



This document contains key information you should know about the Series ETF units of Arrow EC Income Advantage Alternative Fund (the "ETF"). You can find more details about this exchange-traded fund (ETF) in its prospectus. Ask your representative for a copy, contact Arrow Capital Management Inc. ("Arrow") at 1-877-327-6048 or info@arrow-capital.com, or visit www.arrow-capital.com.

Before you invest, consider how the ETF would work with your other investments and your tolerance for risk.

This ETF is an alternative ETF. It has the ability to invest in asset classes or use investment strategies that are not permitted for conventional ETFs. The specific strategies that differentiate this ETF from conventional ETFs include: increased use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the ETF's investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

This ETF has obtained exemptive relief to permit it to utilize market-neutral investment strategies pursuant to which the ETF may engage in the short selling of securities with a market value of up to a maximum of 100% of the net asset value of the ETF (subject to a combined limit on short selling and cash borrowing of 100% of its net asset value). The ETF has also obtained an exemption that allows it to short sell up to 300% of the ETF's net asset value in "government securities". This short selling limit is greater than the limits permitted under applicable securities legislation for conventional ETFs as well as alternative ETFs.

QUICK FACTS

Date ETF started: June 15, 2021

Total value on April 30, 2023: \$385.5 million

Management expense ratio (MER): 1.92%

Fund manager: Arrow Capital Management Inc.

Portfolio manager: Arrow Capital Management Inc.

Sub-advisor: East Coast Asset Management SEZC

Distributions: Each month based on a target annualized rate of between 4.0% and 5.0% (depending on market conditions) of the NAV per unit at the end of the prior year and annually each December (if applicable); capital gains, income and/or return of capital. Distributions will be received in cash.

TRADING INFORMATION (12 months ending April 30, 2023)

Ticker Symbol: RATE

Exchange: Toronto Stock Exchange (TSX)

Currency: Canadian dollars

Average daily volume: 3,637 units

Number of days traded: 231 days

PRICING INFORMATION (12 months ending April 30, 2023)

Market Price: \$19.10 - \$20.14

Net Asset Value (NAV): \$19.16 - \$20.04

Average bid-ask spread: 0.58%

WHAT DOES THE ETF INVEST IN?

The investment objective of the ETF is to generate income and preserve capital by investing in a diversified portfolio of primarily North American investment grade corporate bonds.

The ETF will use leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The ETF'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 ETF'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 ETF's specified derivatives positions, minus the aggregate notional amount of the specified derivative positions that are hedging transactions.

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

The charts below give you a snapshot of the ETF's investments on April 30, 2023. The ETF's investments will change over time.

Top 10 investments (April 30, 2023)

1.	Government of Canada 2.5% 2024-06-01	-27.0%
2.	Government of Canada 1.25% 2027-03-01	-24.5%
3.	Government of Canada 1.5% 2024-09-01	-19.9%
4.	Government of Canada 1.5% 2031-06-01	-16.7%
5.	Government of Canada 1.25% 2025-03-01	-15.5%
6.	Government of Canada 2% 2028-06-01	-14.6%
7.	Cash and Cash Equivalents	-13.8%
8.	Government of Canada 1% 2027-06-01	-11.2%
9.	Government of Canada 2.25% 2029-06-01	-11.2%
10.	Government of Canada 1% 2026-09-01	-10.9%
Total percentage of top 10 investments		-165.3%

Total number of investments: 232

Investment mix (%) (April 30, 2023)

	Long %	Short %
Funds	2.4	-
Corporate Bonds	339.2	(3.0)
Federal Bonds	5.1	(228.1)
Mortgage Backed Securities	4.2	-
Derivatives	1.8	(1.6)
Cash and Cash Equivalents	9.1	(22.9)
Other Net Assets	-	(6.2)
Total	361.8	(261.8)

HOW RISKY IS IT?

The value of the ETF can go down as well as up. You could lose money.

One way to gauge risk is to look at how much an ETF's returns change over time. This is called "volatility".

In general, ETFs with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. ETFs with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

Risk rating

Arrow has rated the volatility of this ETF as **low to medium**.

This rating is based on how much the ETF's returns have changed from year to year. It doesn't tell you how volatile the ETF will be in the future. The rating can change over time. An ETF with a low risk rating can still lose money.



For more information about the risk rating and specific risks that can affect the ETF's returns, see *What are the Risks of Investing in the ETF* section of the ETF's prospectus.

No guarantees

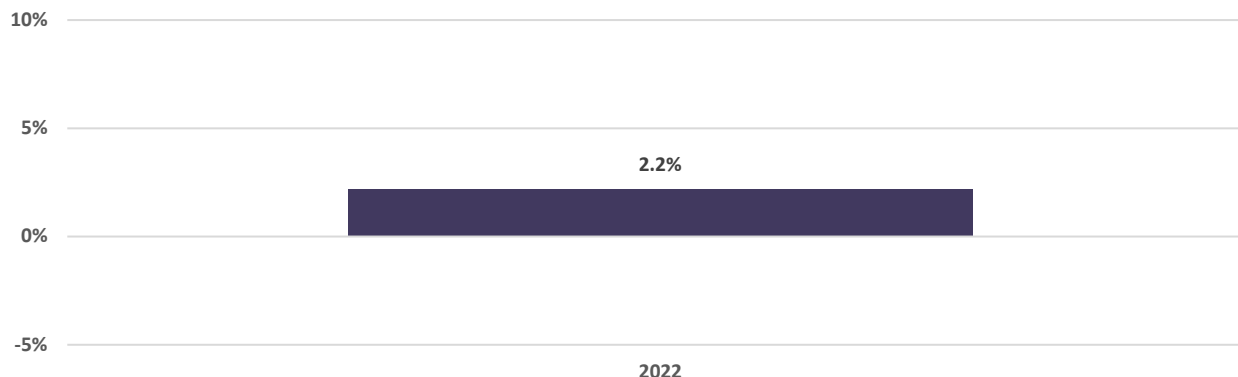
ETFs do not have guarantees. You may not get back the amount of money you invest.

HOW HAS THE ETF PERFORMED?

This section tells you how units of the ETF have performed since its inception. Returns are calculated using the ETF's net asset value ("NAV") and are after expenses have been deducted. These expenses reduce the ETF's returns.

Year-by-year returns

This chart shows how the ETF has performed over the past year. The fund did not decline in value in the past year. The range of returns and change from year to year can help you assess how risky the fund has been in the past. It does not tell you how the fund will perform in the future.



Best and worst 3-month returns

This table shows the best and worst returns for the ETF in a 3-month period over the past year. The best and worst 3-month returns could be higher or lower in the future. Consider how much of a loss you could afford to take in a short period of time.

	Return	3 months ending	If you invest \$1,000 at the beginning of the period
Best Return	4.6%	January 31, 2023	Your investment would rise to \$1,046
Worst Return	-1.3%	June 30, 2022	Your investment would fall to \$987

Average return

A person who invested \$1,000 in the fund on June 15, 2021 would have \$1,059 on April 30, 2023. This works out to an annual compound return of 3.2%.

TRADING ETFs

ETFs hold a basket of investments, like mutual funds, but trade on exchanges like stocks. Here are a few things to keep in mind when trading ETFs:

Pricing

ETFs have two sets of prices: market price and net asset value (NAV).

Market Price

ETFs are bought and sold on exchanges at the market price. The market price can change throughout the trading day. Factors like supply, demand, and changes in the value of an ETF's investments can affect the market price.

You can get price quotes any time during the trading day. Quotes have two parts: bid and ask.

The bid is the highest price a buyer is willing to pay if you want to sell your exchange traded securities. The ask is the lowest price a seller is willing to accept if you want to buy ETF units. The difference between the two is called a "bid-ask" spread.

In general, a smaller bid-ask spread means the ETF is more liquid. That means you are more likely to get the price you expect.

Net asset value (NAV)

Like mutual funds, ETFs have a NAV. It is calculated after the close of each trading day and reflects the value of an ETF's investments at that point in time.

NAV is used to calculate financial information for reporting purposes – like the returns shown in this document.

Orders

There are two main options for placing trades: market orders and limit orders. A market order lets you buy or sell units at the current market prices. A limit order lets you set the price at which you are willing to buy or sell units.

Timing

In general, market prices of ETFs can be more volatile around the start and end of the trading day. Consider using a limit order or placing a trade at another time during the trading day.

WHO IS THIS ETF FOR?

The ETF is suitable for investors who:

- Are looking for a medium to long-term investment
- Want to invest in a diversified portfolio of primarily investment grade fixed income securities
- Are comfortable with a low to medium risk level

A WORD ABOUT TAX

In general, you'll have to pay income tax on any money you make on an ETF. How much you pay depends on the tax laws where you live and whether or not you hold the ETF in a registered plan, such as a Registered Retirement Savings Plan or a Tax-Free Savings Account.

Keep in mind that if you hold your ETF in a non-registered plan, distributions from the ETF are included in your taxable income, whether you get them in cash or have them reinvested.

HOW MUCH DOES IT COST?

This section shows the fees and expenses you could pay to buy, own and sell units of the ETF. The fees and expenses – including any trailing commissions – can vary among ETFs. Higher commissions can influence representatives to recommend one investment over another. Ask about other ETFs and investments that may be suitable for you at a lower cost.

Brokerage Commissions

You may have to pay a commission every time you buy and sell units of the ETF. Commissions may vary by brokerage firm. Some brokerage firms may offer commission-free ETFs or require a minimum purchase amount.

ETF expenses

You don't pay these expenses directly. They affect you because they reduce the ETF's returns. The ETF's expenses are made up of the management fee, operating expenses and trading costs.

As of December 31, 2022, the ETF's expenses were 3.34% of its value. This equals \$33.40 for every \$1,000 invested.

	Annual Rate (as a %)
Management expense ratio (MER) This is the total of the ETF's management fee, performance fee and operating expenses.	1.92%
Trading expense ratio (TER) These are the ETF's trading costs.	1.42%
ETF expenses	3.34%

Performance fee

The ETF will pay to Arrow in respect of each calendar year of the ETF a performance fee per unit equal to 15% of the amount by which the Adjusted Net Asset Value (as defined in the prospectus) per unit at the end of the fiscal year exceeds the highest year end Adjusted Net Asset Value per unit previously achieved. The performance fee will be estimated and accrued each Valuation Date. If any units of the ETF 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 units.

Trailing commissions

The trailing commission is an ongoing commission. It is paid for as long as you own the ETF. It is for the services and advice that your representative and their firm provide to you. This ETF does not have a trailing commission.

Other fees

You may have to pay other fees when you buy, hold, sell or switch units of the ETF.

Fee	What you pay
Exchange fee	You may be required to pay 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, transactions costs, costs or expenses related to market impact and other costs or expenses incurred or expected to be incurred by the ETF in effecting securities transactions on the market to obtain the necessary cash for the exchange.

WHAT IF I CHANGE MY MIND?

Under securities law in some provinces and territories, you have the right to cancel your purchase order within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the prospectus, ETF Facts document, or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

FOR MORE INFORMATION

Contact Arrow or your representative for a copy of the ETF's prospectus and other disclosure documents. These documents and the ETF Facts make up the ETF's legal documents.

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