

**REPORT TO SECURITYHOLDERS  
FOR THE 12-MONTH PERIOD ENDED DECEMBER 31, 2025**

We are pleased to provide the Independent Review Committee’s (“IRC”) Annual Report to Securityholders for the year ended December 31, 2025, of mutual funds managed by Arrow Capital Management Inc. (“Arrow”), listed in Appendix A.

The role of the IRC is to review and to provide its approval or recommendation in respect of conflicts of interest that Arrow identifies between its own interests and its duty to manage the Funds in the best interests of the Funds. Arrow is responsible for referring to the IRC any matters that a reasonable person could view as Arrow having an interest that may conflict with its ability to act in the best interests of the Funds.

The IRC reviews each matter referred to it by Arrow and provides an approval or a recommendation, as appropriate, to ensure that the proposed course of action will achieve a fair and reasonable result for the Funds. The IRC has adopted a written charter that includes its mandate, responsibilities and functions, and the policies and procedures it will follow when performing its functions.

During the year, the IRC met on a scheduled basis, had regular discussions with management, and received appropriate representations regarding conflict of interest matters from the CFO and CCO of Arrow.

**The IRC**

***The IRC Members:***

	Current Employment	First appointed	Term Expiry
Kevin Drynan (Chair) *	Retired	January 1, 2025	December 31, 2027
Joe Pinizzotto	Retired	January 1, 2025	December 31, 2027
Drew Foley	Retired	April 1, 2025	March 31, 2028

\* serves on the IRC of Evolve ETF's, Genus Capital Management, Viewpoint Investment Partners, BristolGate Capital Partners, JC Clark Ltd. and Sprott Asset Management.

***Holding of Securities***

As of December 31, 2025, the members of the IRC collectively, directly or indirectly, beneficially owned less than 10% of the securities of any of the Funds. No member of the IRC beneficially owned, directly or indirectly, any securities of Arrow and no member of the IRC beneficially owned more than 10% of the voting or equity securities of any service provider to the Funds.

**IRC APPROVALS AND RECOMMENDATIONS**

In November 2025, Arrow referred a conflict of interest matter to the IRC.

Arrow requested the IRC review and provide a recommendation for a proposed inter-fund transfer of portfolio securities between Arrow Long/Short Alternative Fund and Arrow Opportunities Alternative Fund, in response to an investor's intention to switch a significant investment between these funds. Rather

than executing separate market sales and purchases (which would result in higher commissions and spreads for unitholders), Arrow proposed a coordinated, same-day inter-fund trade at official closing market prices through a registered broker, prioritizing transparency, fairness, and minimized costs. This approach is governed by NI 81-107 and NI 81-102, requiring IRC approval as a potential conflict of interest matter, and is supported by Arrow’s written policies and certification that no preferential treatment or undue influence is involved, ensuring a fair and reasonable outcome for both funds’ unitholders.

The IRC has reviewed the referral provided for the proposed transaction and has agreed that the inter-fund trade achieves a fair and reasonable result for both Arrow Long/Short Alternative Fund and Arrow Opportunities Alternative.

The IRC has received a report on the Reliance on Standing Instructions from Arrow. The IRC is not aware of any instance in which the Manager acted in a conflict of interest with matters referred to the IRC for which the IRC did not give a positive recommendation or did not meet a condition imposed by the IRC in its recommendation.

## **ANNUAL ASSESSMENTS**

The IRC conducted its annual self assessment review during the financial year ended December 31, 2025. The IRC submitted a report to Arrow which set out the results of this review.

In accordance with the IRC’s written charter, the IRC conducted an annual review of the following:

- the adequacy and effectiveness of Arrow’s written policies and procedures concerning conflicts of interest;
- the adequacy, effectiveness and amendments of the Standing Instructions provided to Arrow; and
- compliance with any conditions imposed by the IRC in a recommendation or approval provided.

The IRC, in collaboration with Arrow Capital, conducted a review of IRC member terms following consideration of CSA Staff Notice 81-337, which outlines best practices for independent review committees. This review also included an evaluation of the IRC’s composition and independence. As a result, the decision was made to refresh the IRC’s full membership in alignment with CSA guidance under NI 81-107. To bring new perspectives and maintain robust governance in addressing conflicts of interest, three new members have been appointed to the IRC.

## **IRC COMPENSATION**

The IRC reviewed its compensation giving consideration to the best interests of the Funds; the general and specific benefits accruing to the Fund and the number, nature and complexity of the Funds for which the IRC acts. The compensation paid to the IRC members, for the period January 1, 2025 to December 31, 2025, excluding HST was as follows:

Kevin Drynan	\$18,000
Joe Pinizzotto	\$14,000
<u>Drew Foley</u>	<u>\$14,000</u>
Total	\$46,000

The IRC compensation and IRC expenses were allocated among the Funds in accordance with Arrow’s expense allocation policy, which has been reviewed by the IRC. No indemnities were paid to the IRC Members by the Funds or Arrow during the financial year.

This report is available on Arrow’s website at <http://www.arrow-capital.com> or [www.sedar.com](http://www.sedar.com). You may request a copy, at no cost to you, by contacting the Manager at (877) 327-6048.

**Date:** February 26, 2025

**By:** “*Kevin Drynan*”

Kevin Drynan, Chair of the Independent Review Committee

## **APPENDIX A**

### **List of Funds Covered by This Report**

1. Arrow Long/Short Alternative Fund
2. Arrow Global Multi-Asset Alternative Fund
3. Arrow EC Income Advantage Alternative Fund
4. Arrow EC Equity Advantage Alternative Fund
5. Arrow Opportunities Alternative Fund
6. Arrow Income Alternative Fund
7. Exemplar Global Growth and Income Fund
8. Exemplar Growth & Income Fund
9. Exemplar Performance Fund
10. WaveFront Global Diversified Investment Fund
11. WaveFront All-Weather Alternative Fund