

## **Arrow Capital Management Inc. Announces Proposed Fund Restructuring**

TORONTO, May 6, 2020 /CNW/ - Arrow Capital Management Inc. (“Arrow”) announced today that it is calling a special meeting of unitholders of East Coast Investment Grade Income Fund (TSX: ECF.UN) (the “Fund”) on June 12, 2020 to vote upon a proposal to restructure the Fund as an open-end alternative mutual fund. East Coast Fund Management Inc. (“East Coast”) will continue to be sub-advisor to the Fund.

Changes to *National Instrument 81-102* to allow the establishment of alternative mutual funds has provided Arrow with the opportunity to improve the investment experience for unitholders of the Fund. By converting to an open-end alternative mutual fund, unitholders of the Fund will no longer be subject to adverse market conditions of large discounts to Net Asset Value and wide bid/ask spreads without major changes to the investment strategy of the Fund.

The proposed restructuring of the Fund (the “Restructuring”) includes:

1. conversion of the Fund to an open-end alternative mutual fund to be renamed Arrow EC Income Advantage Alternative Fund;
2. a change in the investment objectives, investment strategy and investment restrictions of the Fund;
3. certain other changes as are necessary for the Fund to operate as an open-end alternative mutual fund; and
4. de-listing of the units of the Fund from the Toronto Stock Exchange on or about June 26, 2020.

The result of the Restructuring is that unitholders of the Fund will continue to be unitholders of the Fund (to be renamed Arrow EC Income Advantage Alternative Fund), an open-end alternative mutual fund sub-advised by East Coast. It is expected that the Restructuring will not result in a taxable event.

Details of the proposed Restructuring will be outlined in a management information circular to be prepared and delivered to unitholders of the Fund in connection with the special meeting of unitholders and which will be available on [www.sedar.com](http://www.sedar.com). Implementation of the Restructuring is subject to receipt of all necessary regulatory approvals. If approved, the Restructuring is expected to be implemented in June, 2020. If the Restructuring is not approved, Arrow and East Coast will continue to manage the Fund with no changes.

### **About Arrow Capital Management Inc.**

Arrow Capital Management Inc. is an employee-owned company, founded in 1999. Arrow's expertise in active portfolio management and manager selection is evident in its strong, diverse platform, which provides clients with access to a global selection of actively managed investment funds. Arrow is committed to continuously providing investors with access to a wide range of investment solutions. With over 20 years of service, Arrow is well respected as a Canadian alternative investment company.

### **About East Coast Fund Management Inc.**

East Coast was founded in 2009 with the aim of providing high net worth individuals the ability to maximize risk-adjusted returns of investment grade credit while removing exposure to interest rates. The portfolio management team at East Coast has a combined 100 years of financial services experience. East Coast has been a sub-advisor to Arrow since 2010.

## **Forward Looking Information**

*This press release contains forward-looking statements and information within the meaning of applicable securities legislation. Forward-looking statements can be identified by the expressions “seeks”, “expects”, “believes”, “estimates”, “will”, “target” and similar expressions. The forward-looking statements are not historical facts but reflect the current expectations of Arrow regarding future results or events and are based on information currently available to it. Certain material factors and assumptions were applied in providing these forward-looking statements. All forward-looking statements in this press release are qualified by these cautionary statements. Arrow believes that the expectations reflected in forward-looking statements are based upon reasonable assumptions; however, Arrow can give no assurance that the actual results or developments will be realized. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed under “Risks Factors” in the annual information forms of the Fund dated March 27, 2020. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. Arrow undertakes no obligation to publicly update any such statement or to reflect new information or the occurrence of future events or circumstances except as required by securities laws. These forward-looking statements are made as of the date of this press release.*

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