



AUDITED FINANCIAL STATEMENTS

DECEMBER 2020

WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS

WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS

Statements of Financial Position (in Canadian dollars)

As at December 31	2020	2019
ASSETS		
Current Assets		
Financial assets at fair value (notes 2 and 3)		
Options purchased	100,161	8,407
Unrealized gain on futures	1,331,035	321,273
Cash and cash equivalents	8,178,460	7,438,903
Margin deposits	5,550,849	2,838,172
Receivable for investments sold	13,982	-
	15,174,487	10,606,755
LIABILITIES		
Current Liabilities		
Financial liabilities at fair value (notes 2 and 3)		
Unrealized loss on futures	161,225	115,586
Margin loans	7,200	47,172
Payable for investments purchased	14,001	-
Redemptions payable	4,400	3,050
Accrued management fees (note 6)	10,662	8,310
Accrued performance fees (note 6)	155,609	3,602
Accrued expenses	9,526	6,874
	362,623	184,594
Net Assets Attributable to Holders of Redeemable Shares	14,811,864	10,422,161
Net Assets Attributable to Holders of Redeemable Shares		
Series A	866,846	695,591
Series F	8,739,527	6,680,982
Series I	11,875	12,625
Series L	142,063	115,176
Series R	5,051,553	2,917,787
Net Assets Attributable to Holders of Redeemable Shares per Share (note 2)		
Series A	9.95	7.36
Series F	11.13	8.13
Series I	10.40	7.93
Series L	8.55	6.32
Series R	7.68	5.76

Approved on behalf of the Board of Directors of Arrow Capital Management Inc., the Manager of the Fund:

"James L. McGovern"

James L. McGovern, Director

"Robert W. Maxwell"

Robert W. Maxwell, Director

The accompanying notes are an integral part of these financial statements.

WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS

Statements of Comprehensive Income (Loss)

(in Canadian dollars except per unit amounts)

For the Years Ended December 31

2020

2019

	2020	2019
INCOME		
Net Gains (Losses) on Investments and Derivatives		
Net realized gain (loss) on futures	3,295,616	(168,793)
Net realized gain (loss) on investments and derivatives	(2,089)	(7,848)
Net change in unrealized appreciation (depreciation) in value of futures	964,123	(752,104)
Net change in unrealized appreciation (depreciation) in value of investments and derivatives	(30,599)	(21,340)
	4,227,051	(950,085)
Other Income		
Net realized and unrealized foreign currency gain (loss)	4,311	(67,558)
Interest income	62,561	170,652
	66,872	103,094
	4,293,923	(846,991)
EXPENSES		
Management fees (note 6)	115,484	108,252
Performance fees (note 6)	138,026	4,648
Shareholder reporting fees	111,475	139,683
Audit fees	24,046	26,996
Legal fees	12,367	24,406
Independent Review Committee fees (note 9)	6,571	6,206
Commissions and other portfolio transaction costs (note 2 and 8)	132,916	131,312
Harmonized sales tax	39,167	22,590
	580,052	464,093
Less: expenses absorbed by manager (note 6)	(74,139)	(58,874)
	505,913	405,219
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares	3,788,010	(1,252,210)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares		
Series A	229,757	(86,643)
Series F	2,392,321	(569,783)
Series I	2,692	12,160
Series L	39,709	(17,217)
Series R	1,123,531	(590,727)
Weighted Average Number of Redeemable Shares		
Series A	90,747	124,493
Series F	793,764	840,139
Series I	1,106	84,336
Series L	17,033	35,720
Series R	609,097	225,889
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares Per Share (note 2)		
Series A	2.53	(0.70)
Series F	3.01	(0.68)
Series I	2.43	0.14
Series L	2.33	(0.48)
Series R	1.84	(2.62)

The accompanying notes are an integral part of these financial statements.

WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS

Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

(in Canadian dollars)

For the Years Ended December 31

	2020	2019
Net Assets Attributable to Holders of Redeemable Shares - Beginning of Year		
Series A	695,591	1,199,141
Series F	6,680,982	7,890,005
Series I	12,625	1,846,817
Series L	115,176	566,743
Series R	2,917,787	12,158,810
	10,422,161	23,661,516
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares		
Series A	229,757	(86,643)
Series F	2,392,321	(569,783)
Series I	2,692	12,160
Series L	39,709	(17,217)
Series R	1,123,531	(590,727)
	3,788,010	(1,252,210)
Redeemable Share Transactions		
Proceeds from redeemable shares issued		
Series A	127,850	2,998
Series F	374,180	1,067,590
Series I	2,216	125,532
Series L	-	-
Series R	1,555,194	3,212,475
	2,059,440	4,408,595
Redemption of redeemable shares		
Series A	(186,352)	(419,905)
Series F	(707,956)	(1,706,830)
Series I	(5,658)	(1,971,884)
Series L	(12,822)	(434,350)
Series R	(544,959)	(11,862,771)
	(1,457,747)	(16,395,740)
Net Increase (Decrease) from Redeemable Shares Transactions		
Series A	(58,502)	(416,907)
Series F	(333,776)	(639,240)
Series I	(3,442)	(1,846,352)
Series L	(12,822)	(434,350)
Series R	1,010,235	(8,650,296)
	601,693	(11,987,145)

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WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS

Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

(in Canadian dollars)

For the Years Ended December 31

	2020	2019
Net Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares		
Series A	171,255	(503,550)
Series F	2,058,545	(1,209,023)
Series I	(750)	(1,834,192)
Series L	26,887	(451,567)
Series R	2,133,766	(9,241,023)
	4,389,703	(13,239,355)
Net Assets Attributable to Holders of Redeemable Shares - End of Year		
Series A	866,846	695,591
Series F	8,739,527	6,680,982
Series I	11,875	12,625
Series L	142,063	115,176
Series R	5,051,553	2,917,787
	14,811,864	10,422,161

The accompanying notes are an integral part of these financial statements.

WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS

Statements of Cash Flows

(in Canadian dollars)

For the Years Ended December 31,

2020

2019

Cash Flows From Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable shares	3,788,010	(1,252,210)
Adjustments to Reconcile Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares To Net Cash From (Used in) Operating Activities:		
Change in margin deposits	(2,712,677)	3,895,389
Change in margin loans	(47,172)	(23,327)
Change in other accrued expenses	157,011	(26,809)
Net realized (gain) loss on investments and derivatives	2,089	7,848
Net change in unrealized (appreciation) depreciation in value of futures	(964,123)	752,104
Net change in unrealized (appreciation) depreciation in value of investments and derivatives	30,599	21,340
Unrealized foreign exchange (gain) loss on cash and cash equivalents	5,897	7,216
Purchase of investments	(137,540)	(12,327)
Proceeds on sale of investments	13,117	(1,856)
Net Cash Provided by (Used in) Operating Activities	142,411	3,367,368
Cash Flows From Financing Activities		
Proceeds from redeemable shares issued	2,059,440	4,473,412
Redemption of redeemable shares	(1,456,397)	(16,393,464)
Net Cash Provided by (Used in) Financing Activities	603,043	(11,920,052)
Unrealized foreign exchange gain (loss) on cash and cash equivalents	(5,897)	(7,216)
Cash and Cash Equivalents - Beginning of the Year	7,438,903	15,998,803
Cash and Cash Equivalents - End of the Year	8,178,460	7,438,903
Supplemental Disclosure of Cash Flow		
Interest received, net of withholding taxes from operating activities	62,561	170,652

The accompanying notes are an integral part of these financial statements.

WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS

Schedule of Investment Portfolio – As at December 31, 2020

Futures Contracts - Long - 8.0%

Security Name	Contract Size	Expiry Date	Currency	No. of Contracts	Notional Value (\$)	Unrealized Gain/(Loss) (\$)
Bond Futures - 0.2%						
10-Year Mini JGB Futures	100,000	03-12-21	JPY	25	4,679,608	(7,150)
Australian 10-Year Bond Futures	1,000	03-15-21	AUD	13	1,878,281	(500)
Canada 10-Year Bond Futures	1,000	03-22-21	CAD	30	4,473,000	19,700
Long Gilt Futures	1,000	03-29-21	GBP	10	2,359,333	8,494
US 10-Year Treasury Notes Futures	1,000	03-22-21	USD	25	4,393,991	5,688
US 5-Year Treasury Notes Futures	1,000	03-31-21	USD	38	6,102,581	9,944
US Treasury Bond Futures	1,000	03-22-21	USD	3	661,351	(636)
						35,540
Commodity Futures - 6.0%						
Aluminum Futures	25	03-15-21	USD	9	566,361	(14,861)
Brent Crude Futures	1,000	01-29-21	USD	6	395,618	12,118
Canadian Currency Futures	1,000	03-16-21	USD	42	4,188,198	(1,724)
Canola Futures	20	03-12-21	CAD	252	3,210,480	248,709
Cocoa Futures	10	03-16-21	USD	14	463,870	(11,519)
Coffee C Futures	375	03-19-21	USD	4	244,874	5,967
Copper Futures	250	03-29-21	USD	7	783,884	28,450
Corn Futures	50	03-12-21	USD	29	893,321	63,916
Cotton No.2 Futures	500	03-09-21	USD	13	646,353	23,129
Crude Palm Oil Futures	25	03-15-21	MYR	48	1,367,042	77,173
Gasoline RBOB Futures	420	01-29-21	USD	4	301,546	9,303
Live Cattle Futures	400	02-26-21	USD	4	234,265	(51)
Low Sulphur Gasoil Futures	100	02-11-21	USD	4	215,375	2,800
Nickel Futures	6	03-15-21	USD	3	380,526	(24,654)
NY Harbor ULSD Futures	420	01-29-21	USD	6	476,024	(1,406)
Platinum Futures	50	04-28-21	USD	4	274,743	18,049
Rubber Futures	5,000	05-25-21	JPY	20	281,565	(20,877)
Silver Futures	5,000	03-29-21	USD	1	168,099	1,795
Soybean Oil Futures	600	03-12-21	USD	65	2,104,868	200,851
Soybeans Futures	50	03-12-21	USD	30	2,503,158	212,447
Sugar #11 World Futures	1,120	02-26-21	USD	23	507,916	15,496
Wheat Futures	50	03-12-21	USD	19	774,528	27,129
White Sugar Futures	50	02-12-21	USD	33	884,010	22,804
WTI Crude Futures	1,000	01-20-21	USD	4	247,045	5,397
Zinc Futures	25	03-15-21	USD	6	524,944	(13,891)
						886,550
Currency Futures - 1.0%						
90 Day Bank Bills Futures	10,000	03-11-21	AUD	30	29,439,542	-
90 Day Eurodollar Futures	2,500	03-15-21	USD	6	1,906,104	334
90 Day Sterling Futures	1,250	03-17-21	GBP	2	435,129	55
AUD/USD Currency Futures	1,000	03-15-21	USD	51	4,998,679	117,879
Brazil Real Futures	1,000	01-29-21	USD	14	342,601	1,591
British Pound Currency Futures	625	03-15-21	USD	17	1,847,320	30,438
EURO FX Currency Futures	125,000	03-15-21	USD	24	4,676,379	26,389
EURO/CHF Futures	125,000	03-15-21	CHF	13	2,527,109	(1,798)
EURO/GBP Futures	125,000	03-15-21	GBP	7	1,365,539	(20,812)
EURO/JPY Futures	125,000	03-15-21	JPY	14	2,726,679	(509)
Japanese Yen Currency Futures	1,250	03-15-21	USD	19	2,929,118	4,811
Mexican Peso Futures	5,000	03-15-21	USD	32	1,013,025	(4,286)
Three-month Canadian Bankers' Acceptance Futures	2,500	03-15-21	CAD	3	746,625	300
						154,392
Index Futures - 0.7%						
DAX Index Futures	25	03-19-21	EUR	2	1,068,778	16,192
Hang Seng Index Futures	50	01-28-21	HKD	3	670,377	16,157
NASDAQ 100 E-mini Index Futures	20	03-19-21	USD	3	984,117	25,777
Nikkei 225 Index Futures	500	03-11-21	JPY	6	1,016,668	28,441
S&P 500 E-mini Index Futures	50	03-19-21	USD	6	1,431,555	37,432

WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS

Schedule of Investment Portfolio – As at December 31, 2020

S&P/TSX 60 Index Futures	200	03-18-21	CAD	6	1,234,680	(11,044)
SPI 200 Index Futures	25	03-18-21	AUD	7	1,122,631	(11,359)
						101,596

1,178,078

Futures Contracts - Short - (0.1%)

Security Name	Contract Size	Expiry Date	Currency	No. of Contracts	Notional Value (\$)	Unrealized Gain/(Loss) (\$)
Bond Futures - 0.0%						
Euro-Bund Futures	1,000	03-08-21	EUR	(11)	(3,038,607)	2,240
Commodity Futures - (0.1%)						
Lean Hogs Futures	400	02-12-21	USD	(3)	(107,344)	(7,587)
Natural Gas Futures	10,000	02-24-21	USD	(7)	(225,074)	3,640
Natural Gas Futures	10,000	09-28-21	USD	(3)	(104,671)	(2,444)
Robusta Coffee 10-T Futures	10	03-25-21	USD	(4)	(70,570)	(2,126)
						(8,517)
Currency Futures - (0.0%)						
EURO-BOBL Futures	1,000	03-08-21	EUR	(69)	(14,504,495)	(1,991)
						(8,268)

Options Bought - 0.7%

Security Name	Strike Price (\$)	Expiry Date	Currency	No. of Contracts	Average Cost (\$)	Fair Value (\$)
Crude Oil Futures Put Option	46.50	01-15-21	USD	40	51,914	33,095
Soybean Futures Put Option	1,210.00	01-23-21	USD	10	5,926	2,625
Soybean Futures Put Option	1,220.00	01-23-21	USD	5	3,804	1,671
Soybean Futures Put Option	1,100.00	02-20-21	USD	150	18,732	13,127
Euro Currency Futures Put Option	1.22	02-06-21	USD	30	41,923	29,595
Euro Currency Futures Put Option	1.18	03-06-21	USD	70	29,241	20,048
					151,540	100,161
Total Investments and Derivatives - 8.6%					151,540	1,269,971
Cash and Other Net Assets (Liabilities) - 91.4%						13,541,893
Net Assets Attributable to Holders of Redeemable Units - 100.0%						14,811,864

WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS

FUND SPECIFIC NOTES TO THE AUDITED FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

THE FUND (NOTE 1)

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

The core investment strategy of the Fund is based on a risk budgeting strategy of allocating capital to markets and utilizing that capital based on the amount of risk premium being priced into markets. As a result of this allocation methodology, generally 50% of the portfolio risk budget is allocated to globally-traded industrial and agricultural commodity futures markets, and 50% is allocated to global currency, treasury debt and equity index futures markets.

The Fund transacts on highly liquid exchanges globally that may include, but are not limited to, all futures exchanges in the United States and Canada, the London Metals Exchange (LME), Euronext-LIFFE (LIFFE), the Eurex Deutschland (EUREX), the International Petroleum Exchange of London Limited (IPE), the Singapore International Monetary Exchange (SIMEX), the Sydney Futures Exchange Ltd. (SFE) and the Tokyo Commodities Exchange (TCE).

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

The Fund will use leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The Fund's aggregate exposure is calculated as the sum of the following, and must not exceed 300% of its net asset value: (i) the aggregate market value of the Fund's outstanding indebtedness under any borrowing arrangements; (ii) the aggregate market value of all securities sold short; and (iii) the aggregate notional amount of the Fund's specified derivatives positions, minus the aggregate notional amount of the specified derivative positions that are hedging transactions.

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

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

REDEEMABLE SHARES (Note 1)

During the years ended December 31, 2020 and 2019, the number of shares issued, redeemed and outstanding was as follows:

For the year ended December 31, 2020					
	Redeemable shares outstanding at beginning of year	Redeemable shares issued	Redeemable shares redeemed	Redeemable shares issued and outstanding at end of year	
Series A	94,528	14,177	(21,584)	87,121	
Series F	821,823	38,597	(75,397)	785,023	
Series I	1,593	234	(686)	1,141	
Series L	18,230	-	(1,607)	16,623	
Series R	506,563	229,634	(78,292)	657,905	

For the year ended December 31, 2019					
	Redeemable shares outstanding at beginning of year	Redeemable shares issued	Redeemable shares redeemed	Redeemable shares issued and outstanding at end of year	
Series A	148,707	413	(54,592)	94,528	
Series F	895,368	124,206	(197,751)	821,823	
Series I	221,635	15,581	(235,623)	1,593	
Series L	81,720	-	(63,490)	18,230	
Series R	1,983,916	561,469	(2,038,822)	506,563	

WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS

FUND SPECIFIC NOTES TO THE AUDITED FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

OFFSETTING OF FINANCIAL INSTRUMENTS (Note 2)

The following tables show the net impact on the Fund's Statements of Financial Position as at December 31, 2020 and 2019 if all rights to offset were exercised.

As at December 31, 2020	Gross amounts \$	Financial instruments eligible for offset \$	Net amounts presented in the Statement of Financial Position \$	Related amounts not offset in the Statement of Financial Position		Net amount \$
				Financial instruments \$	Collateral \$	
Financial assets:						
Newedge	786,716	-	786,716	(107,261)	-	679,455
BMO	646,779	-	646,779	(56,258)	-	590,521
	1,433,495	-	1,433,495	(163,519)	-	1,269,976
Financial liabilities:						
Newedge	(107,261)	-	(107,261)	107,261	-	-
BMO	(56,258)	-	(56,258)	56,258	-	-
	(163,519)	-	(163,519)	163,519	-	-

As at December 31, 2019	Gross amounts \$	Financial instruments eligible for offset \$	Net amounts presented in the Statement of Financial Position \$	Related amounts not offset in the Statement of Financial Position		Net amount \$
				Financial instruments \$	Collateral \$	
Financial assets:						
Newedge	223,630	-	223,630	(71,000)	-	152,630
BMO	106,050	-	106,049	-	-	106,050
RBC	-	-	-	-	-	-
	329,680	-	329,680	(71,000)	-	258,680
Financial liabilities:						
Newedge	(71,000)	-	(71,000)	71,000	-	-
BMO	-	-	-	-	-	-
RBC	(42,803)	-	(42,803)	-	42,803	-
	(113,803)	-	(113,803)	71,000	42,803	-

FINANCIAL INSTRUMENTS – RISK MANAGEMENT (Note 4)

A general discussion of financial risk management for the Fund appears as Note 4: Financial Instruments – Risk Management.

Credit Risk

As at December 31, 2020 and 2019, the Fund had no investments in debt instruments and therefore was not subject to related credit risk.

Liquidity Risk

From time to time, the Fund may use margin borrowings in one or more of its brokerage or cash accounts. Below is a summary of the minimum and maximum net margin borrowing used during the years ended December 31, 2020 and 2019.

	December 31, 2020 \$	December 31, 2019 \$
Minimum borrowing	13,461	343
Maximum borrowing	639,585	83,415

Leverage Risk

The Fund may use leverage. Below is a summary of the lowest and highest aggregate amount of leverage exercised by the Fund during the years ended December 31, 2020 and 2019.

WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS

FUND SPECIFIC NOTES TO THE AUDITED FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

	December 31, 2020		December 31, 2019	
	\$	% of net assets	\$	% of net assets
Lowest aggregate leverage	246,578	2.0	4,992,208	38.1
Highest aggregate leverage	45,768,481	319.0	19,784,083	235.3

Market Risk

The following include sensitivity analyses that show how the net assets attributable to holders of redeemable shares would have been affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ and the differences could be material.

(a) Currency Risk

Below is a summary of the Fund's direct exposure to currency risk as at December 31, 2020 and 2019 in Canadian dollar terms. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts and short positions, as applicable. The table also illustrates the potential impact on the net assets attributable to holders of redeemable shares if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant. In practice, the actual results may differ from this analysis and the difference may be material.

December 31, 2020	Financial Instruments				% of net assets attributable to holders of redeemable shares	Impact on net assets attributable to holders of redeemable shares
	Currency exposure, net of short positions	Currency contracts	Net currency exposure			
Currency	\$	\$	\$		\$	
United States Dollar	1,422,376	-	1,422,376	9.6	142,238	
Australian Dollar	29,170	-	29,170	0.2	2,917	
Euro Currency	42,493	-	42,493	0.3	4,249	
British Pound	(542)	-	(542)	(0.0)	(54)	
Hong Kong Dollar	27,273	-	27,273	0.2	2,727	
Japanese Yen	33,806	-	33,806	0.2	3,381	
Malaysian Ringgit	279,109	-	279,109	1.9	27,911	
Swiss Franc	4,774	-	4,774	0.0	477	
Total	1,838,457	-	1,838,457	12.4	183,846	

December 31, 2019	Financial Instruments				% of net assets attributable to holders of redeemable shares	Impact on net assets attributable to holders of redeemable shares
	Currency exposure, net of short positions	Currency contracts	Net currency exposure			
Currency	\$	\$	\$	%	\$	
United States Dollar	269,906	-	269,906	2.59	26,990	
Australian Dollar	(7,095)	-	(7,095)	(0.07)	(709)	
Euro Currency	52,018	-	52,018	0.50	5,202	
British Pound	(21,438)	-	(21,438)	(0.21)	(2,144)	
Hong Kong Dollar	6,443	-	6,443	0.06	644	
Japanese Yen	20,251	-	20,251	0.19	2,026	
Malaysian Ringgit	99,972	-	99,972	0.96	9,997	
Swiss Franc	8,192	-	8,192	0.08	819	
Total	428,249	-	428,249	4.11	42,825	

(b) Interest Rate Risk

As at December 31, 2020 and 2019, the Fund had no exposure to interest rate risk.

(c) Other Price Risk

The table below is a summary of the Fund's direct exposure to other price risk from equity securities, underlying funds and equity-based derivatives, as applicable. As at December 31, 2020 and 2019, if the Fund's relevant benchmark index, Societe-Generale Commodity Trading Index (USD), had increased

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or decreased by 5% with all other variables constant the net assets attributable to holders of redeemable shares of the Fund would have increased or decreased by:

Impact on Net Assets Attributable to Holders of Redeemable Shares	December 31, 2020	December 31, 2019
	\$	\$
5% Increase	1,810,713	1,227,336
5% Decrease	(1,810,713)	(1,227,336)

In practice, actual results may differ from this analysis and the difference may be material.

Concentration Risk

The following is a summary of the Fund's concentration risk by market segment, as a percentage of net assets attributable to holders of redeemable shares as at December 31, 2020 and 2019:

Market Segment	December 31, 2020		December 31, 2019	
	Long (%)	Short (%)	Long (%)	Short (%)
Bond Futures	0.3	-	(0.2)	0.8
Interest Rate Futures	-	-	-	(0.0)
Index Futures	0.7	-	-	-
Commodity Futures	6.0	(0.1)	1.1	(0.1)
Currency Futures	1.0	-	0.4	(0.0)
Put Option	0.7	-	0.1	-
	8.7	(0.1)	1.4	0.7

FAIR VALUE HIERARCHY (NOTE 5)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy for the years ended December 31, 2020 and 2019:

December 31, 2020	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets				
Derivatives	1,431,196	-	-	1,431,196
	1,431,196	-	-	1,431,196
Financial liabilities				
Derivatives sold short	(161,225)	-	-	(161,225)
	(161,225)	-	-	(161,225)
Total	1,269,971	-	-	1,269,971

December 31, 2019	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets				
Derivatives	151,436	-	-	151,436
	151,436	-	-	151,436
Financial liabilities				
Derivatives sold short	64,441	-	-	64,441
	64,441	-	-	64,441
Total	215,877	-	-	215,877

There were no transfers between levels 1, 2 and 3 during the years ended December 31, 2020 and 2019.

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MANAGEMENT FEES (Note 6)

The management fee rates are calculated as a % of the net asset value of the Fund as follows:

Series	% of Net Asset Value
A	2.00
F	1.00
L	2.30
R	negotiated fee
I	negotiated fee

RELATED PARTY TRANSACTIONS (Note 7)

The Manager of the Fund is Arrow Capital Management Inc. (the "Manager" or "Arrow"). As at December 31, 2020 and 2019 the Fund made investments in the following other funds managed by Arrow:

As at December 31, 2020			
Fund Invested In	Fair Value (\$)	% of net assets attributable to holders of redeemable shares	
n/a	n/a	n/a	n/a

As at December 31, 2019			
Fund Invested In	Fair Value (\$)	% of net assets attributable to holders of redeemable shares	
n/a	n/a	n/a	n/a

As at December 31, 2020 and 2019, the number of shares owned by the Manager or Directors of the Manager for the Fund is as follows:

As at December 31, 2020			
	Number of shares	Amount (\$)	% of net assets attributable to holders of redeemable shares
Series A	500	4,975	0.0%
Series F	5,493	61,153	0.4%

As at December 31, 2019			
	Number of shares	Amount (\$)	% of net assets attributable to holders of redeemable shares
Series A	500	3,680	0.0%
Series F	5,493	44,658	0.4%

COMMISSIONS (Note 2 and 8)

Total commissions paid to dealers and soft dollars for the years ended December 31, 2020 and 2019 in connection with portfolio transactions are as follows:

	December 31, 2020	December 31, 2019
	\$	\$
Commissions	132,916	131,312
Soft Dollar *	-	-

* A portion of brokerage commissions paid was used to cover research and market data services, termed soft dollar commissions. This amount has been estimated by the Manager of the Fund.

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1. THE FUND

Exemplar Portfolios Ltd. (the “Company”) is an open-ended mutual fund corporation incorporated under the Business Corporations Act (Ontario) on March 18, 2008. The Company’s shares comprise of four classes of redeemable mutual fund shares, including WaveFront Global Diversified Investment Class (the ‘Fund’), and three other classes, Arrow Canadian Advantage Alternative Class, Arrow Global Advantage Alternative Class and Arrow Global Opportunities Class (together with the Fund, the “Classes”).

The Fund is an alternative mutual fund as established by National Instrument 81-102 - Investment Funds (“NI 81-102”), meaning that it is permitted to use strategies generally prohibited by conventional mutual funds, such as the ability to invest more than 10% of its net asset value in securities of a single issuer, the ability to borrow cash, to short sell beyond the limits prescribed for conventional mutual funds and to generally employ leverage. As a result of exemptive relief obtained by the Fund to utilize market-neutral strategies (the “Market-Neutral Strategy Relief”), the Fund may engage in short selling transactions with an aggregate market value of up to 100% of their net asset value (subject to a combined limit on short selling and cash borrowing of 100% of their net asset value). The Fund has also obtained custodian relief to permit the Fund to have more than one Custodian (the “Custodian Relief”).

If the Company cannot satisfy its obligations related to each legally distinct class, it may be required to satisfy such obligations using assets attributable to all the Classes in the Company. Arrow Capital Management Inc. (“Arrow”) is the manager (“Manager”) of the Classes. The Manager believes that the risk of such cross-class liability is remote.

These audited financial statements present the financial results for the Fund. The financial statements for the other Classes are available on SEDAR or available from the Manager.

The date of inception and series structure of the Fund are as follows:

Date of Inception	Series Information
March 11, 2009	Series A and F
September 14, 2012	Series I and L
November 10, 2015	Series R

The Fund may offer an unlimited number of series or shares and may issue an unlimited number of shares of each series. Each series of the Fund is intended for different investors. In the future, the offering of any series of shares of the Fund may be terminated or additional series of shares may be offered. The number of issued and outstanding securities of each series is disclosed in the Statements of Financial Position and Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares. A description of each series of shares offered by the Fund as of these financial statements is provided below:

Series	Description
Series A	Series A shares are available to all investors on a front-end sales charge basis.
Series F	Series F shares are generally only available to investors who participate in a dealer sponsored fee-for-service or wrap program with their registered dealer and who are subject to an annual advisory or asset-based fee rather than commissions on each transaction. The Manager is able to reduce the management fee rate on Series F shares because of lower costs and because investors who purchase Series F shares will usually have entered into a separate agreement to pay account fees to their registered dealer for their individual investment programs.
Series L	Series L shares are available to all investors on a low-load option.
Series I	Series I are generally only available for certain institutional investors who make large investments in the Fund. The management fees for Series I shares are paid directly by Series I unitholders and not the Fund.
Series R	Series R are generally only available for certain institutional investors who make large investments in the Fund. The management fees for Series R shares are negotiable.

WaveFront Global Asset Management Corp. is the Fund sub-advisor to the Fund (the “Portfolio sub-advisor”).

The address of the Fund’s registered office is 36 Toronto Street, Suite 750, Toronto, Ontario, M5C 2C5.

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The Statements of Financial Position are as at December 31, 2020 and 2019. The Statements of Comprehensive Income, Changes in Net Assets Attributable to Holders of Redeemable Shares and Cash Flows are for the years ended December 31, 2020 and 2019. In the year a Fund or series is established or reinstated, 'period' represents the period from inception or reinstatement. Refer to the table above for the inception date of each series. The Schedule of Investment Portfolio is as at December 31, 2020.

These financial statements were approved and authorized for issue by management on March 29, 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of Accounting

These audited financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These financial statements are presented in Canadian dollars, which is the Fund's functional and presentation currency. These financial statements have been prepared on a going concern basis using the historical cost convention, except for financial assets and financial liabilities that have been measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Manager to exercise its judgement in its process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3: Significant Accounting Estimates and Judgments.

2.2 Financial Instruments

Financial instruments include financial assets and liabilities such as fixed income securities, equity securities, investment funds, exchange-traded funds and derivatives.

Classification

The Fund classifies and measures its financial instruments in accordance with IFRS 9 *Financial Instruments* ("IFRS 9"). Investment classification is based on both the Fund's business model for managing those investments and the contractual cash flow characteristics of the financial assets. The Fund's portfolio of investments is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and use that information to assess its assets' performance and to make decisions. The contractual cash flows of the Fund's debt securities are generally principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model objective. All investments, including derivatives, are measured at Fair Value Through Profit or Loss ("FVTPL").

The Fund may sell securities short, in which a borrowed security is sold in anticipation of a decline in the market value of that security. Short sales are held for trading and are consequently classified as financial liabilities at FVTPL. Derivatives include warrants, swaps, options, futures and forward currency contracts. Derivative contracts that have a negative fair value are classified as FVTPL.

The Fund's redeemable share entitlements include a contractual obligation to distribute any net income and net realized capital gains at least annually in cash (at the request of the shareholder) and therefore meet the contractual obligation requirement under IAS 32, *Financial Instruments: Presentation* to be classified as financial liabilities in these financial statements. The Fund's obligation for net assets attributable to holders of redeemable shares are presented at the redemption amount, which approximates its fair value.

All other financial assets and liabilities are measured at amortized cost, which approximates fair value. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the effective rate of interest.

Financial assets and liabilities are offset and the net amounts are presented in the Statements of Financial Position when, and only when, the Fund has a legal right to offset the amounts and intend either to settle on a net basis or to realize the asset and settle the liability simultaneously. In the normal course of business, the Fund enters into various master netting agreements or similar agreements that may not meet the criteria for offsetting in the Statements of Financial Position, but still allow for the related amounts to be offset in certain circumstances, such as bankruptcy or termination of contracts. See Note 2.4 Offsetting of Financial Instruments for more details on offsetting done by the Fund, if applicable.

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Recognition and Measurement

Regular purchases and sales of investments are recognized in the Statements of Financial Position on the trade date – the date on which the Fund commits to purchase or sell the investment. Transaction costs are expensed as incurred in the Statements of Comprehensive Income (Loss) in 'Commissions and other portfolio transaction costs'. Financial assets and liabilities are measured at fair market value as presented below. Financial assets are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation is discharged, cancelled and expires. Financial instruments at FVTPL are subsequently measured at FVTPL with changes in fair value recognized in the Statements of Comprehensive Income (Loss) in 'Net change in unrealized appreciation (depreciation) in value of futures' and 'Net change in unrealized appreciation(depreciation) in value of investments and derivatives'.

2.3 Fair Value Measurements of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value of financial assets and liabilities traded in active markets (such as publically traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. Unlisted securities are valued based on price quotations from recognized investment dealers, or failing that, their fair value is determined by the Manager on the basis of the latest reported information available. Unlisted warrants, if any, are valued using recognized methods such as the Black-Scholes option valuation model. The model factors in the time value of money and the volatility inputs significant to such valuation. Fixed income securities, debentures, and other debt instruments are valued at the quotation received from independent security pricing services or recognized investment dealers using mid-market pricing. Short-term debt instruments are carried at amortized cost, which approximates fair value. Commodities, if any, held by the Fund are valued based on the quoted price provided by an independent pricing source. Restricted securities purchased by the Fund are fair valued in a manner that the Manager determines to represent their fair value.

The fair value of financial assets and liabilities that are not traded in an active market, including over-the-counter derivatives, is determined using valuation techniques. These valuation models may be based, in part, on assumptions that are not supported by observable inputs such as market conditions existing at each reporting date. Valuation techniques include, but are not limited to, the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same and other techniques commonly used by market participants which make the maximum use of observable inputs. These values are independently assessed by the Manager to ensure that they are reasonable. However, because of the inherent uncertainty of valuation, the estimated fair values for these securities may be materially different from the values that would have been used had a ready market for the investment existed. The fair values of securities where no market price exists are affected by the perceived credit risks of the issuer, predictability of cash flows and the length of time to maturity.

IFRS 13, *Fair value measurement*, requires the use and disclosure of a fair value hierarchy that categories into three levels the inputs to valuation techniques used to measure fair value of financial instruments.

Changes in valuation methodology may result in transfers in and out of a level. The Fund's policy is to recognize these transfers as of the date of the event or circumstance giving rise to the transfer. The three level fair value hierarchy, transfers between levels and a reconciliation of level 3 financial instruments, as applicable are disclosed in the Fund Specific Notes to the Financial Statements.

The Manager is responsible for performing the fair value measurements included in the financial statements of the Fund, including level 3 measurements. The Manager obtains pricing from a third party pricing vendor, which is monitored and reviewed daily. At each financial reporting date, the Manager reviews and approves all level 3 fair value measurements. The manager also has a Valuation Committee which includes members of the finance,

investment and compliance teams. The committee meets quarterly to perform detailed reviews of the valuations of investments held by the Fund.

2.4 Income Recognition

Gains and losses arising from changes in fair value of non-derivative financial assets are shown in the Statements of Comprehensive Income (Loss) as 'Net change in unrealized appreciation (depreciation) in value of non-derivative investments' and as 'Net realized gain (loss) on non-derivative investments' when the positions are sold. Gains and losses are calculated using average cost, excluding commission and other transaction costs. Average cost does not include amortization of premiums or discounts on fixed income securities.

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Gains and losses arising from changes in fair value of securities sold short, are shown in the Statements of Comprehensive Income (Loss) as 'Net change in unrealized appreciation (depreciation) in value of non-derivative investments' and as 'Net realized gain (loss) on non-derivative investments' when positions are closed out and are calculated with reference to the average proceeds of the related securities, where applicable.

Gains and losses arising from changes in fair value of derivatives are recognized in the Statements of Comprehensive Income (Loss) as 'Net change in unrealized appreciation (depreciation) in value of investments and derivatives' and as 'Net realized gain (loss) on investments and derivatives' when positions are closed out or have expired, where applicable.

Interest for distribution purposes is recognized on the Statements of Comprehensive Income (Loss) and represents the coupon interest received by the Fund accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities, except for zero coupon bonds which are amortized on a straight-line basis.

Dividend income and dividend expense on short sales are recognized on the Statements of Comprehensive Income (Loss) on the ex-dividend date.

Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. When the Fund purchases an option, an amount equal to fair value which is based on the premium paid is recorded as an asset. When the Fund writes an option, an amount equal to fair value which is based on the premium received by the Fund is recorded as a liability. Options held by the Fund are exchange-traded. Option contracts are valued at the last traded price taken from the exchange. Option contracts are valued each valuation day according to the gain or loss that would be realized if the contracts were closed out. All unrealized gains (losses) arising from option contracts are recorded as part of 'Net change in unrealized appreciation (depreciation) in value of investments and derivatives' in the Statements of Comprehensive Income (Loss) until the contracts are closed out or expire, at which time the gains (losses) are realized and reflected in the Statements of Comprehensive Income (Loss) within 'Net realized gain (loss) on investments and derivatives'.

Forward Currency Contracts

The Fund may enter into forward currency contracts for purposes of minimizing currency exposure or to establish an exposure to a particular currency. Foreign currency forward contracts are valued on each valuation day based on the difference between the contract rate and the current forward rate at the close of the measurement date, applied to the contract's notional amount and adjusted for counterparty risk. All unrealized gains (losses) arising from foreign currency forward contracts are recorded as part of 'Net change in unrealized appreciation (depreciation) in value of investments and derivatives' in the Statements of Comprehensive Income (Loss) and 'Unrealized gain (loss) on investments and derivatives' in the Statements of Financial Position until the contracts are closed out or expire, at which time the gains (losses) are realized and reported in 'Net realized gain (loss) on investments and derivatives' in the Statements of Comprehensive Income (Loss).

Futures Contracts

The Fund may purchase or sell exchange traded futures contracts. Futures contracts are contractual obligations to buy or sell derivative instruments or commodities on a future date at a specified price established in an organized market. Futures contracts are valued on each valuation day using the closing price posted on the relevant public exchange. Cash and cash equivalents are held as margin against futures contracts which are reflected in the Statements of Financial Position in 'Margin deposits'. All unrealized gains (losses) arising from futures contracts are recorded as part of 'Net change in unrealized appreciation (depreciation) in value of futures' in the Statements of Comprehensive Income (Loss) and 'Unrealized gain (loss) on futures contracts' in the Statement of Financial Position. When futures contracts are closed out or expire the gain or loss is realized and reported as 'Net realized gain (loss) on futures' in the Statements of Comprehensive Income (Loss).

Short Selling

When the Fund sells a security short, it will borrow that security from a broker to complete the sale. As the Fund borrows a security from the broker, the Fund is required to maintain a margin account with the broker containing cash or liquid securities. The cash held on margin in respect of short sale activity, if any, is included in 'Margin deposits' in the Statements of Financial Position. The maximum loss on securities sold short can be unlimited. The Fund will incur a loss as a result of a short sale if the price of the borrowed security increases between the date of the short sale and the date on which the Fund closed out its short position by buying that security. The Fund will realize a gain if the security declines in price between these dates. The gain or loss that would be realized if the position was to be closed out on the valuation date is reflected in the Statements of Comprehensive Income (Loss) as part of 'Net change in unrealized appreciation (depreciation) in value of futures' and in the Statements of Financial Position in 'Unrealized gain (loss) on futures'.

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contracts - short'. When the short position is closed out, gains and losses are realized and included in 'Net realized gain (loss) on futures' in the Statements of Comprehensive Income (Loss).

Offsetting of Financial Instruments

The disclosures set out in the Offsetting of Financial Instruments tables in the Fund Specific Notes to the Financial Statements, where applicable, include foreign currency forward contracts and assets and liabilities that are subject to an enforceable master netting agreement. Transactions with individual Counterparties are governed by separate master netting agreements. Each agreement allows for net settlement of certain open contracts where the Fund and their respective counterparty both elect to settle on a net basis. In the absence of such an election, contracts will be settled on a gross basis. However, each party to the master netting agreement will have the option to settle all open contracts on a net basis in the event of default of the other party.

International Swaps and Derivatives Association Inc. Master Agreements ("ISDA Master Agreements") govern OTC financial derivative transactions entered into by the Fund and select counterparties. The ISDA Master Agreements maintain provisions for general obligations, representations, agreements, collateral and events of default and termination. Events of termination include conditions that may entitle counterparties to elect to terminate early and cause settlement of all outstanding transactions under the applicable ISDA Master Agreement. Any election to terminate early could be material to the financial statements.

The Fund may be subject to various master agreements or netting arrangements with select counterparties. These master agreements reduce the counterparty risk associated with relevant transactions by specifying credit protection mechanisms and providing standardization that improves legal certainty. Since different types of transactions have different mechanics and are sometimes traded out of different legal entities of a particular counterparty organization, each type of transaction may be covered by a different master agreement resulting in the need for multiple agreements with a single counterparty. As the master agreements are specific to unique operations of different asset types, they allow the Fund to close out and net their total exposure to a counterparty in the event of a default with respect to the transactions governed under a single agreement with a counterparty.

2.5 Cash and Cash Equivalents

Cash and cash equivalents are reported at amortized cost which closely approximates their fair value due to their nature of being highly liquid and having short terms to maturity. Bank overdraft positions are presented under current liabilities as 'Bank overdraft' in the Statements of Financial Position, as applicable.

2.6 Margin Deposits

Cash collateral provided by the Funds to brokers for securities sold short and counterparties to derivative transactions is identified as 'Margin deposits' in the Statements of Financial Position, as applicable.

2.7 Margin Loans

Margin loans represent cash amounts borrowed under a margin agreement with the Fund's prime broker. The Fund has granted a first priority security interest over investments and other assets held at the prime broker in support of its obligations under its margin lending agreement. Amounts owing are payable upon demand (if applicable), and are shown in the Statements of Financial Position as 'Margin loans'.

2.8 Foreign Exchange Translation

Foreign currency amounts denominated in foreign currencies are converted into the functional currency as follows: fair values of investments, foreign currency contracts and other assets and liabilities at the closing rate of exchange prevailing on each business day; income and expenses, purchases and sales and settlements of investments at the rates of exchange applicable on the respective dates of such transactions. Foreign exchange gains (losses) relating to cash are presented as 'Net realized and unrealized foreign currency gain (loss)' and those relating to other financial assets and liabilities are presented within 'Net realized gain (loss) on investments and derivatives', 'Net change in unrealized appreciation (depreciation) in value of investments and derivatives' in the Statements of Comprehensive Income (Loss).

2.9 Net Asset Value

Net asset value ("NAV") per share of each series of the Fund is calculated at the end of each day on which the Toronto Stock Exchange is open for business by dividing the total NAV for each series of the Fund by the number of shares of that series outstanding. For a general description of the rights and obligations related to shares of the Fund see Note 1.

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The NAV of each series is computed by calculating the value of that series' proportionate share of the Fund's assets less that series' proportionate share of the Fund's common liabilities and less series specific liabilities. Expenses directly attributable to a series are charged to that series. Other income, expenses, gains and losses, are allocated to each series of the Fund proportionately based upon the relative total NAV of each series.

As at December 31, 2020 and 2019, there were no differences between the NAV used for transactions with shareholders as calculated under Part 14 of National Instrument 81-106 Investment Funds for Continuous Disclosure and the net assets attributable to holder redeemable shares used for reporting purposes under IFRS.

2.10 Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per Share

Increase (decrease) in net assets attributable to holders of redeemable shares per shares disclosed in the Statements of Comprehensive Income (Loss) is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations of each series of the Fund by the weighted average number of shares outstanding in that series during the period.

2.11 Commissions and Other Portfolio Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities, are included in 'Commissions and other portfolio transaction costs' in the Statements of Comprehensive Income (Loss).

2.12 Securities Lending, Repurchase and Reverse Repurchase Agreements

The Fund is permitted to enter into securities lending, repurchase and reverse repurchase transactions. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities at a future date. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions is included in the Statements of Comprehensive Income (Loss) in 'Securities lending income' when earned. During the years ended December 31, 2020 and 2019 the Fund did not enter into any security lending, repurchase or reverse repurchase transactions.

2.13 Withholding Tax

The Fund may, from time to time, incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

2.14 Harmonized Sales Tax

Certain provinces including Ontario, Prince Edward Island, Nova Scotia, New Brunswick and Newfoundland and Labrador (each a Participating Tax Jurisdiction) have harmonized their provincial sales tax ("PST") with the federal goods and services tax ("GST"). The Harmonized Sales Tax ("HST") combines the federal GST rate of 5% with the PST rate of the participating province. The province of Quebec also applies the Quebec sales tax ("QST") of 9.975%. The Provincial HST liability or refund is calculated using the residency of shareholders and the value of their interest in the Fund as at specific times, rather than the physical location of the Fund. The effective sales tax rate charged to each series of the Fund is based on the shareholders' proportionate investments by province, using each province's HST rate, GST rate in the case of non-participating provinces and/or QST rate. All amounts are presented as 'Harmonized sales tax' in the Statements of Comprehensive Income (Loss).

2.15 Due from and to Brokers

Amounts due from and to brokers represent receivables for investments sold and payables for investments purchased that have been contracted for but not yet settled or delivered on the Statements of Financial Position date, respectively. The due from brokers balance is held for collection. These amounts are recognized initially at fair value and subsequently measured at amortized cost. Amounts due from brokers are presented in "Receivable for investments sold" and amounts due to brokers are presented in "Payable for investments purchased" in the Statements of Financial Position.

2.16 Comparative Disclosure

Certain comparative figures in the Statements of Financial Position, Statements of Comprehensive Income (Loss) and risk tables in the Fund Specific Notes to the Financial Statements have been restated to conform to current period presentation.

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3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting estimates and judgments that the Fund has made in preparing the financial statements:

Use of Estimates

Fair Value measurement of derivatives and securities not quoted in an active market

The Fund holds financial instruments that are not quoted in active markets, including derivatives. Fair value of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager, independent of the party that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Fund considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to Note 5: Financial Instruments – Fair Value Measurement for further information about the fair value measurement of the Fund's financial instruments.

Use of Judgments

Classification and Measurement of Investments and Application of the Fair Value Option

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9. The Manager has assessed the Fund's business model, the manner in which all financial instruments are managed and performance evaluated as a group on a fair value basis, and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Fund's financial statements.

4. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

The Fund is exposed to a variety of financial instruments risks: credit risk, liquidity risk, leverage and short selling risk, market risk (including currency risk, interest rate risk and other price risk), concentration risk and capital risk management. The level of risk to which the Fund is exposed to depends on the investment objective and the type of investments the Fund holds. The value of investments within a portfolio can fluctuate daily as a result of changes in prevailing interest rates, economic and market conditions and company specific news related to investments held by the Fund. The Manager of the Fund may minimize potential adverse effects of these risks on the Fund's performance by, but not limited to, regular monitoring of the Fund's positions and market events, diversification of the investment portfolio by asset type, country, sector, term to maturity within the constraints of the stated objectives, and through the usage of derivatives to hedge certain risk exposures.

Please refer to Fund Specific Notes to the Financial Statements for the Fund specific risk disclosure.

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument, such as fixed income securities, preferred shares and derivatives, will fail to discharge an obligation or commitment that it has entered into with the Fund. The fair value as presented in the Schedule of Investments and Statement of Financial Position includes consideration of the creditworthiness of the issuer, and accordingly represents the maximum credit risk exposure to the Fund.

As at December 31, 2020 and 2019, the Fund had no investments in debt instruments and therefore was not subject to related credit risk

The Fund may also be exposed to credit risk to the extent that the Fund's custodian may not be able to settle trades for cash. All transactions in listed securities and derivatives are settled or paid upon delivery using approved brokers with an approved credit rating. The risk of default with the counterparty is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is only made on a purchase once the securities have been received by the broker.

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In addition, Canadian securities regulations require that the Fund employs a custodian that meets certain capital requirements. These regulations state that, among other things, a fund's custodian be either a bank listed in Schedule I, II, or III of the Bank Act (Canada), or a company incorporated in Canada affiliated with a bank with shareholders' equity of not less than \$10,000,000. CIBC Mellon Trust Company, the custodian for the Fund, meets the Canadian Securities Administrators' requirements to act as the custodian.

The Manager has appointed prime brokers, including Societe Generale SA and Bank of Montreal, which may hold assets for the Fund as the Fund may engage in short selling and other derivative transactions. Cash collateral has been provided to the brokers in accordance with terms of derivative transaction agreements and is presented as "Margin deposits" in the Statements of Financial Position.

Liquidity Risk

Liquidity risk arises when a Fund encounters difficulty in meeting its financial obligations as they come due. Each Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable securities. Generally, the Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity. However, liquidity risk also involves the ability to sell an asset for cash easily and at a fair price. Some securities may be illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a Fund to sell such securities quickly or at a fair price. Difficulty in selling securities could result in a loss or a lower return for a Fund.

Leverage and Short Selling Risk

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

The Fund's use of leverage and borrowings can increase the Fund's exposure to these risks, which in turn can also increase the potential returns the Fund can achieve. The Fund Sub-Advisor manages these exposures on a daily basis in accordance with investment restrictions that have been established by the Fund to manage the overall potential exposure. Futures and forward contracts and investments to which the Fund may have exposure at any time may be substantially larger than the actual amount invested with the result that the Fund will be exposed to a form of notional leverage. The Fund has received exemptive relief from the regulators whereby the Fund will be permitted to have aggregate exposure to specified derivative transactions as previously permitted under Former NI 81-104. The notional leverage of the Fund, excluding futures on government securities and Euro dollars, is generally between 0% and 300% and can never go above 500%. The notional leverage of the Fund, including futures on government securities and Euro dollars, is typically around 300% but from time to time may be as high as 1,000%. In the case of government securities and Euro dollars, futures positions are restricted to those that are based on investment grade government securities and Euro dollars.

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

The Fund may borrow cash up to a maximum of 50% of the Fund's net asset value and may sell securities short, whereby the aggregate market value of securities sold short will be limited to 100% of the Fund's net asset value. The combined use of short selling and cash borrowing by the Fund is subject to an overall limit of 100% of the Fund's net asset value.

Market Risk

The Fund's investments are subject to market risk which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market conditions. Several factors can influence market trends, such as economic developments, changes in interest rates, political changes and catastrophic events. All investments are exposed to this risk. Market risk can be further sub-divided into 3 categories: currency risk, interest rate risk and price risk.

a) Currency Risk

The Fund may invest in monetary and non-monetary assets and liabilities denominated in currencies other than their functional currency. Currency risk is the risk that the value of foreign instruments will fluctuate due to changes in the foreign exchange rates of those currencies in relation to the Fund's functional currency. The Fund may enter into currency forward contracts, currency futures contracts and/or foreign currency option contracts for hedging purposes to reduce their foreign currency risk exposure.

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The Currency Risk Tables included in the Fund Specific Notes to the Financial Statements indicate currencies to which the Fund has significant exposure as at the years ended December 31, 2020 and 2019 in Canadian dollar terms, including the underlying principal amount of any derivative instruments, if applicable. Other financial assets and liabilities (including accrued interest and dividends receivable, and receivables/payables for investments sold/purchased) that are denominated in foreign currencies do not expose the Fund to significant currency risk.

b) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect the future cash flows or the fair values of interest-bearing financial instruments. The Fund's exposure to interest rate risk is concentrated in its investments in debt instruments (such as bonds and debentures) and interest rate sensitive derivative instruments. Prices of fixed income securities generally increase when interest rates decline and decrease when interest rates rise. Prices of longer-term fixed income securities will generally fluctuate more in response to interest rate changes than would shorter-term securities. Due to the nature of short-term fixed income securities with a remaining term-to-maturity of less than one year, these investments are not generally exposed to a significant risk that their value will fluctuate in response to changes in the prevailing levels of market interest rates. Cash and cash equivalents do not expose the Fund to significant amounts of interest rate risk.

A summary of the Fund's exposure to interest rate risk by the remaining term to maturity of the Fund's portfolio, excluding, preferred shares, cash and overdrafts, as applicable is presented in the Fund Specific Notes to the Financial Statements.

c) Other Price Risk

Other price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in a market or a market segment.

The Fund's most significant exposure to price risk arises from its investment in equity securities, options on equities and derivatives, as applicable. All investments present a risk of loss of capital. This risk is managed through a careful selection of investments and other financial instruments within the parameters of the investment strategies. The maximum risk resulting from these financial instruments is equivalent to their fair value, except for certain derivative contracts such as forwards, swaps, and futures contracts which is equal to their notional values. For written call (put) options, short sales and short futures contracts, as applicable, the possible losses can be unlimited.

The impact as of December 31, 2020 and 2019, of an increase or decrease of 10% in the Fund's relevant benchmark index, Societe Generale Commodity Trading Index (USD), is presented in the Fund Specific Notes to the Financial Statements.

Concentration Risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable.

A summary of the Fund's concentration risk by carrying value as a percentage of net assets is presented in the Fund Specific Notes to the Financial Statements.

Capital Risk Management

Shares issued and outstanding are considered to be the capital of the Fund. The Fund does not have any specific capital requirements on the subscription and redemption of shares, other than certain minimum subscription requirements. Shareholders are entitled to require payment of the net asset value per share of the Fund for all or any of the shares of such shareholder by giving written notice to the Manager. The written notice is irrevocable and must be received no later than 4:00 p.m., EST, on the valuation day upon which the shares are to be redeemed (a "Redemption Date"). The redeeming shareholder will receive payment in respect of any shares surrendered for redemption on or before the 3rd business day immediately following a Redemption Date, subject to the Manager's right to suspend redemptions in certain circumstances.

5. FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENT

IFRS 13, *Fair Value Measurement*, requires the use and disclosure of a fair value hierarchy that categorizes into three levels the inputs to valuation techniques used to measure fair value of financial instruments. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets and the lowest priority to unobservable inputs. The three level hierarchy based on inputs levels are defined as follows:

Level 1: Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities;

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For the years ended December 31, 2020 and 2019

Level 2: Fair value is based on inputs other than unadjusted quoted prices included in level 1 that are observable for the assets or liabilities, either directly or indirectly; and

Level 3: Fair value is based on at least one significant non-observable input that is not supported by market data for the financial assets or liabilities.

Changes in valuation methodology may result in transfers in and out of a level. The Fund's policy is to recognize these transfers as of the date of the event or circumstance giving rise to the transfer. The Fund may participate in securities lending and therefore, receive collateral categorized as Level 1 or 2 as defined above. Such collateral is not considered significant to the financial instrument hierarchy of the securities owned by the Fund.

The three level fair value hierarchy, transfers between levels and a reconciliation of level 3 financial instruments, as applicable are disclosed in the Fund Specific Notes to the Financial Statements.

6. MANAGEMENT FEES AND OTHER EXPENSES

Management Fees

The Manager is paid a management fee for managing the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements relating to the purchase and sale of the investment portfolio and making arrangements with registered dealers for the purchase and sale of securities of the Fund by investors. The management fee is calculated on each series of the Fund as a fixed annual percentage of the daily net asset value of the series and accrued each day the Net Asset Value of the Fund is calculated. The management fees are subject to HST (and any other applicable taxes). The Management fee is payable monthly.

The management fee rates are calculated as a % of the net asset value of the Fund and are disclosed in the Fund Specific Notes to the Financial Statements.

Performance Fees

The Fund will pay to the Manager in respect of each fiscal year ended December 31 a performance bonus per Share (the "Performance Bonus") equal to 20% of the amount by which the Adjusted Net Asset Value per Share at the end of the fiscal year exceeds the highest year end Adjusted Net Asset Value per Share previously achieved. For these purposes, "Adjusted Net Asset Value per Share" of any series of shares of the Fund means the Net Asset Value per share of that series at the end of a fiscal year without giving effect to the accrual of any Performance Bonus, plus the aggregate amount of all distributions previously declared on a per Share basis in respect of such series of Shares. The Performance Bonus for the Fund is calculated and accrued each day the Net Asset Value of the Fund is calculated, but is only payable at the end of the fiscal year of the Fund based on the actual annual performance of the Fund.

Notwithstanding the foregoing, no Performance Bonus is payable with respect to any fiscal year of the Fund unless the Adjusted Net Asset Value per Share at the end of such fiscal year exceeds the Net Asset Value per share at the end of the preceding year (or on the date the Shares are first issued), plus the aggregate amount of all distributions previously declared on a per share basis, by a minimum of 6%.

The Performance Bonus is estimated and accrued each Valuation Date, calculated as at the end of each fiscal year-end of the Fund and paid within 15 business days thereafter. If any shares of the Fund are redeemed prior to the end of a calendar year, a performance fee will be payable on the redemption date in respect of each such share in the same manner as described above. This performance fee is paid to the fund quarterly.

The Fund Portfolio Advisor will be remunerated by the Manager out of the Management Fee and the Performance Bonus.

Operation and Administration Fees

The Fund pay for all expenses incurred in connection with its operation and administration, including applicable GST, HST and any applicable provincial sales tax. All expenses relating to the operation of the Fund will be charged to that particular series. Operating expenses include, but are not limited to, legal, audit, transfer agent, custodian, administration and trustee services, cost of financial reporting and Simplified Prospectus printing, regulatory filing fees, valuation services and other miscellaneous expenses specifically attributable to the Fund and any applicable taxes. The Manager may provide any of these services and is reimbursed all of its costs in providing these services to the Fund which may include but are not limited to personnel costs, office space, insurance and depreciation. The common expense will be allocated among the Fund and other investment funds managed by Arrow, as applicable.

The Fund will bear separately any expense item that can be attributed specifically to the Fund. Other fund costs include taxes (including, but not limited to GST/HST and income tax), interest and borrowing costs, commission costs, all fees and expenses of the Fund's Independent Review Committee (IRC), costs of complying with the regulatory requirement to produce Fund Facts, fees paid to external service providers associated with tax reclaims, refunds or

WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS

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the preparation of foreign tax reports on behalf of the Fund, new fees related to external services that were not commonly charged in the Canadian mutual fund industry and introduced after the date of the most recently filed simplified prospectus, and the costs of complying with any new regulatory requirements, including, without limitation, any new fees introduced after the date of the most recently filed simplified prospectus.

At the discretion of the Manager, certain fees may be absorbed by the Manager. During the years ended December 31, 2020 and 2019 the Manager waived operating expenses as noted in the Statements of Comprehensive Income (Loss).

7. RELATED PARTY TRANSACTIONS

The Manager earns management fees for acting as trustee and manager of the Fund and a fixed administration fee in return for paying certain operating expenses of the Fund as detailed in note 6 Management Fees and Other Expenses. The Manager may also be entitled to earn an annual performance fee based on the performance of the Fund as detailed in note 6. The management fees and performance fees, as applicable, are disclosed in separate lines in the Statements of Comprehensive Income (Loss).

Related Party Share Holdings

The Fund may invest in units or shares of other funds managed by Arrow. A table of investments made by the Fund in other funds managed by Arrow is disclosed in the Fund Specific Notes to the Financial Statements and the Schedule of Investment Portfolio, if applicable. The Fund received approval from the Independent Review Committee for all such purchases.

Distributions received from related party funds are included in "Interest for distribution purposes", "Dividend income" or "Net realized gain (loss) on non-derivative investments".

The Manager of the Fund may, from time to time, make initial investments in certain classes of the Fund to help establish a class or a Fund. The Manager or Directors of the Manager may also make investments in the Fund ("Related Parties"). The number of shares owned by Related Parties as at December 31, 2020 and 2019, are disclosed in the Fund Specific Notes to the Financial Statements.

Inter-fund Trading

Inter-fund trading occurs when a Fund purchases or sells a security of any issuer from or to another Fund managed by the Manager. These transactions are executed through market intermediaries and under prevailing market terms and conditions. The Independent Review Committee reviews such transactions during scheduled meetings. During the years ended December 31, 2020 and 2019 the Fund did not execute any inter-fund trades.

8. BROKERAGE COMMISSIONS

Commissions and other portfolio transaction costs are costs incurred to acquire, issue or dispose of financial assets or liabilities. They include fees and commissions paid to agents, advisers, brokers and dealers. Commissions may be paid to brokerage firms which provide (or pay for) certain services, other than order execution, which may include investment research, analysis and reports, and databases or software in support of these services (referred to in the industry as soft dollar arrangements). These goods and services are paid for with a portion of brokerage commissions and assist the portfolio advisor and portfolio sub-advisors with their decision-making services to the Fund or relate directly to the execution of portfolio transaction on behalf of the Fund.

Total commissions paid to dealers for the years ended December 31, 2020, and 2019 in connection with portfolio transactions are disclosed in the Fund Specific Notes.

9. INDEPENDENT REVIEW COMMITTEE

In accordance with National Instrument 81-107, *Independent Review Committee for Investment Funds*, the Manager has established an IRC for the Fund. The mandate of the IRC is to consider and provide recommendations to the Manager on conflicts of interest to which the Manager is subject when managing the Fund. The IRC reports annually to shareholders of the Fund on its activities, and the annual report is available on or after March 31 in each year. The Manager charges compensation paid to the IRC members and the costs of the ongoing administration of the IRC to the Fund. These amounts are recorded in the Statements of Comprehensive Income (Loss).

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10. TAXATION

The Fund is a class of shares of the Company, in addition to the other three Classes. Income, expenses and capital gains and losses of the Fund and the other three Classes are consolidated, as a single entity, in determining the Company's taxable income and amount of taxes payable as a whole. Any taxes payable or recoverable by the Company are allocated to the Fund and the other three Classes and their various series'.

The Company qualifies as a mutual fund corporation under the Income Tax Act (Canada) (the "Tax Act"). The general income tax rules associated with a public corporation apply to a mutual fund corporation with the exception that taxes payable on net realized capital gains are refundable when its shares are redeemed or when it pays capital gains dividends out of its capital gains dividend account to its shareholders, such that in substance the Company is not taxable on capital gains. Similarly, the Company is subject to Part IV tax on dividends received from Canadian corporations, however, they are refundable once paid to shareholders. As a result, the Company does not record income taxes related to capital gains and dividends from Canadian corporations.

Interest and foreign income are taxed at normal corporate rates applicable to mutual fund corporations and can be reduced by permitted deductions for tax purposes. All of the Company's expenses including management fees and operating expenses will be taken into account in determining its overall tax liability, if any.

As of December 31, 2020, the Company has accumulated the following non-capital losses available for utilization against net income for tax purposes in future years and capital losses available for utilization against capital gains. The tax benefit of the non-capital losses has not been reflected in the financial statements.

Tax Expiry Year	Non-Capital Loss*	Capital Loss**
2038	\$635,115	
2037	\$5,111,728	
2036	\$5,885,099	
Total	\$11,631,942	\$nil

* Non-capital losses can be offset against income in future years for up to 20 years.

** Net Capital losses can be carried forward indefinitely for offset against gains in future periods.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

March 29, 2021

TO THE SHAREHOLDERS OF WAVEFRONT GLOBAL DIVERSIFIED INVESTMENT CLASS (THE "FUND")

The accompanying audited financial statements have been prepared by Arrow Capital Management Inc. ("Arrow" or the "Manager" of the Fund), and approved by the Board of Directors of the Manager. The Manager is responsible for the information and representations contained in these financial statements.

The Manager maintains appropriate processes to ensure that reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and include certain amounts that are based on estimates and judgments. The significant accounting policies which management believes are appropriate for the Fund are described in Note 2 to the financial statements.

PricewaterhouseCoopers LLP is the external auditor of the Fund, appointed by the Shareholders. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the Shareholders their opinion on the financial statements. Their report is set out on the following page.

"James L. McGovern"

"Robert W. Maxwell"

JAMES L. MCGOVERN
Managing Director & CEO
ARROW CAPITAL MANAGEMENT INC.

ROBERT W. MAXWELL
Managing Director & CFO
ARROW CAPITAL MANAGEMENT INC.

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Independent auditor's report

To the Shareholders of
WaveFront Global Diversified Investment Class (the Fund)

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2020 and 2019 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The Fund's financial statements comprise:

- the statements of financial position as at December 31, 2020 and 2019;
- the statements of comprehensive income (loss) for the years then ended;
- the statements of changes in net assets attributable to holders of redeemable shares for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance.

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
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Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
March 29, 2021