



EXEMPLAR TACTICAL CORPORATE BOND FUND ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period since inception to December 31, 2014

This annual Management Report of Fund Performance contains financial highlights but does not contain the complete annual financial statements for Exemplar Tactical Corporate Bond Fund (the "Fund"). If you have not received a copy of the annual financial statements with the Management Report of Fund Performance, you may obtain a copy of the annual financial statements, at no cost, by calling 877.327.6048, by writing to us at Arrow Capital Management Inc., 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 interim financial report, 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 objectives of the Fund are to generate income and capital appreciation by primarily investing in a diversified portfolio of corporate bonds.

To achieve the investment objectives, East Coast Fund Management Inc. ("East Coast"), the investment advisor, will use a flexible, tactical approach to invest in a core portfolio of 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 will attempt to generate profits and protect against the loss of capital through bottom-up security selection. The portfolio will be constructed through purchasing securities which offer high potential returns without taking proportionate risk. Typically these securities will have underperformed the broader market and will not be viewed as attractive investments by many investors. The Fund seeks to invest in issuers that have good underlying credit quality but that are out of favour and trading at credit spreads considerably wider than historical fair value. The Fund will invest in distressed securities trading well below par and below their recovery value in a default in order to profit from high yields and significant capital gains in either a recovery or a default. The Fund will also invest in shorter term, higher quality investment grade securities on occasion to protect capital while seeking more attractive investment opportunities. As credit markets move in cycles, the Fund will invest counter-cyclically to realize risk-adjusted returns. As such, the amount of credit risk taken in the portfolio of the Fund will be a function of both individual security valuations and the phases of the credit cycle.

The Fund may use warrants and derivatives such as options, forwards, futures and swaps for hedging and non-hedging purposes. Such derivatives may be used to hedge against losses from changes in the prices of the Fund's investments and from exposure to interest rate changes, credit spreads and foreign currencies as well as market risk. Specifically, the Fund will use interest rate swaps and futures to hedge against interest rate changes. Derivatives may also be used to hedge general credit risk and/or obtain exposure to individual securities and markets instead of buying securities directly. If used for non-hedging purposes, the derivatives acquired will be consistent with the investment objectives of the Fund and securities law.

The Fund may also engage in short selling as permitted by securities regulations. Generally speaking, short selling can provide the Fund with opportunities for gains when markets are volatile or declining and also with opportunities to hedge specific risks including interest rate risk. While short selling will be used by the Fund as a complement to its primary investment strategy (discussed above), the sub-advisor will utilize the same fundamental analysis in determining whether securities of a particular issuer should be sold short.

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 low to medium degree of risk and are prepared to invest for the longer term.

Results of Operations

For the period from July 28, 2014 (commencement of operations) to December 31, 2014, Series A units of the Fund lost 0.8% while the BofA Merrill Lynch US High Yield Master II Total Return Index, gained 5.5% for the same period. 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 A largely because of varying levels of expenses charged to each series, as explained in the Management Fee section.

December completed a challenging second half of 2014 for credit markets. Led by the dramatic fall in oil prices, high yield bonds continued to decline. Canadian investment grade spreads continued to widen.

The Fund benefitted from its conservative positioning in the face of the falling high yield market and widening investment grade credit spreads. However, in December our interest rate hedges worked against us, as the Fund didn't benefit from the falling rates. The decline in rates combined with the flight from the high yield market has resulted in compelling credit spreads on longer duration BB credits and we began adding to these positions in the middle of December.

With 30 year Canada's yielding 2.34% at the end of 2014, interest rates have declined to a level that implies we are entering a period of prolonged deflation. While we believe growth in the developed world will be lower going forward, we don't see material signs of a prolonged period of deflation in North America. We continue to believe it is prudent over the long term to hedge out rate risk in the fund.

Following the widening in credit spreads over the last six months, both investment grade and high yield credit has moved from being expensive to being fairly valued. In the high yield market in particular, credit standards appear to have tightened materially over the last few months. While we think caution is still warranted, primarily due to weak covenants quality in debt issued over the last few years and spreads that are fair rather than cheap, increased investor risk aversion has left us more constructive on the credit markets than when we launched the fund in July.

Recent Developments

There are no recent developments for the Fund.

Related Party Transactions

On June 27, 2014, Arrow seeded the Fund by investing \$5,000 in Series A units and \$145,000 in Series F units of the Fund. As of December 31, 2014, Arrow held 513 Series AI units and 66,164 Series FI units of the Fund with a combined market value of \$647,422. This represents 2.9% of the total Net Assets of the Fund.

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, Series AI units and Series AN units is equal to 1.75% per annum. The Management Fee rate applicable to Series F units, Series FI units and Series FN units is equal to 1.0% per annum. The Management Fee rate applicable to Series L units and Series LI units is equal to 2.00% 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 since inception to December 31, 2014, Management Fees charged to the Fund equaled \$66,475. 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 (East Coast, 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, AI, AN	Series F, FI, FN	Series L, LI	Series I
Management Fees <i>(Annual Rate)</i>	1.75%	1.0%	2.0%	Negotiable
Trailer Fees <i>(as a % of Management Fees)</i>	23.5%	-	-	-

The Manager incurs operating expenses on behalf of the Fund and charges these expenses to the Fund. For the period since inception to December 31, 2014, the Manager has, in its discretion, agreed to absorb \$62,285 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 July 28, 2014 (date of commencement of operations) to December 31, 2014	
Net Assets, beginning of period¹	\$ 10.00
Increase (decrease) from operations:	
Total revenue	0.13
Total expenses	(0.09)
Realized gains (loss) for the period	(0.14)
Unrealized gains (loss) for the period	(0.01)
Total increase (decrease) from operations¹:	\$ (0.11)
Distributions²:	
From income (excluding dividends)	-
From dividends	-
Return of capital	(0.21)
Total distributions	(0.21)
Net Assets, end of period¹	\$ 9.76

SERIES A - RATIOS AND SUPPLEMENTAL DATA⁷	
For the period since July 28, 2014 (date of commencement of operations) to December 31, 2014	
Net Asset Value ("NAV") (000s) ¹	\$3,448
Number of units outstanding	353,365
Management expense ratio ³	2.09%*
Management expense ratio before waivers or absorptions ⁴	2.96%*
Portfolio turnover rate ⁵	118.11%
Trading expense ratio ⁶	0.01%*

SERIES AI - NET ASSETS PER UNIT	
For the period since September 9, 2014 (date of commencement of operations) to December 31, 2014	
Net Assets, beginning of period¹	\$ 10.00
Increase (decrease) from operations:	
Total revenue	0.11
Total expenses	(0.06)
Realized gains (loss) for the period	(0.11)
Unrealized gains (loss) for the period	0.01
Total increase (decrease) from operations¹:	\$ (0.05)
Distributions²:	
From income (excluding dividends)	-
From dividends	-
Return of capital	(0.15)
Total distributions	(0.15)
Net Assets, end of period¹	\$ 9.69

SERIES AI - RATIOS AND SUPPLEMENTAL DATA⁷	
For the period since September 9, 2014 (date of commencement of operations) to December 31, 2014	
Net Asset Value ("NAV") (000s) ¹	\$266
Number of units outstanding	27,429
Management expense ratio ³	2.09%*
Management expense ratio before waivers or absorptions ⁴	3.32%*
Portfolio turnover rate ⁵	118.11%
Trading expense ratio ⁶	0.01%*

SERIES AN - NET ASSETS PER UNIT**For the period since December 15, 2014 (date of commencement of operations) to December 31, 2014**

Net Assets, beginning of period¹	\$ 10.00
Increase (decrease) from operations:	
Total revenue	0.02
Total expenses	(0.01)
Realized gains (loss) for the period	(0.00)
Unrealized gains (loss) for the period	(0.03)
Total increase (decrease) from operations¹:	\$ (0.02)
Distributions²:	
From income (excluding dividends)	-
From dividends	-
Return of capital	-
Total distributions	-
Net Assets, end of period¹	\$ 9.98

SERIES AN - RATIOS AND SUPPLEMENTAL DATA⁷**For the period since December 15, 2014 (date of commencement of operations) to December 31, 2014**

Net Asset Value ("NAV") (000s) ¹	\$5,346
Number of units outstanding	535,963
Management expense ratio ³	1.95%*
Management expense ratio before waivers or absorptions ⁴	9.98%*
Portfolio turnover rate ⁵	118.11%
Trading expense ratio ⁶	0.01%*

SERIES F - NET ASSETS PER UNIT**For the period since July 28, 2014 (date of commencement of operations) to December 31, 2014**

Net Assets, beginning of period¹	\$ 10.00
Increase (decrease) from operations:	
Total revenue	0.14
Total expenses	(0.05)
Realized gains (loss) for the period	(0.14)
Unrealized gains (loss) for the period	(0.02)
Total increase (decrease) from operations¹:	\$ (0.07)
Distributions²:	
From income (excluding dividends)	-
From dividends	-
Return of capital	(0.20)
Total distributions	(0.20)
Net Assets, end of period¹	\$ 9.79

SERIES F - RATIOS AND SUPPLEMENTAL DATA⁷**For the period since July 28, 2014 (date of commencement of operations) to December 31, 2014**

Net Asset Value ("NAV") (000s) ¹	\$9,798
Number of units outstanding	1,000,466
Management expense ratio ³	1.20%*
Management expense ratio before waivers or absorptions ⁴	2.08%*
Portfolio turnover rate ⁵	118.11%
Trading expense ratio ⁶	0.01%*

SERIES FI - NET ASSETS PER UNIT**For the period since September 9, 2014 (date of commencement of operations) to December 31, 2014**

Net Assets, beginning of period¹	\$ 10.00
Increase (decrease) from operations:	
Total revenue	0.10
Total expenses	(0.04)
Realized gains (loss) for the period	(0.10)
Unrealized gains (loss) for the period	(0.02)
Total increase (decrease) from operations¹:	\$ (0.06)
Distributions²:	
From income (excluding dividends)	-
From dividends	-
Return of capital	(0.21)
Total distributions	(0.21)
Net Assets, end of period¹	\$ 9.71

SERIES FI - RATIOS AND SUPPLEMENTAL DATA⁷**For the period since September 9, 2014 (date of commencement of operations) to December 31, 2014**

Net Asset Value ("NAV") (000s) ¹	\$1,730
Number of units outstanding	178,174
Management expense ratio ³	1.16%*
Management expense ratio before waivers or absorptions ⁴	2.38%*
Portfolio turnover rate ⁵	118.11%
Trading expense ratio ⁶	0.01%*

SERIES FN - NET ASSETS PER UNIT**For the period since December 10, 2014 (date of commencement of operations) to December 31, 2014**

Net Assets, beginning of period¹	\$ 10.00
Increase (decrease) from operations:	
Total revenue	0.02
Total expenses	(0.01)
Realized gains (loss) for the period	(0.03)
Unrealized gains (loss) for the period	(0.02)
Total increase (decrease) from operations¹:	\$ (0.04)
Distributions²:	
From income (excluding dividends)	-
From dividends	-
Return of capital	-
Total distributions	-
Net Assets, end of period¹	\$ 9.96

SERIES FN - RATIOS AND SUPPLEMENTAL DATA⁷**For the period since December 10, 2014 (date of commencement of operations) to December 31, 2014**

Net Asset Value ("NAV") (000s) ¹	\$1,100
Number of units outstanding	110,483
Management expense ratio ³	1.28%*
Management expense ratio before waivers or absorptions ⁴	7.50%*
Portfolio turnover rate ⁵	118.11%
Trading expense ratio ⁶	0.01%*

SERIES L - NET ASSETS PER UNIT**For the period since September 29, 2014 (date of commencement of operations) to December 31, 2014**

Net Assets, beginning of period¹	\$ 10.00
Increase (decrease) from operations:	
Total revenue	0.10
Total expenses	(0.06)
Realized gains (loss) for the period	(0.02)
Unrealized gains (loss) for the period	(0.03)
Total increase (decrease) from operations¹:	\$ (0.01)
Distributions²:	
From income (excluding dividends)	-
From dividends	-
Return of capital	(0.04)
Total distributions	(0.04)
Net Assets, end of period¹	\$ 9.80

SERIES L - RATIOS AND SUPPLEMENTAL DATA⁷**For the period since September 29, 2014 (date of commencement of operations) to December 31, 2014**

Net Asset Value ("NAV") (000s) ¹	\$384
Number of units outstanding	39,212
Management expense ratio ³	2.33%*
Management expense ratio before waivers or absorptions ⁴	3.81%*
Portfolio turnover rate ⁵	118.11%
Trading expense ratio ⁶	0.01%*

*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 audited annual financial statements. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial year. 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

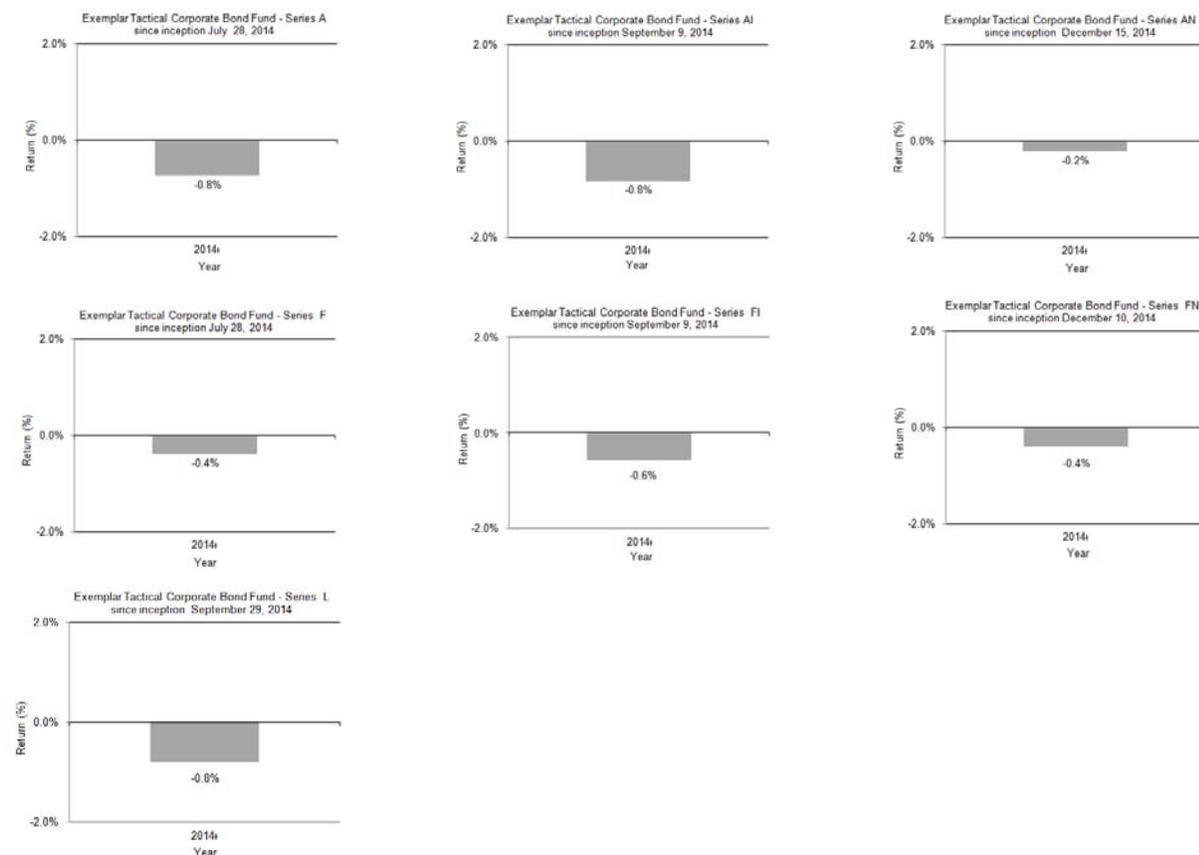
The performance information shown below assumes that all distributions, if any, made by the Fund in the period shown were reinvested in additional units of the Fund. If you hold the Fund outside a registered plan, you will be taxed on distributions. Distributions of income the Fund earns and capital 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 indicate 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 December 31, 2014. 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 total returns of the Fund and for the BofA Merrill Lynch US High Yield Master II Total Return Index (CAD) (index which tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market) for the periods shown ended December 31, 2014. The Relative Performance returns show the performance of the Fund as compared to the benchmark.

	Since Inception
Series A	(0.8)%
Series AI	(0.8)%
Series AN	(0.2)%
Series F	(0.4)%
Series FI	(0.6)%
Series FN	(0.4)%
Series L	(0.8)%
BofA Merrill Lynch US High Yield Master II Total Return Index (CAD) (beginning July 28, 2014)	5.5%

Summary of Investment Portfolio as at December 31, 2014

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	Regional Weightings	% of Net Assets
Long Positions		Long Positions	
Cash	16.7%	Canada	69.9%
Videotron Ltd.	7.1%	U.S.	13.4%
Royal Bank of Scotland PLC	5.9%	Global	8.7%
Navient LLC	5.2%		
Goldman Sachs Group Inc.	4.9%		
Shaw Communications Inc.	4.8%		
Rogers Communications Inc.	4.8%		
Royal Bank of Canada	4.7%		
Toronto-Dominion Bank	4.7%		
Metropolitan Life Global Funding I	4.6%		
Enbridge Income Fund	4.5%		
YPG Financing Inc.	4.3%		
Aon Finance N.S. 1	3.8%		
Loblaw Cos. Ltd.	3.8%		
Morgan Stanley	3.3%		
Commerzbank AG	2.8%		
Thomson Reuters Corp.	2.4%		
GFL Environmental Corp.	2.4%		
Xplornet Communications Inc.	2.0%		
Ventas Canada Finance Ltd.	1.8%		
Leisureworld Senior Care L.P.	1.8%		
National Bank of Canada	1.6%		
WTH Car Rental ULC	1.4%		
Penske Truck Leasing Canada Inc.	1.4%		
Postmedia Network Inc.	1.4%		
Total	102.1%		
Total Net Assets	\$22,072,663		

Sector Weightings	% of Net Assets
Long Positions	
Communications	22.5%
Consumer, Cyclical	0.1%
Consumer, Non-cyclical	8.0%
Energy	2.0%
Financial Services	51.2%
Industrials	2.3%
Utilities	5.9%