

**NOTICE OF SPECIAL MEETING AND
MANAGEMENT INFORMATION CIRCULAR**

**SPECIAL MEETING OF UNITHOLDERS OF
EXEMPLAR LEADERS FUND**

THE ABOVE MEETING IS TO BE HELD ON

MARCH 19, 2019

in Toronto, Ontario

If you are a unitholder and you have any questions as to how to deal with the documents or matters referred to herein, you should immediately consult your investment advisor.

THESE DOCUMENTS REQUIRE IMMEDIATE ATTENTION.

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**NOTICE OF SPECIAL MEETING OF UNITHOLDERS OF
EXEMPLAR LEADERS FUND**

NOTICE IS HEREBY GIVEN that a special meeting of the unitholders (the “**Special Meeting**”) of Exemplar Leaders Fund (the “**Terminating Fund**”) will be held on March 19, 2019 at the head office of Arrow Capital Management Inc., 36 Toronto Street, Suite 750, Toronto, Ontario, M5C 2C5 at 10:00 a.m. (Toronto time) for the following purposes:

1. To seek the approval of investors for all matters relating to the merger of the Terminating Fund into the Exemplar Growth and Income Fund (the “**Continuing Fund**” and along with the Terminating Fund collectively referred to as the “**Merging Funds**”) (the “**Merger**”), as more particularly described in the accompanying Management Information Circular; and
2. To transact such other business as may properly come before the Special Meeting or any adjournment thereof.

A Management Information Circular dated February 22, 2019 (the “**Information Circular**”) and a form of proxy accompany this notice. We have provided a complete description of the matters to be considered at the Special Meeting in the Information circular. The full text of the resolutions to be passed by unitholders at the Special Meeting is set out in Schedule A to the Information Circular.

Pursuant to National Instrument 81-107, the Independent Review Committee (“**IRC**”) of the Merging Funds has reviewed the Merger and has provided a positive recommendation that the Merger, if implemented, achieves a fair and reasonable result for the Funds. (Please see the Information Circular for more information about the IRC). While the IRC has considered the Merger from a conflict of interest perspective, it is not the role of the IRC to recommend that investors vote in favour of or against the Merger and the IRC is making no such recommendation. Investors should review the Merger and make their own decision.

DATED at Toronto, Ontario, this 22nd day of February, 2019.

ARROW CAPITAL MANAGEMENT INC. as Trustee of the
Merging Funds

“James McGovern”

By: James L. McGovern

I M P O R T A N T

Unitholders who are unable to attend the Special Meeting of the Terminating Fund in person and who wish to appoint, as their proxy, the officers and directors of Arrow Capital Management Inc., whose names are printed on the proxy, are requested to complete, date, sign and return the accompanying form of proxy. A self-addressed return envelope has been provided. The proxy should be sent to Arrow Capital Management Inc., 36 Toronto Street, Suite 750, Toronto, Ontario, M5C 2C5, or it may be faxed to 416-323-3199, SO AS TO ARRIVE NOT LATER THAN THE CLOSE OF BUSINESS ON THE DAY THAT IS 48 HOURS PRIOR to the commencement of the Special Meeting or any adjournment thereof (excluding Saturdays and holidays) or deposited with the Chairman of the Special Meeting prior to the commencement thereof.

MANAGEMENT INFORMATION CIRCULAR
IN RESPECT OF THE SPECIAL MEETING OF UNITHOLDERS OF:
EXEMPLAR LEADERS FUND (the “Terminating Fund”)

The Terminating Fund and the Exemplar Growth and Income Fund (the “**Continuing Fund**”) are hereinafter referred to collectively as the “**Merging Funds**” and individually as a “**Merging Fund.**”

SOLICITATION OF PROXIES AND VOTING INSTRUCTIONS

The information in this management information circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies (and of voting instructions in the case of non-registered owners of units) from unitholders of the Terminating Fund by or on behalf of Arrow Capital Management Inc. (“**Arrow**”), as manager and trustee of the Terminating Fund, to be used at the special meeting and at all adjournments thereof (the “**Special Meeting**”), to be held on **Tuesday, March 19, 2019** at the head office of Arrow, 36 Toronto Street, Suite 750, Toronto, Ontario, M5C 2C5 at **10:00 a.m.** (Toronto time). Solicitation of proxies and voting instructions will be made by mail or courier or by telephone by the directors, officers and employees of Arrow or its agents directly to unitholders or to dealers who acted on behalf of unitholders in the purchase of units of the Terminating Fund.

Costs of the Special Meeting will be borne by Arrow and will not be charged to the Terminating Fund. No commission or other fee will be charged to investors on the issue or exchange of units of the Terminating Fund into the Continuing Fund.

Unless otherwise indicated, dollar amounts are expressed in Canadian dollars.

A French version of this Information Circular can be obtained at no cost by visiting www.sedar.com or by contacting Arrow.

Additional information regarding the Merging Funds is available on Arrow’s website, at www.arrow-capital.com, or on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) website, at www.sedar.com.

REGISTERED OWNERS

If you are a registered owner of units, you may vote in person at the Special Meeting or you may appoint another person to represent you as proxyholder and vote your units at the Special Meeting. If you wish to attend the Special Meeting, do not complete or return the enclosed form of proxy because you will vote in person at the Special Meeting. Please register when you arrive at the Special Meeting.

Appointment of Proxies

If you do not wish to attend the Special Meeting, you should complete and return the enclosed form of proxy. The individuals named in the form of proxy are representatives of the manager of the Terminating Fund and are directors and officers of Arrow. You have the right to appoint someone else to represent you at the Special Meeting. If you wish to appoint someone else to represent you at the Special Meeting,

insert that other person's name in the blank "appointee" space provided in the form of proxy. The person you appoint to represent you at the Special Meeting need not be a unitholder of the Terminating Fund and must be present at the Special Meeting in order to vote the units.

To be valid, proxies must be sent to and reviewed by Arrow Capital Management Inc., 36 Toronto Street, Suite 750, Toronto, Ontario, M5C 2C5 or faxed to 416-323-3199 not later than the close of business on the day that is 48 hours prior to the commencement of the Special Meeting or any adjournment thereof (excluding Saturdays and holidays).

Revocation

If you have submitted a proxy and later wish to revoke it you can do so by:

- (a) completing and signing a form of proxy bearing a later date and depositing it with Arrow as described above;
- (b) depositing a document that is signed by you (or by someone you have properly authorized to act on your behalf) (i) at the offices of Arrow at any time up to the last business day preceding the day of the Special Meeting, or any adjournment of the Special Meeting, at which the proxy is to be used, or (ii) with the chair of the Special Meeting before the Special Meeting starts on the day of the Special Meeting or any adjournment of the Special Meeting;
- (c) electronically transmitting your revocation in a manner permitted by law, provided that the revocation is received (i) at the offices of Arrow at any time up to and including the last business day preceding the day of the Special Meeting, or any adjournment of the Special Meeting, at which the proxy is to be used, or (ii) by the chair of the Special Meeting before the Special Meeting starts on the day of the Special Meeting or any adjournment of the Special Meeting; or
- (d) following any other procedure that is permitted by law.

Voting of Proxies

In connection with any ballot that may be called for, the representatives of Arrow designated in the enclosed form of proxy will vote your units in accordance with the instructions you have indicated on the proxy and, if you specify a choice with respect to any matter to be acted upon, the units will be voted accordingly. **In the absence of any direction, your units will be voted by the representatives of Arrow FOR the Merger of Exemplar Leaders Fund into Exemplar Growth and Income Fund as indicated under Proposed Fund Merger of Exemplar Leaders Fund into Exemplar Growth and Income Fund in this Information Circular.**

The representatives of Arrow designated in the enclosed form of proxy have discretionary authority with respect to amendments to or variations of matters identified in the notice of meeting and with respect to other matters that may properly come before the Special Meeting. At the date of this Information Circular, management of Arrow knows of no such amendments, variations or other matters.

NON-REGISTERED OWNERS

You will receive the notice of the Special Meeting and this Information Circular (collectively, the "meeting materials"), and a request for voting instructions from Arrow.

These meeting materials are being sent to both registered and non-registered owners of units of the funds.

If your units are registered in the name of an intermediary (such as a bank, trust company, securities dealer or broker, or trustee or administrator of a self-administered registered retirement savings plan, registered retirement income fund, registered education savings plan, deferred profit sharing plan or similar plan (a “Registered Plan”)), you are a non-registered owner.

Only registered owners of units, or the persons they appoint as their proxies, are permitted to attend and vote at a Special Meeting. If you are a non-registered owner, you are entitled to direct how the units beneficially owned by you are to be voted or you may obtain a form of legal proxy that will entitle you to attend and vote at a Special Meeting.

By choosing to send these meeting materials to you directly, Arrow (and not the intermediary holding the units of the Funds on your behalf) has assumed responsibility for (i) delivering these meeting materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

If you do not wish to attend the Special Meeting (or have another person attend and vote on your behalf), you should write your name, or the name of your designate, on the “appointee” line on the form of proxy, then sign and return it by mail to Arrow. You may revoke your voting instructions at any time by written notice, except that Arrow is not required to honour the revocation of your voting instructions unless the revocation is received by 5:00 p.m. (Toronto time) on March 18, 2019.

When you write your name or the name of your designate, on the “appointee” line, you or your designate will have the right to attend the Special Meeting and vote in person. If you have another person voting on your behalf, you should instruct your designate how to complete the form of proxy. You, or your designate, must attend the Special Meeting. You (or the other person) must register when you arrive at the Special Meeting.

You should follow the instructions on the request for voting instructions and contact Arrow promptly if you need assistance.

If you wish to obtain a legal proxy please contact the individual who services your account.

PROPOSED FUND MERGER

Arrow, as manager of the Terminating Fund, is seeking the approval of unitholders of the Terminating Fund to merge the Terminating Fund into the Continuing Fund (the “**Merger**”). The full text of the resolution relating to the Merger to be considered at the Special Meeting is set out in Schedule A to this Information Circular. Arrow will not proceed with the Merger unless the investors of the Terminating Fund provide their approval.

REASONS FOR THE MERGER

In the opinion of Arrow, the Merger will be beneficial to unitholders of the Terminating Fund and the Continuing Fund for the following reasons:

1. the Merger will provide economies of scale by eliminating duplicative administrative and regulatory costs of operating the Terminating Fund and the Continuing Fund as separate mutual funds;
2. the Continuing Fund is not charged a performance fee whereas the Terminating Fund is charged a performance fee;
3. the Continuing Fund has a more comprehensive and flexible mandate which has reduced volatility and increased performance in the past; and
4. following the Merger, the Continuing Fund will have more assets allowing for increased portfolio diversification opportunities and a smaller proportion of assets set aside to fund redemptions.

The Terminating Fund will be wound-up as soon as reasonably possible following the Merger.

Neither of the Merging Funds will bear any of the costs and expenses associated with the Merger. Such costs will be borne by Arrow.

FUND COMPARISONS

General

Set out below is a comparison of certain features of the Terminating Fund and the Continuing Fund.

Feature	Exemplar Leaders Fund (Terminating Fund)	Exemplar Growth and Income fund (Continuing Fund)
Manager and Portfolio Advisor	Arrow	Arrow
Type of Fund	North American equity	Canadian balanced
Risk Rating	For investors who should be able to accept a medium degree of risk.	For investors who should be able to accept a medium degree of risk.
Investment	To maximize absolute returns on	To achieve long term growth and

Feature	Exemplar Leaders Fund (Terminating Fund)	Exemplar Growth and Income fund (Continuing Fund)
Objective	investments through securities selection and asset allocation. The Fund focuses on achieving growth of capital through superior securities selection and pursues a long-term investment program with the aim of generating capital gains. The Terminating Fund attempts to reduce volatility through diversifying the portfolio across both economic sectors as well as across market capitalizations (company size and liquidity). The Terminating Fund invests primarily in equity and equity-related securities of North American companies. The Terminating Fund may also invest in international companies.	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 intends to invest primarily in Canadian securities.
Registered Plan Eligibility	Yes	Yes
Net Assets	\$30,683,101 as of January 31, 2019	\$69,540,806 as of January 31, 2019
Distribution Policies	All Series will have annual distributions for its taxable income, if any.	In respect of Series A, F, I, L and ETF units, the Fund expects to make a distribution each quarter based on a target annualized rate of 3.00% of the NAV per unit of the relevant series at the end of the prior year. In respect of Series AN, FN and LN units, the Fund does not make regular distribution payments. All Series will have annual distributions for its taxable income, if any, above the amounts distributed during the year.
Management and Performance Fees	A – 1.80% F – 0.80%	A, AN – 1.80% F, FN, ETF – 0.80% I – negotiated with Arrow L, LN – 2.10%

Feature	Exemplar Leaders Fund (Terminating Fund)	Exemplar Growth and Income fund (Continuing Fund)
	<p>The Terminating Fund pays an annual Performance Fee equal to a percentage of the average net asset value of Series A units and Series F units. Such percentage will be equal to 20% of the difference by which the return in the net asset value per unit of the applicable series from January 1 to December 31 exceeds the greater of:</p> <ul style="list-style-type: none"> (i) 0%; and (ii) the percentage return of the S&P/TSX Composite Total Return Index for the same period. The S&P/TSX Composite Total Return Index is the headline index and the principal broad market measure for the Canadian equity markets. <p>The Continuing Fund does not pay a performance fee directly, although funds the Continuing Fund invests in may be charged a performance fee.</p>	
Total Returns for the Previous Five Years	2019: 7.6% (to January 31, 2019) 2018: (16.4%) 2017: 10.9% 2016: 12.2% 2015: 3.5% 2014: 3.3%	2019: 0.2% (to January 31, 2019) 2018: 3.1% 2017: 15.1% 2016: 10.7% 2015: 3.6% (from March 16, 2015) 2014: N/A, Continuing Fund formed March 2015
Operating Expenses	Each of the Merging Funds is responsible separately for the payment of all fees and expenses relating to their respective operation.	
Fees Payable Directly by Investors	<p>Each of the Merging Funds has the same arrangement with respect to fees payable directly by investors.</p> <p>There are some Series A unitholders of the Terminating Fund who are subject to a redemption charge for units redeemed within three years of the original purchase. As these Series A unitholders of the Terminating Fund will be receiving Series AN units of the Continuing Fund they will not be subject to this redemption charge when the units are redeemed.</p>	

Additional details of the Exemplar Growth and Income Fund are attached as Schedule B.

PROCEDURES FOR THE MERGER

Should investors approve the Merger, the Merger will become effective on the close of business on March 27, 2019 or as soon as practicable thereafter (the “**Effective Date**”).

The proposed Merger permits investors of the Terminating Fund to acquire or exchange for securities of the Continuing Fund with no redemption fee, exchange fee or commission. Investors of each series of the Terminating Fund will receive the same series of securities of the Continuing Fund on a series-for-series and dollar-for-dollar basis, as follows:

- **Series A Units:** Unitholders of Series A units of the Terminating Fund will receive Series AN units of the Continuing Fund. The management fee of the Series AN units of the Continuing Fund is the same as the management fee of the Series A units of the Terminating fund.
- **Series F Units:** Unitholders of Series F units of the Terminating Fund will receive Series FN units of the Continuing Fund. The management fee of the Series FN units of the Continuing Fund is the same as the management fee of the Series F of the Terminating Fund.

Following the Merger, investors of the Terminating Fund will hold securities of the Continuing Fund and the Terminating Fund will be terminated. An investor owning Series A units of the Termination Fund purchased on a deferred sales charge basis will have their deferred sales charge schedule eliminated as a result of the Merger only for units held at the Effective Date.

Additional information about the Continuing Fund is contained in the Fund Facts of the Continuing Fund dated September 19, 2018, included with this Information Circular. Investors may obtain a copy of the simplified prospectus and annual information form of the Continuing Fund and each Fund’s most recent interim and annual financial statements and management report of fund performance by accessing the SEDAR website at www.sedar.com or by accessing the Manager’s website at www.arrow-capital.com.

Redemptions and Sales of Terminating Fund

Provided that the Merger is approved, effective as of the close of business on March 22, 2019, the Terminating Fund will cease distribution of securities and any new purchases of units will not be allowed. The Terminating Fund will remain closed to purchase-type transactions, except existing systematic investment programs (such as pre-authorized chequing plans) until it is merged with the Continuing Fund on the Effective Date. All systematic programs shall remain unaffected until the Effective Date. The ability to redeem or switch securities of the Terminating Fund will remain open until the close of business on the business day immediately preceding the Effective Date.

Redemption requests accepted by Arrow must be settled on or before the Effective Date, in accordance with normal settlement procedures. Redemption requests not settled on or before the Effective Date will be deemed to be requests to redeem securities of the Continuing Fund received on the Merger and the normal settlement procedures will apply after the Merger. Investors will be able to redeem securities of the Continuing Fund resulting from the Merger at any time after the Effective Date. Securities of the Continuing Fund acquired by investors under the Merger will be subject to the same redemption charges, if any, which applied to the investors’ securities of the Terminating Fund immediately prior to the Merger, except for the deferred sales charge, as explained above.

Following the Merger, all systematic withdrawal programs that had been established with respect to the Terminating Fund will be re-established on a series-for-series basis in the applicable Continuing Fund

unless investors advise Arrow otherwise. Investors may change or cancel any systematic program at any time and investors of the Terminating Fund who wish to establish one or more systematic programs in respect of their holdings in the Continuing Fund may do so following the Merger.

There are no charges payable by investors of the Terminating Fund who acquire securities of the Continuing Fund as a result of the Merger. **Terminating Fund investors who do not wish to own securities of the Continuing Fund may instead redeem their securities or switch their securities for securities of any other Arrow fund until the day before the Effective Date of the Merger. Investors who redeem their securities may be subject to redemption charges as outlined in the simplified prospectus.**

Costs

All costs and expenses associated with the Merger, including costs of the Special Meeting, will be borne by Arrow and will not be charged to the Terminating Fund or Continuing Fund. No commission or other fee will be charged to investors on the issue or exchange for securities of the Continuing Fund or otherwise in connection with the Merger.

Implementation of the Merger

Tax-Deferred Merger

The proposed Merger will be structured as a “qualifying exchange” for tax purposes according to the steps set out below. One of the consequences of a qualifying exchange is that after the Merger, the Continuing Fund will not be permitted to carry forward any premerger losses or accrued losses deemed to be realized at the time of the Merger. The Continuing Fund is not expected to have material tax losses that will expire unused as a result of the Merger; however this could change by the time the Merger is carried out.

Step 1: Any investments held by the Terminating Fund that is not consistent with the investment objective of the Continuing Fund or acceptable to the portfolio manager of the Continuing Fund will be sold prior to the Effective Date. As a result, the Terminating Fund will temporarily hold cash and/or money market instruments and will not be invested in accordance with its investment objectives for a brief period of time prior to the Merger. The value of any investment sold prior to the Effective Date will depend on prevailing market conditions.

Step 2: Prior to the Merger, each of the Terminating Fund and the Continuing Fund will distribute to their respective unitholders sufficient net income and net realized capital gains so that none of the Funds will be subject to tax under Part I of the *Income Tax Act* (Canada) (the “**Tax Act**”) for the taxation year ended at the time of the Merger.

Step 3: On the Effective Date, the Terminating Fund will transfer all of its assets less an amount required to satisfy the liabilities of the Terminating Fund, to the Continuing Fund, in exchange for units of the Continuing Fund. The units of the Continuing Fund received by the Terminating Funds will have an aggregate net asset value equal to the value of the net assets transferred by the Terminating Fund.

Step 4: Immediately following the above-noted transfer, the Terminating Fund will redeem its outstanding units and distribute the units of the Continuing Fund received by the Terminating Fund to unitholders of the Terminating Fund, in exchange for all such unitholders’ existing units of the Terminating Fund, on a series-for-series and dollar-for-dollar basis.

Step 5: As soon as reasonably possible following the Merger, the Terminating Fund will be wound up.

Required Investor Approval

As required under securities law, a vote for the approval of the Merger of the Exemplar Leaders Fund into the Exemplar Growth and Income Fund will not be effective unless it is approved by a majority of the votes cast by investors of Exemplar Leaders Fund.

Each investor is entitled to one vote for each whole unit held. Investors of record at the close of business on February 15, 2019 will be entitled to vote at the Special Meeting, except to the extent that a transferee of units after that date complies with the procedures described under “*Record Date and Quorum*”, in order to qualify to vote the transferred units.

The implementation of the Merger is also conditional upon regulatory approval. Arrow has applied to the Canadian securities regulatory authorities for approval required under the applicable securities laws in order to carry out the proposed Merger.

Notwithstanding the receipt of such approvals, Arrow may, in its discretion, decide not to proceed with, or delay (until no later than April 30, 2019), the proposed Merger for any reason if it considers such course to be in the best interests of a Merging Fund(s) or their investors.

RECOMMENDATION REGARDING THE MERGER

For the reasons set out above under the sub-heading “Reasons for the Merger”, Arrow strongly recommends that unitholders of the Terminating Fund vote **FOR** the proposed resolution.

Recommendation of the Independent Review Committee

Pursuant to *National Instrument 81-107 – Independent Review Committee for Investment Funds*, the independent review committee of each of the Funds (the “**IRC**”) has reviewed the proposed Merger of the Terminating Fund with the Continuing Fund and the process to be followed in connection with the Merger, and has advised the Manager that, in the opinion of the IRC, having reviewed the Merger as a potential “conflict of interest matter”, the Merger achieves a fair and reasonable result for the Terminating Fund and the Continuing Fund. While the IRC has considered the proposed Merger from a conflict of interest perspective, it is not the role of the IRC to recommend that securityholders of the Terminating Fund vote in favour of the Merger. Securityholders should review the proposed Merger and make their own decision.

RECORD DATE AND QUORUM

The Board of Directors of Arrow has fixed the close of business on February 15, 2019 (the “**Record Date**”) for the purpose of determining which investors are entitled to receive notice of and vote at, the Special Meeting. Holders of units of the Terminating Fund on the Record Date will be entitled to vote at the Meeting, except to the extent that such units are redeemed prior to the Special Meeting or a transferee of units after the Record Date complies with the required procedures in order to qualify to vote the transferred units. If your units were transferred to you from another investor after February 15, 2019 you should contact Arrow to determine the documentation necessary to transfer the units on Arrow’s records. You will only be able to vote the transferred units after the transfer has been recorded on the Arrow’s records.

The quorum for the Special Meeting is any two investors present in person or by proxy. If within one-half hour from the time appointed for the Special Meeting a quorum is not present, then the Special Meeting shall stand adjourned without notice to the same day in the next week at the same time and place. At such adjourned Special Meeting, the unitholders present in person or by proxy shall constitute a quorum.

SECURITIES OF THE FUND AND PRINCIPAL UNITHOLDERS

As at January 31, 2019, 796,997 units of the Terminating Fund were issued and outstanding.

As at January 31, 2019, to the knowledge of the directors and officers of Arrow no person or company beneficially owns, directly or indirectly, or exercises control or direction over, units carrying more than 10% of the voting rights attached to the units of the Terminating Fund entitled to vote at the Special Meeting.

As at January 31, 2019, the directors and senior officers of Arrow owned less than 10% of the securities of the Exemplar Leaders Fund.

INCOME TAX CONSIDERATIONS REGARDING THE MERGER

This is a general summary of the principal Canadian federal income tax consequences of the Merger relevant to a unitholder of a Merging Fund who, for purposes of the Tax Act, is an individual (other than a trust) resident, or is deemed to be resident, in Canada, deals arm's length and is not affiliated with the Terminating Fund or the Continuing Fund and who holds units of a Merging Fund and will hold units of the Continuing Fund as capital property.

This description is based on the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and Arrow's understanding of the current published administrative practices and assessing policies of the Canada Revenue Agency ("**CRA**"). Except for the Tax Proposals, this summary does not otherwise take into account or anticipate any changes in law, whether by judicial, governmental or legislative action or decision, or changes in the administrative practices of the CRA, nor does it consider provincial, territorial or foreign income tax legislation or considerations.

This summary is based on the assumption that both the Terminating Fund and the Continuing Fund are and will continue to be a "mutual fund trust" within the meaning of the Tax Act and the Regulations at all material times and are not "SIFT Trusts" within the meaning of the Tax Act.

The summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular unitholder. Accordingly, unitholders should consult with their own tax advisors for advice with respect to the tax consequences of the Merger having regard to their own particular circumstances.

Redemption and Switches Prior to Merger

A unitholder who redeems units of a Merging Fund, or switches units to another Arrow fund, on or before the date of the Merger will realize a capital gain (or capital loss) to the extent that the proceeds of disposition exceed (or are exceeded by) the aggregate of the unitholder's adjusted cost base of the units redeemed and any reasonable costs of disposition. A unitholder that holds units of a Merging Fund directly, rather than in a Registered Plan, must include one-half of a capital gain (a "**taxable capital**

gain”) in income. One-half of a capital loss (an “**allowable capital loss**”) realized by a unitholder in a taxation year must be deducted against taxable capital gains realized by the unitholder in that year. Allowable capital losses in excess of taxable capital gains realized in any year may, subject to certain limitations under the Tax Act, be carried-back three years or forward indefinitely for deduction against net taxable capital gains realized in those years. Capital gains realized by an individual may give rise to liability for alternative minimum tax.

If units are held by a Registered Plan, capital gains realized on a redemption of units will generally be exempt from tax until withdrawn from the Registered Plan (other than a tax-free savings account or a withdrawal of contributions from a registered education savings plan).

Tax Consequences of the Merger

The Tax Act provides for a mutual fund merger to be effected on a tax-deferred basis for merging funds and their unitholders if it satisfies certain conditions and the merging funds make an election to have the qualifying exchange rules apply. The Terminating Fund and Continuing Fund will jointly elect for the Merger to be completed as a “qualifying exchange” (as defined in the Tax Act) in accordance with the mutual fund merger rules in the Tax Act. The Merger will occur on a tax-deferred basis for the Terminating Fund and the Continuing Fund and their unitholders.

In a qualifying exchange, non-capital losses and net capital losses of the Terminating Fund and the Continuing Fund realized in taxation years of the Terminating Fund or Continuing Fund ending on or before the date of the Merger cannot be deducted by the Terminating Fund or Continuing Fund in taxation years beginning after the Merger.

The Terminating Fund will transfer assets to the Continuing Fund in exchange for units of the Continuing Fund. For income tax purposes, each transferred asset of the Terminating Fund will be deemed to be disposed of for (i) its fair market value, where there is an accrued loss on the asset, or (ii) an amount elected by the Terminating Fund and the Continuing Fund, between the Terminating Fund’s adjusted cost base and the fair market value of the asset, where the asset has an accrued gain.

The Continuing Fund will be deemed for tax purposes to dispose of and reacquire all of its assets on the date of the Merger (other than those acquired from the Terminating Fund), subject to the same restrictions described above relating to the Terminating Fund. As a result, the Continuing Fund will realize all of its accrued capital losses and, to the extent it elects, accrued capital gains.

The Merger will result in a taxation year-end for the Terminating Fund and the Continuing Fund. As a result, immediately after the time of transfer of the Terminating Fund’s assets to the Continuing Fund, each Merging Fund will distribute a sufficient amount of its net income (including net realized capital gains) to ensure that it will not be subject to tax under Part I of the Tax Act for the taxation year ending on the date of the Merger. Unitholders of a Merging Fund will receive a statement for income tax purposes identifying the unitholder’s share of the Merging Fund’s income for the taxation year ending on the date of the Merger. Generally, the income allocated to the unitholder, as set out in the statement, must be included in the unitholder’s income for the taxation year of the unitholder in which the Merger occurs. If units are held in a Registered Plan, distributions from a Merging Fund will generally be exempt from tax until withdrawn from the Registered Plan (other than a tax-free savings account or a withdrawal of contributions from a registered education savings plan).

The redemption of units of the Terminating Fund and the distribution of units of the Continuing Fund in exchange for the units of the Terminating Fund as part of the Merger will not result in the realization of a

capital gain or capital loss to the Terminating Fund or to the unitholders of the Terminating Fund, as the case may be. The units of the Continuing Fund received by a unitholder will have an aggregate adjusted cost base equal to the aggregate adjusted cost base of the unitholder's units of the Terminating Fund so redeemed, subject to the adjusted cost base averaging rules that apply if the unitholder otherwise holds units of the Continuing Fund.

Eligibility for Investment

Units of the Continuing Fund are qualified investments for Registered Plans. However, unitholders may be subject to a penalty tax if the units are "prohibited investments" within the meaning of the Tax Act for a tax-free savings account ("TFSA"), a registered retirement savings plan ("RRSP"), a registered retirement income fund ("RRIF"), a registered disability savings plan ("RDSP") or a registered education savings plan ("RESP"). Units of the Continuing Fund will not be prohibited investments for a TFSA, RRSP, RRIF, RDSP or RESP provided that the holder of the TFSA or RDSP, the annuitant under the RRSP or RRIF or a subscriber of a RESP, as the case may be, deals at arm's length with the Continuing Fund for purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act) in the Continuing Fund or in a corporation, partnership or trust with which the Continuing Fund does not deal at arm's length for purposes of the Tax Act. You should consult your own tax advisor with respect to whether units of the Continuing Fund may be a prohibited investment.

MANAGEMENT OF THE MERGING FUNDS

Pursuant to the management agreements with the Merging Funds, Arrow acts as manager of the Merging Funds and is responsible for the day-to-day business of the Merging Funds, including the management of the investment portfolios of the Merging Funds.

In consideration of the management and investment advisory services, the Merging Funds pay a management fee to Arrow. During the year ended December 31, 2018, aggregate management fees paid to Arrow by the Terminating Fund were \$546,606 and \$476,026 by the Continuing Fund.

The Merging Funds are responsible for the payment of all fees and expenses relating to their operation, including registrar and transfer agent fees and expenses, audit, accounting, administration (other than advertising and promotional expenses which are paid for by the manager), record keeping and legal fees and expenses, custody and safekeeping charges, all costs and expenses associated with the qualification for sale of the units, providing financial and other reports to unitholders and convening and conducting meetings of unitholders, all taxes, assessments or other governmental charges levied against the Merging Funds, interest and all brokerage and other fees relating to the purchase and sale of the assets of the Merging Funds. Each series of units is responsible for the operating expenses incurred by the Merging Funds relating to the offering of units and the expenses specifically related to that series and a proportionate share of expenses that are common to all series of units.

Directors and Senior Officers of Arrow

The names and municipalities of residence of the directors and senior officers of Arrow, and their positions are as follows:

Name and Municipality of Residence	Position with Arrow	Principal Occupation
JAMES McGOVERN Toronto, Ontario	Managing Director and Chief Executive Officer and Director	Managing Director and Chief Executive Officer of Arrow
MARK PURDY Ajax, Ontario	Managing Director and Chief Investment Officer and Director	Managing Director and Chief Investment Officer of Arrow
ROBERT MAXWELL Toronto, Ontario	Managing Director and Chief Financial Officer and Director	Managing Director and Chief Financial Officer of Arrow
FREDERICK DALLEY Toronto, Ontario	Managing Director, Portfolio Management and Director	Managing Director, Portfolio Management of Arrow
MARK KENNEDY Toronto, Ontario	Chief Compliance Officer	Chief Compliance Officer of Arrow

APPROVAL BY THE MANAGER OF THE TERMINATING FUND

The contents and the sending of this Information Circular to unitholders of the Terminating Fund has been approved by Arrow, as manager and trustee of the Terminating Fund.

DATED at Toronto, Ontario, this 22nd day of February, 2019.

ARROW CAPITAL MANAGEMENT INC., as manager
and trustee of the Terminating Fund

“James L. McGovern”

(Signed) James L. McGovern

SCHEDULE “A”

RESOLUTION OF THE UNITHOLDERS OF THE EXEMPLAR LEADERS FUND TO MERGE WITH EXEMPLAR GROWTH AND INCOME FUND AT THE SPECIAL MEETING OF INVESTORS HELD ON MARCH 19, 2019

All capitalized terms used in this Schedule “A” shall have the meanings described in the Information Circular dated February 22, 2019 to which this Schedule “A” is attached.

WHEREAS it is desirable and in the interests of Exemplar Leaders Fund (the “Terminating Fund”) that the Terminating Fund merge (the “Merger”) into Exemplar Growth and Income Fund (the “Continuing Fund”);

BE IT RESOLVED THAT:

- 1) the Merger of the Terminating Fund into the Continuing Fund, as described in the Information Circular dated February 22, 2019, be and the same is hereby authorized and approved;
- 2) Arrow Capital Management Inc., as trustee and manager (the “Trustee”) of the Terminating Fund, be and is hereby authorized to:
 - a) at the Trustee’s sole discretion, liquidate some or all securities in the portfolio of the Terminating Fund and hold cash and/or money market instruments until the Effective Date such that the Terminating Fund will no longer comply with its investment objectives;
 - b) sell the net assets of the Terminating Fund to the Continuing Fund in exchange for units of the Continuing Fund;
 - c) distribute the units of the Continuing Fund received by the Terminating Fund to unitholders of the Terminating Fund, in exchange for all such unitholders’ existing units of the Terminating Fund, on a series-for-series and dollar-for-dollar basis;
 - d) wind up the Terminating Fund as soon as reasonably possible following the Merger; and
 - e) amend the Master Declaration of Trust of the Terminating Fund to the extent necessary to give effect to the foregoing;
- 3) all amendments to any agreements to which the Terminating Fund is a party that are required to give effect to the matters approved in this resolution be and are hereby authorized and approved;
- 4) any one officer or director of the Trustee be and is hereby authorized and directed, on behalf of the Terminating Fund, to execute and deliver all such documents, instruments and writings (including the filing of any applications for regulatory relief and tax elections) and do all such other acts and things as may be necessary or desirable for the implementation of this resolution;
- 5) the Trustee be and is hereby authorized not to proceed with this resolution for any reason whatsoever in its sole and absolute discretion, without further approval of the investors of the Terminating Fund, at any time prior to the implementation of the changes described above if it is considered to be in the best interests of the Terminating Fund, the Continuing Fund or their investors not to proceed; and
- 6) the Trustee be and is hereby authorized to delay the implementation of the Merger, until no later than April 30, 2019, for any reason whatsoever in its sole and absolute discretion, without further

approval of the investors of the Terminating Fund, at any time prior to the implementation of the changes described above if it is considered to be in the best interests of the Terminating Fund, the Continuing Fund or their investors not to proceed.

SCHEDULE “B”
EXEMPLAR GROWTH AND INCOME FUND

FUND DETAILS

Type of Fund:	Canadian Balanced
Inception Date:	Series A – March 16, 2015 Series I – March 16, 2015 Series AN – March 16, 2015 Series L – March 16, 2015 Series F – March 16, 2015 Series LN – March 16, 2015 Series FN – March 16, 2015 Series ETF – July 5, 2018
Securities Offered:	Trust units of a mutual fund – Series A, AN, F, FN, I, L, LN and ETF units
Eligibility for Registered Plans:	Yes
Portfolio Advisor:	Arrow Capital Management Inc.

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The investment objective of the Exemplar Growth and Income 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 intends to invest primarily in Canadian securities.

Unitholder approval (given by a majority of votes cast at a meeting of unitholders) is required prior to a change of investment objectives.

Investment Strategies

To achieve the investment objective, the portfolio advisor uses an asset allocation approach. The portfolio advisor will analyze the economy and markets with a view to determine which of the above asset classes are more likely to offer attractive risk/return characteristics within a medium to long-term time frame.

Generally, the Fund’s asset mix will be within the following ranges: 30-90% equity securities, 10-50% fixed income securities and 0-50% money market instruments. Fixed income securities will 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. Such ranges are designed to allow the portfolio advisor to vary the weighting of the Fund’s portfolio within the sectors to meet the investment objective as it considers appropriate in a variety of market environments.

To achieve these target ranges, the Fund may invest in either individual securities or the portfolio advisor may invest up to 100% of the assets of the Fund in underlying funds. Currently, the Exemplar

Performance Fund falls into the equity securities category and the Exemplar Tactical Corporate Bond Fund and the Exemplar Investment Grade Fund fall into the fixed income securities category.

The underlying funds may be changed without notice from time to time as well as the percentage holding in each underlying fund. Information about the underlying funds managed by us is contained in their respective simplified prospectus. You can obtain copies of the simplified prospectus, annual information form, annual and interim financial statements, the annual and interim management reports of fund performance and the fund facts of the underlying funds managed by us at www.sedar.com or by contacting us as indicated on the back cover.

The Fund may invest in foreign securities to an extent that will vary from time to time but is not typically expected to exceed 49% 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 investment funds that may themselves invest in foreign securities, the actual exposure of the Fund to investments in foreign securities may exceed this amount.

The Fund may hold cash or invest in short term securities for the purpose of preserving capital and/or maintaining liquidity, based upon the Fund manager's ongoing evaluation of current and anticipated economic and market conditions.

The Fund may also invest in other investment funds, including exchange-traded funds, that may or may not be managed by the Manager in order to gain indirect exposure to markets, sectors or asset classes. Investments by the Fund in securities of other investment funds may be done directly or indirectly through a specified derivative.

The Fund may use 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 foreign currencies as well as market risk. Derivatives may also be used to 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.

Securities Lending, Repurchase or Reverse Repurchase Transactions

The Fund may enter into repurchase transactions, reverse repurchase transactions, and securities lending transactions. The Fund will only do so if there are suitable counterparties available and if the transactions are considered appropriate.

Short Selling

The Fund may also engage in short selling. Generally speaking, short selling can provide the Fund with opportunities for gains when markets are volatile or declining. While short selling will be used by the Fund as a complement to its primary investment strategy (discussed above), Arrow will utilize the same fundamental analysis in determining whether securities of a particular issuer should be sold short. When the analysis produces a favourable outlook, the investment opportunity is considered for purchase. When the analysis produces an unfavourable outlook, the investment opportunity is considered for a short sale. The Fund will engage in short selling only within certain limits and conditions including: (i) the Fund will short sell only liquid securities that are traded on a stock exchange or certain government bonds, (ii) the Fund will limit its short sale exposure to any single issuer to 5% of the Fund's net assets and its aggregate short exposure to 20% of its net assets, (iii) the Fund will hold cash cover in an amount (including the

Fund's assets deposited with lenders) that is at least 150% of the aggregate market value of all securities sold short, and (iv) the Fund will deposit collateral only with lenders which are regulated financial institutions or registered dealers in Canada.

Changes to Investment Strategies

Arrow may change the Fund's investment strategies at its discretion without notice or approval.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

In addition to market risk, change in legislation risk and series risk, the Fund will be exposed to the following risks which are described on pages 4 through 8 of the simplified prospectus:

- credit risk
- currency risk
- derivatives risk
- equity risk
- foreign investment risk
- interest rate risk
- concentration risk
- investment trust risk
- liquidity risk
- securities lending risk
- short selling risk
- small company risk
- underlying fund risk

Additional risks associated with investing in the Series ETF units of this Fund are:

- absence of an active market for Series ETF unit risk
- halted trading of Series ETF unit risk
- trading price of Series ETF unit risk

Arrow has rated this Fund's risk as low-to-medium. Please see "*What are the Risks of Investing in the Fund? – Fund Risk Classification*" on page 33 of the simplified prospectus for a description of how we determined the classification of this Fund's risk level.

WHO SHOULD INVEST IN THE FUND?

This Fund is suitable for investors who seek the long term growth through a diversified portfolio of equity and fixed income securities.

To invest in this Fund, investors should be able to accept a medium degree of risk.

To recognize a reasonable rate of return, investors should be prepared to invest for medium to long periods of time.

DISTRIBUTION POLICY

In respect of Series A, F, I, L and ETF units, the Fund expects to make a distribution each quarter based on a target annualized rate of 3.00% of the NAV per unit of the relevant series at the end of the prior year.

The quarterly distributions may be comprised of income, capital gains or capital and are not intended to reflect the Fund's investment performance and should not be confused with "yield" or "income". **A portion of the quarterly distribution may include a return of capital. The distribution rate on these series may be greater than the return on the Fund's investments. If the cash distributions to you are greater than the net increase in value of your investment, the distributions will erode the value of your investment.** If the Fund earns more income or capital gains than the distributions, it will distribute the excess each December.

We reserve the right to adjust the amount of the quarterly distribution if we consider it appropriate, without notice. There can be no assurance that Series A, F, I, L and ETF units will make any distributions in any particular quarter. Distributions are not guaranteed and may change at any time at our discretion.

Quarterly distributions on units, other than Series ETF units, held in a registered plan are automatically reinvested (without charge) in additional units of the same series of the Fund.

Quarterly distributions on units, other than Series ETF units, held outside a registered plan are either: (1) automatically reinvested in additional units of the same series of the Fund; or (2) received in cash. Unless we receive written notice that you want to receive distributions in cash, the default is to have distributions automatically reinvested in units of the Fund.

Annual distributions on Series ETF units will be received in cash. A unitholder that subscribes for Series ETF units during the period that is one business day before a distribution record date until that distribution record date will not be entitled to receive the applicable distribution with respect to those Series ETF units.

The distributions by way of reinvested units are subject to the same fees and expenses as purchased units; whereas if you receive cash distributions the cash received would not be subject to such fees and expenses. For example, if your distributions received on your Series L or LN Low Load Units are automatically reinvested in additional units, such units would be subject to applicable redemption charges, whereas if such distributions were received in cash they would not be subject to any redemption charges. For more information about fees and expenses related to holding units, including units received on the automatic reinvestment of distributions, see "*Fees and Expenses*" on page 17 of the simplified prospectus. To receive distributions in cash you (or broker, dealer or advisor) must provide us a written request that you wish to receive distributions in cash. Please see the back cover for our contact information.

Quarterly distributions will generally not be made to holders of units of the Non-Fixed Rate Distribution Series.

Each December, the Fund will make an annual distribution to unitholders (including holders of the Non-Fixed Rate Distribution Series) on the distribution date of its taxable income, if any, for the taxation year to ensure that it is not subject to tax under Part I of the Tax Act. **In each case, distributions will be reinvested by purchasing additional units of the Fund, without charge, unless a written request is submitted to Arrow, requesting distributions be paid in cash instead.**

For more information about distributions, see "*Specific Information About the Mutual Funds Described in this Document – Distribution Policy*" on page 34 of the simplified prospectus.

The distribution rate on a series of units of the Fund may be greater than the return on the Fund's investments. Any distributions made to you that exceed, in aggregate, the net increase in value of your investment, represent a return of your capital back to you.

For more information about distributions and tax considerations, see “*Income Tax Considerations for Investors*” on page 23 of the simplified prospectus.

The Fund may at its discretion change its distribution policy from time to time.

The simplified prospectus of the Fund is available on Arrow's website, at www.arrow-capital.com, or on the SEDAR website, at www.sedar.com.