ARROW ALTERNATIVE MUTUAL FUNDS

Simplified Prospectus

ARROW CANADIAN ADVANTAGE ALTERNATIVE CLASS (Series A, F and L Shares)

ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS (Series A, F, U and G Shares)

WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS (Series A, F, I, L and R Shares)

(the "Corporate Classes")

ARROW EC INCOME ADVANTAGE ALTERNATIVE FUND (formerly East Coast Investment Grade Income Fund) (Series A, AD, F, FD, U, G and I Units)

(the "Trust Fund")

June 26, 2020

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PART A

INTRODUCTION

The manager of the Funds is Arrow Capital Management Inc., and is referred to in this document as "**Arrow**", "**us**", "**our**" or "**we**". A "**Fund**" is any of the mutual funds described in this simplified prospectus.

A "**Corporate Class**" refers to the assets and liabilities attributable to the classes of shares of Exemplar Portfolios Ltd. (the "**Company**"), a mutual fund corporation established under the laws of the Province of Ontario, that have the same investment objectives and strategies. The authorized capital of the Company consists of 1,000 separate classes of non-voting redeemable mutual fund shares (the "**Shares**"), issuable in series, in addition to a class of voting common shares held in trust by certain employees of Arrow for the non-voting shareholders. Each Corporate Class maintains its own separate group of assets within the Company.

A "**Trust Fund**" is a Fund that is not a Corporate Class. When you invest in a Trust Fund, you are buying units of a trust (the "**Units**").

A "**Security**" means a Share of a Corporate Class or a Unit of a Trust Fund.

This document contains selected important information to help you make an informed decision and to help you understand your rights as an investor.

This Simplified Prospectus contains information about the Funds and the risks of investing in mutual funds generally, as well as the names of the firms responsible for the management of the Funds.

Additional information about the Funds is available in the following documents:

- the annual information form;
- the most recently filed fund facts;
- the most recently filed annual financial statements;
- any interim financial statements filed after those annual financial statements;
- the most recently filed annual management report of fund performance; and
- any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as a part of this document. You may obtain a copy of these documents, at your request, and at no cost, by calling us toll free at 1 (877) 327-6048 or (416) 323-0477, or from your dealer or by email at info@arrow-capital.com. You will also find these documents on the Funds' website www.arrow-capital.com.

These documents and other information about the Funds are also available on the Internet site of SEDAR (the System for Electronic Document Analysis and Retrieval, established by the Canadian Securities Administrators) at www.sedar.com.

Former Fund

Arrow EC Income Advantage Alternative Fund (previously an exchange-traded investment trust named East Coast Investment Grade Income Fund), after receiving unitholder approval at a unitholder meeting on June 12, 2020, converted to an open-end alternative mutual fund (the "**Conversion**") on June 26, 2020 (the "**Conversion Date**"). In connection therewith, the Fund changed its name to Arrow EC Income Advantage Alternative Fund and changed its investment objective and investment strategies to reflect those provided for in this simplified prospectus. Additionally:

- on the Conversion Date, the securities of the Fund were re-designated as Series FD units; and
- as of the Conversion Date, Series FD units may be redeemed by unitholders on demand without penalty or cost and can be switched to securities of a different mutual fund or series managed by Arrow.

Please see "*Purchases, Switches and Redemptions*" later in this document.

WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?

What is a Mutual Fund?

A mutual fund is an investment vehicle created to permit money contributed by people with similar investment objectives to be pooled. People who contribute money become securityholders of the mutual fund. Mutual fund securityholders share (in proportion to the securities they own) the mutual fund's income, expenses, and the gains and losses the mutual fund makes on its investments. The value of an investment in a mutual fund is realized by redeeming the securities held.

A mutual fund may own different types of investments - stocks, bonds, cash, and derivatives - all depending upon its investment objectives. The Funds also may invest in other mutual funds, which may be managed by us, called "underlying funds". The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions and market and company news, with these and other factors affecting funds with varying degrees of impact. For example, mutual funds which invest in equity securities will be greatly impacted by changes in the equity markets generally while a mutual fund investing solely in bonds would not. As a result, the value of a mutual fund may go up and down, and the value of your investment may be more or less when you redeem or sell it than when you purchased it.

We calculate a Fund's security price (often referred to as the "net asset value per security", or "share value" or "unit value") by adding up the specific Fund's assets (being the value of the cash and securities in its portfolio), subtracting its liabilities and then dividing the resulting sum by the total number of securities of the Fund then outstanding. The security price is calculated at the end of each business day and is the price at which securities will be issued to purchasing investors and the price to be paid by the Fund on securities redeemed, each as of a Transaction Date (as defined below).

The specific investment objectives and strategies of the Funds are described in Part B of this document under "*What Does the Fund Invest In?*"

Mutual Funds are not Guaranteed

Arrow does not guarantee that the full amount of your original investment in a Fund will be returned to you. Unlike bank accounts or GICs, mutual fund securities are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Under exceptional circumstances, a mutual fund may suspend redemptions of Securities. See "*Purchases, Switches and Redemptions*" on page 15.

What are the Risks of Investing in a Mutual Fund?

As with most other investments, mutual funds come with a certain amount of risk. Mutual funds own different types of investments, depending on their investment objectives. The value of the investments in a mutual fund changes from day to day because of changes in interest rates, economic conditions and market or company news. As a result, the value of mutual fund securities will vary. When you sell your securities of a Fund, you could get less money than you put in.

When you are making your investment decision, it is very important that you are completely aware of the different investment types, their relative return over time and their volatility. Money market funds generally have low risk. They hold relatively safe short-term investments such as government treasury bills and other high quality money market instruments. Income funds, which typically invest in bonds, have a higher amount of risk because their prices can change when interest rates change. Equity funds generally have the highest risk because they invest mostly in stocks whose prices can rise and fall daily.

The Funds are considered "alternative mutual funds", as defined in National Instrument 81-102 - *Investment Funds* ("**NI 81-102**"). This permits them to use strategies generally prohibited to conventional mutual funds, such as the ability to invest more than 10% of its net asset value in securities of a single issuer, the ability to invest in physical commodities or specified derivatives, to borrow cash, to short sell beyond the limits prescribed for conventional mutual funds and to generally employ leverage. As a result of exemptive relief obtained by the Funds to utilize market-neutral strategies described under the heading "*Additional Information – Exemptions and Approvals*" in this simplified prospectus, the Funds may also use strategies generally prohibited for alternative mutual funds under NI 81-102 such as the ability to engage in short selling transactions with an aggregate market value of up to 100% of their net asset value (subject to a combined limit on short selling and cash borrowing of 100% of their net asset value).

Everyone has a different tolerance for risk. Some individuals are significantly more conservative than others when making their investment decisions. It is important to take into account your own comfort with risk as well as the amount of risk suitable for your financial goals. Below are some of the most common risks that affect value. The following specific risks apply to the Funds:

Borrowing Risk – Borrowing of cash or securities within a fund could magnify the impact of any movements in the prices of the underlying investments of the fund and therefore the value of your investment. Consequently, these investments may produce more volatile gains or losses compared to investing in the same investments without making use of borrowings.

Change in Legislation Risk –There can be no assurance that tax, securities and other laws or the interpretation and application of such laws by courts or government authorities will not be changed in a manner which adversely affects the Funds or securityholders.

Collateral Risk – A Fund may enter into derivatives arrangements that require it to deliver collateral to the derivative counterparty or clearing corporation. As such, each of the Funds may be exposed to certain risks in respect of that collateral including, the Funds:

- will be required to post initial margin/collateral to the derivative counterparty or clearing corporation in the form of cash. The Funds will be required to have sufficient liquid assets to satisfy this obligation;
- from time to time, if the value of the derivative arrangements moves against it, will be required to post variation margin/collateral with the derivatives counterparty or clearing corporation on an ongoing basis. The Funds will be required to have sufficient liquid assets to satisfy such calls, and, in the event it fails to do so, the counterparty may have a right to terminate such derivatives arrangements; and,
- may be subject to the credit risk of the derivatives counterparty. In the event the counterparty becomes insolvent at a time it holds margin/collateral posted with it by a Fund, the Fund will be an unsecured creditor and will rank behind preferred creditors.

Commodity Risk – The Funds' exposure to the commodities markets may subject the Funds to greater volatility than investments in traditional securities. The value of commodity linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

Concentration Risk – The Funds may hold significant investments in a few companies or issuers, rather than investing the Funds' assets across a large number of companies or issuers. In some cases, more than 10% of the net assets of the Funds may be invested in securities of a single issuer as a result of appreciation in value of such investment and/or the liquidation or decline in value of other investments. The investment portfolio of the Funds may be less diversified, and therefore may be potentially subject to larger changes in value than mutual funds which hold more broadly diversified investment portfolios.

Counterparty Default Risk - This is the risk that entities upon which a Fund's investments depend may default on their obligations, for instance by failing to make a payment when due. Such parties can include brokers (including clearing brokers), foreign exchange counterparties, derivative counterparties and deposit taking banks. Default on the part of an issuer or counterparty could result in a financial loss to the Funds. The manager will manage these risks as far as is practicable by dealing with counterparties as permitted by Canadian securities authorities, by ensuring enforceable legal agreements are in place and by monitoring these counterparties.

Credit Risk – The value of fixed income securities and derivatives on fixed income securities depends, in part, on the perceived ability of the government or company which issued the securities to pay the interest and to repay the original investments. Securities issued by issuers who have a low credit rating are considered to have a higher credit risk than securities issued by issuers with a high credit rating.

Currency Risk – The value of securities denominated in a currency other than Canadian dollars will be affected by changes in the value of the Canadian dollar relative to the value of the currency in which the security is denominated. This risk applies to the Funds since they may invest in foreign denominated securities.

Derivatives Risk – A derivative is a contract between two parties, the value of which is based on the performance of other investments, such as equities, bonds, currencies or a market index. Derivatives may be traded in the over-the-counter market or on a stock exchange or they may be cleared through a clearing corporation. A derivative is commonly a future, a forward contract, an option or a swap, but there are other types of derivative instruments as well. Futures or forward contracts are agreements to buy or sell a security, commodity or currency for a certain price on a certain future date. Options give the buyer the right to buy or sell a security, commodity or currency for a certain price on a certain future date. Swaps are a derivative in which two counterparties exchange cash flows of one party's financial instrument for those of the other party's financial instrument. Derivatives may be used to limit, or hedge against, losses that may occur because of a Fund's investment in a security or exposure to a currency or market. This is called hedging. Derivatives may also be used to obtain exposure to financial markets, reduce transaction costs, create liquidity or increase the speed of portfolio transactions. These investments are made for non-hedging purposes.

- There is no assurance that liquid markets will exist for the Funds to close out their derivative positions. Derivative instruments in foreign markets may be less liquid and more risky than comparable instruments traded in North American markets.
- Exchange-imposed trading limits could affect the ability of the Funds to close out their positions in derivatives. These events could prevent the Funds from making a profit or limiting their losses.
- Prices of options and futures on a stock index may be distorted if trading of certain stocks in the index is interrupted or trading of a large number of stocks in the index is halted. Such price distortions could make it difficult to close out a position.
- The Funds may use derivatives so they may be subject to credit risk associated with the ability of counterparties to meet their obligations. In addition, the Funds could lose their margin deposits if a dealer or clearing corporation with whom the Funds have an open derivatives position goes bankrupt.
- There is no assurance that a Fund's hedging strategies will be effective. There may be an imperfect historical correlation between the behaviour of the derivative instrument and the investment being hedged. Any historical correlation may not continue for the period during which the hedge is in place.
- Using futures and forward contracts to hedge against changes in currencies, stock markets or interest rates cannot eliminate fluctuations in the prices of securities in the portfolio or prevent losses if the prices of these securities decline.
- Hedging may also limit the opportunity for gains if the value of the hedged currency or stock market rises or if the hedged interest rate falls. The inability to close out options, futures, forwards and other derivative positions could prevent the Funds from using derivatives to effectively hedge their portfolio or implement their strategy.

Equity Risk –Investments in equities - also called stocks or shares - and derivatives on equities are affected by stock market movements. When the economy is strong, the outlook for many companies will be good, and share prices will generally rise, as will the value of a Fund if it owns these shares. On the other hand, share prices usually decline in times of general economic or industry downturn. Equity securities of certain companies or companies within a particular industry sector may fluctuate differently than the overall stock market because of changes in the outlook for those individual companies or the particular industry.

Exchange-traded Fund Risk – When a Fund invests in an exchange-traded fund ("**ETF**"), the ETF may, for a variety of reasons, not achieve the same return as the benchmark, index or commodity price it seeks to track. The market value of an ETF also may fluctuate for reasons other than changes in the value of its underlying benchmark, index or commodity price, and the net asset value of the Funds will change with these fluctuations. The Funds have obtained permission to invest in ETFs that employ leverage in an attempt to magnify returns by either a multiple or an inverse multiple of its underlying benchmark, index or commodity price (a "**Leveraged ETF**"). Leveraged ETFs typically involve a higher degree of risk and are subject to increased volatility.

Failure of Futures Commission Merchant Risk – Under United States Commodity Futures Trading Commission Regulations, futures commission merchants ("**FCMs**") are required to maintain customer assets in a segregated account. If a Fund's FCM fails to do so, the Fund may be subject to a risk of loss of funds on deposit with the FCM in the event of its bankruptcy. In addition, even if assets are properly segregated, under certain circumstances there is a risk that assets deposited by the Manager on behalf of the Funds as margin with an FCM may be used to satisfy losses of other clients of the FCM which cannot be satisfied by such other clients or by the FCM. In the case of any such bankruptcy or client loss, a Fund might recover, even in respect of property specifically traceable to the Fund, only on a *pro rata* share of all property available for distribution to all of the FCM's customers.

Foreign Investment Risk – The value of foreign securities will be affected by factors affecting other similar securities and could be affected by additional factors such as the absence of timely information, less stringent auditing standards and less liquid markets. As well, different financial, political and social factors may involve risks not typically associated with investing in Canada.

Forward and Over-the-Counter ("OTC") Option Contract Risk – The Funds may engage in trading forward and OTC option contracts in currencies. Such forward and OTC options contracts are not traded on exchanges; rather, banks and dealers typically act as principals in these markets, called generally the interbank or forex market. Trading in the interbank market presents certain risks not present in futures trading because no governmental agency regulates trading in forward and OTC option contracts. Consequently, in the case of forward contracts, there is no limitation on daily price movements and no margin need be posted, although a Fund's FCM may require good faith deposits to be made in lieu of margin. Because performance of forward and OTC options contracts on currencies is not guaranteed by any exchange or clearinghouse, the customer is subject to counterparty risk: the risk that the principals or agents with or through which the FCM trades will be unable or will refuse to perform with respect to such contracts. Furthermore, principals in the forward markets have no obligation to continue to make markets in the forward contracts traded.

Interest Rate Risk – The value of fixed income securities and derivatives on fixed income securities will generally rise if interest rates fall and, conversely, will generally fall if interest rates rise. Changes in interest rates may also affect the value of equity securities; however, this risk applies primarily to fixed income securities.

Large Redemption Risk – A Fund may have particular investors who own a large proportion of the net asset value of the Fund. For example, other institutions such as banks and insurance companies or other fund companies may purchase securities of a Fund for their own mutual funds, segregated funds, structured notes or discretionary managed accounts. Retail investors may also own a significant amount of a Fund. If one of those investors redeems a large amount of their investment in the Fund, the Fund may have to sell its portfolio investments at unfavourable prices to meet the redemption request. This can result in significant price fluctuations to the net asset value of the Fund, and may potentially reduce the returns of the Fund.

Leverage Risk - When a Fund makes investments in derivatives, borrows cash for investment purposes, or uses physical short sales on equities or other portfolio assets, leverage may be introduced into the Fund. Leverage occurs when a Fund's notional exposure to underlying assets is greater than the amount invested. It is an investment technique that magnifies gains and losses. Consequently, any adverse change in the value or level of the underlying asset, rate or index may amplify losses compared to those that would have been incurred if the underlying asset had been directly held by the Fund and may result in losses greater than the amount invested in the derivative itself. Leverage may increase volatility, may impair a Fund's liquidity and may cause a Fund to liquidate positions at unfavorable times.

Liquidity Risk – Liquidity risk is the possibility that a Fund won't be able to convert its investments to cash when it needs to. The value of securities which are not regularly traded (less liquid) will generally be subject to greater fluctuation.

Specifically, with respect to futures, most futures exchanges limit fluctuations in certain contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Pursuant to such regulations, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract has increased or decreased by an amount equal to the daily limit, positions in the contract can be neither taken nor liquidated unless traders are willing to effect trades at or within the limit. Prices of various contracts have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent a Fund from promptly liquidating its unfavorable positions and subject it to substantial losses. While daily limits may reduce or effectively eliminate the liquidity of a particular market, they do not limit ultimate losses, and may in fact substantially increase losses because it may prevent the liquidation of unfavorable positions. There is no limitation on daily price moves in trading forward contracts. In addition, a Fund may not be able to execute trades at favorable prices if little trading in the contracts involved is taking place. Under certain circumstances, a Fund may be required to accept or make delivery of the underlying commodity if the position cannot be liquidated prior to its expiration date. It also is possible that an exchange might suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract or order that trading in a particular contract be conducted for liquidation only. Similarly, trading in options on a particular futures contract may become restricted if trading in the underlying futures contract has become restricted.

Margin Risk – Each long or short derivatives position initiated by a Fund requires a margin deposit. The cash in the Fund will be applied to the margin requirements established by the futures commission merchant (which must be at least equal to the margin levels established by the applicable exchange) carrying the Fund's account. A margin deposit is similar to a cash performance bond that helps assure a trader's performance of the futures contract. If the market value of a futures position moves to such a degree that the initial margin deposit is not sufficient to satisfy minimum maintenance requirements, the futures commission merchant will make a "margin call" for additional margin money. The margin call must be satisfied within a reasonable period of time. If a Fund does not make payment of the margin call within a reasonable time, the futures commission merchant may liquidate the open position(s). In periods of high volatility, the exchanges may increase minimum margin levels. Also, the futures commission merchant may elect to increase the amount of margin they require to carry futures positions for their customers even though the applicable exchange did not increase the minimum margin levels.

Market Risk – The risks associated with investing in the Funds depend on the securities held in the Funds. These securities will rise and fall based on company-specific developments and general stock market conditions. Market value will also vary with changes in the general economic and financial conditions in the countries where the investments are based.

Operational Risk - A Fund's day to day operations may be adversely affected by circumstances beyond the reasonable control of Arrow, such as failure of technology or infrastructure, or natural disasters.

Securities Lending Risk – Each of the Funds may engage in securities lending transactions. In a securities lending transaction, a Fund lends portfolio securities that it owns to a third party borrower. The borrower promises to return to the Fund at a later date an equal number of the same securities and to pay a fee to the Fund for borrowing the securities.

Over time, the value of the securities loaned in a securities lending transaction might exceed the value of the collateral held by the Fund. If the third party defaults on its obligation to return the securities to the Fund, the collateral may be insufficient to enable the Fund to purchase replacement securities and the Fund may suffer a loss for the difference.

Those risks are reduced by requiring the other party to provide collateral to the Funds. The value of the collateral must be at least 102% of the market value of the securities loaned. Securities lending transactions, together with repurchase transactions are limited to 50% of a Fund's assets, excluding collateral or sales proceeds received in a securities lending transaction and cash held by the Funds for securities sold in a repurchase transaction.

In engaging in securities lending, a Fund will bear the risk of loss of any collateral it holds, as well as the risk of loss should a borrower default on its obligations to return the borrowed securities and the collateral is insufficient to reconstitute the portfolio of loaned securities.

If securities are on loan on the record date established for a particular voting matter the lender is generally not entitled to exercise the voting right of such loaned securities.

Series Risk –Mutual funds sometimes issue different series of securities of the same fund. Each series has its own fees and expenses, which the Fund tracks separately. However, if one series is unable to meet its financial obligations, the other series are legally responsible for making up the difference.

Share Class Risk – Each Corporate Class has its own assets and liabilities, which are used to calculate its value. Legally, the assets of each Corporate Class are considered the property of Exemplar Portfolios Ltd. and the liabilities of each Corporate Class are considered obligations of Exemplar Portfolios Ltd. That means if any Corporate Class of Exemplar Portfolios Ltd. cannot meet its obligations, the assets of the other Corporate Classes may be used to pay for those obligations. A mutual fund corporation, like a mutual fund trust, is permitted to flow through certain income to investors but in the form of dividends rather than distributions. These are capital gains and dividends from taxable Canadian corporations. However, unlike a mutual fund trust, a mutual fund corporation cannot flow through other income including interest, trust income, foreign source dividends and certain income from derivatives. If this type of income, calculated for Exemplar Portfolios Ltd. as a whole, is greater than the expenses of Exemplar Portfolios Ltd. and other tax deductible amounts, then Exemplar Portfolios Ltd. will be liable to pay income tax. While income tax is calculated for Exemplar Portfolios Ltd. as a whole, any amount payable will be allocated among the Corporate Classes making up Exemplar Portfolios Ltd.

Short Selling Risk – Short selling is the act of borrowing a security to sell high today with the expectation of buying it back at a lower price in the future and then returning the security to the lender. An investor pays a security lender a small fee to borrow the security (usually arranged by a brokerage firm). Risks associated with short selling include the potential that the securities will rise in value or not decline enough to cover a Fund's costs, or that market conditions will cause difficulties in the sale or repurchase of the securities. The lender from whom a Fund has borrowed securities may go bankrupt and the Fund may lose the collateral it has deposited with the lender. When engaging in short selling, the Funds adhere to controls and limits that are intended to offset these risks by selling short only securities of larger issuers for which a liquid market is expected to be maintained and by limiting the amount of exposure for short sales. The Funds also deposit collateral only with lenders that meet certain criteria for creditworthiness and only up to certain limits. A Fund may also be exposed to short selling risk because the underlying funds in which it invests or to which assets of the Fund obtains exposure may be engaged in short selling.

Small Company Risk – Investing in securities of smaller companies may be riskier than investing in larger, more established companies. Smaller companies may have limited financial resources, a less established market for their shares and fewer shares issued. This can cause the share prices of smaller companies to fluctuate more than those of larger companies. The market for the shares of small companies may be less liquid.

Tax Risk – Please see the section "*Income Tax Considerations for Investors"* for information on tax risk.

Underlying Fund Risk – Each Fund may pursue its investment objectives indirectly by investing in securities of other funds, including index participation units (e.g., ETFs), in order to gain access to the strategies pursued by those underlying funds. There can be no assurance that any use of such multi-layered fund of fund structures will result in any gains for the Funds. If an underlying fund that is not traded on an exchange suspends redemptions, a Fund will be unable to value part of its portfolio and may be unable to redeem securities. In addition, the portfolio advisor or sub-advisor could allocate a Fund's assets in a manner that results in the Fund underperforming its peers.

About the Corporate Classes

The Corporate Classes are set up differently than traditional mutual funds. When you invest in most traditional mutual funds, such as our trust funds, you buy units of a mutual fund trust. The Corporate Classes instead are classes of shares of Exemplar Portfolios Ltd., which means you buy shares of the corporation.

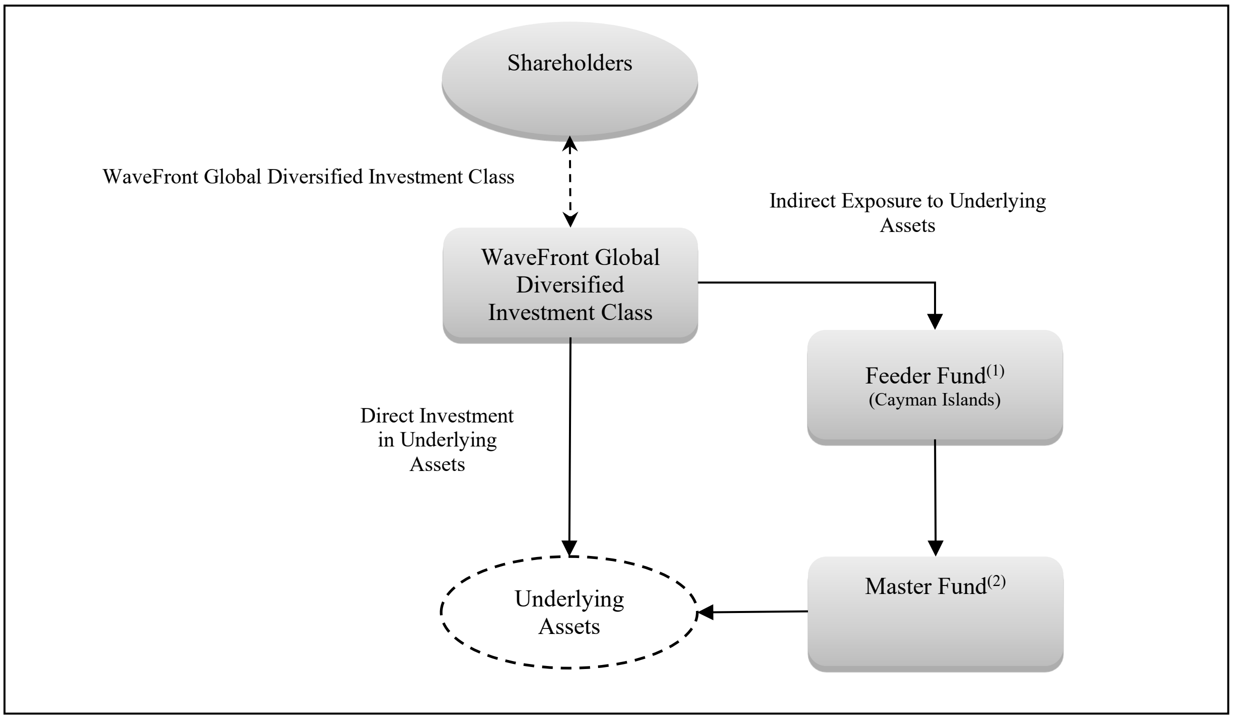
Both mutual fund trusts and mutual fund corporations allow you to pool your money with other investors, but there are differences between the two types of mutual funds:

- A mutual fund trust has its own investment objectives.
- A mutual fund corporation may have more than one class of shares. Each class has its own investment objectives.
- Mutual fund trusts are separate taxpayers.
- Mutual fund corporations are taxed as a single entity. A multi-class mutual fund corporation, such as Exemplar Portfolios Ltd., must consolidate the income, capital gains, expenses and capital losses from all its classes to determine the amount of tax payable by it.
- A mutual fund trust makes taxable distributions of net income, including net taxable capital gains, to its unitholders.
- A mutual fund corporation pays ordinary dividends or capital gains dividends to its shareholders.

*Overview of the investment structure of the WaveFront Global Diversified Investment Class (the "**WaveFront Class**")*

The WaveFront Class has obtained relief (See "*Additional Information - Exemptions and Approvals*") giving the WaveFront Class the option to gain exposure to Underlying Assets by investing directly in the Underlying Assets (as it historically has) and/or by gaining indirect exposure to the Underlying Assets via a three-tier investment structure. Under both options, the selection and management of the Underlying Assets will be managed by the Sub-Advisor.

The investment structure of the WaveFront Class and the exposure of the WaveFront Class to a Feeder Fund, a Master Fund and the Underlying Assets are illustrated below. This diagram is provided for illustration purposes only and is qualified by the information set forth elsewhere in this prospectus.



Notes:

(1) "Feeder Fund" is representative of a segregated portfolio company incorporated with limited liability in the Cayman Islands, which issues the Feeder Fund Shares and acquires the Master Fund Shares on behalf of the Feeder Fund.

(2) "Master Fund" is representative of a limited liability corporation which issues Master Fund Shares and acquires the Underlying Assets.

To pursue its investment objective, the Sub-Advisor has the option to invest directly in the Underlying Assets or it may obtain exposure to the Underlying Assets through a three-tier structure by investing in Feeder Fund Shares issued by a Feeder Fund. Then the Feeder Fund will acquire and maintain Master Fund Shares issued by a Master Fund. Lastly, the Master Fund will acquire and maintain the applicable portion on the Underlying Assets. WaveFront (as defined below) is the Sub-Advisor for the WaveFront Class and will be for the Master Fund and will manage the Underlying Assets with the same investment strategy whether invested directly or indirectly. Therefore, reference to Underlying Assets is the same for both the WaveFront Class and a Master Fund, and the returns of the shareholders of the WaveFront Class is based on the performance of the Underlying Assets.

Additional Risks of the Three-tier Structure

Exempted Company and Limited Liability

The Feeder Fund will be incorporated as an exempted company registered as a segregated portfolio company incorporated with limited liability in the Cayman Islands. As an exempted company, the Feeder Fund may not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Feeder Fund carried on outside the Cayman Islands. The liability of a holder of the Feeder Fund is limited to the amount, if any, unpaid in respect of the shares held by that shareholder.

Redemption of Feeder Fund Shares

Holders of Feeder Fund Shares (e.g. the WaveFront Class) will not know in advance of giving a redemption notice the price at which the Feeder Fund Shares will be redeemed. In the period after a redemption notice has been given and before the relevant redemption date, the net asset value of Feeder Fund Shares and therefore the redemption price which will be payable to the holders of Feeder Fund Shares may change substantially due to market movements. Holders of Feeder Fund Shares are not entitled to withdraw a request for redemption, except in certain very limited circumstances. In various circumstances the redemption of Feeder Fund Shares, the payment of redemption proceeds and/or the calculation of the net asset value of the Feeder Fund Shares may be suspended. The ability of the WaveFront Class to redeem Feeder Fund Shares may depend upon the liquidity of the Master Fund Shares and the Underlying Assets.

Redemption of Master Fund Shares

Holders of Master Fund Shares (e.g. Feeder Fund) will not know in advance of giving a redemption notice the price at which the Master Fund Shares will be redeemed. In the period after a redemption notice has been given and before the relevant redemption date, the net asset value of Master Fund Shares and therefore the redemption price which will be payable to the holders of Master Fund Shares may change substantially due to market movements. Holders of Master Fund Shares are not entitled to withdraw a request for redemption, except in certain very limited circumstances. In various circumstances the redemption of Master Fund Shares, the payment of redemption proceeds and/or the calculation of the net asset value of the Master Fund Shares may be suspended. The ability of the Feeder Fund to redeem Master Fund Shares may depend upon the liquidity of the Underlying Assets.

No Recourse to Underlying Assets Via Indirect Exposure Structure

The return to the Shareholders of the WaveFront Class will be dependent upon the return of the Underlying Assets. However, to the extent the WaveFront Class has gained exposure to the Underlying Assets through direct or indirect investment in the Feeder Fund and Master Fund, the Shareholders will have limited or no recourse to the Underlying Assets.

Cross-class Liabilities and Limited Recourse

A Feeder Fund typically has the power to issue shares in different classes and does not benefit from any form of statutory segregation.

Generally, liabilities incurred in respect of a specific class of shares will be attributed to that class, while other general expenses as determined in the discretion of the valuation services provider will be incurred at the Feeder Fund level and/or allocated to each class on a pro-rata basis.

The rights of each holder of the Feeder Fund Shares are limited to the net asset value per Feeder Fund Share attributable to the relevant class of Feeder Fund Shares. In the event that the net asset value of the relevant class of Feeder Fund Shares is insufficient to make payments to holders of such class of shares, such holders of Feeder Fund Shares will not be entitled to exercise any rights or have recourse to the net asset value attributable to any other class or assets of the Feeder Fund.

However, the Feeder Fund will be a single legal entity and the assets and liabilities attributable to each class will not be segregated as a matter of Cayman Islands law, nor will contracts with service providers seek to limit their recourse to the net asset value attributable to any particular class. All of the assets of the Feeder Fund will be available to meet all of its liabilities, regardless of the class to which such assets or liabilities are attributable. In practice, cross-class liability would arise where one class becomes insolvent and is unable to meet all of its liabilities. In such a case, the assets of the Feeder Fund attributable to other classes may be applied to cover the liabilities of the insolvent class.

ORGANIZATION AND MANAGEMENT OF THE ARROW ALTERNATIVE MUTUAL FUNDS

Manager: Arrow Capital Management Inc. 36 Toronto Street Suite 750 Toronto, Ontario M5C 2C5	As manager for the Funds, Arrow manages the overall undertakings of the Funds, including providing administration services, promoting sales of the Funds' securities and making provisions for fund accounting.
Portfolio Advisor: Arrow Capital Management Inc. Toronto, Ontario **Portfolio Sub-Advisors:** East Coast Fund Management Inc. Toronto, Ontario WaveFront Global Asset Management Corp. Toronto, Ontario	As portfolio advisor of the Funds, Arrow provides, or arranges for, investment advice to the Funds. Arrow has engaged East Coast Fund Management Inc. ("**East Coast**") as a sub-advisor of the Arrow EC Income Advantage Alternative Fund. Effective on September 1, 2020, Arrow has engaged East Coast Asset Management SEZC to replace East Coast as sub-advisor of the Arrow EC Income Advantage Alternative Fund. Arrow has engaged WaveFront Global Asset Management Corp. ("**WaveFront**") as a sub-advisor of the WaveFront Global Diversified Investment Class. Each sub-advisor carries out research and selects, purchases and sells portfolio securities for the respective Fund.
Trustee: Arrow Capital Management Inc. Toronto, Ontario	The Trust Fund is organized as a trust. In its capacity as the Trust Fund's trustee, Arrow holds actual title to the property in the Trust Fund – the cash and securities – on your behalf (although physical custody of such property is held by the Trust Fund's custodian, as described below).
Custodians: CIBC World Markets Inc. • Arrow Canadian Advantage Alternative Class • Arrow Global Advantage Alternative Class CIBC Mellon Trust Company • Arrow Canadian Advantage Alternative Class • Arrow EC Income Advantage Alternative Fund • WaveFront Global Diversified Investment Class	The custodians holds securities and other portfolio assets, including cash on deposit with financial institutions, on behalf of a Fund.

Prime Brokers: Bank of Montreal Toronto, Ontario CIBC World Markets Inc. Toronto, Ontario Scotia Capital Inc. Toronto, Ontario The Bank of Nova Scotia Toronto, Ontario TD Securities Inc. Toronto, Ontario	The prime brokers provide brokerage services to the Funds, including trade execution and settlement, custody and margin lending in connection with short selling strategies of the Funds. Arrow, on behalf of the Funds, has or expects to enter into prime brokerage agreements with the prime brokers listed in this section or their affiliates. The portfolio manager may change the prime brokers or appoint additional prime brokers for the Funds from time to time.
Registrar and Service Provider for Record Keeping Services: RBC Investor Services Trust Toronto, Ontario	The registrar and service provider for record keeping services keep track of the owners of securities of the Funds and processes purchase, switch and redemption orders and issues investor account statements and annual tax reporting information, if applicable.
Securities Lending Agent: CIBC World Markets Inc. • Arrow Canadian Advantage Alternative Class • Arrow Global Advantage Alternative Class The Bank of New York Mellon • Arrow Canadian Advantage Alternative Class • Arrow EC Income Advantage Alternative Fund • WaveFront Global Diversified Investment Class	The securities lending agent acts as agent for securities lending transactions for the Funds. The securities lending agent is independent of the Manager.
Auditor: PricewaterhouseCoopers LLP Chartered Professional Accountants Toronto, Ontario	The auditor audits the annual financial statements of the Funds to ensure that they fairly present in all material respects the Funds' financial position, results of operations, changes in net assets and cash flows in accordance with International Financial Reporting Standards.
Independent Review Committee (IRC):	Pursuant to National Instrument 81-107 – *Independent Review Committee for Investment Funds* ("**NI 81-107**"), Arrow established the IRC to review and provide either an approval or a recommendation on the conflict of interest matters that are referred to it by Arrow in connection with the operation and management of the Funds. In addition, the IRC will perform regular assessments and provide reports as required under NI 81-107. The IRC currently has, and must maintain at least, three independent members. The IRC will prepare at least annually a report of its activities for you which will be available at your request at no cost, by contacting us at info@arrow-capital.com. If approved by the IRC, a Fund may change its auditor by sending you a written notice of any such change at least 60 days before it takes effect. Likewise, if approved by the IRC,

	we may merge a Fund into another mutual fund provided the merger fulfills the requirements of the Canadian securities regulators relating to mutual fund mergers and we send you a written notice of the merger at least 60 days before it takes effect. In either case, no meeting of securityholders of the Funds may be called to approve the change. Additional information about the IRC, including the names of its members, is available in the Funds' annual information form.

When a Fund invests in or obtains exposure to an underlying fund managed by us or any of our affiliates or associates we will not vote any of the securities it holds or is exposed to in the underlying fund. However, we may arrange for you to vote your share of those securities.

PURCHASES, SWITCHES AND REDEMPTIONS

You may purchase or switch securities from the Funds to other funds managed by Arrow or redeem your securities in the Funds through registered dealers in each of the provinces and territories of Canada. You can contact Arrow for the names of registered dealers in your province or territory of residence.

Whether you are buying, selling or switching a Fund, we base the transaction on the value of the Fund security. The price of a security is called the "***net asset value***" or "***NAV***" per security, or the "***security value***". We calculate a separate NAV per security for each series of the Funds by taking the value of the assets of the series of the Fund, subtracting any liabilities of the series of the Fund and dividing the balance by the number of securities held by investors in that series of the Fund.

We calculate NAV at 4:00 p.m. Eastern time on each "***valuation day***". A valuation day is any day that the Toronto Stock Exchange is open for trading. The Funds' security value will fluctuate with the value of its investments.

For each Corporate Class you may purchase, switch or redeem on any valuation day and for the Trust Fund you may purchase, switch or redeem on the last valuation day of each week or any other day as we may designate (each a "**Transaction Date**"). We base the transaction on the NAV per security of the series calculated as of the Transaction Date. If we receive your purchase, switch or redemption order prior to 4:00 p.m. (Toronto time) on a Transaction Date we will process your order based on the NAV per security for that date. Otherwise, we will process your order at the NAV per security on the next Transaction Date.

Purchases

Each Fund has multiple series available for investors. Different purchase options require investors to pay different fees and expenses and, if applicable, the choice of purchase options affects the amount of compensation paid by Arrow to your dealer. See "*Fees and Expenses*" and "*Dealer Compensation*" on pages 20 through 24.

You can invest in the Funds by completing a purchase application, which you can get from your representative. Your initial investment in a Fund must be at least $1,000. Any subsequent purchase must be at least $100.

Series	Feature
Series A, AD and U Securities	These series of Securities are available to all investors. You may purchase these series of Securities by way of the front-end sales charge (the "**Front-End Securities**"). You may be required to pay your dealer a sales charge when you buy these securities. This sales charge is negotiable between you and your dealer.

	Series A Securities are a Non-Fixed Rate Distribution Series as defined below. Series AD Securities are a Fixed Rate Distribution Series as defined below. Series U Securities are designed for investors who wish to make their investment in U.S. dollars. Series U Securities are a U.S. Option and a Non-Fixed Rate Distribution Series for Arrow Global Advantage Alternative Class and a Fixed Rate Distribution Series for Arrow EC Income Advantage Alternative Fund as defined below.
Series F, FD and G Securities	These series of Securities are generally only available to investors who are enrolled in a dealer sponsored fee-for-service or "wrap" program and who are subject to an annual advisory or asset-based fee rather than commissions for each transaction ("**Fee-Based Securities**"). These series of Securities are not subject to sales charges. In certain circumstances, investors who purchase Fee-Based Securities must enter into an agreement with their dealer which identifies an annual account fee (a "**Fee-Based Account Fee**") negotiated with their financial advisor and payable to their dealer. This Fee-Based Account Fee is in addition to the management fee payable by the Funds for Fee-Based Securities. Series F Securities are a Non-Fixed Rate Distribution Series as defined below. Series FD Securities are a Fixed Rate Distribution Series as defined below. Series G Securities are a U.S. Option Series and a Non-Fixed Rate Distribution Series for Arrow Global Advantage Alternative Class and a Fixed Rate Distribution Series for Arrow EC Income Advantage Alternative Fund as defined below.
Series I and R Securities	Series I and R Securities are typically for institutional investors such as pension plans, endowment funds and corporations, high net worth individuals and group RRSPs that maintain a minimum investment in a Fund as negotiated with Arrow. You may be required to pay your dealer a sales charge when you buy these securities. This sales charge is negotiable between you and your dealer. Series I and R Securities are a Non-Fixed Rate Distribution Series as defined below.
Series L Securities	Series L Securities are available to all investors. You may purchase Series L Securities with a low load option

	(the "**Low Load Option**") whereby an investor will pay no sales charge at the time of the purchase; however, when the Securities purchased under the Low Load Option (the "**Low Load Securities**") are redeemed, a redemption fee will be charged. Series L Securities are a Non-Fixed Rate Distribution Series as defined below.

"**U.S. Option Series**" are designed for investors who wish to make their investment in U.S. Dollars. Funds offering U.S. Option Series hedge those series against changes in the U.S. currency relative to the Canadian currency and in doing so attempt to eliminate fluctuations between Canadian and U.S. currencies such that the performance of the U.S. Option Series are expected to be substantially the same performance as the performance of Series A and F Securities, respectively, purchased using the Canadian dollar pricing option. However, there may be factors beyond a Fund's control such as derivative transaction costs and performance fees which may cause there to be differences in the performance of the series. In addition, there may be circumstances, from time to time, in which a Fund may not be able to fully hedge its Canadian exposure back to U.S. dollars in respect of a U.S. Option Series.

"**Fixed Rate Distribution Series"** are designed for investors who wish to receive regular distributions from a Trust Fund or regular dividends from a Corporate Class. **If the Fund earns more income or capital gains than the distribution or dividend, it will distribute the excess each December. If the Fund earns less than the distribution or dividend, the difference is a return of capital.**

"**Non-Fixed Rate Distribution Series**" are designed for investors who do not wish to receive regular payments from the Funds. Each December, the Funds will make an annual distribution or dividend of its taxable income, if any, to holders of the Non-Fixed Rate Distribution Series.

You should not confuse the distribution or dividend rate with a Fund's rate of return or the yield of its portfolio.

All distributions and dividends will be reinvested, without charge, in additional securities of that series, unless you elect in advance to receive them in cash.

Payment for securities of the Funds must be received within two business days of your order or we will redeem your securities on the next business day. If the proceeds are greater than the payment you owe, the Funds are required by securities regulation to keep the difference. If the proceeds are less than the payment you owe, your dealer must pay the difference (and your dealer may seek to collect this amount plus expenses from you).

We may reject your purchase order within one business day of receiving it. Any monies sent with your order will be returned immediately.

Switches

You can switch your Securities from a Fund to another fund in our group of funds, including any new mutual fund which is created and offered by Arrow after the date of this document (provided that securities of the new mutual fund have been qualified for sale in your province or territory of residence). A switch involves the redemption of the Securities of a Fund and a purchase of securities in another Fund or other permitted fund.

Front-End Securities of a Fund can only be exchanged for other Front-End Securities of the Fund, another Fund or other permitted fund also offered under the initial sales charge option. Securities purchased under the Low Load Option can only be exchanged for other securities available under a low load option or the securityholder will be required to pay any applicable redemption charges on the Low Load Securities being redeemed before new securities are issued. When Low Load Securities are exchanged, the securityholder's new securities that are issued will be deemed to have been purchased on the same day as the original Low Load Securities, thereby minimizing redemption charges at a later date.

The switch of securities by a securityholder from a Fund to another fund will constitute a disposition of such securities for purposes of the *Income Tax Act (Canada)* (the "**Tax Act**"). As a result, a taxable securityholder will generally realize a capital gain or capital loss on such securities. The capital gain or loss for tax purposes in respect of the securities will generally be the difference between the security price of such securities at that time (less any fees) and the adjusted cost base of those securities.

You can change or convert your securities of one series to securities of another series of the same Fund by contacting your representative. No fees apply. You can only change securities into a different series if you are eligible to buy such securities. Changing or converting securities from one series to another series of the same Fund is generally not a disposition for tax purposes.

Redemptions

You may redeem your Securities in the Funds at the net asset value of such securities on demand by providing written notice. Your dealer is required to forward your redemption order to our offices on the same day the dealer receives it from you. Your written redemption order must have your signature guaranteed by a bank, trust company or dealer for your protection.

If we do not receive all of the documentation we need from you to complete your redemption order within ten business days, we must repurchase your securities. If the sale proceeds are greater than the repurchase amount, the Funds are required by securities regulation to keep the difference. If the sale proceeds are less than the repurchase amount, your dealer will be required to pay the Fund the difference (and your dealer may seek to collect this amount plus expenses from you).

No redemption charges apply to Front-End Securities, unless the securities are subject to the short-term trading redemption charge described below.

A redemption charge will apply to Low Load Securities purchased which are subsequently redeemed within the time period specified by a Fund's redemption schedule as described below. Any redemption of securities by a securityholder will first be applied to the securities that are not subject to redemption charges. In order to minimize redemption charges, securities subject to redemption charges are redeemed on a "first in, first out" basis.

The following redemption charge will apply if you redeem your Low Load Securities within the following time periods after purchase:

Year(s) Since Purchase	Redemption Charge as a Percentage of the Original Purchase Price
Year 1	3.00%
Year 2	2.50%
Year 3	2.00%
Year 4	None

Minimum Balance

If the value of your Securities in a Fund is less than $1,000, we may sell your Securities and send you the proceeds. We will give your representative 30 days' notice first.

If we become aware that you no longer qualify to hold Fee-Based Securities, we may change your Securities to Front-End Securities after we give your representative 30 days' notice.

The minimum balance amounts described above are determined from time to time by us in our sole discretion. They may also be waived by us and are subject to change without notice.

Short-Term Trading

Arrow has adopted policies and procedures to detect and deter short-term trading. Short-term trades are defined as a combination of a purchase and redemption within a short period of time that Arrow believes is detrimental to other investors in the Funds.

The interests of securityholders and a Fund's ability to manage its investments may be adversely affected by short-term trading because, among other things, these types of trading activities can dilute the value of securities, can interfere with the efficient management of the Funds and can result in increased administrative costs to the Funds. While Arrow will actively take steps to monitor, detect and deter short-term trading, it cannot ensure that such trading activity will be completely eliminated.

If a securityholder switches or redeems securities of a Fund within 90 days of purchase (including securities received on the automatic reinvestment of distributions within such 90-day period), the Fund may charge a short-term trading fee of up to 2% of the net asset value of the securities switched or redeemed. See "*Fees and Expenses - Fees and Expenses Payable Directly by You*" on page 22.

Arrow may take such additional action as it considers appropriate to prevent further similar activity by an investor who utilizes short-term trades. These actions may include the delivery of a warning to the investor, placing the investor on a watch list to monitor his/her trading activity and the subsequent refusal of further purchases by the investor if the investor continues to attempt such trading activity and closure of the investor's account.

Suspending your right to buy, switch and redeem securities

Securities regulations allow the Manager to temporarily suspend your right to redeem your Fund securities and postpone payment of your sale proceeds:

- during any period when normal trading is suspended on any exchange on which securities or derivatives that make up more than 50% of a Fund's value or its underlying market exposure are traded and there's no other exchange where these securities or derivatives are traded, or
- with the approval of securities regulators.

The Manager will not accept orders to buy Fund securities during any period when the Manager has suspended investors' rights to redeem their securities.

You may withdraw your redemption or exchange request before the end of the suspension period. Otherwise, the Manager will redeem your securities at the net asset value per security next calculated when the suspension period ends.

OPTIONAL SERVICES

This section tells you about services that are available to investors in securities of the Funds.

Registered Tax Plans

Registered tax plans may be available through Arrow or a securityholder's broker, dealer or advisor. Securityholders should contact Arrow or their broker, dealer or advisor directly about these services.

Pre Authorized Payment Plan

Under a pre-authorized payment plan, you can indicate a regular amount of investment (not less than $100) to be made on a periodic basis, the Fund in which the investment is to be made, and the bank chequing account from which the investment amount is to be debited. You may suspend or terminate such a plan on ten days' prior written notice to us. The minimum initial subscription amount is $1,000.

Automatic Withdrawal Plan

You can establish an automatic withdrawal plan, provided you are not investing through a retirement savings plan and your account has a minimum value of $10,000. Under an automatic withdrawal plan, you can indicate a regular amount of cash withdrawal (not less than $100) to be made on a periodic basis, the Fund from which the investment is to be withdrawn, and the bank chequing account to which the withdrawn amounts are to be credited. Withdrawals will be made by way of redemption of securities, and it should be noted that if withdrawals are in excess of distributions and net capital appreciation, they will result in encroachment on, or possible exhaustion of, your original capital. If you choose the automatic withdrawal plan, all distributions or dividends declared on securities held under such a plan in respect of a Fund must be reinvested into additional securities of that Fund. You may modify, suspend or terminate an automatic withdrawal plan on ten days' prior written notice to us.

FEES AND EXPENSES

The tables below list:

- all fees and expenses which are paid directly by a Fund before its security prices is calculated, and which therefore indirectly reduce the value of your investment; and
- all fees and expenses payable directly by you.

Fees and Expenses Payable by the Funds

Management Fees	Management fees represent the fees payable to Arrow for the services it provides. Arrow is responsible for all expenses related to the management of the Funds' investment portfolio, including investment consulting fees and research expenditures incurred by it and fees charged by investment or other advisers employed by it. We are also responsible for payment of all trailing commission, advertising and promotional expenses incurred in respect of the Funds. The annual management fees payable by the Funds are as follows (plus applicable GST, HST and any applicable provincial sales taxes). Arrow reserves the right to offer selected purchasers who meet certain criteria a management fee rebate. A holder of Series I Securities pays a negotiated management fee directly to the Manager. The management fee in respect of Series I Securities will be different for each investor, and will not exceed 2.30%..

	Annual Management Fee			
Fund	**Series A, AD and U**	**Series F, FD and G**	**Series L**	**Series R**
Arrow Canadian Advantage Alternative Class	1.65%	0.65%	1.95%	N/A
Arrow Global Advantage Alternative Class	1.95%	0.95%	N/A	N/A
Arrow EC Income Advantage Alternative Fund	1.45%	0.95%	N/A	N/A

WaveFront Global Diversified Investment Class	2.00%	1.00%	2.30%	Negotiable rate not to exceed 2.30%

Performance Fees	Each series of the Funds will pay to the Manager in respect of each calendar year of the Funds a performance bonus per Security (the "**Performance Bonus**") equal to the percentage stated below of the amount by which the Adjusted Net Asset Value per Security at the end of the fiscal year exceeds the highest year end Adjusted Net Asset Value per Security previously achieved. For these purposes, "Adjusted Net Asset Value per Security" of any series of securities of the Funds means the Net Asset Value per Security of that series at the end of a fiscal year without giving effect to the accrual of any Performance Bonus, plus the aggregate amount of all distributions or dividends previously declared on a per Security basis in respect of such series of Security. The Performance Bonus for the Funds will be calculated and accrued each day the Net Asset Value of the Funds is calculated, but will only be payable following the end of the fiscal year of the Funds based on the actual annual performance of the Funds. Notwithstanding the foregoing, no Performance Bonus will be payable with respect to any fiscal year of a Fund unless the Adjusted Net Asset Value per Security of the Fund at the end of such fiscal year exceeds the Net Asset Value per Security at the end of the preceding year (or on the date the Securities are first issued), plus the aggregate amount of all distributions or dividends previously declared on a per security basis, by a minimum percentage as stated below (the "**Hurdle Rate**"). If any securities of a Fund are purchased during the calendar year, the Hurdle Rate will be prorated in the calculation of the Performance Bonus with respect to those securities, in the same manner as described above. If any securities of a Fund are redeemed prior to the end of a calendar year, a Performance Bonus will be payable on the redemption date in respect of each such security in the same manner as described above. For greater certainty, the Hurdle Rate will be prorated in the calculation of the Performance Bonus on a security redeemed during the calendar year.

	Performance Bonus	**Hurdle Rate**
Arrow Canadian Advantage Alternative Class	20%	6%
Arrow Global Advantage Alternative Class	15%	5%
Arrow EC Income Advantage Alternative Fund	15%	None
WaveFront Global Diversified Investment Class	20%	6%

Operating Expenses	Each Fund pays for all expenses incurred in connection with its operation and administration, including applicable GST, HST and any applicable provincial sales taxes. Such costs and expenses may include, without limitation, the fees and expenses of the members of the IRC appointed under NI 81-107 and expenses related to compliance with NI 81-107; regulatory fees including participation or other fees payable by the Manager under applicable securities legislation; accounting; audit; valuation; legal; registrar and transfer agency, custodial and safekeeping fees; taxes; brokerage commissions; fees and expenses relating to the implementation of portfolio transactions; interest; securityholder servicing costs;

	securityholder meeting costs; printing and mailing costs; litigation expenses; amounts paid for damages awarded or as settlements in connection with litigation; lease payments (including prepaid portions thereof); costs of office space, facilities and equipment; costs of financial and other reports and prospectuses that are used in complying with applicable securities legislation; and any new fee that may be introduced by a securities authority or other governmental authority that is calculated based on assets or other criteria of the Fund. The Manager may provide any of these services and is reimbursed all of its costs in providing these services to the Funds which may include but are not limited to personnel costs, office space, insurance, and depreciation. The common expenses of the Funds and other investment funds managed by Arrow will be allocated among the Funds and other funds, as applicable. Each Fund will bear separately any expense item that can be attributed specifically to the Fund. Common expenses of the Funds and other funds will be allocated based on a reasonable allocation methodology which will include allocations based on the assets of the Funds or the number of securityholders of the Funds or other methodology we determine is fair. The fees and other reasonable expenses of the IRC are paid pro rata out of the assets of the Funds, as well as out of the assets of the other investment funds managed by Arrow for which the IRC acts as the independent review committee. The fees for members of the IRC consist of an annual retainer in the amount of $14,000 per member. The chair of the IRC is entitled to an additional fee of $4,000. Expenses of the IRC include premiums for insurance coverage, legal fees, travel expenses and other reasonable out-of-pocket expenses. These fees and expense reimbursements are allocated across all investment funds that are managed by Arrow in a manner that is fair and reasonable. The total amount of fees paid to the IRC by all investment funds managed by Arrow for the fiscal year ended December 31, 2019 was $46,000.

Underlying fund fees and expenses	From time to time the Funds may invest in and hold securities of other investment funds. There are fees and expenses payable by the other investment funds in addition to the fees and expenses payable by the Funds. No management fees or performance fees are payable by the Funds that, to a reasonable person, would duplicate a fee payable by the other investment fund for the same service and no sales fees or redemption fees are payable by the Funds in relation to its purchases or redemptions of the securities of the other investment fund if the other investment fund is managed by the Arrow or an affiliate or associate of the manager of the Funds, and no sales fees or redemption fees are payable by the Funds in relation to its purchases or redemptions of securities of the other investment fund that, to a reasonable person, would duplicate a fee payable by an investor in that Fund.

Fees and Expenses Payable Directly by You

Sales Charges on Front-End Securities	A maximum of 5% of the amount you invest in the Funds. The amount of the fee is a matter negotiable between you and your dealer. Sales charges are only applicable to Front-End Securities.
Redemption Fees	No redemption charges apply to the redemption or sale of Front-End, Series I and Series R Securities, unless the Securities are subject to the short-term trading redemption charge described below.

<table>
<tr><td></td><td>A redemption charge will apply to Low Load Securities purchased which are subsequently redeemed within the time period specified by a Fund's redemption schedule as described below. Any redemption of Securities will first be applied to the Securities that are not subject to redemption charges. In order to minimize redemption charges, Securities subject to redemption charges are redeemed on a "first in, first out" basis.

The following redemption charge will apply if you redeem your Low Load Securities within the following time periods after purchase:
<table>
<tr><th>Year(s) Since Purchase</th><th>Redemption Charge as a Percentage of the Original Purchase Price</th></tr>
<tr><td>Year 1</td><td>3.00%</td></tr>
<tr><td>Year 2</td><td>2.50%</td></tr>
<tr><td>Year 3</td><td>2.00%</td></tr>
<tr><td>Year 4</td><td>None</td></tr>
</table></td></tr>
<tr><td>Switch Fees</td><td>Up to 5% of the amount you wish to switch between a Fund and other funds managed by Arrow. The amount of the fee is a matter negotiable between you and your dealer. If a securityholder switches Securities of a Fund within 90 days of purchase, the Fund may charge a short-term trading fee. This short-term trading fee would be over and above any switch fee which the broker, dealer or advisor may charge.</td></tr>
<tr><td>Short-term Trading Fees</td><td>The Funds may charge you a short-term trading fee of up to 2% of the net asset value of the Securities if you redeem or switch Securities of the Funds within 90 days of the date of purchase (including Securities received on the automatic reinvestment of distributions or dividends within such 90-day period). This short-term trading fee would be over and above any switch fee which the broker, dealer or advisor may charge.</td></tr>
<tr><td>Registered Tax Plan Fees</td><td>Fees payable will be determined by the trustees of a licensed trust company for such plans.</td></tr>
</table>

Any change in any contract or the entering into of any new contract as a result of which the basis for the calculation of the fees or other expenses that are charged to a Fund which could result in an increase in charges to the Fund, must be approved by a majority of the votes cast at a meeting of the securityholders of the Fund called for such purpose. Such approval is not required in respect of a change in a contract or a new contract made by a Fund at arm's length and with parties other than Arrow or an associate or affiliate of Arrow for all or part of the services it requires to carry on its operations, provided that securityholders are given at least 60 days' notice before any contract is entered into or the effective date of any change, as applicable.

IMPACT OF SALES CHARGES

The following table shows the amount of fees that you would have to pay if you made an investment of $1,000 in the Funds and redeemed immediately before the end of that period.

	At Time of Purchase	**1 Year**	**3 Years**	**5 Years**	**10 Years**
Front-End Securities - Front-End Sales Charge[(1)]	$50.00	$ -	$ -	$ -	$ -

	At Time of Purchase	1 Year	3 Years	5 Years	10 Years
Series L – Low-Load Option	$ -	$30.00	$20.00	$ -	$ -
Series I and R	$50.00	$-	$-	$-	$-

(1) This assumes the maximum sales charge of 5% of the amount invested.

DEALER COMPENSATION

Sales Commissions and Switching Fees

You will pay your dealer a sales commission at the time of your purchase of Front-End, Series I and Series R Securities, such commission being up to 5% of the amount you invest. The actual percentage is a matter negotiable between you and your dealer. Sales charges are not paid when you switch between series of a Fund, or between the Funds or to another fund managed by Arrow, but a switch fee of up to 5% may be charged to you and retained by your dealer. The amount of any switch fee is a matter negotiable between you and your dealer. No sales commissions are paid when you receive securities from reinvested distributions or dividends. Sales commissions and switching fees are only applicable to Front-End, Series I and Series R Securities.

If an investor purchases Low Load Securities, no sales commission is payable by the investor, and Arrow will pay the dealer a commission of up to 3% in respect of the amount invested. However, a redemption fee may be deducted if redeemed within 3 years of purchase. See "*Fees and Expenses Payable Directly by You – Redemption Fees*".

Trailing Commission

We pay your dealer a trailing commission monthly on Front-End and Series L Securities for the ongoing advice and service you receive from your dealer relating to the Funds. Dealers receive this service fee based on the aggregate security value of their clients' investment in the Funds. We also pay trailing commissions to the discount broker for securities you purchase through your discount brokerage account. We may pay your dealer a trailing commission monthly on Series I units of a Fund, if applicable, which is a matter negotiable between Arrow and your dealer, and will not exceed 1.00% per year. We may change or cancel the terms of trailing commissions that we pay at any time. The following table outlines the annual trailer fee rates associated with the Funds:

	Front-End Securities	Series L Securities	Fee-Based Securities
Arrow EC Income Advantage Alternative Fund	0.50%	N/A	None
Arrow Canadian Advantage Alternative Class Arrow Global Advantage Alternative Class WaveFront Global Diversified Investment Class	1.00%	Year 1 – 0% Year 2 – 0.50% Year 3 – 0.50% Year 4 – 1.00%	None

Other Kinds of Dealer Compensation

We may share with dealers up to 50% of their eligible costs in marketing securities of the Funds (upon approval of Arrow's compliance department). For example, we may pay a portion of the costs of a dealer in advertising the availability of the Funds through the financial advisors of that dealer. We may also pay part of the costs of a dealer in running a seminar to inform investors about the Funds or about the general benefits of investing in the Funds.

We may also pay up to 10% of the costs of some dealers to hold educational seminars or conferences for their financial advisors to teach them about, among other things, new developments in the mutual fund industry, financial planning or new financial products (upon approval by Arrow's compliance department). The dealer makes all decisions about where and when the conference is held and who can attend.

We may also arrange for seminars for financial advisors where we inform them about new developments in the Funds, our products and services and mutual fund industry matters. We will invite dealers to send their financial advisors to any such seminars and such dealers (and not us) will decide who attends. The financial advisors will be required to pay their own travel, accommodation and personal expenses of attending any such seminars.

DEALER COMPENSATION FROM MANAGEMENT FEES

During the financial year ended December 31, 2019, we paid to dealers, who distributed Securities of the Funds, sales and servicing commissions equal to approximately 16.6% of the total management fees we received.

INCOME TAX CONSIDERATIONS FOR INVESTORS

The following is a general summary of the principal Canadian federal income tax considerations applicable to an individual (other than a trust) who, for the purposes of the Tax Act, is resident in Canada, deals at arm's length with and is not affiliated with the Funds or Arrow, and holds Securities as capital property. Generally, your investment in the Funds will be capital property unless you are considered to be trading or dealing in securities or have acquired your investment in a transaction considered to be an adventure or concern in the nature of trade. Certain securityholders can file an election to treat all future dispositions of certain property, including Securities of the Funds, to be capital property.

This summary is based on the current provisions of the Tax Act, but does not take into account or anticipate any changes in law whether by legislative, regulatory, administrative or judicial action. Furthermore, this summary does not take into account provincial, territorial or foreign income tax legislation or considerations.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor. Accordingly, you are advised to consult your own tax advisor about your particular tax situation.

Taxation of the Corporate Classes

As a mutual fund corporation, Exemplar Portfolios Ltd. can have three types of income: Canadian dividends, taxable capital gains and other net taxable income. Canadian dividends are subject to a 38 1/3% tax, which is fully refundable on a formula basis when ordinary taxable dividends are paid by the corporation to its shareholders. Taxable capital gains are subject to tax at full corporate income tax rates. This tax is refundable either by paying capital gains dividends to shareholders or through the capital gains redemption formula. Other income is subject to tax at full corporate income tax rates and is not refundable. Mutual fund corporations do not qualify for reduced corporate tax rates that are available to other corporations for certain types of income.

Exemplar Portfolios Ltd. must include the revenues, deductible expenses, and capital gains and losses of all of its investment portfolios when it calculates its taxable income. We will, on a discretionary basis, allocate the income or loss of Exemplar Portfolios Ltd., and the applicable taxes payable and recoverable to each of its respective share classes. Exemplar Portfolios Ltd. may pay ordinary taxable dividends or capital gains dividends to shareholders of any class in order to receive a refund of taxes on Canadian dividends and capital gains taxes under the refund mechanisms described above. The Corporate Classes are only allowed to distribute Canadian dividend and capital gains dividends to its shareholders. The Corporate Classes cannot distribute interest or foreign income to shareholders. This income needs to be retained with the Corporate Classes which will be subject to taxation unless expenses are used to offset.

The Tax Act contains rules which may require a taxpayer to include in income in each taxation year an amount in respect of the holding of an "offshore investment fund property" ("**OIF Property**"). If applicable, these rules would generally require Exemplar Portfolios Ltd. to include in income for each taxation year in which it owns OIF Property (i) an imputed return for the taxation year computed on a monthly basis and determined by multiplying the Fund's "designated cost" (as defined in the Tax Act) of the OIF Property at the end of the month, by 1/12th of the sum of the applicable prescribed rate for the period that includes such month plus 2%, less (ii) the Fund's income for the year (other than a capital gain) from OIF Property determined without reference to these rules. Any amount required to be included in computing a Fund's income under these provisions will be added to the adjusted cost base to the Fund of such OIF Property. The investment in the Feeder Fund may be considered as an investment in OIF Property.

Taxation of the Trust Fund

In general, a Trust Fund pays no income tax as long as it distributes its income and net realized capital gains to its unitholders. The Trust Fund generally intends to distribute a sufficient amount of its net income for tax purposes, including net realized capital gains, so it will not be liable for any income tax under Part I of the Tax Act.

Types of Income from the Funds

Your investment in the Funds can generate income for tax purposes in two ways:

- **Dividends and Distributions**. When Exemplar Portfolio Ltd. earns Canadian dividend income from its investments or realizes a net capital gain by selling securities, it may pass these amounts on to you as dividends. When a Trust Fund earns net income from its investments or realizes a net capital gain by selling securities, it intends to allocate these amounts on to you as a distribution.

- **Capital gains (or losses)**. You can realize a capital gain (or loss) when you sell or switch your Securities of the Funds (including a switch of Securities of one Fund for securities of another fund) for more (or less) than you paid for them. Generally, switching one series of Securities to another series of Securities (other than switches to or from the U.S. Option Series) of the same Fund will not result in a disposition for tax purposes.

Funds held in Registered Plans

Securities of the Funds are qualified investments for registered plans.

For these purposes, a registered plan ("**Registered Plan**") means a trust governed by such plans as:

- Locked-in Retirement Accounts (LIRAs);
- Registered Retirement Savings Plans (RRSPs);
- Locked-in Registered Retirement Savings Plans (LRSPs);
- Registered Retirement Income Funds (RRIFs);
- Locked-in Retirement Income Funds (LRIFs);
- Life Income Funds (LIFs);
- Deferred Profit Sharing Plans (DPSPs);
- Registered Education Savings Plans (RESPs);
- Prescribed Retirement Income Funds (PRIFs);
- Tax-Free Savings Accounts (TFSAs);
- Registered Disability Savings Plans (RDSPs); or
- Québec Education Savings Incentive (QESI).

Note that not all Registered Plans are available in all provinces or territories. The Funds may be eligible for other Registered Plans offered through your representative's firm.

The Trust Fund currently qualifies as a "mutual fund trust" and is expected to continue to qualify as a "mutual fund trust" at all material times. Therefore, the Trust Fund is expected to be a "qualified investment" for Registered Plans. **If the Trust Fund was not to qualify as a "mutual fund trust", the income tax considerations as described below would, in some respects, be materially and adversely different.**

If you hold securities of the Funds in a Registered Plan, you generally pay no tax on distributions or dividends paid from the Funds on those securities or on any capital gains that your Registered Plan realizes from selling, redeeming or switching securities (including a switch of securities of one Fund for securities of another fund). However, withdrawals from Registered Plans (other than TFSAs and certain withdrawals from RESPs or RDSPs) are generally taxable at your personal tax rate. Holders of TFSAs and RDSPs, annuitants of RRSPs and RRIFs and subscribers of RESPs should consult with their tax advisors as to whether securities of the funds would be a “prohibited investment” under the Tax Act in their particular circumstances.

You are responsible for determining the income tax consequences to you of acquiring securities of the Funds through Registered Plans and neither the Funds nor Arrow assumes any liability to you as a result of making the securities of the Funds available for investment. If you choose to purchase securities of the Funds through a Registered Plan, you should consult your own professional advisor regarding the tax treatment of contributions to, withdrawals from and acquisitions of property by such Registered Plan.

Funds held in Non-Registered Accounts

If you hold securities of the Funds in a non-registered account, you must include the following in calculating your income each year:

- Any dividends paid to you by Exemplar Portfolios Ltd., whether you receive them in cash or you reinvest them in shares of the Funds. These dividends (which must be computed in Canadian dollars) may include ordinary taxable dividends or capital gains dividends. Ordinary taxable dividends are subject to the gross-up and dividend tax credit rules that apply to taxable dividends received from taxable Canadian corporations and include “eligible dividends” which are subject to an enhanced gross-up and dividend tax credit. Capital gains dividends are treated as capital gains realized by you. In general, you must include one-half of the amount of a capital gain in your income for tax purposes.

- Any net income and the taxable portion of any net capital gains (computed in Canadian dollars) distributed to you by the Trust Fund, whether you receive the distributions in cash or they are reinvested in units of the Trust Fund.

- The taxable portion of any capital gains you realize from selling or redeeming your securities (including to pay fees described in this document) or switching your securities (including a switch of securities of one Fund for securities of another fund) when the value of the securities is greater than their adjusted cost base plus reasonable costs of disposition (including any redemption fees). If the value of securities sold is less than their adjusted cost base plus reasonable costs of disposition (including any redemption fees), you will have a capital loss. Generally, you may use capital losses you realise to offset capital gains.

- Generally, the amount of any management fee rebates paid to you, and the amount of any management fee distributions paid to you out of the Trust Fund’s income. However, an election may be available in certain circumstances that allows you to reduce the adjusted cost base of the respective securities by the amount of the management fee rebate that would otherwise be included in income. You should consult with your tax advisor regarding the availability of this election in your particular circumstances.

We will issue a tax slip to you each year for Exemplar Portfolios Ltd. that shows the taxable amount of your dividends and any federal dividend tax credit that applies, as well as any capital gains dividends paid by Exemplar Portfolios Ltd. We will issue a tax slip to you each year for the Trust Fund that shows you how much of each type of income the Trust Fund distributed to you and any return of capital. You can claim any tax credits that apply to that income that are allocated to you by the Trust Fund.

Dividends and capital gains distributed by the Trust Fund, dividends and capital gains dividends declared by Exemplar Portfolios Ltd. and capital gains realized on the disposition of securities may give rise to alternative minimum tax.

You should consult your tax advisor about the tax treatment in your particular circumstances of any investment advisory fees you pay to your financial advisor when investing in the Funds and any management fee rebates or management fee distributions paid to you.

Distributions and Dividends

Distributions or dividends from the Funds (whether in the form of cash or in the form of reinvested securities) may include a return of capital. When the Trust Fund makes a distribution exceeding your share of net income and net capital gains the excess is a return of capital. A return of capital is not taxable, but will reduce the adjusted cost base of your securities. If the adjusted cost base of your securities becomes a negative amount at any time in a taxation year, you will be deemed to realize a capital gain equal to that amount and the adjusted cost base of your securities will be reset to zero. The tax slip we will issue to you each year will show you how much capital was returned to you in respect of your securities.

Distributions and dividends may result from foreign exchange gains because the Funds are required to report income and net realized capital gains in Canadian dollars for tax purposes.

The history of distributions or dividends paid from a Fund is no indication of future distribution or dividend payments. Several factors determine the distributions or dividends to be paid from a Fund. These include, but are not limited to, net conversions, realized and unrealized gains, and distributions from the underlying investments. Exemplar Portfolios Ltd. can choose to pay dividends on shares of any class.

The security price of the Funds may include income and capital gains that a Fund has earned, but not yet realized (in the case of capital gains) and/or paid out as a distribution or dividend. If you buy securities of a Fund just before it pays a distribution or dividend, you will be taxed on that distribution or dividend. You may have to pay tax on income or capital gains the Fund earned before you owned it. This may be particularly significant if you are purchasing later in the year. See the individual Fund descriptions in Part B of this simplified prospectus for the distribution and dividend policy of each Fund.

The higher a Fund's portfolio turnover rate is in a year, the greater the chance that you will receive a taxable distribution or dividend from the Fund. There is no necessary relationship between a Fund's turnover rate and its performance, although the larger trading costs associated with a high portfolio turnover rate would reduce a Fund's performance.

Calculating your Capital Gain or Loss

Your capital gain or loss for tax purposes is the difference between the amount you receive when you sell your securities or the fair market value of securities that you switch (after deducting any redemption fees or other charges) and the adjusted cost base of those securities.

Generally, switching one series of securities of a Fund to another series of securities of a different fund will result in a disposition for tax purposes, so a capital gain or loss will arise. If redeemed securities are held outside a Registered Plan, you may realize a capital gain or a capital loss.

In general, the adjusted cost base of each of your securities of a particular series of a Fund at any time equals:

- your initial investment for all your securities of that series of the Fund (including any sales charges paid), **plus**
- your additional investments for all your securities of that series of the Fund (including any sales charges paid), **plus**
- reinvested distributions, dividends or management fee distributions or rebates in additional securities of that series of the Fund, **minus**
- any return of capital distributions or dividends by the Fund in respect of securities of that series of the Fund, **minus**
- the adjusted cost base of any securities of that series of the Fund previously redeemed,

  all divided by

- the number of securities of that series of the Fund that you hold at that time.

You should keep detailed records of the purchase cost of your investments and distributions and dividends you receive on those securities so you can calculate their adjusted cost base. All amounts (including adjusted cost base, distributions, dividends and proceeds of disposition) must be computed in Canadian dollars. Other factors may affect the calculation of the adjusted cost base and you may want to consult a tax advisor.

In certain situations where you dispose of securities of a Fund and would otherwise realize a capital loss, the loss will be denied. This may occur if you, your spouse or another person affiliated with you (including a corporation controlled by you) has acquired securities of the same Fund (which are considered to be "substituted property") within 30 days before or after you dispose of your securities. In these circumstances, your capital loss may be deemed to be a "superficial loss" and denied. The amount of the denied capital loss will be added to the adjusted cost base to the owner of the securities which are substituted property.

Tax Information

Arrow will provide your transaction statements and the applicable annual tax information slips reporting your distributions, dividends, net realized capital gains and returns of capital required to complete your income tax return unless your dealer prepares and provides such documentation and information themselves. Accordingly, you should speak to your dealer to ensure that such documentation and information will be provided.

Pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-United States Tax Convention entered into between Canada and the U.S. (the "**IGA**") and related Canadian legislation found in Part XVIII of the Tax Act (collectively "**FATCA**"), certain securityholders may be requested to provide information to the Funds., or their registered dealer, relating to their citizenship, tax residency and, if applicable, a U.S. federal tax identification number ("**TIN**"). If a securityholder is identified as a U.S. person (including a U.S. citizen who is resident in Canada) or if the securityholder does not provide the requested information and the information on file includes indicia of U.S. person status, the IGA and Part XVIII of the Tax Act will generally require certain information about the securityholder's investment in the fund to be reported to the Canada Revenue Agency ("**CRA**"), unless the investment is held in a Registered Plan. The CRA will then provide the information to the U.S. Internal Revenue Service on an annual basis.

Pursuant to Part XIX of the Tax Act implementing the Organization for Economic Cooperation and Development Common Reporting Standard in Canada, is the Funds are required to have procedures in place to identify accounts held by securityholders (other than Registered Plans) that are tax residents of foreign countries (other than the U.S.) and to report annually certain information pertaining to these accounts to the CRA. The CRA will then exchange that information with other participating jurisdictions under the provisions and safeguards of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty. The due diligence and reporting requirement under FATCA operate alongside the CRS regime.

WHAT ARE YOUR LEGAL RIGHTS?

Securities legislation in some provinces and territories provide you with the right to withdraw from an agreement to buy mutual funds within two business days of receiving the simplified prospectus, or fund facts or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund securities and get your money back, or to make a claim for damages, if the simplified prospectus, the Fund's annual information form, the Fund's fund facts or financial statements misrepresent any facts about the Fund. These rights usually must be exercised within certain time limits. **For more information, refer to the securities legislation of your province or territory or consult your lawyer.**

ADDITIONAL INFORMATION

Exemptions and Approvals

Each of the Funds has obtained exemptive relief from securities regulators:

1) to permit a Fund to short sell securities having an aggregate market value of up to 100% of the Fund's NAV by exempting each Fund from the following provisions of NI 81-102:

    i) Subparagraph 2.6.1(1)(c)(v), which restricts a Fund from selling a security short if, at the time, the aggregate market value of all securities sold short by the Fund exceeds 50% of the Fund's NAV; and

    ii) Section 2.6.2, which prohibits a Fund from borrowing cash or selling securities short if, immediately after entering into a cash borrowing or short selling transaction, the aggregate value of cash borrowed combined with the aggregate market value of all securities sold short by the Fund would exceed 50% of the Fund's NAV;

    (the "**Market-Neutral Strategy Relief**")

2) exempting each Fund from the requirement in subsection 6.8.1(1) of NI 81-102, which provides that, except as provided in sections 6.8, 6.8.1 and 6.9 of NI 81-102, all portfolio assets of a Fund must be held under the custodianship of one custodian that satisfies the requirement of section 6.2 of NI 81-102, in order to permit a Fund to deposit portfolio assets with a borrowing agent that is not the Fund's custodian or sub-custodian in connection with a short sale of securities, if the aggregate market value of the portfolio assets held by the borrowing agent after such deposit, excluding the aggregate market value of the proceeds from outstanding short sales of securities held by the borrowing agent, does not exceed 25% of the NAV of the Fund at the time of deposit (the "**Short Sale Collateral Relief**");

3) exempting each Fund from subsection 9.3(1) and 10.3(1) of NI 81-102, to permit a Fund to process purchase and redemption orders for their securities, as described in this simplified prospectus and fund facts, on a weekly basis at their NAV per security as at the last valuation date of the week in which the purchase or redemption order for such securities is received (the "**Purchase and Redemption Relief**"); and

4) exempting each Fund from the requirement in subsection 6.1(1) of NI 81-102 to permit a Fund to appoint more than one custodian, each of which is qualified to be a custodian under section 6.2 of NI 81-102 and each of which is subject to all of the other requirements in Part 6 of NI 81-102 other than the prohibition against the Fund appointing more than one custodian in subsection 6.1(1) of NI 81-102 (the "**Custodian Relief**").

The custodians of each Fund are disclosed under the heading "*Organization and Management of the Arrow Alternative Mutual Funds - Custodians*" in this simplified prospectus. The Manager may appoint additional custodians in the future for one or more of the Funds in accordance with the Custodian Relief provided that the additional custodians are one of the Fund's prime brokers. The terms of any custodial agreement entered into with an additional custodian will comply with the requirements of NI 81-102 and will be filed as a material contract of the applicable Fund(s) following its execution.

In connection with the Market-Neutral Strategy Relief, the Manager has implemented the policies and procedures described under the heading "*Fund Governance - Policies and Procedures - Short Selling*" in the annual information form of the Funds.

Upon the appointment of an additional custodian for the Fund(s), the Manager will implement the operational systems and processes in respect of the applicable Fund(s) pursuant to the Custodian Relief as described under the heading "*Fund Governance – Policies and Procedures - Custodial Arrangements*" in the annual information form of the Funds.

Exemptions and approvals for Arrow EC Income Advantage Alternative Fund

In order to permit the Trust Fund to engage in the short selling of "government securities" (as that term is defined in NI 81-102) up to a maximum of 300% of the Trust Fund's NAV, the Trust Fund has obtained exemptive relief from securities regulators from the following provisions of NI 81-102:

(a) Subparagraph 2.6.1(1)(c)(v), which restricts the Trust Fund from selling a security short if, at that time, the aggregate market value of the securities sold short by the Trust Fund exceeds 50% of the Trust Fund's NAV; and

(b) Section 2.6.2, which states that the Trust Fund may not borrow cash or sell securities short if, immediately after entering into a cash borrowing or short selling transaction, the aggregate market value of cash borrowing combined with the aggregate market value of the securities sold short by the Trust Fund would exceed 50% of its NAV.

(the "**Enhanced Short Selling Relief**")

Exemptions and approvals for WaveFront Global Diversified Investment Class

Amendments to NI 81-102 that became effective January 3, 2019 ("**Alternative Mutual Fund Amendments**") established alternative mutual funds and repealed large sections of National Instrument 81-104 *Commodity Pools* ("**Former NI 81-104**"). Former NI 81-104 had permitted mutual funds that were commodity pools (such as WaveFront Class) to be exempt from certain investment restrictions in NI 81-102. With the Alternative Mutual Fund Amendments, WaveFront Class became an alternative mutual fund and can no longer rely on these exemptions. WaveFront Class has received exemptive relief from the requirements contained in subsections 2.1(1.1), 2.2(1), 2.5(2)(a.1) and 2.5(2)(c) of NI 81-102 in order to permit it to indirectly gain exposure to the Underlying Assets by means of the three-tier investment structure as described in section "*About the Fund - Overview of Investment Structure*" on page 9. As well, WaveFront Class has received exemptive relief whereby each of WaveFront Class and the Master Fund will be permitted to have aggregate exposure to specified derivative transactions as previously permitted under Former NI 81-104, provided that, among other things:

(a) WaveFront Class is an alternative mutual fund subject to NI 81-102 that filed a long form prospectus as a commodity pool under Former NI 81-104 prior to the Alternative Mutual Fund Amendments;

(b) the Feeder Fund is an investment fund that complies with the investment restrictions contained in NI 81-102 and the Underlying Assets are managed in accordance with these restrictions, except as otherwise permitted by Former NI 81-104 and in accordance with any exemptions therefrom obtained by WaveFront Class, and WaveFront Class will not engage in any new borrowing or short selling of securities;

(c) the Master Fund is an investment fund that complies with the investment restrictions contained in NI 81-102 and the Underlying Assets are managed in accordance with these restrictions, except as otherwise permitted by Former NI 81-104 and in accordance with any exemptions therefrom obtained by WaveFront Class, and WaveFront Class will not engage in any new borrowing or short selling of securities;

(d) the investment by WaveFront Class in securities of the Feeder Fund to gain indirect exposure to the Master Fund and the Underlying Assets is in accordance with the fundamental investment objectives of WaveFront Class;

(e) the prospectus of WaveFront Class discloses, and any annual information form filed will disclose, that WaveFront Class may invest in securities of the Feeder Fund, which will in turn invest in the Master Fund to gain indirect exposure to the Underlying Assets, and the risks associated with such an investment structure;

(f) the Feeder Fund is a reporting issuer subject to NI 81-106;

(g) the Master Fund is a reporting issuer subject to NI 81-106;

(h) no securities of the Feeder Fund or the Master Fund are distributed in Canada other than the distribution of the securities of the Feeder Fund to WaveFront Class;

(i) the investment by WaveFront Class in securities of the Feeder Fund to gain indirect exposure to the Master Fund and the Underlying Assets is made in compliance with each provision of NI 81-102, except paragraphs 2.1(1.1), 2.2(1), 2.5(2)(a.1) and 2.5(c) of NI 81-102;

(j) the specified derivatives transactions entered into by WaveFront Class and the Master Fund will be consistent with the fundamental investment objectives and investment strategies of WaveFront Class; and

(k) WaveFront Class' simplified prospectus, annual information form and fund facts documents will contain adequate disclosure to ensure that shareholders of WaveFront Class are fully aware of the specified derivatives transactions entered into by WaveFront Class and the Master Fund and the risks associated therewith.

PART B

SPECIFIC INFORMATION ABOUT THE ALTERNATIVE MUTUAL FUNDS DESCRIBED IN THIS DOCUMENT

Part B of this document contains specific information about the Funds, including particulars of their investment objectives, strategies and risks. All of the descriptions are organized in the same way, under these headings and subheadings:

Fund Details

This section gives you a snapshot of each of the Funds with information such as the type of Fund, the Fund's creation date, the series of securities it offers and its eligibility for Registered Plans.

What does the Fund Invest In?

This section includes a Fund's fundamental investment objective and the investment strategies it uses in trying to achieve its objective. Any change to the *investment objective* must be approved by a majority of votes cast at a meeting of securityholders held for that reason.

How the funds use derivatives

A derivative is an investment that derives its value from another investment - called the *underlying investment*. This could be a stock, bond, interest rate, currency or market index. Derivatives usually take the form of a contract with another party to buy or sell an asset at a later time. Some examples of derivatives are options, futures, forward contracts and swaps.

All of the Funds may use derivatives as permitted by securities regulations. They may use them to:

- hedge their investments against losses from factors like currency fluctuations, stock market risks and interest rate changes including hedging the U.S. Option Series against changes in the U.S. currency relative to the Canadian currency; or
- invest indirectly in securities or financial markets, provided the investment is consistent with the Fund's investment objective.

When a Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its position in the derivative, as required by securities regulations.

How the funds engage in securities lending transactions

The Funds may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions as permitted by securities regulations.

A *securities lending transaction* is where a Fund lends portfolio securities that it owns to a third party borrower. The borrower promises to return to the Fund at a later date an equal number of the same securities and to pay a fee to the Fund for borrowing the securities. While the securities are borrowed, the borrower provides the Fund with collateral consisting of a combination of cash and securities. In this way, the Fund retains exposure to changes in the value of the borrowed securities while earning additional fees.

A *repurchase transaction* is where a Fund sells portfolio securities that it owns to a third party for cash and simultaneously agrees to buy back the securities at a later date at a specified price using the cash received by the Fund from the third party. While the Fund retains its exposure to changes in the value of the portfolio securities, it also earns fees for participating in the repurchase transaction.

A *reverse repurchase transaction* is where a Fund purchases certain types of debt securities from a third party and simultaneously agrees to sell the securities back to the third party at a later date at a specified price. The difference between the Fund's purchase price for the debt instruments and the resale price provides the Fund with additional income.

As indicated above, securities lending, repurchase and reverse repurchase transactions enable the Funds to earn additional income and thereby enhance their performance.

A Fund will not enter into a securities lending transaction or a repurchase transaction if, immediately thereafter, the aggregate market value of all securities loaned by the Fund and not yet returned to it or sold by the Fund in repurchase transactions and not yet repurchased would exceed 50% of the total assets of the Fund (exclusive of collateral held by the Fund for securities lending transactions and cash held by the Fund for repurchase transactions).

Short Selling Activities

The Funds may also engage in short selling as permitted by securities regulations. A "short sale" is where a Fund borrows securities from a securities lender and then sells the securities in the open market (or "sells short" the securities). The proceeds from the short sale are deposited with the lender as collateral and the Fund pays interest to the lender for the securities it has borrowed. At a later date, the same number of securities are repurchased by the Fund and returned to the securities lender. If the value of the securities goes down between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund makes a profit on the difference (less the interest the Fund is required to pay to the lender). Engaging in disciplined and limited short selling provides the Funds with an opportunity to control volatility and enhances performance in declining or volatile markets.

There are risks associated with short selling, namely that the securities will rise in value or not decline enough to cover a Fund's costs, or that market conditions will cause difficulties in the sale or repurchase of the securities. In addition, the lender could become bankrupt before the transaction is complete, causing the Fund to forfeit the collateral it deposited when it borrowed the securities. However, Arrow will manage the risks associated with short selling using several controls, including:

- Securities will be sold short only for cash.
- A security sold short shall not be: (i) a security that a Fund is otherwise not permitted to purchase at the time of the short sale transaction; (ii) an illiquid asset; or (iii) a security of an investment fund unless the security is an index participation unit.
- At the time securities of a particular issuer are sold short by a Fund, the Fund will have borrowed or arranged to borrow from a borrowing agent the security that is to be sold under the short sale transaction.
- At the time securities of a particular issuer are sold short by a Fund, the aggregate market value of all securities of that issuer sold short will not exceed 10% of the net assets of the Fund and, as described under the heading "*Additional Information – Exemptions and Approvals*", in accordance with the Market-Neutral Strategy Relief, the aggregate market value of all securities sold short by a Fund will not exceed 100% of the net assets of the Fund, except for Arrow EC Income Advantage Alternative Fund which, in accordance with the Enhanced Short Selling Relief, has also received partial exemptive relief so that the Trust Fund is permitted to short sell up to 300% of its NAV in "government securities" as such term is defined in NI 81-102, provided that the Trust Fund implements a series of controls when engaging in these short sale transactions.
- The Fund may deposit assets with lenders in accordance with industry practice in relation to its obligations arising under short sale transactions.

Investing in or obtaining exposure to underlying funds

All of the Funds may invest in underlying funds that are subject to NI 81-102, including alternative mutual funds and non-redeemable investment funds, which may be managed by Arrow or an affiliate of Arrow, either directly or by gaining exposure to an underlying fund through a derivative.

Such investments may be entered into in conjunction with other strategies and investments in a manner considered most appropriate to achieving the Fund's investment objectives and enhancing returns as permitted by securities regulations.

Portfolio Turnover Rate

A Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor or sub-advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to a Fund buying and selling all of the 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 a Fund.

What are the Risks of Investing in the Fund?

This section shows the specific risks associated with an investment in a Fund. For an explanation of these risks, see *"What are the Risks of Investing in a Mutual Fund?"* starting on page 4.

Fund Risk Classification Methodology

The methodology used to determine a Fund's investment risk level for purposes of disclosure in this prospectus is based on the Investment Risk Classification Methodology in NI 81-102 that came into force effective September 1, 2017, as such methodology may be amended and updated from time to time (the "**Methodology**"). The Methodology reflects the view of the Canadian Securities Administrators ("**CSA**") that the most comprehensive, easily understood form of risk in this context is historical volatility risk as measured by the standard deviation of fund performance. However, the Manager and the CSA recognize that other types of risk, both measurable and non-measurable, may exist and we remind you that a Fund's historical performance may not be indicative of future returns and that a Fund's historical volatility may not be indicative of its future volatility. There may be times when the Methodology produces a result that the Manager believes is inappropriate in which case the Manager may re-classify a Fund to a higher risk level, if appropriate.

Based on the Methodology, a Fund's risk level, as described in this document, is determined in accordance with a standardized risk classification methodology that is based on the Fund's historical volatility as measured by the 10-year standard deviation of the returns of the Fund. If a Fund does not have at least ten years of performance history, a reference index that is expected to reasonably approximate the Fund's standard deviation is used as a proxy for the ten-year period. Each Fund is assigned an investment risk level in one of the following categories:

Low – for Funds with a standard deviation range of 0 to less than 6;

Low-to-Medium – for Funds with a standard deviation range of 6 to less than 11;

Medium – for Funds with a standard deviation range of 11 to less than 16

Medium-to-High – for Funds with a standard deviation range of 16 to less than 20; and

High – for Funds with a standard deviation range of 20 or greater.

The risk ratings set forth in the table below do not necessarily correspond to an investor's risk tolerance assessment. Investors are advised to consult their financial advisor for advice regarding an individual investor's personal circumstances.

Mutual Fund	Reference Index	Risk Rating
Arrow Canadian Advantage Alternative Class	S&P/TSX Composite Total Return	Medium

Arrow Global Advantage Alternative Class	MSCI World Net Total Return USD Index	Medium
Arrow EC Income Advantage Alternative Fund	FTSE TMX Canada Universe Bond	Low to medium
WaveFront Global Diversified Investment Class	SG CTA PR USD	Medium

Although monitored on a semi-annual basis, we review the investment risk level of the Funds on an annual basis and each time a material change is made to a Fund's investment strategies and/or investment objective.

Information about the Methodology is available on request, at no cost, by calling us toll-free at 1-877-327-6048 or by sending an email to info@arrow-capital.com.

Historical performance may not be indicative of future returns and a Fund's historical volatility may not be an indication of its future volatility.

Who Should Invest in the Fund?

This section tells you the type of investment portfolio or investor a Fund may be suitable for. This is meant as a general guide only. For advice about your own circumstances, you should consult your financial advisor.

Distribution Policy

This section tells you when a Fund usually distributes any earnings or pays dividends to investors.

Distributions from the Trust Fund may be comprised of income, capital gains or returns of capital and dividends from the Corporate Classes may be comprised of ordinary dividend income, capital gains or returns of capital and are not intended to reflect a Fund's investment performance and should not be confused with "yield" or "income". **A portion of the distribution or dividend may include a return of capital. If the cash distributions or dividends to you are greater than the net increase in value of your investment, the distributions or dividends will decrease the capital of your investment.**

We reserve the right to adjust the amount of the distributions or dividends made during the year if we consider it appropriate, without notice. There can be no assurance that the Fixed-Rate Distribution Series will make any distributions in any particular period. Distributions and dividends are not guaranteed and may change at any time at our discretion.

Distributions on units and dividends on shares held in a Registered Plan are automatically reinvested (without charge) in additional securities of the same series of a Fund.

Distributions on units and dividends on shares held outside a Registered Plan are either: (1) automatically reinvested in additional securities of the same series of a Fund; or (2) received in cash. Unless we receive written notice that you want to receive distributions or dividends in cash, the default is to have distributions and dividends automatically reinvested in securities of a Fund.

The distributions or dividends by way of reinvested securities are subject to the same fees and expenses as purchased securities; whereas if you receive cash distributions or dividends the cash received would not be subject to such fees and expenses. For more information about fees and expenses related to holding securities, including securities received on the automatic reinvestment of distributions or dividends, see "*Fees and Expenses*" on page 20. To receive distributions or dividends in cash you (or broker, dealer or advisor) must provide us a written request that you wish to receive distributions or dividends in cash. Please see the back cover for our contact information.

Distributions or dividends during the year will generally not be made to holders of securities of the Non-Fixed Rate Distribution Series.

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

We may change the distribution or dividend policy at our discretion.

The distribution or dividend rate on a series of securities of a Fund may be greater than the return on the Fund's investments. Any distributions or dividends 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 dividends, see "*Income Tax Considerations for Investors*" on page 25.

Fund expenses indirectly borne by investors

This section is an example of the expenses a Fund pays on its series of securities. The example is intended to help you compare the cost of investing in a Fund with the cost of investing in other mutual funds. While you do not pay these costs directly, they have the effect of reducing a Fund's returns. The management expense ratio (MER) reflects the total fees and expenses (including applicable sales taxes) paid by a Fund. It is calculated by adding the management fee to the operating expenses, with the exception of brokerage commissions and other trading costs, and is expressed as a percentage of a Fund's net assets. It assumes that the *MER* of a Fund was the same throughout each period shown as it was during the last completed financial year. Investors in certain series of securities are charged fees directly by their financial advisor or us that are not included in this section.

Any amount paid by a Fund as fees and expenses will reduce the return to investors in a Fund. Each Fund's security price and rate of return as published on a daily basis, have already accounted for these fees and expenses.

ARROW CANADIAN ADVANTAGE ALTERNATIVE CLASS

FUND DETAILS

Type of Fund:	Alternative Fund
Inception Date:	Series A – March 18, 2008 Series F – March 18, 2008 Series L – January 10, 2012
Securities Offered:	Shares of a mutual fund corporation – Series A, F and L Shares
Eligibility for Registered Plans:	Yes
Portfolio Advisor:	Arrow Capital Management Inc.

WHAT DOES THE FUND INVEST IN?

Investment Objective

The investment objective of the Arrow Canadian Advantage Alternative Class is to achieve superior capital appreciation over both short and long term horizons primarily through the selection and management of a concentrated group of long and short positions in Canadian equity securities and equity derivative securities.

The Fund will use leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The Fund's leverage shall not exceed the limits on the use of leverage described in the "Investment Strategies" section in this Simplified Prospectus or as otherwise permitted under applicable securities legislation.

Shareholder approval (given by a majority of votes cast at a meeting of shareholders) is required prior to a change of investment objective.

Investment Strategies

The Fund will invest predominantly in large- and mid-capitalization Canadian companies. The Fund may also invest in bonds, other debt instruments, commodities and currencies 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 also invest in options, including put options or call options either in respect of a specific security or in respect of a stock exchange index as a means to reduce volatility. The Fund may also invest in foreign securities. It is currently expected that investments in foreign securities will generally be no more than 49% of the Fund's assets.

The Fund will engage in short selling of securities which the portfolio manager believes are overvalued, especially securities of issuers with deteriorating fundamentals and weak balance sheets. Short positions of index securities such as exchange traded funds may also be employed for capital preservation and hedging purposes. As described under the heading "*Additional Information – Exemptions and Approvals*", in accordance with the Market-Neutral Strategy Relief, short selling positions will not in total exceed 100% of the Net Asset Value of the Fund.

The Fund may hold cash or invest in short term securities for the purpose of preserving capital and/or maintaining liquidity, based upon the portfolio 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 invest in derivatives for hedging and non-hedging purposes as permitted by applicable securities laws. The Fund may enter into securities lending, repurchase and reverse repurchase transactions to generate additional income or as a short-term cash management tool.

Equities. The Fund will invest its assets primarily in publicly listed Canadian equity securities, though it is anticipated that the Fund will also invest in companies domiciled outside of Canada. The Portfolio Advisor will have a variable bias and will generally look to include both long and short positions in the Fund's portfolio. Global sector trades, including pairs trading, trades based on events and special situations will also be utilised. Pairs trading is the buying and selling of two securities in an attempt to gain from the convergence of the relative value differences between them.

The Portfolio Advisor will employ short-term trading in an attempt to achieve high economic return. Generally, the Fund's portfolio will be comprised of securities of large capitalization. The Portfolio Advisor will also trade, from time to time, the securities of small capitalization issuers.

***Fixed Income**.* The Fund may also invest long and short in securities of issuers identified as attractive or unattractive investment candidates, and may include high yield bonds, corporate bonds, government treasury securities, credit ETFs and treasury futures.

Commodities. The Fund may also invest in various financial instruments that will provide exposure to agricultural, energy and base or precious metals. Exposure to commodity prices can be indirect through the equity or fixed income of a resource company, or directly through the use of derivatives, such as options, futures, forwards or swaps.

Currencies. The Fund may also engage in forward contracts and/or hold foreign currency for hedging purposes and for non-hedging purposes to participate in foreign markets. Exchange rate exposures will be actively managed with the Fund having possible exposure to one or more foreign currencies at any one time. A forward contract is an obligation to purchase or sell an underlying asset, including currency and stocks, for an agreed price at a future date.

Short Selling. The Portfolio Advisor utilizes an opportunistic approach to shorting individual stocks as well as using index options or futures, as a means of attempting to reduce risk and increase performance. Short selling of securities involves the sale of securities which the Fund does not own. To effect a short sale, the Fund borrows securities from a third party in order to make delivery to the purchaser. The Fund returns the borrowed securities to the lender by purchasing the securities in the open market. A short seller must generally pledge other securities or cash as collateral for the short position. Collateral may be increased or decreased in response to changes in the market price of the borrowed securities. The Fund will be required to pay brokerage commissions to execute short sales and may be required to pay a premium to the lender of the securities, which would increase the cost of the securities sold. Until the borrowed securities are replaced, the Fund generally will be required to pay the lender amounts equal to any dividends or interest that accrue on the securities borrowed during the period of the loan.

Stocks are shorted for a variety of reasons including (i) temporary overvaluation due to short-term market euphoria for a sector; (ii) faulty business model; (iii) poor earnings; (iv) questionable accounting practices; (v) deteriorating fundamentals; and (vi) weak management unable to adapt to changes in regulation or the competitive environment. Technical analysis will also be used to help in the decision making process. The Portfolio Advisor believes that by opportunistically trading the securities of companies that are experiencing any one or more of these elements, it should be able to identify profitable short sale candidates in most stock market environments.

The Fund may engage in short selling, subject to certain limits and conditions, including the following:

- As described under the heading "*Additional Information – Exemptions and Approvals*", in accordance with the Market-Neutral Strategy Relief, the aggregate market value of all securities sold short by the Fund will not exceed 100% of the total net assets of the Fund;
- the aggregate market value of all securities of any particular issuer sold short by the Fund will not exceed 10% of the total net assets of the Fund;
- the Fund will not deposit collateral with a dealer in Canada unless the dealer is registered in a jurisdiction of Canada and is a member of IIROC; and
- the Fund will not deposit collateral with a dealer outside Canada unless that dealer (a) is a member of a stock exchange that requires the dealer to be subjected to a regulatory audit; and (b) has a net worth in excess of $50 million.

Derivatives. The Portfolio Advisor believes in the judicious use of derivative securities, primarily publically listed options and futures. Derivatives can be used in many ways such as to increase market exposure (leverage), to reduce overall market exposure (hedge), to increase the portfolio's current income, or to reduce the cost basis of a new position. The Portfolio Advisor may also utilize certain derivatives, such as various types of index or "market basket" derivatives, in an effort to hedge against certain market-related risks, as it deems appropriate. The Portfolio Advisor believes that the use of derivatives should help reduce risk and enhance investment performance.

Leverage. When the Portfolio Advisor deems it appropriate to do so, it may increase the number and extent of its "long" positions by borrowing. Entering into short sales also increases the Fund's use of leverage. The Fund does not expect that it will incur indebtedness in connection with its operations, other than interest on margin debts or deposits with respect to securities positions.

The Fund is permitted to borrow cash up to a maximum of 50% of its net asset value. As described under the heading "*Additional Information – Exemptions and Approvals*" the combined use of short-selling and cash borrowing by the Fund is subject to an overall limit of 100% of its net asset value.

The Fund may invest up to 20% of its net asset value in securities of a single issuer including exposure to that single issuer through specified derivative transactions or index participation units.

Through the use of cash borrowing, short selling or specified derivatives the aggregate gross exposure of the Fund, to be calculated as the sum of the following, must not exceed 300% the Fund's net asset value: (i) the aggregate value of the Fund's outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of securities sold short by the Fund; and (iii) the aggregate notional amount of the Fund's specified derivatives positions minus the aggregate notional amount of the specified derivative positions that are hedging transactions.

The Fund may also invest in other investment funds, including ETFs, 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 engage in securities lending, repurchase and reverse repurchase transactions to earn additional income for the Fund. On any securities lending, repurchase and reverse repurchase transaction, the Fund must, unless it has been granted relief;

- deal only with counterparties who meet generally accepted creditworthiness standards and who are unrelated to the Fund's portfolio manager, manager or trustee as defined in NI 81-102;
- hold collateral equal to a minimum 102% of the market value of the portfolio securities loaned (for securities lending transactions), sold (for repurchase transactions) or purchased (for reverse repurchase transactions);
- adjust the amount of the collateral on each business day to ensure the value of the collateral relative to the market value of the portfolio securities loaned, sold or purchased remains at or above the minimum 102% limit; and
- limit the aggregate value of all portfolio securities loaned or sold through securities lending and repurchase transactions to no more than 50% of the total assets of the Fund (without including the collateral for loaned securities and cash for sold securities).

Depending on market conditions, the Portfolio Advisor's investment style may result in a higher portfolio turnover rate than less actively managed funds. Generally, the higher a fund's portfolio turnover rate, the higher its trading expenses. The higher the portfolio turnover rate, the greater the probability that you will receive a distribution of capital gains from the Fund, which may be taxable if you hold the Fund outside a Registered Plan. There is no proven relationship between a high turnover rate and the performance of a mutual fund.

The specific strategies that differentiate this Fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes, increased ability to sell securities short, and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the Fund's investment objective and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

Please also refer to the explanation of these risks under "*Derivatives Risk*", "*Short Selling Risk*" and "*Leverage Risk*" in the "*What are the Risks of Investing in a Mutual Fund?*" section of this Simplified Prospectus.

As Manager of the Fund, we may change the investment strategies from time to time, but will give Fund investors notice of our intention to do so if it would be a material change as defined in NI 81-106. Under NI 81-106, a change in the business, operations or affairs of the Fund is considered to be a "material change" if a reasonable investor would consider it important in deciding whether to purchase or continue to hold shares of the fund.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund may be exposed to all of the risks which are described starting on page 4. The following table shows how the risks apply to the Fund:

	Primary Risk	Secondary Risk	Low or Not a Risk
Borrowing	✓		
Change in Legislation		✓	
Collateral		✓	
Commodity	✓		
Concentration		✓	
Counterparty Default		✓	
Credit	✓		
Currency	✓		
Derivatives	✓		
Equity	✓		
ETF		✓	
Failure of Futures Commission Merchant		✓	
Foreign Investment	✓		
Forward and OTC Option Contract		✓	
Interest Rate	✓		
Large Redemption		✓	
Leverage	✓		
Liquidity		✓	
Margin		✓	
Market	✓		
Operational		✓	
Securities Lending		✓	
Series		✓	
Share Class		✓	
Short Selling	✓		
Small Company		✓	
Tax		✓	
Underlying Fund	✓		

Arrow has rated this Fund's risk as medium. Please see "*What are the Risks of Investing in the Fund? – Fund Risk Classification Methodology*" 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 medium to 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.

DIVIDEND POLICY

If required, the Fund will pay a dividend each December to holders of shares of the Non-Fixed Rate Distribution Series.

For more information about dividends, see "*Specific Information About the Alternative Mutual Funds Described in this Document – Distribution Policy*" on page 35.

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

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

You do not pay the Fund expenses directly, but they will reduce the Fund's returns. The following table is intended to help you compare the cumulative cost of investing in the Fund with the cost of investing in other mutual funds.

This example assumes that (i) you invest $1,000 in Series A shares of the Fund for the time periods indicated and then sell all of your shares at the end of those periods; (ii) your investment has an annual 5% return; and (iii) the management fees and operating expenses would be the same throughout the ten-year period.

Although your actual costs may be higher or lower based on these assumptions, your costs would be:

Expenses Payable Over	One Year	$25.07
	Three Years	$79.13
	Five Years	$138.86
	Ten Years	$317.06

See "*Fees and Expenses Payable by the Funds*" on page 20 for more information about the costs of investing in the Fund.

ARROW GLOBAL ADVANTAGE ALTERNATIVE CLASS

FUND DETAILS

Type of Fund:	Alternative Fund
Inception Date:	Series A – December 31, 2018 Series F – December 31, 2018 Series U – February 12, 2019 Series G – February 12, 2019
Securities Offered:	Shares of a mutual fund corporation – Series A, F, U and G Shares
Eligibility for Registered Plans:	Yes
Portfolio Advisor:	Arrow Capital Management Inc.

WHAT DOES THE FUND INVEST IN?

Investment Objective

The investment objective of the Arrow Global Advantage Alternative Class is to generate meaningful, risk-adjusted, absolute returns through exposure to global securities over the medium to long term, while preserving capital and mitigating risk.

The fund will use leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage shall not exceed the limits on the use of leverage described in the "Investment Strategies" section in this Simplified Prospectus or as otherwise permitted under applicable securities legislation.

Shareholder approval (given by a majority of votes cast at a meeting of shareholders) is required prior to a change of investment objective.

Investment Strategies

To achieve its objective, the Fund will invest and trade primarily in a diversified portfolio of four global asset classes: equities, fixed income securities, commodities and currencies. Exposure to these asset classes may be obtained directly or indirectly by investing in underlying funds that invest such securities.

Equities. The Fund will invest its assets in publicly listed global equity securities, though it is anticipated that the majority of the securities traded by the Fund will be issued by companies domiciled in Canada and the United States. The Portfolio Advisor will have a variable bias and will generally look to include both long and short positions in the Fund's portfolio. Global sector trades, including pairs trading, trades based on events and special situations will also be utilised. Pairs trading is the buying and selling of two securities in an attempt to gain from the convergence of the relative value differences between them.

The Portfolio Advisor will employ short-term trading in an attempt to achieve high economic return. Generally, the Fund's portfolio will be comprised of securities of large capitalization. The Portfolio Advisor will also trade, from time to time, the securities of small capitalization issuers.

Fixed Income. The Fund will invest long and short in securities of issuers identified as attractive or unattractive investment candidates, and may include high yield bonds, corporate bonds, government treasury securities, credit ETFs and treasury futures.

Commodities. The Fund will invest in various financial instruments that will provide exposure to agricultural, energy and base or precious metals. Exposure to commodity prices can be indirect through the equity or fixed income of a resource company, or directly through the use of derivatives, such as options, futures, forwards or swaps.

Currencies. The Fund will engage in forward contracts and/or hold foreign currency for hedging purposes and for non-hedging purposes to participate in foreign markets. Exchange rate exposures will be actively managed with the Fund having possible exposure to one or more foreign currencies at any one time. A forward contract is an obligation to purchase or sell an underlying asset, including currency and stocks, for an agreed price at a future date.

Short Selling. The Portfolio Advisor utilizes an opportunistic approach to shorting individual stocks as well as using index options or futures, as a means of attempting to reduce risk and increase performance. Short selling of securities involves the sale of securities which the Fund does not own. To effect a short sale, the Fund borrows securities from a third party in order to make delivery to the purchaser. The Fund returns the borrowed securities to the lender by purchasing the securities in the open market. A short seller must generally pledge other securities or cash as collateral for the short position. Collateral may be increased or decreased in response to changes in the market price of the borrowed securities. The Fund will be required to pay brokerage commissions to execute short sales and may be required to pay a premium to the lender of the securities, which would increase the cost of the securities sold. Until the borrowed securities are replaced, the Fund generally will be required to pay the lender amounts equal to any dividends or interest that accrue on the securities borrowed during the period of the loan.

Stocks are shorted for a variety of reasons including (i) temporary overvaluation due to short-term market euphoria for a sector; (ii) faulty business model; (iii) poor earnings; (iv) questionable accounting practices; (v) deteriorating fundamentals; and (vi) weak management unable to adapt to changes in regulation or the competitive environment. Technical analysis will also be used to help in the decision making process. The Portfolio Advisor believes that by opportunistically trading the securities of companies that are experiencing any one or more of these elements, it should be able to identify profitable short sale candidates in most stock market environments.

The Fund may engage in short selling, subject to certain limits and conditions, including the following:

- as described under the heading "*Additional Information – Exemptions and Approvals*", in accordance with the Market-Neutral Strategy Relief, the aggregate market value of all securities sold short by the Fund will not exceed 100% of the total net assets of the Fund;
- the aggregate market value of all securities of any particular issuer sold short by the Fund will not exceed 10% of the total net assets of the Fund;
- the Fund will not deposit collateral with a dealer in Canada unless the dealer is registered in a jurisdiction of Canada and is a member of IIROC; and
- the Fund will not deposit collateral with a dealer outside Canada unless that dealer (a) is a member of a stock exchange that requires the dealer to be subjected to a regulatory audit; and (b) has a net worth in excess of $50 million.

Derivatives. The Portfolio Advisor believes in the judicious use of derivative securities, primarily publically listed options and futures. Derivatives can be used in many ways such as to increase market exposure (leverage), to reduce overall market exposure (hedge), to increase the portfolio's current income, or to reduce the cost basis of a new position. The Portfolio Advisor may also utilize certain derivatives, such as various types of index or "market basket" derivatives, in an effort to hedge against certain market-related risks, as it deems appropriate. The Portfolio Advisor believes that the use of derivatives should help reduce risk and enhance investment performance.

Leverage. When the Portfolio Advisor deems it appropriate to do so, it may increase the number and extent of its "long" positions by borrowing. Entering into short sales also increases the Fund's use of leverage. The Fund does not expect that it will incur indebtedness in connection with its operations, other than interest on margin debts or deposits with respect to securities positions.

The Fund is permitted to borrow cash up to a maximum of 50% of its net asset value. As described under the heading "*Additional Information – Exemptions and Approvals*" the combined use of short-selling and cash borrowing by the Fund is subject to an overall limit of 100% of its net asset value.

The Fund may invest up to 20% of its net asset value in securities of a single issuer including exposure to that single issuer through specified derivative transactions or index participation units.

Through the use of cash borrowing, short selling or specified derivatives the aggregate exposure of the Fund, to be calculated as the sum of the following, must not exceed 300% of the Fund's net asset value: (i) the aggregate value of the Fund's outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short by the Fund; and (iii) the aggregate notional amount of the Fund's specified derivatives positions minus the aggregate notional amount of the specified derivative positions that are hedging transactions.

The Fund may also invest in other investment funds, including ETFs, 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 engage in securities lending, repurchase and reverse repurchase transactions to earn additional income for the Fund. On any securities lending, repurchase and reverse repurchase transaction, the Fund must, unless it has been granted relief;

- deal only with counterparties who meet generally accepted creditworthiness standards and who are unrelated to the Fund's portfolio manager, manager or trustee as defined in NI 81-102;
- hold collateral equal to a minimum 102% of the market value of the portfolio securities loaned (for securities lending transactions), sold (for repurchase transactions) or purchased (for reverse repurchase transactions);
- adjust the amount of the collateral on each business day to ensure the value of the collateral relative to the market value of the portfolio securities loaned, sold or purchased remains at or above the minimum 102% limit; and
- limit the aggregate value of all portfolio securities loaned or sold through securities lending and repurchase transactions to no more than 50% of the total assets of the Fund (without including the collateral for loaned securities and cash for sold securities).

Depending on market conditions, the Portfolio Advisor's investment style may result in a higher portfolio turnover rate than less actively managed funds. Generally, the higher a fund's portfolio turnover rate, the higher its trading expenses. The higher the portfolio turnover rate, the greater the probability that you will receive a distribution of capital gains from the Fund, which may be taxable if you hold the Fund outside a registered plan. There is no proven relationship between a high turnover rate and the performance of a mutual fund.

The specific strategies that differentiate this Fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes, increased ability to sell securities short, and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the Fund's investment objective and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value. Please also refer to the explanation of these risks under "*Derivatives Risk*", "*Short Selling Risk*" and "*Leverage Risk*" in the "*What are the Risks of Investing in a Mutual Fund?*" section of this Simplified Prospectus.

As Manager of the Fund, we may change the investment strategies from time to time, but will give Fund investors notice of our intention to do so if it would be a material change as defined in NI 81-106. Under NI 81-106, a change in the business, operations or affairs of the Fund is considered to be a "material change" if a reasonable investor would consider it important in deciding whether to purchase or continue to hold shares of the fund.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund may be exposed to all of the risks which are described starting on page 4. The following table shows how the risks apply to the Fund:

	Primary Risk	Secondary Risk	Low or Not a Risk
Borrowing	✓		
Change in Legislation		✓	
Collateral		✓	
Commodity	✓		

Concentration		✓	
Counterparty Default		✓	
Credit	✓		
Currency	✓		
Derivatives	✓		
Equity	✓		
ETF		✓	
Failure of Futures Commission Merchant		✓	
Foreign Investment	✓		
Forward and OTC Option Contract		✓	
Interest Rate	✓		
Large Redemption		✓	
Leverage	✓		
Liquidity		✓	
Margin		✓	
Market	✓		
Operational		✓	
Securities Lending		✓	
Series		✓	
Share Class		✓	
Short Selling	✓		
Small Company		✓	
Tax		✓	
Underlying Fund	✓		

Arrow has rated this Fund's risk as medium. Please see "*What are the Risks of Investing in the Fund? – Fund Risk Classification Methodology*" 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 medium to 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.

DIVIDEND POLICY

If required, the Fund will pay a dividend each December to holders of shares of the Non-Fixed Rate Distribution Series.

For more information about dividends, see "*Specific Information About the Alternative Mutual Funds Described in this Document – Distribution Policy*" on page 36.

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

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

You do not pay the Fund expenses directly, but they will reduce the Fund's returns. The following table is intended to help you compare the cumulative cost of investing in the Fund with the cost of investing in other mutual funds.

This example assumes that (i) you invest $1,000 in Series A shares of the Fund for the time periods indicated and then sell all of your shares at the end of those periods; (ii) your investment has an annual 5% return; and (iii) the management fees and operating expenses would be the same throughout the ten-year period.

Although your actual costs may be higher or lower based on these assumptions, your costs would be:

Expenses Payable Over	One Year	$28.05
	Three Years	$88.53
	Five Years	$155.36
	Ten Years	$354.74

See "*Fees and Expenses Payable by the Funds*" on page 20 for more information about the costs of investing in the Fund.

ARROW EC INCOME ADVANTAGE ALTERNATIVE FUND

FUND DETAILS

Type of Fund:	Alternative Fund
Inception Date[1]:	Series A – June 26, 2020 Series F – June 26, 2020 Series U – June 26, 2020 Series I – June 26, 2020 Series AD – June 26, 2020 Series FD – April 26, 2012 Series G – June 26, 2020
Securities Offered:	Trust units of a mutual fund trust – Series A, AD, F, FD, U, G and I Units
Eligibility for Registered Plans:	Yes
Portfolio Advisor:	Arrow Capital Management Inc. (Portfolio Advisor) East Coast Fund Management Inc. (Sub-Advisor) until August 31, 2020 East Coast Asset Management SEZC (Sub-Advisor) effective September 1, 2020

[1]The Fund was originally established on April 26, 2012, and was converted to an open-end alternative mutual fund on the Conversion Date. On the Conversion Date, the Initial Units were re-designated as Series FD Units.

WHAT DOES THE FUND INVEST IN?

Investment Objective

The investment objective of the Arrow EC Income Advantage Alternative Fund is to generate income and preserve capital by investing in a diversified portfolio of primarily North American investment grade corporate bonds.

The fund will use leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The fund's leverage shall not exceed the limits on the use of leverage described in the "Investment Strategies" section in this Simplified Prospectus or as otherwise permitted under applicable securities legislation.

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

Investment Strategies

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

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

The sub-advisor will utilize leverage to increase the expected yield of the portfolio while limiting expected volatility. In order to reduce portfolio volatility, the portfolio sub-adviser will generally maintain overall interest rate sensitivity significantly lower than the benchmark index, except in circumstances where the portfolio sub-adviser feels it is prudent to extend rate sensitivity. Rate sensitivity will be reduced primarily by short-selling government bonds, or utilizing short positions in bond futures, to offset long positions in corporate bonds. Other techniques may be used to reduce rate sensitivity, including bond options, interest rate swaps and/or other securities which demonstrate negative correlation to corporate bonds.

The Fund will be primarily invested in the investment grade debt of corporations and financial institutions in North America. The Fund may also invest in other fixed income securities including government bonds, preferred shares, floating rate debt instruments, asset-backed securities, non-investment grade bonds, and exchange-traded funds. The Fund will invest primarily in debt securities denominated in Canadian dollars, U.S. dollars and Euros. The Fund may also invest in derivative contracts, which may include interest rate and currency swaps, total return swaps, futures, forwards, options, credit default swaps and other credit related derivative products.

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), the sub-advisor 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 may engage in short selling, subject to certain limits and conditions, including the following:

- as described under the heading "*Additional Information – Exemptions and Approvals*", in accordance with the Market-Neutral Strategy Relief, the aggregate market value of all securities sold short by the Fund will not exceed 100% of the total net assets of the Fund, except where the Fund, in accordance with the Enhanced Short Selling Relief, has also received partial exemptive relief such that the Fund is permitted to short sell up to 300% of its NAV in "government securities" as such term is defined in NI 81-102, provided that the Fund implements a series of controls when engaging in these short sale transactions.
- the aggregate market value of all securities of any particular issuer sold short by the Fund will not exceed 10% of the total net assets of the Fund;
- the Fund will not deposit collateral with a dealer in Canada unless the dealer is registered in a jurisdiction of Canada and is a member of IIROC; and
- the Fund will not deposit collateral with a dealer outside Canada unless that dealer (a) is a member of a stock exchange that requires the dealer to be subjected to a regulatory audit; and (b) has a net worth in excess of $50 million.

Derivatives. 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 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.

Leverage. The Fund is permitted to borrow cash up to a maximum of 50% of its net asset value. As described under the heading "*Additional Information – Exemptions and Approvals*" the combined use of short-selling and cash borrowing by the Fund is subject to an overall limit of 100% of its net asset value, except where the Fund has received the Short Selling Relief such that the Fund is permitted to short sell up to 300% of its NAV in "government securities".

The Fund may invest up to 20% of its net asset value in securities of a single issuer including exposure to that single issuer through specified derivative transactions or index participation units. This restriction does not apply to investments in debt securities issued or guaranteed by the Canadian or U.S. government securities issued by a clearing corporation; securities issued by an investment fund that if the purchase is made in accordance with the requirements of section 2.5 of NI 81-102; index participation units issued by an investment fund; or an equity security if the purchase is made by a fixed portfolio investment fund in accordance with its investment objectives.

Through the use of cash borrowing, short selling, or specified derivatives the aggregate exposure of the Fund, to be calculated as the sum of the following, must not exceed 300% of the Fund's net asset value: (i) the aggregate value of the Fund's outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short by the Fund; and (iii) the aggregate notional amount of the Fund's specified derivatives positions, minus the aggregate notional amount of the specified derivative positions that are hedging positions.

The Fund may also invest in other investment funds, including ETFs, 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 engage in securities lending, repurchase and reverse repurchase transactions to earn additional income for the Fund. On any securities lending, repurchase and reverse repurchase transaction, the Fund must, unless it has been granted relief;

- deal only with counterparties who meet generally accepted creditworthiness standards and who are unrelated to the Fund's portfolio manager, sub-advisor or trustee as defined in NI 81-102;
- hold collateral equal to a minimum 102% of the market value of the portfolio securities loaned (for securities lending transactions), sold (for repurchase transactions) or purchased (for reverse repurchase transactions);
- adjust the amount of the collateral on each business day to ensure the value of the collateral relative to the market value of the portfolio securities loaned, sold or purchased remains at or above the minimum 102% limit; and
- limit the aggregate value of all portfolio securities loaned or sold through securities lending and repurchase transactions to no more than 50% of the total assets of the Fund (without including the collateral for loaned securities and cash for sold securities).

Depending on market conditions, the sub-advisor's investment style may result in a higher portfolio turnover rate than less actively managed funds. Generally, the higher a fund's portfolio turnover rate, the higher its trading expenses. The higher the portfolio turnover rate, the greater the probability that you will receive a distribution of capital gains from the Fund, which may be taxable if you hold the Fund outside a registered plan. There is no proven relationship between a high turnover rate and the performance of a mutual fund.

The specific strategies that differentiate this Fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes, increased ability to sell securities short, and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the Fund's investment objective and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value. Please also refer to the explanation of these risks under "*Derivatives Risk*", "*Short Selling Risk*" and "*Leverage Risk*" in the "*What are the Risks of Investing in a Mutual Fund?*" section of this Simplified Prospectus.

As Manager of the Fund, we may change the investment strategies from time to time, but will give Fund investors notice of our intention to do so if it would be a material change as defined in NI 81-106. Under NI 81-106, a change in the business, operations or affairs of the Fund is considered to be a "material change" if a reasonable investor would consider it important in deciding whether to purchase or continue to hold units of the fund.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund may be exposed to all of the risks which are described starting on page 4. The following table shows how the risks apply to the Fund:

	Primary Risk	Secondary Risk	Low or Not a Risk
Borrowing	✓		
Change in Legislation		✓	
Collateral		✓	
Commodity		✓	

Concentration		✓	
Counterparty Default		✓	
Credit	✓		
Currency		✓	
Derivatives	✓		
Equity		✓	
ETF		✓	
Failure of Futures Commission Merchant		✓	
Foreign Investment	✓		
Forward and OTC Option Contract		✓	
Interest Rate	✓		
Large Redemption		✓	
Leverage	✓		
Liquidity		✓	
Margin		✓	
Market	✓		
Operational		✓	
Securities Lending		✓	
Series		✓	
Share Class			✓
Short Selling	✓		
Small Company		✓	
Tax		✓	
Underlying Fund	✓		

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 Methodology*" 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 income and medium to long term growth through a diversified portfolio of primarily investment grade fixed income securities. To invest in this Fund, investors should be able to accept a low to medium degree of risk.

To recognize a reasonable rate of return, investors should be prepared to invest for medium to long periods of time. This Fund processes purchase, switch and redemption orders for its Securities on a weekly basis at the NAV per security calculated as at the last valuation date of the week in which the order for such Securities is received (the "**Transaction Processing Frequency**"). The Fund is only suitable for investors who can accept the Transaction Processing Frequency.

DISTRIBUTION POLICY

In respect of Fixed-Rate Distribution Series units, the Fund expects to make a distribution each month based on a target annualized rate of between 4.0% and 5.0% (depending on market conditions) of the NAV per unit of the relevant series at the end of the prior year. If the Fund earns more income or capital gains than the distributions, it will distribute the excess each December.

If required, the Fund will pay a distribution each December to holders of units of the Non-Fixed Rate Distribution Series.

For more information about distributions, see "*Specific Information About the Alternative Mutual Funds Described in this Document – Distribution Policy*" on page 36.

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

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

The series offered are new and, accordingly, this information is not available.

WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS

FUND DETAILS

Type of Fund:	Alternative Fund
Inception Date:	Series A – May 1, 2009 Series F – May 1, 2009 Series I – September 14, 2012 Series L – January 31, 2012 Series R – November 10, 2015
Securities Offered:	Shares of a mutual fund corporation – Series A, F, I, L and R Shares
Eligibility for Registered Plans:	Yes
Portfolio Advisor:	Arrow Capital Management Inc. (Portfolio Advisor) WaveFront Global Asset Management Corp. (Sub-Advisor)

WHAT DOES THE FUND INVEST IN?

Investment Objective

The investment objective of the WaveFront Global Diversified Investment Class is to seek superior long term absolute and risk-adjusted returns with the potential for low correlation to global equity and fixed-income market returns through the selection and management of long and short positions in a globally diversified portfolio of futures, options, forward contracts and other financial derivative instruments on agricultural and soft commodities, metals, energies, currencies, interest rates and equity indices (the "**Underlying Assets**").

The Fund will use leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The Fund's leverage shall not exceed the limits on the use of leverage described in the "Investment Strategies" section in this Simplified Prospectus or as otherwise permitted under applicable securities legislation.

Shareholder approval (given by a majority of votes cast at a meeting of shareholders) is required prior to a change of investment objective.

Investment Structure

The Fund has obtained relief (See "*Additional Information - Exemptions and Approvals*" on page 26) giving the Fund the option to gain exposure to Underlying Assets by investing directly in the Underlying Assets and/or by gaining indirect exposure to the Underlying Assets via a three-tier investment structure. Under both options, the selection and management of the Underlying Assets will be managed by the Sub-Advisor. See "*About the Corporate Classes - Overview of Investment Structure*" on page 11.

Investment Strategies

The central investment tenet of the Fund is that markets exhibit serial correlation or price trends and other persistent anomalies that cannot be explained by random behaviour or the assumption of fully informed and rational market participants. Price trends, or serial correlation in market prices, are caused by changes in risk premiums or the amount of return investors demand to compensate the risks they are taking. Risk premiums vary significantly over time in response to deeply rooted supply and demand trends for physical commodities, new market information, and changing economic environments. When risk premiums decrease or increase, underlying assets are re-priced. And since investors typically have different expectations, large shifts in markets can take several months or even years as expectations are gradually adjusted. Risk premiums include the cost of capital, equity risk premiums, yield differentials between currencies and the convenience yield associated with holding or not holding physical commodities.

The core investment strategy of the Fund is based on a risk budgeting strategy of allocating capital to markets and utilizing that capital based on the amount of risk premium being priced into markets. The Sub-Advisor utilizes a fixed risk budget that targets long-term average annualized downside deviation of less than 13%. This risk budget is then equally allocated across over 60 markets, adjusted by their volatilities and correlations. As a result of this allocation methodology, generally 50% of the portfolio risk budget is allocated to globally-traded industrial and agricultural commodity futures markets, and 50% is allocated to global currency, treasury debt and equity index futures markets.

The degree to which a market's allocated risk budget is utilized is then determined by the net position of multiple trading strategies or algorithms that sample market prices in order to capture persistent risk premiums and changes in risk premiums over time. Unutilized risk budgets that result from conflicting underlying signals are not re-allocated to other markets but go to cash. This risk budgeting strategy results in a 99% 1-month portfolio Value-at-Risk (VaR) using Extreme Value Theory (EVT) of 10%. In addition to the core investment strategy, the Sub-Advisor may utilize trading strategies based on other persistent anomalies or structural biases identified in market data.

The Sub-Advisor transacts on highly liquid exchanges globally that may include, but are not limited to, all futures exchanges in the United States and Canada, the London Metals Exchange (LME), ICE Futures Europe (ICE), the Eurex Deutschland (EUREX), the Singapore International Monetary Exchange (SIMEX), the Sydney Futures Exchange Ltd. (SFE), the Tokyo Commodities Exchange (TCE), the Malaysia Derivatives Exchange (MDEX), and the Hong Kong Futures Exchange (HKFE).

The Underlying Assets may include cash or invest in short term securities for the purpose of preserving capital and/or maintaining liquidity, based upon the Sub-Advisor's ongoing evaluation of current and anticipated economic and market conditions.

The Sub-Advisor believes that the success of its investment strategy is primarily contingent upon the implementation of a robust and well defined risk management model. The Sub-Advisor utilizes a multi-faceted risk management program based on low levels of risk exposure and broad diversification that includes, but is not limited to, the following measures:

Margin-to-Equity Targets

In an attempt to minimize exposure to the risk of adverse price movements, a level of trading activity is targeted that results in initial margin requirements (margin-to-equity) that are generally between 5% and 17%. Depending on market volatility and liquidity, these margin-to-equity ranges can be higher or lower but will be capped at 30%.

Risk Exposure Limits

The Sub-Advisor utilizes a fixed risk budget that targets long-term average annualized portfolio volatility of less than 16%, long-term average downside deviation of less than 13% and a 99% 1-month Underlying Assets Value-at-Risk (VaR) using Extreme Value Theory (EVT) of 10%. Short-term volatility can however deviate substantially from targeted long-term average volatility. Furthermore, there may be circumstances where it is impossible to limit risk as described above. Such a circumstance may be a market that is locked limit up or down, or the occurrence of severe slippage on order execution due to extreme market volatility.

Diversification

Diversification is applied to minimize the overall portfolio risk from any given market or trading model. The Sub-Advisor uses multiple non-correlated signal generators and trades a diversified portfolio of futures contracts that involves most major commodity groups (i.e., agriculture, currencies, energy, interest rates, equities, livestock, metals and soft commodities). The selection process seeks to avoid undue concentration in any particular futures group and to achieve a balance across several groups. However, on occasion there may be a heavier concentration of a given commodity or commodity group, or no weighting of a given commodity or commodity group, which could result in a greater return or risk to the Underlying Assets.

Risk Balancing

Risk balancing involves trading a number of contracts such that the expected dollar risk for trading any particular commodity is roughly the same as that of other commodities in the Underlying Assets. The Sub-Advisor utilizes a multi-faceted look back array of past market volatilities in order to quantify a one week forecast of the maximum expected dollar risk for trading each particular commodity. These forecasts are then used in conjunction with allowable risk budgets in order to calibrate position size for each market.

Position Management

The Sub-Advisor utilizes proprietary quantitative algorithms to identify potential periods of underperformance in any particular commodity for the Sub-Advisor's strategies. In these situations, position sizes may be systematically reduced or eliminated until the same algorithms portend an end to the potential period of underperformance.

Securities Lending, Repurchase and Reverse Repurchase Transactions

The Underlying Assets may include entering into securities lending, repurchase or reverse repurchase transactions. While no such transactions are currently contemplated, they may be entered into in conjunction with other strategies and investments in a manner considered most appropriate to achieving the Fund's investment objectives and enhancing returns as permitted by securities regulations.

Short Selling. The Fund is allowed to engage in short selling though the Fund does not currently intend to do so.

Leverage. The low margin deposits normally required in futures trading permit an extremely high degree of leverage. Typically, the margin requirements for futures trading are between 2% and 20% of the market value of the underlying interest of the futures contract being traded. At the time of the purchase, a percentage of the price of a derivative is deposited as margin. A decrease of more than the percentage deposited would result in a decrease in market value of more than the total margin deposit. Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial decrease in market value for the investor. To continue trading on margin, the Fund may be required to deposit further margin drawn from its cash.

The Fund does not expect that it will incur indebtedness in connection with its operations, other than interest on margin debts or deposits with respect to securities positions.

The Fund is permitted to borrow cash up to a maximum of 50% of its net asset value. The combined use of short-selling and cash borrowing by the Fund is subject to an overall limit of 100% of its net asset value.

Except as described under the heading "*About the Fund – Overview of the Investment Structure of the Fund*" on page 9, the Fund may invest up to 20% of its net asset value in securities of a single issuer including exposure to that single issuer through specified derivative transactions or index participation units.

The Fund has received exemptive relief from the regulators whereby the Fund will be permitted to have aggregate exposure to specified derivative transactions as previously permitted under Former NI 81-104. This includes the following restrictions:

- the notional leverage of the Fund, excluding futures on government securities and Euro dollars, is generally between 0% and 300% and can never go above 500%;
- the notional leverage of the Fund, including futures on government securities and Euro dollars is typically around 300% but from time to time may be as high as 1000%.

Notional leverage does not reflect the impact of put or call options which hedge futures positions as noted above. In the case of government securities and Euro dollars, futures positions are restricted to those that are based on investment grade government securities and Euro dollars.

The Fund may also invest in other investment funds, including ETFs, 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 engage in securities lending, repurchase and reverse repurchase transactions to earn additional income for the Fund. On any securities lending, repurchase and reverse repurchase transaction, the Fund must, unless it has been granted relief;

- deal only with counterparties who meet generally accepted creditworthiness standards and who are unrelated to the Fund's portfolio manager, manager or trustee as defined in NI 81-102;
- hold collateral equal to a minimum 102% of the market value of the portfolio securities loaned (for securities lending transactions), sold (for repurchase transactions) or purchased (for reverse repurchase transactions);
- adjust the amount of the collateral on each business day to ensure the value of the collateral relative to the market value of the portfolio securities loaned, sold or purchased remains at or above the minimum 102% limit; and
- limit the aggregate value of all portfolio securities loaned or sold through securities lending and repurchase transactions to no more than 50% of the total assets of the Fund (without including the collateral for loaned securities and cash for sold securities).

The specific strategies that differentiate this Fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes, increased ability to sell securities short, and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the Fund's investment objective and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value. Please also refer to the explanation of these risks under "*Derivatives Risk*", "*Short Selling Risk*" and "*Leverage Risk*" in the "*What are the Risks of Investing in a Mutual Fund?*" section of this Simplified Prospectus.

As Manager of the Fund, we may change the investment strategies from time to time, but will give Fund investors notice of our intention to do so if it would be a material change as defined in NI 81-106. Under NI 81-106, a change in the business, operations or affairs of the Fund is considered to be a "material change" if a reasonable investor would consider it important in deciding whether to purchase or continue to hold shares of the fund.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund may be exposed to all of the risks which are described starting on page 4. The following table shows how the risks apply to the Fund:

	Primary Risk	Secondary Risk	Low or Not a Risk
Borrowing		✓	
Change in Legislation		✓	
Collateral		✓	
Commodity	✓		
Concentration		✓	
Counterparty Default		✓	
Credit	✓		
Currency	✓		
Derivatives	✓		
Equity	✓		
ETF			✓
Failure of Futures Commission Merchant		✓	

Foreign Investment	✓		
Forward and Over-the-Counter Option Contract		✓	
Interest Rate	✓		
Large Redemption		✓	
Leverage	✓		
Liquidity		✓	
Margin	✓		
Market	✓		
Operational		✓	
Securities Lending			✓
Series		✓	
Share Class		✓	
Short Selling			✓
Small Company			✓
Tax		✓	
Underlying Fund	✓		

Arrow has rated this Fund's risk as medium. Please see "*What are the Risks of Investing in the Fund? – Fund Risk Classification*" 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 medium to long term growth through a diversified portfolio of futures, options, forward contracts and other financial derivatives. 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.

DIVIDEND POLICY

If required, the Fund will pay a dividend each December to holders of shares of the Non-Fixed Rate Distribution Series.

For more information about dividends, see "*Specific Information About the Alternative Mutual Funds Described in this Document – Distribution Policy*" on page 36.

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

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

You do not pay the Fund expenses directly, but they will reduce the Fund's returns. The following table is intended to help you compare the cumulative cost of investing in the Fund with the cost of investing in other mutual funds.

This example assumes that (i) you invest $1,000 in Series A shares of the Fund for the time periods indicated and then sell all of your shares at the end of those periods; (ii) your investment has an annual 5% return; and (iii) the management fees and operating expenses would be the same throughout the ten-year period.

Although your actual costs may be higher or lower based on these assumptions, your costs would be:

Expenses Payable Over	One Year	$32.26
	Three Years	$101.83
	Five Years	$178.69
	Ten Years	$408.01

See "*Fees and Expenses Payable by the Funds*" on page 20 for more information about the costs of investing in the Fund.

ARROW ALTERNATIVE MUTUAL FUNDS

Arrow Canadian Advantage Alternative Class
Arrow EC Income Advantage Alternative Fund
Arrow Global Advantage Alternative Class
WaveFront Global Diversified Investment Class

Additional information about the Funds is available in the Funds' annual information form, fund facts management reports of fund performance and financial statements. These documents are incorporated by reference into this simplified prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

You can obtain a copy of these documents, at your request, and at no cost, by calling toll free 1 (877) 327-6048, (416) 323-0477 or from your financial advisor or by email at info@arrow-capital.com.

These documents and other information about the Funds, such as information circulars and material contracts, are also available on the Funds' website www.arrow-capital.com or on SEDAR (the System for Electronic Document Analysis and Retrieval established by the Canadian Securities Administrators) at www.sedar.com.

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