EXEMPLAR MUTUAL FUNDS

<u>Simplified Prospectus</u>

EXEMPLAR GROWTH AND INCOME FUND (Series A, AN, F, FN, I, L, LN and ETF units)

EXEMPLAR PERFORMANCE FUND (Series A, AD, F, FD, I, L and LD units)

July 7, 2021

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

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PART A

INTRODUCTION

This document contains selected important information to help you make an informed decision and to help you understand your rights as an investor in the funds listed on the cover of this prospectus, (individually, a "**Fund**" and, collectively, the "**Funds**").

The administrative manager of the Funds is Arrow Capital Management Inc., and is referred to in this document as "**Arrow**", "**us**", "**our**" or "**we**".

This Simplified Prospectus contains information about the Fund and the risks of investing in mutual funds generally, as well as the names of the firms responsible for the management of the Funds. No ETF Dealer (as defined below) or Designated Broker (as defined below) has been involved in the preparation of this simplified prospectus or has performed any review of the contents of this simplified prospectus and, as such, the ETF Dealers and the Designated Brokers do not perform many of the usual underwriting activities in connection with the distribution by the Funds of their Series ETF units under this simplified prospectus.

Additional information about each Fund is available in the following documents:

- the annual information form;
- the most recently filed fund facts;
- the most recently filed ETF facts, as applicable;
- 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.

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 unitholders of the mutual fund. Mutual fund unitholders share (in proportion to the units 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 (or selling in the case of the Series ETF units) the units held.

A mutual fund may own different types of investments - stocks, bonds, cash, and derivatives - all depending upon its investment objectives. 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's units 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.

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

What are Series ETF units?

All series of units, except for Series ETF units, are referred to as "**Mutual Fund Series**" units. The Series ETF units are an exchange-traded series of units offered by Exemplar Growth and Income Fund. Series ETF units will be issued and sold on a continuing basis. There is no maximum number of Series ETF units that may be issued.

The Series ETF units are listed on the Toronto Stock Exchange ("**TSX**") and the ticker symbol for Series ETF units are as follows:

Exemplar Growth and Income Fund	EGIF

You will be able to buy or sell Series ETF units on the TSX or another exchange or marketplace through registered brokers and dealers in the province or territory where you reside.

How We Evaluate Unit Price

We calculate a Fund's unit price (often referred to as the "net asset value per unit" or "unit value") by adding up the 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 units of the Fund then outstanding. The unit price calculated at the end of each business day is the price at which units will be issued to purchasing investors as of such day and the price to be paid by the Fund on units redeemed as of such day.

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 units 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 units. See "*Purchases, Switches and Redemptions*" on page 10.

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 units of the Funds, 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.

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. To find out which of these specific risks apply to a Fund you are considering, see the individual Fund descriptions in Part B of this simplified prospectus. They may include:

Absence of an Active Market for Series ETF Units Risk – Although Series ETF units of the Funds may be listed on the TSX or another exchange or marketplace, there can be no assurance that an active public market for Series ETF units develops or can be sustained.

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 unitholders.

Collateral Risk – The Funds may enter into derivatives arrangements that require them to deliver collateral to the derivative counterparty or clearing corporation. As such, 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;
- may from time to time, if the value of the derivative arrangements moves against it, 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 the Funds, the Funds 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 – Some mutual funds hold significant investments in a few companies, rather than investing the mutual fund's assets across a large number of companies. In some cases, more than 10% of the net assets of the mutual fund 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 portfolios of these mutual funds are less diversified, and therefore are 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 a Fund. 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 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. This risk applies primarily to fixed income funds.

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 any Fund which invests in foreign denominated securities. Exposure to currencies may also be indirect through the use of other derivatives, such as options, forwards, futures or swaps.

Cyber Security Risk – Due to the widespread use of technology in the course of business, the Funds have become potentially more susceptible to operational risks through breaches in cyber security. Cyber security is the risk of harm, loss, and liability resulting from a failure, disruption or breach of an organization's information technology systems. It refers to both intentional and unintentional events that may cause a Fund to lose proprietary information, suffer data corruption, or lose operational capacity, which could cause us and/or a Fund to experience disruptions to business operations; reputational damage; difficulties with a Fund's ability to calculate its NAV; or incur regulatory penalties, additional compliance costs associated with corrective measures, and/or financial loss. Cyber attacks may involve unauthorized access to a Fund's digital information systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, or corrupting data, equipment or systems. Other cyber attacks do not require unauthorized access, such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). In addition, cyber attacks on a Fund's third-party services provider (e.g., administrators, transfer agents, custodians and sub-advisors) or issuers that a Fund invests in can also subject a Fund to many of the same risks associated with direct cyber attacks. Similar to operational risks in general, we have established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will be successful.

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 the 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 a Fund to close out its 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 a Fund to close out its positions in derivatives. These events could prevent a Fund from making a profit or limiting its 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.

- A Fund that uses derivatives is subject to credit risk associated with the ability of counterparties to meet their obligations. In addition, a Fund could lose its margin deposits if a dealer or clearing corporation with whom a Fund has 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 a Fund from using derivatives to effectively hedge its portfolio or implement its strategy.

Equity Risk – Mutual funds that invest in equities - also called stocks or shares - 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 Funds that own 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 mutual 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 Fund 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.

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. This risk applies primarily to equity funds and fixed income funds.

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.

Halted Trading of Series ETF Units Risk – Trading of Series ETF units on certain marketplaces may be halted by the activation of individual or market-wide "circuit breakers" (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). In the case of the TSX, trading of Series ETF units may also be halted if: (i) the Series ETF units are delisted from the TSX without first being listed on another exchange; or (ii) TSX officials determine that such action is appropriate in the interest of a fair and orderly market or to protect unitholders.

Interest Rate Risk – The value of 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 funds.

Large Redemption Risk – Some Funds 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 the Funds 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.

Liquidity Risk – Liquidity risk is the possibility that a mutual 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. This risk applies primarily to equity funds and fixed income funds.

Market Risk – The risks associated with investing in a mutual fund depend on the securities held in that Fund. 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 - Day to day operations of the Funds 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 – Mutual funds may engage in securities lending transactions. In a securities lending transaction, the 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 Fund. 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 Fund for securities sold in a repurchase transaction.

In engaging in securities lending, a Fund will bear the risk of loss of any collateral it invests, 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 units 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.

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 the Fund has borrowed securities may go bankrupt and the Fund may lose the collateral it has deposited with the lender. Each Fund that engages in short selling adheres 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. Although some Funds may not themselves engage in short selling, they may be exposed to short selling risk because the underlying funds in which they invest or to which assets of the Funds obtain 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.

Trading Price of Series ETF Units Risk – Series ETF units may trade in the market at a premium or discount to the net asset value per unit. There can be no assurance that Series ETF units will trade at prices that reflect their net asset value per unit. The trading price of Series ETF units will fluctuate in accordance with changes in a Fund's net asset value, as well as market supply and demand on the TSX (or such other exchange or marketplace on which Series ETF units of a Fund may be traded from time to time). However, as Designated Brokers and ETF Dealers subscribe for and exchange Prescribed Number of Series ETF Units (as defined below) at the net asset value per unit, large discounts or premiums to net asset value should not be sustained.

Underlying Fund Risk – A 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 a Fund. 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 units. In addition, the portfolio advisor could allocate a Fund's assets in a manner that results in that Fund underperforming its peers.

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.

ORGANIZATION AND MANAGEMENT OF THE EXEMPLAR 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' units and making provisions for fund accounting.
Portfolio Advisor: Arrow Capital Management Inc. Toronto, Ontario	As portfolio advisor of the Funds, Arrow carries out, or arranges for, investment advice to the Funds.

Trustee: Arrow Capital Management Inc. Toronto, Ontario	The Funds are organized as trusts. When you invest in the Funds, you are buying units of a trust. In its capacity as the Funds' trustee, Arrow holds actual title to the property in the Funds – the cash and securities – on your behalf (although physical custody of such property is held by the Funds' custodian, as described below).
Custodian: CIBC Mellon Trust Company Toronto, Ontario	The custodian holds securities and other portfolio assets, including cash on deposit with financial institutions, on behalf of the Funds.
Prime Brokers: Bank of Montreal Toronto, Ontario CIBC World Markets 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, other than the Series ETF units: RBC Investor Services Trust Toronto, Ontario	The registrar and service provider for record keeping services keep track of the owners of units, other than the Series ETF units, of the Funds and processes purchase, switch and redemption orders and issues investor account statements and annual tax reporting information, if applicable.
Registrar and Transfer Agent for the Series ETF units: TSX Trust Company, Ontario	The registrar and transfer agent makes arrangements to keep a record of all unitholders of the Series ETF units, and processes orders.
Securities Lending Agent: The Bank of New York Mellon	The securities lending agent acts as agent for securities lending transactions for the applicable 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.

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 unitholders of the Fund 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.

Each Fund that invests in or obtains exposure to an underlying fund managed by us or any of our affiliates or associates 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, switch or transfer Mutual Fund Series units from these Funds to other funds managed by Arrow or redeem your Mutual Fund Series units 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.

When you buy, switch, redeem or transfer Mutual Fund Series units in a Fund, you buy them at the net asset value of the unit of the series calculated as of the day of your transaction. If we receive your purchase, switch or redemption order for Mutual Fund Series units prior to 4:00 p.m. (Toronto time) on any business day, we will process your order based on the unit price for that date. Otherwise, we will process your order at the unit price on the next business day.

Series ETF units are available to investors that purchase such units on the TSX or another exchange or marketplace.

A Fund’s unit price will fluctuate with the value of its investments. Unit prices will be calculated at the close of business on each business day, being each day on which the Toronto Stock Exchange is open for trading.

Purchases

Mutual Fund Series

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 18 through 22.

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

Series	Feature
Series A, AD, AN and U Units	These series of units are available to all investors. You may purchase these series of units by way of the front-end sales charge (the "**Front-End Units**"). You may be required to pay your dealer a sales charge when you buy these units. This sales charge is negotiable between you and your dealer. Series U Units are a U.S. Option Series and a Fixed Rate Distribution Series as defined below. Series A Units of Exemplar Performance Fund and Series AN Units of Exemplar Growth and Income Fund are Non-Fixed Rate Distribution Series' as defined below. Series AD Units of Exemplar Performance Fund and Series A Units of Exemplar Growth and Income Fund are Fixed Rate Distribution Series' as defined below.
Series F, FD, FN and G Units	These series of units 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 (the "**Fee-Based Units**"). These series of units are not subject to sales charges. In certain circumstances, investors who purchase Fee-Based Units 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 Units. Series G Units are a U.S. Option Series and a Fixed Rate Distribution Series as defined below. Series F Units of Exemplar Performance Fund and Series FN Units of Exemplar Growth and Income Fund are Non-Fixed Rate Distribution Series' as defined below. Series FD Units of Exemplar Performance Fund and Series F Units of Exemplar Growth and Income Fund are Fixed Rate Distribution Series' as defined below.
Series I Units	This series of units is 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 the Fund as negotiated with Arrow. You may be required to pay your dealer a sales charge when you buy these units.

	This sales charge is negotiable between you and your dealer. Series I Units are a Non-Fixed Rate Distribution Series as defined below.
Series L, LD and LN Units	These series of units are available to all investors. You may purchase these series of units 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 units purchased under the Low Load Option (the "**Low Load Units**") are redeemed, a redemption fee will be charged. Series L Units of Exemplar Performance Fund and Series LN Units of Exemplar Growth and Income Fund are Non-Fixed Rate Distribution Series' as defined below. Series LD Units of Exemplar Performance Fund and Series L Units of Exemplar Growth and Income Fund are Fixed Rate Distribution Series' as defined below. Effective June 1, 2022, purchases under the Low Load Option will be prohibited in all jurisdictions of Canada.

"**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 units, 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 Fund. **If the Fund earns more income or capital gains than the distribution, it will distribute the excess each December. If the Fund earns less than the amount distributed, the difference is a return of capital.**

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

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

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

Payment for units of a Fund must be received within two business days of your order or we will redeem your units on the next business day. If the proceeds are greater than the payment you owe, the Fund is 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.

Series ETF Units

Series ETF units of the Funds will be issued and sold on a continuous basis and there is no maximum number of Series ETF units that may be issued. Series ETF units of the Funds can be bought in Canadian dollars only. The Series ETF units of the Exemplar Growth and Income Fund are listed on the TSX and the ticker symbol is EGIF.

Unitholders may incur customary brokerage commissions in buying or selling Series ETF units. No fees are paid by a unitholder to the Manager or the Funds in connection with the buying or selling of Series ETF units on the TSX or another exchange or marketplace.

Series ETF units are a Fixed Rate Distribution Series.

To Designated Brokers and ETF Dealers

The Manager, on behalf of each Fund that offers Series ETF units, has entered or will enter into a designated broker agreement with a designated broker (a "**Designated Broker**") pursuant to which the Designated Broker has agreed, or will agree, to perform certain duties relating to the Series ETF units of a Fund including, without limitation: (i) to subscribe for a sufficient number of units to satisfy the applicable exchange's original listing requirements; (ii) to subscribe for units when cash redemptions of units occur; and (iii) to post a liquid two-way market for the trading of units on the applicable exchange. In accordance with the designated broker agreement, the Manager may require the Designated Broker to subscribe for Series ETF units for cash.

Generally, all orders to purchase Series ETF units directly from a Fund must be placed by a Designated Broker or an "ETF Dealer", which is a registered dealer (that may or may not be a Designated Broker) that has entered into an agreement with us authorizing the dealer to subscribe for, purchase and redeem Series ETF units from one or more Funds on a continuous basis from time to time.

We reserve the absolute right to reject any subscription order placed by a Designated Broker or ETF Dealer in connection with the issuance of Series ETF units. If we reject your order, we will immediately return any money received, without interest.

No fees or commissions will be payable by a Fund to a Designated Broker or ETF Dealer in connection with the issuance of Series ETF units. On the listing, issuance, exchange or redemption of Series ETF units, we may, in our discretion, charge an administrative fee to a Designated Broker or ETF Dealer to offset the expenses incurred in listing, issuing, exchanging or redeeming the units.

After the initial issuance of Series ETF units to the Designated Broker(s) to satisfy the applicable exchange's original listing requirements, a Designated Broker or ETF Dealer may place a subscription order for a Prescribed Number of Series ETF units (and any additional multiple thereof) of a Fund on any day on which a session of the exchange or marketplace on which the Series ETF units of that Fund are listed is held (a "**Trading Day**"), or such other day as determined by us. "Prescribed Number of Series ETF Units" means the number of Series ETF units of the Fund determined by us from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes. The cut-off time for Series ETF units of the Funds is 4 p.m. (Toronto time) on a Trading Day (the "**Cut-Off Time**"). If the TSX's trading hours are shortened or changed for other regulatory reasons, we may change the Cut-Off Time. Any subscription order that is received by the Cut-Off Time will be deemed to be received on that Trading Day and will be based on the net asset value per unit determined on such Trading Day. Any subscription order received after the Cut-Off Time on a Trading Day will be deemed to be received on the next Trading Day and will be based on the net asset value per unit determined on such following Trading Day.

For each Prescribed Number of Series ETF Units issued, an ETF Dealer must deliver payment consisting of, in our discretion: (i) cash in an amount equal to the aggregate net asset value per unit of the Prescribed Number of Series ETF Units next determined following the receipt of the subscription order; (ii) a group of securities or assets representing the constituents of, and their weightings in, the Fund ("Basket of Securities") or a combination of a Basket of Securities and cash, as determined by us, in an amount sufficient so that the value of the securities and cash received is equal to the aggregate net asset value per unit of the Prescribed Number of ETF Series Units next determined following the receipt of the subscription order; or (iii) securities other than Baskets of Securities or a combination of securities other than Baskets of Securities and cash, as determined by us, in an amount sufficient so that the value of the securities and cash received is equal to the aggregate net asset value per unit of the Prescribed Number of ETF Series Units next determined following the receipt of the subscription order.

We will make available to the Designated Brokers and ETF Dealers information as to the Prescribed Number of Series ETF Units and any Basket of Securities for each Fund for each Trading Day. We may, in our discretion, increase or decrease the Prescribed Number of ETF Series Units from time to time.

To Designated Brokers in special circumstances

Series ETF units may also be issued by a Fund to Designated Brokers in certain special circumstances, including when cash redemptions of Series ETF units occur.

Switches

You can switch your units, except for Series ETF units, between the Funds or to another fund in our group of funds, including units of any new mutual fund which is created and offered by Arrow after the date of this document (provided that units of the new mutual fund have been qualified for sale in your province or territory of residence). A switch involves the redemption of the units of a Fund and a purchase of units in another Fund or other permitted fund. You cannot switch Series ETF units for units of another series of the same Fund or for units of another Fund.

The switch of units by a unitholder from one 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 unitholder will generally realize a capital gain or capital loss on such units. The capital gain or loss for tax purposes in respect of the units will generally be the difference between the unit price of such units at that time (less any fees) and the adjusted cost base of those units.

You can change or convert your units of one series to units of another series of the same Fund (except for Series ETF Units) by contacting your representative. No fees apply. You can only change units into a different series if you are eligible to buy such units. Changing or converting units from one series to another series (other than a conversion to or from the U.S. Option Series) of the same Fund is generally not a disposition for tax purposes, but you should consult your own tax advisors in this regard.

Redemptions

Mutual Fund Series Units

You may redeem your Mutual Fund Series units in a Fund at the net asset value of such units 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 units. If the sale proceeds are greater than the repurchase amount, the applicable Fund is 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 applicable Fund the difference (and your dealer may seek to collect this amount plus expenses from you).

No redemption charges apply to Front-End Units, unless the units are subject to the short-term trading redemption charge described below. A redemption charge will apply to Low Load Units purchased which are subsequently redeemed within the time period specified by the Funds' redemption schedule as described below. Any redemption of units by a unitholder will first be applied to the units that are not subject to redemption charges. In order to minimize redemption charges, units 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 Units 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

<u>*Series ETF Units*</u>

Redemption of Series ETF Units in any number for cash

You may choose to redeem Series ETF units of a Fund on any Trading Day. When you redeem Series ETF units of a Fund, you receive the proceeds of your sale in cash at a redemption price per unit equal to 95% of the closing price of the Series ETF units on the effective date of redemption, subject to a maximum redemption price of the applicable net asset value per unit. As unitholders will generally be able to sell Series ETF units at the market price on the TSX or another exchange or marketplace through an ETF Dealer subject only to customary brokerage commissions, unitholders are advised to consult their brokers, dealers or investment advisers before redeeming their Series ETF units for cash.

For such a cash redemption to be effective on a Trading Day, a cash redemption request in the form prescribed by us from time to time must be delivered to the Fund at the offices of the Manager through a registered dealer or other financial institution that is a participant in CDS Clearing and Depository Services Inc. ("**CDS**") and that holds Series ETF units on behalf of beneficial owners of such units (a "**CDS Participant**"). Any cash redemption request that is received by the Cut-Off Time will be deemed to be received on that Trading Day. Any cash redemption request received after the Cut-Off Time on a Trading Day will be deemed to be received on the next Trading Day. Payment of the redemption price will be made by no later than the second Trading Day after the effective day of the redemption (or such shorter period as may be determined by us in response to changes in applicable laws or general changes to settlement procedures in applicable markets). The cash redemption request forms may be obtained from us.

If the Manager hasn't received all the required documents within 10 business days of receiving your redemption request, the Manager will issue the same number of securities on the 10^{th} business day after the redemption request. If the issue price is less than the sale proceeds, the Fund will keep the difference. If the issue price is more than the sale proceeds, your ETF Dealer must pay the shortfall. Your ETF Dealer may have the right to collect it from you.

If you are redeeming more than $25,000 of the Funds, your signature must be guaranteed by your bank, trust company or ETF Dealer. In some cases, the Manager may require other documents or proof of signing authority. You can contact your registered representative or us to find out the documents that are required to complete the sale.

The Manager reserves the right to cause a Fund to redeem the Series ETF units held by a unitholder at a price equal to the net asset value per unit on the effective date of such redemption if the Manager believes it is in the best interests of the Fund to do so.

Exchange of Prescribed Number of Series ETF units

On any Trading Day, you may exchange a minimum of a Prescribed Number of Series ETF Units (and any additional multiple thereof) for cash or, with our consent, Baskets of Securities and cash. To effect an exchange of Series ETF units, you must submit an exchange request, in the form prescribed by the Manager from time to time, to the applicable Fund at its head office. The exchange price will be equal to the aggregate net asset value per unit of the Prescribed Number of ETF Series Units on the effective day of the exchange request, payable by delivery of cash or, with our consent, Baskets of Securities (constituted prior to the receipt of the exchange request) and cash. On an exchange, the applicable Series ETF units will be redeemed. On an exchange we will require you to pay the applicable Fund an exchange transaction fee of 0.25%, or such other amount as we may determine from time to time, which approximates the brokerage expenses, commissions, transaction costs, costs or expenses related to market impact and other costs or expenses incurred or expected to be incurred by a Series ETF in effecting securities transactions on the market to obtain the necessary cash for the exchange. The exchange transaction fee may be higher if the costs and expenses incurred or expected to be incurred by a Series ETF is higher than generally expected. In certain circumstances and at our discretion, we may waive or reduce the exchange transaction fee.

Any exchange request that is received by the Cut-Off Time will be deemed to be received on that Trading Day and will be based on the net asset value per unit determined on such Trading Day. Any exchange request received after the Cut-Off Time on a Trading Day will be deemed to be received on the next Trading Day and will be based on the net asset value per unit determined on such following Trading Day. Settlement of exchanges for cash or Baskets of Securities and cash, as the case may be, will be made by no later than the second Trading Day after the effective day of the exchange request (or such shorter period as may be determined by us in response to changes in applicable laws or general changes to settlement procedures in applicable markets).

The Manager will make available to the Designated Brokers and ETF Dealers information as to the Prescribed Number of Series ETF Units and any Basket of Securities for each Fund for each Trading Day. The Manager may, in its discretion, increase or decrease the Prescribed Number of ETF Series Units from time to time.

If securities held in the portfolio of a Fund are cease traded at any time by order of a securities regulatory authority or other relevant regulator or stock exchange, the delivery of such securities to a unitholder on an exchange may be postponed until such time as the transfer of the securities is permitted by law.

Exchange and redemption of Series ETF units through CDS Participants

The exchange and redemption rights described above must be exercised through the CDS Participant through which you hold Series ETF units. Beneficial owners of Series ETF units should ensure that they provide exchange and/or redemption instructions to the CDS Participants through which they hold units sufficiently in advance of the cut-off times set by CDS Participants to allow such CDS Participants to notify us, or as we may direct, prior to the relevant cut-off time.

Characterization of redemption or exchange amounts

The redemption or exchange price paid to a Designated Broker may include income and/or capital gains realized by the Fund. The remaining portion of the redemption or exchange price will be proceeds of disposition.

Minimum Balance

If the value of your units in the Fund is less than $1,000, we may sell your units 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 Units, we may switch your securities to Front-End Units 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 a Fund.

The interests of unitholders 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 units, 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 unitholder switches or redeems units of a Fund within 90 days of purchase (including units 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 units switched or redeemed. Short-term trading fees do not apply to redemptions or switches of Series ETF units. See "*Fees and Expenses - Fees and Expenses Payable Directly by You*" on page 20.

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 units

Securities regulations allow the Manager to temporarily suspend your right to redeem your Fund units 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 the 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 units during any period when the Manager has suspended investors' rights to redeem their units.

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

Special considerations for unitholders

The provisions of the so-called "early warning" reporting requirements in Canadian securities legislation do not apply if a person or company acquires 10% or more of the Series ETF units of a Fund. The Funds have obtained relief to permit unitholders to acquire more than 20% of the Series ETF units of any Fund without regard to the takeover bid requirements of applicable Canadian securities legislation. In addition, the Funds have obtained relief to permit a Fund to borrow cash in an amount not exceeding 5% of the net assets of the Fund for a period not longer than 45 days and, if required by the lender, to provide a security interest over any of its portfolio assets as a temporary measure to fund the portion of any distribution payable to unitholders that represents amounts that have not yet been received by the Fund.

OPTIONAL SERVICES

This section tells you about services that are available to investors in Mutual Fund Series units of the Funds. These services are not available to investors in Series ETF units of the Funds.

Registered Tax Plans

Registered tax plans may be available through Arrow or a unitholder's broker, dealer or advisor. Unitholders 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 units, 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 declared on units held under such a plan in respect of a Fund must be reinvested into additional units 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 the Funds before their unit prices are 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 advertising and promotional expenses incurred in respect of the Funds. The annual management fee rates payable by the Funds are below (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 Shares pays a negotiated management fee directly to the Manager. The management fee in respect of Series I Shares of the Funds will be different for each investor, and will not exceed 2.50%.			
	Annual Management Fee			
Fund	**Series A, AD, AI, AN and U**	**Series F, FD, FI, FN and G**	**Series L, LD, and LN**	**Series ETF**

Exemplar Growth and Income Fund	1.80%	0.80%	2.10%	0.80%
Exemplar Performance Fund	2.00%	1.00%	2.30%	N/A
Performance Fees	<u>Exemplar Performance Fund</u> The Exemplar Performance Fund pays Arrow a performance fee (a "**Performance Fee**") equal to 20% of the amount by which each series of the Fund outperforms the S&P TSX Composite Total Return Index. A Performance Fee will be payable in all circumstances where the performance of the applicable series of the Fund exceeds that of the S&P TSX Composite Total Return Index, even in circumstances where the overall performance of the series of the Fund has declined in a particular year, but as long as the performance of the series of the Fund is positive since the last date that a performance fee was paid by the Fund for that series. The S&P TSX Composite Total Return Index is comprised of most of the largest companies on the TSX as measured by market capitalization with any distributions reinvested. The Performance Fee is calculated and accrued daily and paid annually on a calendar year basis and is subject to HST (and any other applicable taxes). If the performance of a series of the Fund in any year is less than the performance of the index described above (the "**Return Deficiency**"), then no Performance Fee will be payable in any subsequent year until the performance of the applicable series, on a cumulative basis calculated from the first of such subsequent years, has exceeded the amount of the Return Deficiency. <u>Exemplar Growth and Income Fund</u> The Exemplar Growth and Income Fund will not pay a performance fee directly, although funds it invests in may be charged a performance fee.			
Operating Expenses	The Funds pay for all expenses incurred in connection with their operation and administration, including applicable GST, HST and any applicable provincial sales tax. 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 and borrowing costs; unitholder servicing costs; unitholder 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 or Trustee 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 will be allocated among the Funds, as applicable. Each Fund will bear separately any expense item that can be attributed specifically to the Fund. Common expenses of the Funds will be allocated based on a reasonable allocation methodology which will include			

	allocations based on the assets of the Fund or the number of unitholders of the Fund 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.

Fees and Expenses Payable Directly by You

<table>
<tr><td>Sales Charges on Front-End Units</td><td>A maximum of 5% of the amount you invest in each Fund. The amount of the fee is a matter negotiable between you and your dealer. Sales charges are only applicable to Front-End Units.</td></tr>
<tr><td>Redemption Fees</td><td>No redemption charges apply to Front-End Units, unless the units are subject to the short-term trading redemption charge described below.

A redemption charge will apply to Low Load Units purchased which are subsequently redeemed within the time period specified by the Funds' redemption schedule as described below. Any redemption of units by a unitholder will first be applied to the units that are not subject to redemption charges. In order to minimize redemption charges, units 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 Units 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 the Funds and other funds managed by Arrow. The amount of the fee is a matter negotiable between you and your dealer. If a unitholder switches units of a Fund within 90 days of purchase, the Fund may charge a short-term trading fee of up to 2% of the net asset value of the units switched. 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>A Fund may charge you a short-term trading fee of up to 2% of the net asset value of the units if a unitholder redeems or switches units of the Fund within 90 days of the date of purchase (including units received on the automatic reinvestment of distributions 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. The fee is not applicable to redemptions or switches of Series ETF units.</td></tr>
</table>

Registered Tax Plan Fees	Fees payable will be determined by the trustees of a licensed trust company for such plans.
Fee-Based Account Fee	In certain circumstances, if you purchase Fee-Based Units, you may pay a Fee-Based Account Fee. Fee-Based Account Fees are negotiable with your financial advisor and paid to your dealer.
Administration Fee	An amount may be charged to a Designated Broker or ETF Dealer to offset certain transaction and other costs associated with the listing, issue, exchange, and/or redemption of Series ETF units of a Fund. This charge, which is payable to the applicable Fund, does not apply to unitholders who buy or sell their Series ETF units through the facilities of the TSX or another exchange or marketplace.
Exchange Fee	On an exchange of Series ETF units, we will require you to pay the applicable Fund an exchange transaction fee of 0.25%, or such other amount as we may determine from time to time, which approximates the brokerage expenses, commissions, transaction costs, costs or expenses related to market impact and other costs or expenses incurred or expected to be incurred by a Series ETF in effecting securities transactions on the market to obtain the necessary cash for the exchange. The exchange transaction fee may be higher if the costs and expenses incurred or expected to be incurred by a Series ETF is higher than generally expected. In certain circumstances and at our discretion, we may waive or reduce the exchange transaction fee.

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 unitholders 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 unitholders are given at least 60 days' notice before any contract is entered into or the effective date of any change, as applicable.

Other Mutual Funds

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 incentives are payable by a Fund 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 Fund 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 Fund, and no sales fees or redemption fees are payable by the Fund 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.

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 a Fund, if you held that investment and redeemed immediately before the end of that period.

	At Time of Purchase	1 Year	3 Years	5 Years	10 Years
Front-End Units - Front-End Sales Charge(1)	$50.00	$ -	$ -	$ -	$ -
Low Load Units - Low Load Option	$ -	$30.00	$20.00	$ -	$ -

(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 Units, 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 units from reinvested distributions. Sales commissions and switching fees are only applicable to Front-End Units.

If you purchase Low Load Units, no sales commission is payable by you, 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.

If you purchase Fee-Based Units, you may have to pay a Fee-Based Account Fee to your dealer. Fee-Based Account Fees are negotiated with your financial advisor.

You may incur customary brokerage commissions in buying or selling Series ETF units on the TSX or another exchange or marketplace.

Trailing Commission

We pay your dealer a trailing commission monthly on Front-End and Low Load Units for the ongoing advice and service you receive from your dealer relating to the Funds, as applicable. Dealers receive this service fee based on the aggregate unit value of their clients' investment in the applicable Fund. 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:

<table>
<tr><th></th><th>Front-End Units</th><th>Low Load Units</th></tr>
<tr><td>Exemplar Growth and Income</td><td>1.00%</td><td rowspan="2">Year 1 – 0%
Year 2 – 0.5%
Year 3 – 0.5%
Year 4 and all subsequent years – switches to rates applicable to the Front-End Units</td></tr>
<tr><td>Exemplar Performance Fund</td><td>1.00%</td></tr>
</table>

No trailing commissions are paid to dealers in respect of Fee-Based Units.

Other Kinds of Dealer Compensation

We may share with dealers up to 50% of their eligible costs in marketing units 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, 2020, we paid to dealers, who distributed units of the Funds, sales and servicing commissions equal to approximately 33.0% 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 a Fund or Arrow, and holds units as capital property. Generally, your investment in a Fund will be capital property unless you are considered to be trading or dealing in securities or have acquired your investment in one or more transactions considered to be an adventure or concern in the nature of trade. Certain unitholders can file an election to treat all future dispositions of certain property, including units of a Fund, 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 Funds

In general, a Fund pays no income tax as long as it distributes its income and net realized capital gains to its unitholders. Each 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.

To the extent that a Fund has not otherwise distributed a sufficient amount of its net income or net capital gains, the trust agreement of the Funds provides that a distribution will be paid to unitholders at the end of the year and the distribution will be automatically reinvested in additional units of the Fund. Immediately following such reinvestment, the number of units outstanding may be consolidated so that the net asset value per unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid. A consolidation of units following a distribution which is reinvested in units will not be regarded as a disposition of units.

Types of Income from the Funds

Your investment in a Fund can generate income for tax purposes in two ways:

- **Distributions**. When any 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 transfer your units of the Fund (including a transfer of units of one Fund for units of another Fund) for more (or less) than you paid for them. Generally, switching one series of units to another series of units (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

Units of the Fund are qualified investments for registered plans.

For these purposes, a 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) (each a "**Registered Plan**").

Note that not all Registered Plans are available in all provinces or territories or through all our programs. The Funds may be eligible for other Registered Plans offered through your financial advisor.

Each Fund currently qualifies as a "mutual fund trust" and is expected to qualify as a "mutual fund trust" at all material times. Therefore, the Funds are expected to be "qualified investments" for Registered Plans. **If any such Funds were 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 units of a Fund in a Registered Plan, you generally pay no tax on distributions paid from the Fund on those units or on any capital gains that your Registered Plan realizes from selling, redeeming or transferring units (including a switch of units of one Fund for units 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 their own tax advisors as to whether units will 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 units of a Fund through Registered Plans and neither the Fund nor Arrow assumes any liability to you as a result of making the units of the Fund available for investment. If you choose to purchase units of the Fund 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 units of a Fund in a non-registered account, you must include the following in calculating your income each year:

- Any net income and the taxable portion of any net capital gains (computed in Canadian dollars) distributed to you by any trust fund, whether you receive the distributions in cash or they are reinvested in units of the Fund.
- The taxable portion of any capital gains you realize from selling or redeeming your units (including to pay fees described in this document) or transferring your units (including a transfer of units of one Fund for units of another Fund) when the value of the units is greater than their adjusted cost base plus reasonable costs of disposition (including any redemption fees). If the value of units 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 distributions paid to you out of a Fund's income.

We will issue a tax slip to you each year for all Funds that shows you how much of each type of income each 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 Fund. Dividends and capital gains distributed by a Fund and capital gains realized on the disposition of units 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 distributions paid to you.

Distributions

Distributions from a Fund may include a return of capital. When a 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 units. If the adjusted cost base of your units 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 units 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 units.

Distributions 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 unit price of a Fund may include income and capital gains that the Fund has earned, but not yet realized (in the case of capital gains) and/or paid out as a distribution. If you buy units of a Fund just before it makes a distribution, you will be taxed on that distribution. 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. The Funds intend to make monthly or quarterly distributions except in respect of units of the Non-Fixed Rate Distribution Series. See the individual Fund descriptions in Part B of this simplified prospectus for the distribution 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 distribution 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 units or the fair market value of units that you transfer (after deducting any redemption fees or other charges) and the adjusted cost base of those units.

Generally, switching one series of units to another series of units of the same Fund (other than switches to or from the U.S. Option Series) will not result in a disposition for tax purposes, so no capital gain or loss will arise except to the extent that units are redeemed to pay a switch fee. If redeemed units 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 units of a particular series of a Fund at any time equals:

- your initial investment for all your units of that series of the Fund (including any sales charges paid), **plus**
- your additional investments for all your units of that series of the Fund (including any sales charges paid), **plus**
- reinvested distributions or management fee distributions in additional units of that series of the Fund, **minus**
- any return of capital distributions by the Fund in respect of units of that series of the Fund, **minus**
- the adjusted cost base of any units of that series of the Fund previously redeemed,
  all divided by
- the number of units 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 you receive on those units so you can calculate their adjusted cost base. All amounts (including adjusted cost base, distributions 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 units 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 units of the same Fund (which are considered to be "substituted property") within 30 days before or after you dispose of your units. 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 units which are substituted property.

Tax Information

Arrow will provide your transaction statements and the applicable annual tax information slips reporting your income, net realized capital gains and return of capital distributions 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 unitholders 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 unitholder is identified as a U.S. taxpayer (including a U.S. citizen who is resident in Canada) or if the unitholder 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 unitholder's investment in the fund to be reported to the Canada Revenue Agency (the "**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, the Funds are required to have procedures in place to identify accounts held by unitholders (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 Common Reporting Standard regime.

WHAT ARE YOUR LEGAL RIGHTS?

Mutual Fund Series Units

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 units and get your money back, or to make a claim for damages, if the simplified prospectus, a Fund's annual information form, a 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.**

Series ETF Units

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase ETF securities within 48 hours after the receipt of a confirmation of a purchase of such securities. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation, or non-delivery of the ETF Facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory.

We have obtained relief from the requirement in securities legislation to include an underwriter's certificate in the prospectus under a decision pursuant to NP 11-203. As such, purchasers of Series ETF units will not be able to rely on the inclusion of an underwriter's certificate in the prospectus or any amendment for the statutory rights and remedies that would otherwise have been available against an underwriter that would have been required to sign an underwriter's certificate.

The purchaser should refer to the applicable provisions of the securities legislation of the province or territory for the particulars of these rights or should consult with a legal adviser.

ADDITIONAL INFORMATION

Exemptions and approvals

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

1) exempting each Fund from the requirement in subsection 6.8.1(1) of National Instrument 81-102 ("**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 10% of the NAV of the Fund at the time of deposit (the "**Short Sale Collateral Relief**"); and

2) 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**").

Each Fund currently has one custodian as disclosed under the heading "*Organization and Management of the Exemplar Mutual Funds - Custodian*" in this simplified prospectus. The Manager may, however, 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.

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.

Series ETF Units

The Funds have obtained relief from applicable securities laws in connection with the offering of Series ETF units to:

(i) relieve the Funds from the requirement to prepare and file a long form prospectus for the Series ETF units in accordance with National Instrument 41-101 – General Prospectus Requirements in the form prescribed by Form 41-101F2 Information Required in an Investment Fund Prospectus, subject to the terms of the relief, provided that the Funds file a prospectus for the ETF Series units in accordance with the provisions of National Instrument 81-101 – *Mutual Fund Prospectus Disclosure*, other than the requirements pertaining to the filing of a fund facts document;

(ii) relieve the Funds from the requirement that a prospectus offering Series ETF units contain a certificate of the underwriters;

(iii) relieve a person or company purchasing Series ETF units of a Fund in the normal course through the facilities of the TSX or another exchange from the take-over bid requirements of Canadian securities legislation;

(iv) permit each Fund that offers Series ETF units to borrow cash from the custodian of the Fund (the "**Custodian**") and, if required by the Custodian, to provide a security interest over any of its portfolio assets as a temporary measure to fund the portion of any distribution payable to unitholders that represents, in the aggregate, amounts that are owing to, but not yet been received by, the Fund; and

(v) treat the Series ETF and the mutual fund series of a Fund as if such series were two separate funds in connection with their compliance with the provisions of Parts 9, 10 and 14 of NI 81-102.

Additionally, certain dealers of the Funds, including the Designated Brokers and ETF Dealers, have received relief from the Canadian securities regulatory authorities from the requirement that a dealer, not acting as agent of the purchaser, who receives an order or subscription for a security offered in a distribution to which the prospectus requirement of the securities legislation of the provinces and territories applies, send or deliver to the purchaser or its agent, unless the dealer has previously done so, the latest prospectus and any amendment either before entering into an agreement of purchase and sale resulting from the order or subscription, or not later than midnight on the second business day after entering into that agreement. As a condition of this relief, the dealer is required to deliver a copy of the ETF summary document of the applicable fund to a purchaser if the dealer does not deliver a copy of the fund's simplified prospectus.

Registration and transfer of ETF Series units through CDS

Registration of interests in, and transfers of, Series ETF units will be made only through the book-entry only system of CDS. Series ETF units must be purchased, transferred and surrendered for exchange or redemption only through a CDS Participant. All rights of an owner of Series ETF units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such units. Upon purchase of any Series ETF units, the owner will receive only the customary confirmation. All distributions and redemption proceeds in respect of Series ETF units will be made or paid initially to CDS, which payments will be forwarded by CDS to the CDS Participants and, thereafter, by such CDS Participants to the applicable unitholders.

References in this simplified prospectus to a holder of Series ETF units means, unless the context otherwise requires, the owner of the beneficial interest in such Series ETF units.

Neither the Funds nor the Manager will have any liability for: (i) any aspect of the records maintained by CDS relating to the beneficial interests in the Series ETF units or the book-entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS, whether contained in this simplified prospectus or otherwise, or made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

The rules governing CDS provide that it acts as the agent and depository for the CDS Participants. As a result, CDS Participants must look solely to CDS and persons, other than CDS Participants, having an interest in the Series ETF units must look solely to CDS Participants for payment made by the Funds to CDS.

The ability of a beneficial owner of Series ETF units to pledge such units or otherwise take action with respect to such owner's interest in such units (other than through a CDS Participant) may be limited due to the lack of a physical certificate. The Funds have the option to terminate registration of Series ETF units through the book-entry only system, in which case certificates for Series ETF units in fully registered form will be issued to beneficial owners of such units or to their nominees.

PART B

SPECIFIC INFORMATION ABOUT THE 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 the Fund with information such as the type of Fund, the Fund's creation date, the series of units it offers and its eligibility for Registered Plans.

What does the Fund Invest In?

This section includes the 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 unitholders 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. However, we have obtained exemptive relief that permits each of the Funds to engage in the derivatives transactions to permit the Fund to:

- Use as cover, when the Fund has a long position in a debt-like security that has a component that is a long position in a forward contract, or in a standardized future or forward contract:
    - o cash cover in an amount that, together with margin on account for the specified derivative and the market value of the specified derivative, is not less than, on a daily mark-to-market basis, the underlying market exposure of the specified derivative,
    - o a right or obligation to sell an equivalent quantity of the underlying interest of the future or forward contract, and cover that together with margin on account for the position, is not less than the amount, if any, by which the price of the future or forward contract exceeds the strike price of the right or obligation to sell the underlying interest, or
    - o a combination of the positions referred to immediately above that is sufficient, without recourse to other assets of the Fund, to enable the Fund to acquire the underlying interest of the future or forward contract,

- Use as cover, when the Fund has a right to receive payments under a swap:
  - cash cover, in an amount that, together, with margin on account for the swap and the market value of the swap, is not less than, on a daily mark-to-market basis, the underlying market exposure of the swap,
  - a right or obligation to enter into a swap on an equivalent quantity and with an equivalent term and cover that, together with margin on account for the position, is not less than the aggregate amount, if any, of the obligations of the Fund under the swap less the obligations of the Fund under such offsetting swap, or
  - a combination of the positions referred to immediately above that is sufficient, without recourse to other assets of the Fund, to enable the Fund to satisfy its obligations under the swap.

The exemptions described above, are subject to the condition that the Fund will not (i) purchase a debt-like security that has an option component or an option, or (ii) purchase or write an option to cover any positions under section 2.8(1)(b), (c), (d), (e) and (f) of NI 81-102, if immediately after the purchase or writing of such option, more than 10% of the net assets of the Fund, taken at market value at the time of the transaction, would be in the form of (1) purchased debt-like securities that have an option component or purchased options, in each case, held by the Fund for purposes other than hedging, or (2) options used to cover any positions under section 2.8(1)(b), (c), (d), (e) and (f) of NI 81-102.

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 5% of the net assets of the Fund and the aggregate market value of all securities sold short by a Fund will not exceed 20% of the net assets of the Fund.
- The Fund may deposit assets with lenders in accordance with industry practice in relation to its obligations arising under short sale transactions. The Fund also will hold cash cover in an amount, including the Fund's assets deposited with lenders, that is at least 150% of the aggregate market value of all securities it sold short on a daily marked-to market basis.
- No proceeds from short sales will be used by a Fund to purchase long positions other than securities that qualify as cash cover.

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. Investments in alternative mutual funds and non-redeemable investment funds are subject to a maximum of 10% of the net assets of a Fund at the time of the purchase.

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.

The Funds are also permitted to invest in gold, silver or other physical commodities or instruments (such as derivatives and ETFs) that provide exposure to physical commodities. Given the incorporation of the alternative mutual funds into NI 81-102, this ETF relief is only relevant for U.S. listed exchange traded funds.

Each Fund has obtained permission from the regulators to invest up to 10% of its net assets (taken at market value at the time of the investment) in exchange traded funds listed on a Canadian or United States stock exchange that seek to replicate the daily performance of either: (a) a widely-quoted market index (i) in an inverse multiple of 100% (an "**Inverse ETF**"), or (ii) by a multiple of up to 200% or an inverse multiple of up to 200% (in either case, a "**Leveraged ETF**"); or (b) gold or silver on an unlevered basis (a "**Commodity ETF**" and, together with Inverse ETFs and Leveraged ETFs, "**Permitted ETFs**"). In each case: (a) the investment will be made by the Fund in accordance with its investment objective; (b) the aggregate investment by the Fund in Permitted ETFs will not exceed 10% of the Fund's net asset value, taken at market value at the time of purchase; (c) the Fund will not purchase securities of Inverse ETFs or Leverage ETFs or short sell securities of any issuer if, immediately after such purchase or short sale, the Fund's aggregate market value exposure represented by all such securities purchased and/or sold short would exceed 20% of the net assets of the Fund, taken at market value at the time of the transaction; and (d) the Fund will not purchase securities of a Commodity ETF if, immediately after such purchase, more than 10% of the net assets of the Fund, taken at market value or market exposure at the time of the purchase, would consist of, in aggregate, gold, silver, permitted gold certificates, permitted silver certificates, specified derivatives of which the underlying interest is gold or silver, and Commodity ETFs.

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 the 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 each 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, each 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. The following sets out the reference index for each Fund that has less than 10 years of performance history.

Mutual Fund	Reference Index	Risk Rating
Exemplar Growth and Income Fund	20% FTSE TMX Canada Universe Bond and 80% S&P/TSX Composite Total Return	Low-to-Medium
Exemplar Performance Fund	S&P/TSX Composite Total Return	Medium

Although monitored on a semi-annual basis, we review the investment risk level of each Fund on an annual basis and each time a material change is made to the 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 the 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 the Funds usually distribute any earnings to investors.

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

We reserve the right to adjust the amount of the distributions 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 are not guaranteed and may change at any time at our discretion.

Distributions on units, other than Series ETF units, held in a Registered Plan are automatically reinvested (without charge) in additional units of the same series of the Fund.

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

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

The distributions by way of reinvested units are subject to the same fees and expenses as purchased units; whereas if you receive cash distributions the cash received would not be subject to such fees and expenses. For more information about fees and expenses related to holding units, including units received on the automatic reinvestment of distributions, see "*Fees and Expenses*" on page 18. To receive distributions in cash you (or broker, dealer or advisor) must provide us a written request that you wish to receive distributions in cash. Please see the back cover for our contact information.

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

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

We may change the distribution policy at our discretion.

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

For more information about distributions, see "*Income Tax Considerations for Investors*".

Fund expenses indirectly borne by investors

This section is an example of the expenses the Fund pays on its series of units. The example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. While you do not pay these costs directly, they have the effect of reducing the 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 the Fund was the same throughout each period shown as it was during the last completed financial year. Investors in certain series of units 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 the Fund. A Fund's unit price and rate of return as published on a daily basis, have already accounted for these fees and expenses.

EXEMPLAR GROWTH AND INCOME FUND

FUND DETAILS

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

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The investment objective of the Exemplar Growth and Income Fund is to achieve long term growth and preservation of capital. The Fund will invest up to all of its assets in a diversified mix of other mutual funds (in order to gain indirect exposure to securities that the Fund would otherwise directly invest in), and may also invest in common shares, preferred shares, treasury bills, short-term notes, debentures, and bonds. The Fund intends to invest primarily in Canadian securities.

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

Investment Strategies

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

Generally, the Fund's asset mix will be within the following ranges: 30-90% equity securities, 10-50% fixed income securities and 0-50% money market instruments. Fixed income securities will include investment grade, non-investment grade and distressed fixed income securities, issued by Canadian or non-Canadian corporations, trusts and international agencies and governments. The Fund is also permitted to invest in convertible bonds and debentures, loans, preferred shares, exchange traded funds and equities. The Fund may also hold cash. Such ranges are designed to allow the portfolio advisor to vary the weighting of the Fund's portfolio within the sectors to meet the investment objective as it considers appropriate in a variety of market environments.

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

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

The Fund may invest in foreign securities to an extent that will vary from time to time but is not typically expected to exceed 49% of its assets at the time that foreign securities are purchased, however, as the Fund intends to invest certain of its assets in securities of other investment funds that may themselves invest in foreign securities, the actual exposure of the Fund to investments in foreign securities may exceed this amount.

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

The Fund may also invest in other investment funds, including 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 invest in gold and silver, and other instruments (such as derivatives and ETFs) that provide exposure to these metals. Accordingly, all the assets of the Fund may be invested in other investment funds in accordance with securities legislation including NI 81-102, including alternative mutual funds and non-redeemable investment funds. Investments in alternative mutual funds and non-redeemable investment funds are subject to a maximum of 10% of the net assets of the Fund at the time of the purchase.

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

Securities Lending, Repurchase or Reverse Repurchase Transactions

The Fund may enter into repurchase transactions, reverse repurchase transactions, and securities lending transactions (described on page 7). The Fund will only do so if there are suitable counterparties available and if the transactions are considered appropriate.

Short Selling

The Fund may also engage in short selling. Generally speaking, short selling can provide the Fund with opportunities for gains when markets are volatile or declining. While short selling will be used by the Fund as a complement to its primary investment strategy (discussed above), Arrow will utilize the same fundamental analysis in determining whether securities of a particular issuer should be sold short. When the analysis produces a favourable outlook, the investment opportunity is considered for purchase. When the analysis produces an unfavourable outlook, the investment opportunity is considered for a short sale. The Fund will engage in short selling only within certain limits and conditions including: (i) the Fund will short sell only liquid securities that are traded on a stock exchange or certain government bonds, (ii) the Fund will limit its short sale exposure to any single issuer to 5% of the Fund's net assets and its aggregate short exposure to 20% of its net assets, (iii) the Fund will hold cash cover in an amount (including the Fund's assets deposited with lenders) that is at least 150% of the aggregate market value of all securities sold short, and (iv) the Fund will deposit collateral only with lenders which are regulated financial institutions or registered dealers in Canada.

Changes to Investment Strategies

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

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund may be exposed to all of the risks which are described starting on page 4:

	Primary Risk	Secondary Risk	Low or Not a Risk

Change in Legislation			●
Collateral		●	
Commodity		●	
Concentration		●	
Counterparty Default		●	
Credit	●		
Currency	●		
Cyber Security		●	
Derivatives	●		
Equity	●		
ETF		●	
Foreign Investment	●		
Forward and OTC Option Contract		●	
Interest Rate	●		
Large Redemption			●
Liquidity		●	
Market	●		
Operational		●	
Securities Lending		●	
Series		●	
Short Selling		●	
Small Company		●	
Tax		●	
Underlying Fund	●		

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

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

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

WHO SHOULD INVEST IN THE FUND?

This Fund is suitable for investors who seek the long term growth through a diversified portfolio of equity and fixed income securities. To invest in this Fund, investors should be able to accept a medium degree of risk.

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

DISTRIBUTION POLICY

In respect of Fixed-Rate Distribution Series units, the Fund expects to make a distribution each quarter based on a target annualized rate of 3.00% of the NAV per unit of the relevant series at the end of the prior year. If the Fund earns more income or capital gains than the distributions, it will distribute the excess each December.

If required, the Fund will make 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 Mutual Funds Described in this Document – Distribution Policy*" on page 33.

The Fund may at its discretion change its distribution 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 for the time periods indicated and then sell all of your units 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	**1 year ($)**	**3 years ($)**	**5 years ($)**	**10 years ($)**
Series A	24	77	135	309
Series AN	24	77	134	307
Series F	13	42	73	166
Series FN	13	41	72	165
Series I	3	8	15	34
Series L	28	88	154	351
Series LN	28	89	156	357
Series ETF	13	42	73	168

See "*Fees and Expenses*" on page 18 for more information about the costs of investing in the Fund.

EXEMPLAR PERFORMANCE FUND

FUND DETAILS

Type of Fund:	Canadian Equity
Inception Date:	Series A – March 6, 2014 Series AD – March 16, 2015 Series F – March 6, 2014 Series FD – March 16, 2015 Series I – March 6, 2014 Series L – March 6, 2014 Series LD – March 16, 2015
Securities Offered:	Trust units of a mutual fund – Series A, AD, F, FD, I, L and LD units
Eligibility for Registered Plans:	Yes
Portfolio Advisor:	Arrow Capital Management Inc.

WHAT DOES THE FUND INVEST IN?

Investment Objectives

The investment objective of the Exemplar Performance Fund is to achieve capital appreciation over both short and long term horizons primarily through the selection and management of shares of Canadian equity securities.

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

Investment Strategies

To achieve the investment objectives, the Fund will invest predominantly in large and mid-capitalization Canadian companies. The Fund may invest outside of this investment focus to an extent that will vary from time to time but is not typically expected to exceed 49% of its assets at the time of purchase. The Fund may also invest in bonds and other debt instruments if warranted by financial conditions. The Fund will not specialize in any one industry other than to concentrate investments in those industries that offer the best opportunities for exceptional returns at each stage of the economic and market cycle.

The Fund may follow a more concentrated investment approach and, from time to time, over weight certain geographic regions and industry sectors when deemed appropriate by Arrow. This may result in the Fund’s portfolio weightings being substantially different from the weightings of the S&P/TSX Composite Total Return Index (or its successor index).

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

The Fund may use derivatives such as options, forwards and futures for hedging and non-hedging purposes. Such derivatives may be used to hedge against losses from changes in the prices of the Fund’s investments and from exposure to foreign currencies as well as market risk. Derivatives may also be used to obtain exposure to individual securities and markets instead of buying securities directly. If used for non-hedging purposes, the derivatives acquired will be consistent with the investment objectives of the Fund and securities law. Options acquired for non-hedging purposes will not constitute more than 10% of the net assets of the Fund.

The Fund may invest in foreign securities to an extent that will vary from time to time but is not typically expected to exceed 49% of its assets at the time that foreign securities are purchased.

Securities Lending, Repurchase or Reverse Repurchase Transactions

The Fund may enter into repurchase transactions, reverse repurchase transactions, and securities lending transactions (described on page 7). The Fund will only do so if there are suitable counterparties available and if the transactions are considered appropriate.

Investment in Other Investment Funds

From time to time the Fund may invest in other investment funds, including ETFs,, which may be managed by Arrow or an affiliate of Arrow, and may purchase securities of, or enter into specified derivative transactions for which the underlying interest is based on the securities of other investment funds. 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 stated above and enhancing returns as permitted by securities regulations. No percentage of net assets is dedicated to such investments. Accordingly, all the assets of the Fund may be invested in other investment funds in accordance with securities legislation including NI 81-102, including alternative mutual funds and non-redeemable investment funds. Investments in alternative mutual funds and non-redeemable investment funds are subject to a maximum of 10% of the net assets of the Fund at the time of the purchase. The Fund may invest in gold and silver, and other instruments (such as derivatives and ETFs) that provide exposure to these metals.

Short Selling

The Fund may also engage in short selling. Generally speaking, short selling can provide the Fund with opportunities for gains when markets are volatile or declining. While short selling will be used by the Fund as a complement to its primary investment strategy (discussed above), Arrow will utilize the same fundamental analysis in determining whether securities of a particular issuer should be sold short. When the analysis produces a favourable outlook, the investment opportunity is considered for purchase. When the analysis produces an unfavourable outlook, the investment opportunity is considered for a short sale. The Fund will engage in short selling only within certain limits and conditions including: (i) the Fund will short sell only liquid securities that are traded on a stock exchange or certain government bonds, (ii) the Fund will limit its short sale exposure to any single issuer to 5% of the Fund's net assets and its aggregate short exposure to 20% of its net assets, (iii) the Fund will hold cash cover in an amount (including the Fund's assets deposited with lenders) that is at least 150% of the aggregate market value of all securities sold short, and (iv) the Fund will deposit collateral only with lenders which are regulated financial institutions or registered dealers in Canada.

Changes to Investment Strategies

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

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund may be exposed to all of the risks which are described starting on page 4:

	Primary Risk	Secondary Risk	Low or Not a Risk
Change in Legislation			●
Collateral		●	
Commodity		●	
Concentration		●	
Counterparty Default		●	
Credit		●	
Currency	●		
Cyber Security		●	
Derivatives		●	

Equity	●		
ETF		●	
Foreign Investment	●		
Forward and OTC Option Contract		●	
Interest Rate		●	
Large Redemption			●
Liquidity		●	
Market	●		
Operational		●	
Securities Lending		●	
Series		●	
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 the long term appreciation potential of Canadian companies and are comfortable with short selling. To invest in this Fund, investors should be able to accept a medium degree of risk.

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

DISTRIBUTION POLICY

In respect of Fixed-Rated Distribution Series units, the Fund expects to make a distribution each quarter based on a target annualized rate of 2.00% of the NAV per unit of the relevant series at the end of the prior year.

If required, the Fund will make 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 Mutual Funds Described in this Document – Distribution Policy*" on page 33.

The Fund may at its discretion change its distribution 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 for the time periods indicated and then sell all of your units 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	**1 year ($)**	**3 years ($)**	**5 years ($)**	**10 years ($)**
Series A	31	99	174	396
Series AD	31	97	170	387
Series F	20	63	110	252
Series FD	20	62	109	248
Series I	7	23	40	92
Series L	34	109	191	435
Series LD	33	105	185	422

See "*Fees and Expenses*" on page 18 for more information about the costs of investing in the Fund.

EXEMPLAR MUTUAL FUNDS

Exemplar Growth and Income Fund

Exemplar Performance Fund

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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