

For the years ended December 31,

	2020	2019	2018	2017	2016
Net Asset Value ("NAV") (000s) <sup>1</sup>	\$10,716	\$10,541	\$11,637	\$13,103	\$12,340
Number of units outstanding	661,285	738,046	959,407	1,004,422	1,032,860
Management expense ratio before performance fees <sup>4 9</sup>	3.05%	2.88%	2.85%	2.89%	2.89%
Management expense ratio <sup>4 9</sup>	3.12%	2.89%	2.85%	2.90%	2.90%
Management expense ratio before waivers or absorptions <sup>5 9</sup>	3.22%	2.89%	2.85%	2.90%	2.98%
Portfolio turnover rate <sup>6</sup>	128.69%	40.83%	60.74%	85.31%	78.19%
Trading expense ratio <sup>7 9</sup>	0.22%	0.10%	0.13%	0.12%	0.12%
Net asset value per unit	\$16.20	\$14.28	\$12.13	\$13.05	\$11.95

**SERIES AD - NET ASSETS PER UNIT**

For the years ended December 31,

	2020	2019	2018	2017	2016
<b>Net Assets, beginning of year<sup>1</sup></b>	<b>\$ 11.09</b>	<b>\$ 9.60</b>	<b>\$ 10.52</b>	<b>\$ 9.82</b>	<b>\$ 9.77</b>
Increase (decrease) from operations:					
Total revenue	0.13	0.12	0.14	0.17	0.12
Total expenses	(0.38)	(0.31)	(0.31)	(0.30)	(0.28)
Realized gains (loss)	2.85	0.93	0.15	0.29	(0.08)
Unrealized gains (loss)	(1.14)	0.96	(0.63)	0.74	0.46
<b>Total increase (decrease) from operations<sup>1</sup>:</b>	<b>\$ 1.46</b>	<b>\$ 1.70</b>	<b>\$ (0.65)</b>	<b>\$ 0.90</b>	<b>\$ 0.22</b>
<b>Distributions<sup>2</sup>:</b>					
From income (excluding dividends)	-	-	-	-	-
From capital gains	(0.17)	-	-	-	-
From return of capital	(0.06)	(0.21)	(0.21)	(0.20)	(0.20)
<b>Total distributions</b>	<b>\$ (0.22)</b>	<b>\$ (0.21)</b>	<b>\$ (0.21)</b>	<b>\$ (0.20)</b>	<b>\$ (0.20)</b>
<b>Net Assets, end of year<sup>1</sup></b>	<b>\$ 12.46</b>	<b>\$ 11.09</b>	<b>\$ 9.60</b>	<b>\$ 10.52</b>	<b>\$ 9.82</b>

**SERIES AD - RATIOS AND SUPPLEMENTAL DATA<sup>8</sup>**

For the years ended December 31,

	2020	2019	2018	2017	2016
Net Asset Value ("NAV") (000s) <sup>1</sup>	\$353	\$228	\$198	\$261	\$255
Number of units outstanding	28,328	20,599	20,674	24,830	25,946
Management expense ratio before performance fees <sup>4 9</sup>	2.98%	2.82%	2.79%	2.82%	2.76%
Management expense ratio <sup>4 9</sup>	3.22%	2.82%	2.79%	2.82%	2.76%
Management expense ratio before waivers or absorptions <sup>5 9</sup>	3.33%	2.82%	2.79%	2.82%	2.85%
Portfolio turnover rate <sup>6</sup>	128.69%	40.83%	60.74%	85.31%	78.19%
Trading expense ratio <sup>7 9</sup>	0.22%	0.10%	0.13%	0.12%	0.12%
Net asset value per unit	\$12.46	\$11.09	\$9.60	\$10.52	\$9.82

**SERIES F - NET ASSETS PER UNIT**

For the years ended December 31,

	2020	2019	2018	2017	2016
<b>Net Assets, beginning of year<sup>1</sup></b>	<b>\$ 15.08</b>	<b>\$ 12.66</b>	<b>\$ 13.47</b>	<b>\$ 12.21</b>	<b>\$ 11.78</b>
Increase (decrease) from operations:					
Total revenue	0.20	0.15	0.19	0.22	0.16
Total expenses	(0.53)	(0.27)	(0.26)	(0.25)	(0.23)
Realized gains (loss)	3.02	1.24	0.18	0.38	(0.07)
Unrealized gains (loss)	(0.68)	1.33	(0.98)	0.90	0.67
<b>Total increase (decrease) from operations<sup>1</sup>:</b>	<b>\$ 2.01</b>	<b>\$ 2.45</b>	<b>\$ (0.87)</b>	<b>\$ 1.25</b>	<b>\$ 0.53</b>
<b>Distributions<sup>2</sup>:</b>					
From income (excluding dividends)	-	-	-	-	-
From capital gains	(0.30)	-	-	-	-
From return of capital	-	-	-	-	-
<b>Total distributions</b>	<b>\$ (0.30)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Assets, end of year<sup>1</sup></b>	<b>\$ 16.97</b>	<b>\$ 15.08</b>	<b>\$ 12.66</b>	<b>\$ 13.47</b>	<b>\$ 12.21</b>

**SERIES F - RATIOS AND SUPPLEMENTAL DATA<sup>3</sup>**

For the years ended December 31,

	2020	2019	2018	2017	2016
Net Asset Value ("NAV") (000s) <sup>1</sup>	\$28,018	\$26,709	\$25,474	\$22,713	\$19,431
Number of units outstanding	1,651,265	1,771,440	2,011,556	1,686,003	1,591,950
Management expense ratio before performance fees <sup>4,9</sup>	1.94%	1.78%	1.75%	1.80%	1.81%
Management expense ratio <sup>4,9</sup>	3.33%	1.81%	1.75%	1.82%	1.81%
Management expense ratio before waivers or absorptions <sup>5,9</sup>	3.43%	1.81%	1.75%	1.82%	1.90%
Portfolio turnover rate <sup>6</sup>	128.69%	40.83%	60.74%	85.31%	78.19%
Trading expense ratio <sup>7,9</sup>	0.22%	0.10%	0.13%	0.12%	0.12%
Net asset value per unit	\$16.97	\$15.08	\$12.66	\$13.47	\$12.21

**SERIES FD - NET ASSETS PER UNIT**

For the years ended December 31,

	2020	2019	2018	2017	2016
<b>Net Assets, beginning of year<sup>1</sup></b>	<b>\$ 11.90</b>	<b>\$ 10.18</b>	<b>\$ 11.03</b>	<b>\$ 10.18</b>	<b>\$ 10.01</b>
Increase (decrease) from operations:					
Total revenue	0.15	0.12	0.15	0.18	0.12
Total expenses	(0.25)	(0.21)	(0.20)	(0.20)	(0.19)
Realized gains (loss)	2.53	0.74	0.15	0.32	(0.06)
Unrealized gains (loss)	(0.54)	1.66	(0.73)	0.72	0.50
<b>Total increase (decrease) from operations<sup>1</sup>:</b>	<b>\$ 1.89</b>	<b>\$ 2.31</b>	<b>\$ (0.63)</b>	<b>\$ 1.02</b>	<b>\$ 0.37</b>
<b>Distributions<sup>2</sup>:</b>					
From income (excluding dividends)	-	-	-	-	-
From capital gains	(0.24)	-	-	-	-
From return of capital	-	(0.22)	(0.22)	(0.20)	(0.20)
<b>Total distributions</b>	<b>\$ (0.24)</b>	<b>\$ (0.22)</b>	<b>\$ (0.22)</b>	<b>\$ (0.20)</b>	<b>\$ (0.20)</b>
<b>Net Assets, end of year<sup>1</sup></b>	<b>\$ 13.53</b>	<b>\$ 11.90</b>	<b>\$ 10.18</b>	<b>\$ 11.03</b>	<b>\$ 10.18</b>

**SERIES FD - RATIOS AND SUPPLEMENTAL DATA<sup>8</sup>**

For the years ended December 31,

	2020	2019	2018	2017	2016
Net Asset Value ("NAV") (000s) <sup>1</sup>	\$251	\$243	\$443	\$487	\$401
Number of units outstanding	18,586	20,418	43,517	44,102	39,436
Management expense ratio before performance fees <sup>4,9</sup>	1.91%	1.71%	1.69%	1.70%	1.80%
Management expense ratio <sup>4,9</sup>	1.99%	1.71%	1.69%	1.70%	1.80%
Management expense ratio before waivers or absorptions <sup>5,9</sup>	2.10%	1.71%	1.69%	1.70%	1.89%
Portfolio turnover rate <sup>6</sup>	128.69%	40.83%	60.74%	85.31%	78.19%
Trading expense ratio <sup>7,9</sup>	0.22%	0.10%	0.13%	0.12%	0.12%
Net asset value per unit	\$13.53	\$11.90	\$10.18	\$11.03	\$10.18

**SERIES I - NET ASSETS PER UNIT**

For the years ended December 31,

	2020	2019	2018	2017	2016
<b>Net Assets, beginning of year<sup>1</sup></b>	<b>\$ 13.72</b>	<b>\$ 11.38</b>	<b>\$ 11.94</b>	<b>\$ 10.79</b>	<b>\$ 10.28</b>
Increase (decrease) from operations:					
Total revenue	0.18	0.14	0.17	0.16	0.12
Total expenses	(0.41)	(0.09)	(0.08)	(0.07)	(0.07)
Realized gains (loss)	2.95	1.16	0.16	0.13	(0.09)
Unrealized gains (loss)	(0.64)	1.13	(0.82)	0.58	0.25
<b>Total increase (decrease) from operations<sup>1</sup>:</b>	<b>\$ 2.08</b>	<b>\$ 2.34</b>	<b>\$ (0.57)</b>	<b>\$ 0.80</b>	<b>\$ 0.21</b>
<b>Distributions<sup>2</sup>:</b>					
From income (excluding dividends)	-	-	-	-	-
From capital gains	(0.34)	-	-	-	-
From return of capital	-	-	-	-	-
<b>Total distributions</b>	<b>\$ (0.34)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Assets, end of year<sup>1</sup></b>	<b>\$ 15.44</b>	<b>\$ 13.72</b>	<b>\$ 11.38</b>	<b>\$ 11.94</b>	<b>\$ 10.79</b>

**SERIES I - RATIOS AND SUPPLEMENTAL DATA<sup>8</sup>**

For the years ended December 31,

	2020	2019	2018	2017	2016
Net Asset Value ("NAV") (000s) <sup>1</sup>	\$7	\$6	\$5	\$6	\$2,459
Number of units outstanding	471	461	461	461	227,887
Management expense ratio before performance fees <sup>4,9</sup>	0.71%	0.55%	0.49%	0.54%	0.57%
Management expense ratio <sup>4,9</sup>	2.83%	0.55%	0.49%	0.56%	0.57%
Management expense ratio before waivers or absorptions <sup>5,9</sup>	2.94%	0.55%	0.49%	0.56%	0.66%
Portfolio turnover rate <sup>6</sup>	128.69%	40.83%	60.74%	85.31%	78.19%
Trading expense ratio <sup>7,9</sup>	0.22%	0.10%	0.13%	0.12%	0.12%
Net asset value per unit	\$15.44	\$13.72	\$11.38	\$11.94	\$10.79

**SERIES L - NET ASSETS PER UNIT**

For the years ended December 31,

	2020	2019	2018	2017	2016
<b>Net Assets, beginning of year<sup>1</sup></b>	<b>\$ 13.00</b>	<b>\$ 11.08</b>	<b>\$ 11.96</b>	<b>\$ 10.99</b>	<b>\$ 10.76</b>
Increase (decrease) from operations:					
Total revenue	0.19	0.14	0.16	0.20	0.13
Total expenses	(0.49)	(0.41)	(0.41)	(0.39)	(0.36)
Realized gains (loss)	2.78	0.81	0.16	0.27	(0.07)
Unrealized gains (loss)	(0.58)	1.69	(0.66)	0.79	0.66
<b>Total increase (decrease) from operations<sup>1</sup>:</b>	<b>\$ 1.90</b>	<b>\$ 2.23</b>	<b>\$ (0.75)</b>	<b>\$ 0.87</b>	<b>\$ 0.36</b>
<b>Distributions<sup>2</sup>:</b>					
From income (excluding dividends)	-	-	-	-	-
From capital gains	(0.12)	-	-	-	-
From return of capital	-	-	-	-	-
<b>Total distributions</b>	<b>\$ (0.12)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Assets, end of year<sup>1</sup></b>	<b>\$ 14.73</b>	<b>\$ 13.00</b>	<b>\$ 11.08</b>	<b>\$ 11.96</b>	<b>\$ 10.99</b>

**SERIES L - RATIOS AND SUPPLEMENTAL DATA<sup>3</sup>**

For the years ended December 31,

	2020	2019	2018	2017	2016
Net Asset Value ("NAV") (000s) <sup>1</sup>	\$1,806	\$1,607	\$2,728	\$3,697	\$5,051
Number of units outstanding	122,638	123,627	246,284	309,149	459,491
Management expense ratio before performance fees <sup>4,9</sup>	3.35%	3.24%	3.21%	3.27%	3.27%
Management expense ratio <sup>4,9</sup>	3.55%	3.24%	3.21%	3.27%	3.27%
Management expense ratio before waivers or absorptions <sup>5,9</sup>	3.66%	3.24%	3.21%	3.27%	3.36%
Portfolio turnover rate <sup>6</sup>	128.69%	40.83%	60.74%	85.31%	78.19%
Trading expense ratio <sup>7,9</sup>	0.22%	0.10%	0.13%	0.12%	0.12%
Net asset value per unit	\$14.73	\$13.00	\$11.08	\$11.96	\$10.99

**SERIES LD - NET ASSETS PER UNIT**

For the years ended December 31,

	2020	2019	2018	2017	2016
<b>Net Assets, beginning of year<sup>1</sup></b>	<b>\$ 11.19</b>	<b>\$ 9.72</b>	<b>\$ 10.68</b>	<b>\$ 10.00</b>	<b>\$ 9.97</b>
Increase (decrease) from operations:					
Total revenue	0.14	0.12	0.15	0.18	0.12
Total expenses	(0.39)	(0.35)	(0.35)	(0.35)	(0.31)
Realized gains (loss)	1.53	0.49	0.16	0.36	(0.07)
Unrealized gains (loss)	0.12	1.58	(0.58)	0.71	0.45
<b>Total increase (decrease) from operations<sup>1</sup>:</b>	<b>\$ 1.40</b>	<b>\$ 1.84</b>	<b>\$ (0.62)</b>	<b>\$ 0.90</b>	<b>\$ 0.19</b>
<b>Distributions<sup>2</sup>:</b>					
From income (excluding dividends)	-	-	-	-	-
From capital gains	(0.11)	-	-	-	-
From return of capital	(0.11)	(0.21)	(0.21)	(0.20)	(0.20)
<b>Total distributions</b>	<b>\$ (0.22)</b>	<b>\$ (0.21)</b>	<b>\$ (0.21)</b>	<b>\$ (0.20)</b>	<b>\$ (0.20)</b>
<b>Net Assets, end of year<sup>1</sup></b>	<b>\$ 12.56</b>	<b>\$ 11.19</b>	<b>\$ 9.72</b>	<b>\$ 10.68</b>	<b>\$ 10.00</b>



**SERIES LD - RATIOS AND SUPPLEMENTAL DATA<sup>8</sup>**

For the years ended December 31,

	2020	2019	2018	2017	2016
Net Asset Value ("NAV") (000s) <sup>1</sup>	\$63	\$93	\$206	\$472	\$92
Number of units outstanding	5,000	8,284	21,210	44,217	9,179
Management expense ratio before performance fees <sup>4,9</sup>	3.25%	3.18%	3.10%	3.17%	3.08%
Management expense ratio <sup>4,9</sup>	3.38%	3.19%	3.12%	3.23%	3.08%
Management expense ratio before waivers or absorptions <sup>5,9</sup>	3.49%	3.19%	3.12%	3.23%	3.17%
Portfolio turnover rate <sup>6</sup>	128.69%	40.83%	60.74%	85.31%	78.19%
Trading expense ratio <sup>7,9</sup>	0.22%	0.10%	0.13%	0.12%	0.12%
Net asset value per unit	\$12.56	\$11.19	\$9.72	\$10.68	\$10.00

†The Fund was launched on March 6, 2014. Series A and F units began operations on March 24, 2014. Series L units began operations on July 8, 2014. Series AD units began operations on May 28, 2015. Series FD units began operations on April 29, 2015. Series LD units began operations on May 14, 2015. Series I units began operations on March 25, 2015.

\*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. Management expense ratio before performance fee is the MER before any performance fees, if applicable, for the stated year.
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.

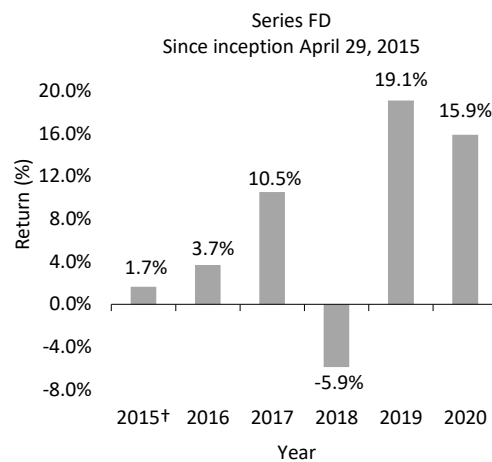
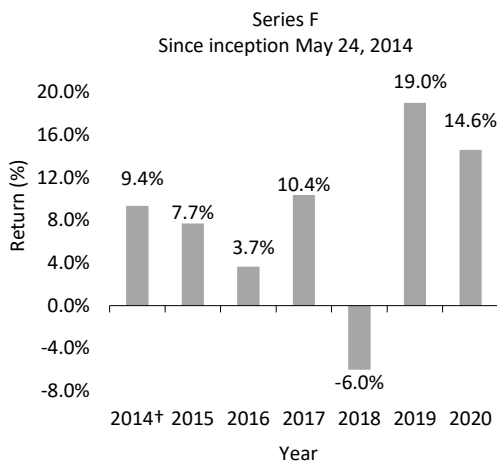
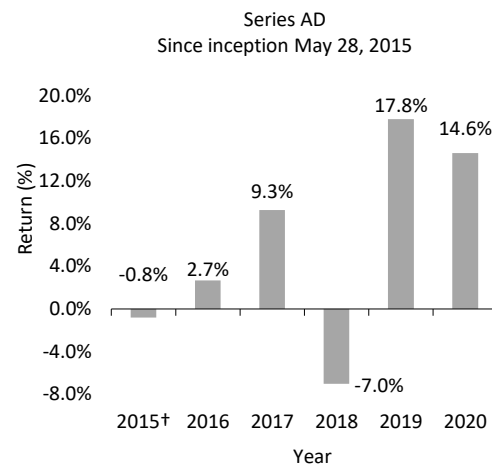
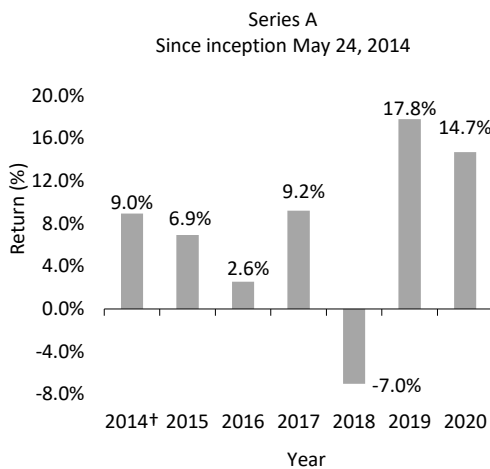
## Past Performance

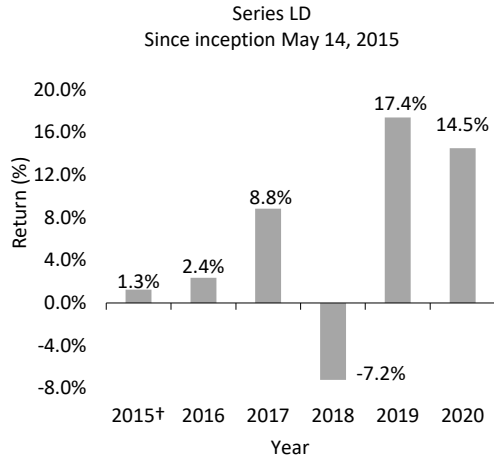
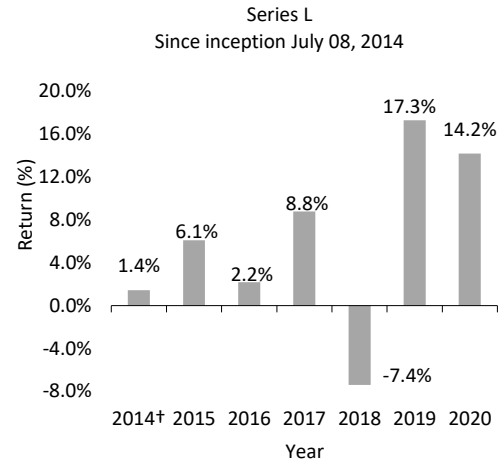
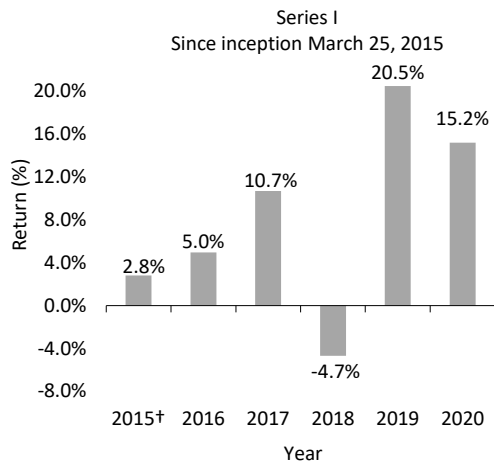
The performance information shown below assumes that all distributions, if any, made by the Fund in the period shown were reinvested in additional units of the Fund. If you hold the Fund outside a registered plan, you will be taxed on distributions. Distributions of income the Fund earns and capital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

## Year-By-Year Returns

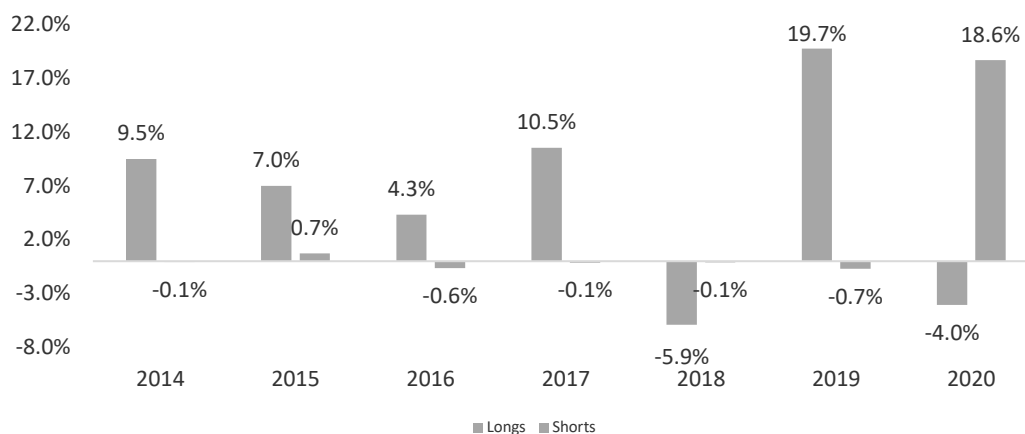
The bar chart below illustrates the Fund's performance for the years shown and indicates, in percentage terms, how much an investment made on the first day of each financial year (or since inception) would have grown or decreased.





†Returns shown represent a partial year.

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 the S&P/TSX Composite Total Return Index (a price weighted index of 300 of the largest, most widely-held stocks traded on the Toronto Stock Exchange) for the years 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	14.7%	7.9%	7.1%	7.6%
Series AD	14.6%	7.9%	7.1%	6.2%
Series F	14.6%	8.6%	8.0%	8.4%
Series FD	15.9%	9.1%	8.3%	7.7%
Series I	15.2%	9.8%	N/A	8.2%
Series L	14.2%	7.5%	6.7%	6.3%
Series LD	14.5%	7.7%	6.8%	6.0%
S&P/TSX Composite Total Return Index	5.6%	5.7%	9.3%	6.1%

## 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](http://www.arrow-capital.com).

Industry Sector	% of Net Assets		Top 25 Holdings	%
	Long	Short		
Communication Services	0.5	-	Arrow Global Advantage Alternative Class, Series ETF	9.8
Consumer Discretionary	8.2	-	Cash and Cash Equivalents	6.7
Consumer Staples	1.0	-	Altius Minerals Corp.	3.1
Corporate Bonds	0.2	-	Bitcoin Fund (The)	2.4
Energy	6.1	-	Pinnacle Renewable Energy Inc.	2.0
Financials	15.4	-	Northland Power Inc.	2.0
Funds	13.3	-	IBI Group Inc.	2.0
Health Care	3.1	-	Element Fleet Management Corp.	2.0
Industrials	10.7	-	GX Acquisition Corp., Class 'A'	1.9
Information Technology	8.9	(0.1)	Mullen Group Ltd.	1.9
Materials	12.0	-	K-Bro Linen Inc.	1.7
Real Estate	6.2	-	Macerich Co. (The)	1.7
Utilities	9.5	-	Atlantica Yield PLC	1.6
Derivatives	0.0	-	Polaris Infrastructure Inc.	1.6
Cash and Cash Equivalents	6.7	-	Tricon Residential Inc.	1.6
Other Net Assets		(1.7)	Superior Plus Corp.	1.5
	<b>101.8</b>	<b>(1.8)</b>	Canadian Natural Resources Ltd.	1.5
			PayPal Holdings Inc.	1.5
			Brookfield Infrastructure Partners L.P.	1.4
			Alaris Equity Partners Income	1.3
			Copper Mountain Mining Corp.	1.3
			Eagle Materials Inc.	1.3
			Parex Resources Inc.	1.3
			Air Canada	1.3
			Morguard RET	1.2
			<b>Total (%)</b>	<b>55.6</b>
			<b>Total Net Asset Value (in \$ millions)</b>	<b>41.2</b>