

Interim Management Report of Fund Performance As at April 30, 2015 Front Street Global Balanced Income Class

This Interim Management Report of Fund Performance contains financial highlights but does not contain the complete interim financial statements for Front Street Global Balanced Income Class (the "Fund"), a class of shares of Front Street Mutual Funds Limited. The interim financials of the Fund are attached behind this report and you can also get a copy of the interim or annual financial statements at your request, and at no cost, by calling 1-800-513-2832, by writing to us at Front Street Capital 2004, 33 Yonge Street, Suite 600, Toronto, Ontario M5E 1G4 or by visiting our website at www.frontstreetcapital.com or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure relating to the Fund.

Forward Looking Information

This Management Report of Fund Performance contains forward-looking information and statements relating, but not limited to, anticipated or prospective financial performance and results of operations of the Fund. Forward looking information involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. For this purpose, any statements that are contained herein that are not statements of historical fact may be deemed to be forward-looking information. Without limiting the foregoing, the words "believes", "anticipates", "plans", "intends", "will", "should", "expects", "projects", and similar expressions are intended to identify forward-looking information.

Although the Fund believes it has a reasonable basis for making the forecasts or projections included in this Management Report of Fund Performance, readers are cautioned not to place undue reliance on such forward-looking information. By its nature, the forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts and other forward-looking statements will not occur. These factors include, but are not limited to, those associated with the performance of the equity securities market, expectations about interest rates and factors incorporated by reference herein as risk factors.

The above list of important factors affecting forward looking information is not exhaustive, and reference should be made to the other risks discussed in the Fund's filings with Canadian securities regulatory authorities. The forward looking information is given as of the date of this Management Report of Fund Performance, and the Fund undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Management Discussion of Fund Performance

INVESTMENT OBJECTIVES AND STRATEGIES

The Fund's investment objective is to provide shareholders stable and long-term capital appreciation and income by investing in a diversified portfolio consisting primarily of equity, corporate or government bonds, and debt instruments or debt-like securities of investment grade and non-investment grade income securities of North American and/or international issuers, which could include investments in fixed or floating rate notes, convertible bonds, preferred shares, master limited partnerships, bank loans, or other income producing securities.

The fundamental investment objective of the Fund cannot be changed without the approval of its shareholders.

In accordance with the investment objective, the Fund will seek to maintain exposure to equity, bonds and bond-like securities, generally in the range of 20 - 80% each. The Fund may invest in any kind of equity security or fixed income security and up to all of the assets could be invested in foreign securities.

From time to time the Fund may invest in other mutual funds and may purchase securities of, or enter into specified derivative transactions for which the underlying interest is based on the securities of, other mutual funds. Such investments may be entered into in conjunction with other strategies and investments in a manner considered most appropriate to achieving the Fund's investment objectives stated above and enhancing returns as permitted by securities regulations. The Fund may invest in securities other mutual funds, including funds managed by the Manager or any of its associates or affiliates. No percentage of net assets is dedicated to such investments. Accordingly, all the assets of Fund may be invested in other mutual funds in accordance with securities legislation including NI 81-102.

RISK

Most of the Fund's assets will be invested in securities that include yield components, whether interest, dividends or return of capital. It may also invest in dividend-paying common shares or preferred shares. The Fund will therefore be subject to "Stock Market Risk", "Interest Rate Risk" and "Credit Risk". Since the Fund will invest primarily in foreign securities, this will expose the Fund to "Risks of Investing in Foreign Securities" and "Foreign Currency Risk". The Fund may invest in relatively illiquid securities that may expose the Fund to "Liquidity Risk". The Fund may also be exposed to "Sector Risk" due to its investments being concentrated in a limited number of sectors. As the Fund is newly created, it may be subject to the risks discussed under "Limited Operating History". The Fund may also be exposed to the "Risks Associated with Short Sales" and "Risks of Investing in Derivatives". The Fund will also be subject to "Risks Associated with Securities of REITS", "Risks Associated with Investing in Income Trusts", "Series Risk", "Securities Lending, Repurchase and Reverse Repurchase Risk" and "Tax Risk".

Currency Risk proved to have an effect as the Canadian dollar fell 6.7% relative to the U.S. dollar over the period, even though the dollar rebounded toward the end of the period. This would have had a net positive benefit as several of the companies in the Fund would have Canadian dollar expenses, but US dollar revenues.

Stock Market Risk had an effect as many of the major North American indices posted lower returns than in recent periods.

There was also some political risk during the period. OPEC and its members have helped to depress the price of oil over the period, causing uncertainty in Canadian markets, which are typically sensitive to energy prices.

Interest Rate Risk remains a factor. The U.S. Federal Reserve continues to be watched closely by investors for any hint of an interest rate hike. Globally, expectations remain that interest rates will remain relatively low, and in fact many countries recently have lowered their rates in an attempt to stimulate their economies.

The risks of investing in the Fund are further discussed in the Fund's Annual Information form.

RESULTS OF OPERATIONS

The current target asset mix of the Fund is 50% equity, 50% fixed income. The fixed income component is currently invested in the Front Street Tactical Bond Class fund, while the equity component invests directly in global securities. Both the fixed income and equity portion are almost exclusively invested in the U.S. The equity holdings currently tend towards very large capitalization companies.

The fund returned 7.3% over the period.

During the six month period ended April 30, 2015, the Fund earned investment income of \$172,685 from interest and dividends. There were net realized gains on the sale of investments of \$218,820 and an unrealized appreciation on the value of investments of \$ 471,195

Operating expenses, excluding management fees, servicing fees and transaction costs totalled \$72,438 and the Manager waived and absorbed \$72,438 of such expenses during the six month period ended April 30, 2015.

RECENT DEVELOPMENTS

Adoption of International Financial Reporting Standards (“IFRS”) in 2015

The Interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The Fund has adopted IFRS effective November 1, 2014. IFRS 1 – First-time Adoption of International Financial Reporting Standards, requires first-time adopters to apply IFRS retrospectively as if IFRS had been in effect from the date of the Fund’s transition. Accordingly, an opening IFRS statement of financial position as at November 1, 2013 has been prepared and the comparative information for the year ended October 31, 2014 has been restated based on IFRS. The Fund has consistently applied the same accounting policies throughout all periods presented.

Prior to the adoption of IFRS, the Fund presented its financial statements in accordance with previous Canadian Generally Accepted Accounting Principles (“previous CGAAP”). The impact of transition from previous CGAAP to IFRS on the Fund’s reported financial position, financial performance and cash flows is disclosed in the Notes to the interim financial statements.

RELATED PARTY-TRANSACTIONS

During the periods ended April 30, 2015 and 2014, fees paid to (waived and/or absorbed by) the Manager were as follows:

	2015	2014
Management fees	\$ <u>106,275</u>	\$ <u>17,526</u>
Servicing fees	\$ <u>55,971</u>	\$ <u>7,229</u>
Expenses waived and/or absorbed by Manager	\$ <u>(178,713)</u>	\$ <u>(67,016)</u>

Included in accrued expenses are amounts payable to the Manager as follows:

	April 30, 2015	October 31, 2014	December 10, 2013
Servicing fees payable	\$ <u>10,576</u>	\$ <u>7,741</u>	\$ <u>Nil</u>

The following are redeemable shares held by the related parties of the Fund:

	April 30, 2015	October 31, 2014	December 10, 2013
Series F shares held by the Manager	-	15,507	15,000
Percentage of Series F shares held by the Manager	-	20.57%	100.00%

As at April 30, 2015 the Fund held 612,133 (October 31, 2014 – 485,755, December 10, 2013 - Nil) shares of Front Street Tactical Bond Class Series F, representing 26.44% (October 31, 2014 – 31.81%, December 10, 2013 – Nil%) of the total Front Street Tactical Bond Class Series F shares outstanding, which was also managed by the Manager.

As at April 30, 2015 the Fund held 32,024 (October 31, 2014 – Nil, December 10, 2013 - Nil) shares of Front Street MLP and Infrastructure Income Class Series I, representing 28.11% (October 31, 2014 – Nil%, December 10, 2013 – Nil%) of the total Front Street MLP and Infrastructure Income Class Series I shares outstanding, which was also managed by the Manager.

The Fund may place a portion of its portfolio transactions with brokerage firms which are affiliates of the Manager provided it determines that these affiliates' trade execution abilities and costs are comparable to those non-affiliated, qualified brokerage firms, on an execution-only basis. During the period ended April 30, 2015, Tuscarora Capital Inc., a company under common control to the Manager, received \$5,113 (April 30, 2014 - \$3,505) in commissions on portfolio transactions for the Fund.

Management fees, servicing fees, and operating costs are measured at the exchange amount of consideration prescribed by the offering documents of the Fund. When related parties enter shareholder transactions with the Fund, the exchange amount of consideration is the NAV available to all other shareholders on the trade date. In the case of brokerage commissions, the exchange amount of consideration is that which is negotiated by the related parties.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance since inception. This information is derived from the Fund's audited annual and interim financial statements for the six months ended April 30, 2015.

Series A

The Fund's Net Assets per Redeemable Share⁽¹⁾

	April 30, 2015	For the period from commencement of operations on February 4, 2014 to October 31, 2014
	\$	\$
Net Assets, beginning of the period	9.95	10.00*
Increase (decrease) from operations:		
Total revenue	0.15	0.21
Total expenses	(0.06)	(0.07)
Realized loss for the period	0.23	(0.28)
Unrealized gain for the period	0.40	0.33
Total increase from operations⁽²⁾	0.72	0.19
Distributions to redeemable Shareholders:		
From income (excluding dividends)	—	—
From dividends	—	—
From capital gains	—	—
Return of capital	(0.20)	(0.30)
Total distributions to redeemable Shareholders⁽³⁾	(0.20)	(0.30)
Net Assets, end of the period	10.47	9.95

- (1) The information for April 30, 2015 is derived from the Fund's unaudited interim financial statements prepared in accordance with IFRS. The information prior to 2015 is derived from the Fund's annual audited financial statements prepared based on Canadian GAAP. An explanation of the effect of the Fund's transition to IFRS can be found in the notes to the financial statements.
- (2) Net assets and distributions are based on the actual number of redeemable shares outstanding at the relevant time. The increase (decrease) from operations is based on the average number of redeemable shares outstanding over the financial period.
- (3) Distributions were paid in cash/reinvested in additional redeemable shares of the Fund or both.

Ratios and Supplemental Data

Total net asset value (000's) ⁽¹⁾	\$11,705	\$8,399
Number of redeemable shares outstanding ⁽¹⁾	1,117,430	843,958
Management expense ratio ⁽²⁾	1.08%	1.02%
Management expense ratio before waivers or absorptions ⁽²⁾	4.81%	5.18%
Trading expense ratio ⁽³⁾	0.12%	0.30%
Portfolio turnover rate ⁽⁴⁾	41.40%	122.50%
Net asset value per redeemable share ⁽⁵⁾	\$10.47	\$9.95

- (1) This information is provided as at end of the period shown.
- (2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The manager can waive certain fees or absorb certain expenses otherwise payable by the Fund. The amount of expenses waived or absorbed is at the discretion of the manager.
- (3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
- (4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessary a relationship between a high turnover rate and the performance of a fund.
- (5) The information for April 30, 2015 is derived from the Fund's unaudited interim financial statements prepared in accordance with IFRS. The information prior to 2015 is derived from the Fund's annual audited financial statements prepared based on Canadian GAAP. An explanation of the effect of the Fund's transition to IFRS can be found in the notes to the financial statements.

* Initial price

Series B
The Fund's Net Assets per Redeemable Share⁽¹⁾

	April 30, 2015 \$	For the period from commencement of operations on January 23, 2014 to October 31, 2014 \$
Net Assets, beginning of the period	9.91	10.00*
Increase (decrease) from operations:		
Total revenue	0.15	0.22
Total expenses	(0.06)	(0.08)
Realized loss for the period	0.23	(0.32)
Unrealized gain for the period	0.41	0.35
Total increase from operations⁽²⁾	0.73	0.17
Distributions to redeemable Shareholders:		
From income (excluding dividends)	—	—
From dividends	—	—
From capital gains	—	—
Return of capital	(0.20)	(0.33)
Total distributions to redeemable Shareholders⁽³⁾	(0.20)	(0.33)
Net Assets, end of the period	10.43	9.91

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- (2) Net assets and distributions are based on the actual number of redeemable shares outstanding at the relevant time. The increase (decrease) from operations is based on the average number of redeemable shares outstanding over the financial period.
- (3) Distributions were paid in cash/reinvested in additional redeemable shares of the Fund or both.

Ratios and Supplemental Data

Total net asset value (000's) ⁽¹⁾	\$1,454	\$1,048
Number of redeemable shares outstanding ⁽¹⁾	139,420	105,708
Management expense ratio ⁽²⁾	1.09%	1.03%
Management expense ratio before waivers or absorptions ⁽²⁾	4.82%	5.01%
Trading expense ratio ⁽³⁾	0.12%	0.30%
Portfolio turnover rate ⁽⁴⁾	41.40%	122.50%
Net asset value per redeemable share ⁽⁵⁾	\$10.43	\$9.91

- (1) This information is provided as at end of the period shown.
- (2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The manager can waive certain fees or absorb certain expenses otherwise payable by the Fund. The amount of expenses waived or absorbed is at the discretion of the manager.
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* Initial price

Series F
The Fund's Net Assets per Redeemable Share ⁽¹⁾

	April 30, 2015 \$	For the period from commencement of operations on December 10, 2013 to October 31, 2014 \$
Net Assets, beginning of the period	9.99	10.00*
Increase (decrease) from operations:		
Total revenue	0.15	0.24
Total expenses	(0.01)	—
Realized loss for the period	0.20	(0.38)
Unrealized gain for the period	0.44	0.09
Total increase from operations ⁽²⁾	0.78	(0.05)
Distributions to redeemable Shareholders:		
From income (excluding dividends)	—	—
From dividends	—	—
From capital gains	—	—
Return of capital	(0.20)	(0.33)
Total distributions to redeemable Shareholders ⁽³⁾	(0.20)	(0.33)
Net Assets, end of the period	10.57	9.99

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- (2) Net assets and distributions are based on the actual number of redeemable shares outstanding at the relevant time. The increase (decrease) from operations is based on the average number of redeemable shares outstanding over the financial period.
- (3) Distributions were paid in cash/reinvested in additional redeemable shares of the Fund or both.

Ratios and Supplemental Data

Total net asset value (000's) ⁽¹⁾	\$744	\$753
Number of redeemable shares outstanding ⁽¹⁾	70,441	75,398
Management expense ratio ⁽²⁾	0.08%	0.02%
Management expense ratio before waivers or absorptions ⁽²⁾	3.81%	3.46%
Trading expense ratio ⁽³⁾	0.12%	0.30%
Portfolio turnover rate ⁽⁴⁾	41.40%	122.50%
Net asset value per redeemable share ⁽⁵⁾	\$10.57	\$9.99

- (1) This information is provided as at end of the period shown.
- (2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The manager can waive certain fees or absorb certain expenses otherwise payable by the Fund. The amount of expenses waived or absorbed is at the discretion of the manager.
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* Initial price

MANAGEMENT AND PERFORMANCE FEES

The Fund pays a monthly management fee equal to 1/12 of 1.5% of the net asset value of the Fund calculated and paid at the end of each month in arrears from each Fund series.

In consideration of the management fees payable by the Fund to the Manager, the Manager is responsible for providing marketing and promotion, fund management and administration and investment advisory services to the Fund. Fund management and administration services include establishing investment objectives, selecting investment sub-advisors, if applicable, and establishing and maintaining an appropriate infrastructure to meet accounting, financial and taxation reporting requirements. The Manager is also responsible for establishing and maintaining a servicing and risk management framework to ensure regulatory compliance, which includes regular monitoring. The Manager does not charge or allocate corporate overhead or expenses to the Fund.

There are no performance fees payable by this Fund.

The Fund is responsible for payment of all operating and administrative expenses of the Fund. The main components of these expenses are legal and accounting fees, printing expenses, reporting issuer filing and sustaining fees, custodial fees, fees payable to, and expenses incurred by, the Fund's Independent Review Committee and expenses of making distributions to shareholders. As the Fund has more than one series of shares, the shareholders of each series, bear their pro rata share of those expenses which are common to the operation of all series, as well as those expenses which are attributable solely to that series.

The Manager may, at its discretion, add a service charge of up to 15% of the costs incurred for any operating and administrative costs charged to the Fund other than management services which are already included in the management fee rate which the Manager receives from the Fund. The 15% service charge is intended to cover certain investor servicing costs attributable solely to the Fund, such as the establishment of the Fund's client servicing models, maintenance of investor support phone lines, and investor website and email support.

The Manager absorbed certain expenses relating to the operation of the Fund. These expenses include administration fees, audit fees, operating costs, legal fees, securityholder reporting costs, management fees and independent review committee expenses.

DEALER COMPENSATION

Brokers, dealers and advisors may be paid a "trailer commission" for assets that their sales representatives place in the Series A, Series B and Series X Fund securities. The Fund may, at its discretion, negotiate, change the terms and conditions of, or discontinue the trailer commission with brokers, dealers and advisors.

The trailer commission is calculated as a percentage of assets each broker, dealer or advisor has placed in the Fund series. The trailer commission is calculated based on the closing balance of client accounts for each calendar month. The trailer commission will not be paid if the assets are removed from the Funds. Trailer commissions are paid monthly at rates set within ranges according to the following table.

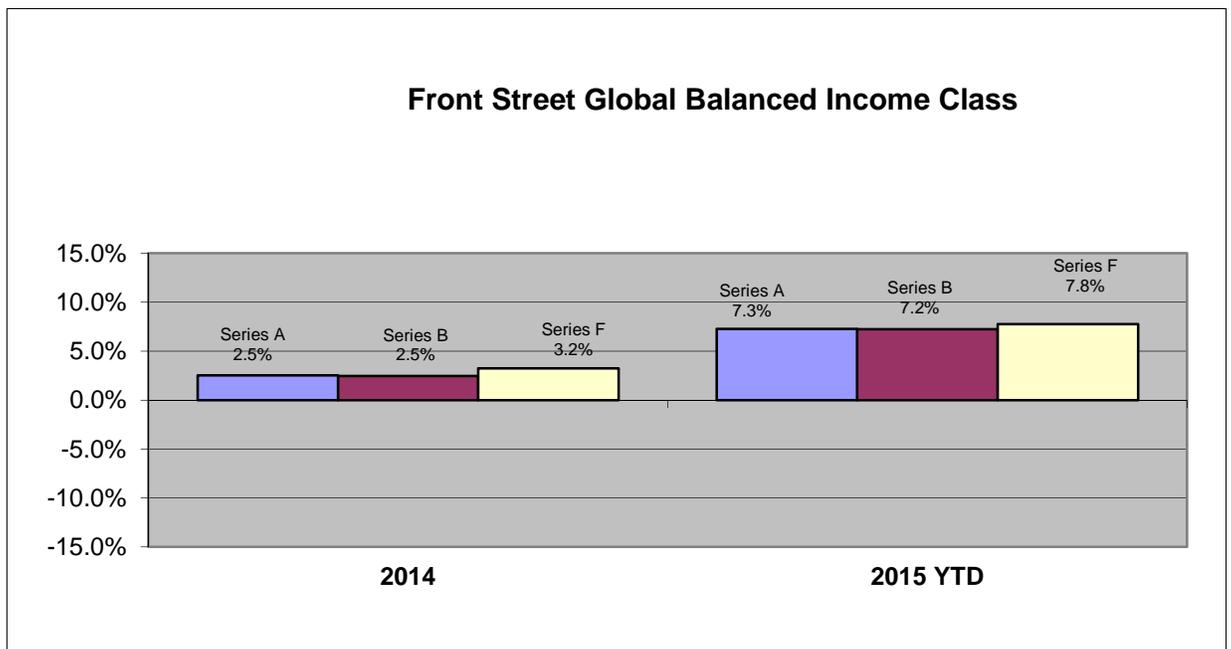
Series	Trailer Annual Rate	Annual Payment per \$1,000 of Fund securities held
A	1.00%	\$10.00
B	1.00%	\$10.00
F	0.00%	Nil
X	0.50%	\$5.00

PAST PERFORMANCE

The past performance of the Fund is set out below and includes year-by-year returns.

With respect to the charts displayed below, please note the following:

- (a) the returns or performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional shares of the Fund;
- (b) the return or performance information does not take into account sales, redemption, distribution or other optional charges or income taxes payable that would have reduced returns or performance; and
- (c) how the Fund has performed in the past does not necessarily indicate how it will perform in future.



Summary of Investment Portfolio as at April 30, 2015

Portfolio by Category

	Percentage of Net Asset Value
Long Positions	
Mutual Funds	47.9%
Information Technology	13.6%
Consumer Discretionary	11.6%
Cash and Cash Equivalents	9.3%
Financials	9.0%
Health Care	5.3%
Consumer Staples	1.0%
Materials	0.4%
Short Positions	
Forward foreign currency contracts	-0.1%
Other assets less other liabilities	2.0%
<hr/>	
	100.0%
<hr/>	

Top 25 Holdings

	Percentage of Net Asset Value
Long Positions	
Front Street Tactical Bond Class, Series F	45.5%
Netflix Inc.	4.0%
The Walt Disney Company	3.7%
Facebook Inc. 'A'	3.6%
Citigroup Inc.	2.9%
JPMorgan Chase & Company	2.4%
American International Group Inc.	2.3%
Front Street MLP & Infrastructure Class, Series I	2.3%
Macy's Inc.	2.1%
NXP Semiconductors NV	1.7%
Acadia Healthcare Company Inc.	1.6%
MasterCard Inc. 'A'	1.6%
Actavis PLC	1.5%
Morgan Stanley	1.4%
Skyworks Solutions Inc.	1.4%
Splunk Inc.	1.2%
Autodesk Inc.	1.1%
LinkedIn Corporation 'A'	1.1%
DISH Network Corporation 'A'	1.1%
Constellation Brands Inc. 'A'	1.0%
Mallinckrodt PLC	1.0%
Oracle Corporation	0.8%
Bristol-Myers Squibb Company	0.6%
Abbott Laboratories	0.6%
Performance Sports Group Limited	0.6%
	87.1%
TOTAL NET ASSET VALUE ('000s)	\$13,903

The information contained in the foregoing list may change due to the ongoing portfolio transactions of the Fund.



INTERIM FINANCIAL STATEMENTS

FRONT STREET GLOBAL BALANCED INCOME CLASS

FOR THE PERIOD ENDED APRIL 30, 2015

NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS

The accompanying interim financial statements have not been reviewed by the external auditors of the Fund in accordance with standards established by the Chartered Professional Accountants of Canada. The external auditors will be auditing the annual financial statements of the Fund in accordance with Canadian generally accepted auditing standards.

FRONT STREET GLOBAL BALANCED INCOME CLASS

STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

AS AT APRIL 30, 2015, OCTOBER 31, 2014 AND DECEMBER 10, 2013

	April 30, 2015	October 31, 2014 (Note 15)	December 10, 2013 (Note 15)
Assets			
Financial assets at fair value through profit or loss*	\$ 12,349,373	\$ 9,124,847	\$ -
Cash and cash equivalents	1,294,461	1,112,318	150,000
Subscriptions receivable	168,089	26,712	-
Receivable for investments sold	103,361	85,373	-
Interest and other receivable	26,842	-	-
Dividends receivable	1,802	618	-
	<u>\$ 13,943,928</u>	<u>\$ 10,349,868</u>	<u>\$ 150,000</u>
Liabilities			
Distributions payable	\$ 15,649	\$ 9,201	-
Foreign exchange forward contracts at fair value through profit or loss, note 12	14,584	-	-
Accrued expenses, note 9	10,576	7,741	-
Redemptions payable	312	4,000	-
Payable for investments purchased	-	130,556	-
Total liabilities before net assets attributable to shareholders of redeemable shares	<u>41,121</u>	<u>151,498</u>	<u>-</u>
Net assets attributable to shareholders of redeemable shares	<u>\$ 13,902,807</u>	<u>\$ 10,198,370</u>	<u>\$ 150,000</u>
Net assets attributable to shareholders of redeemable shares			
Series A	\$ 11,704,409	\$ 8,397,671	-
Series B	\$ 1,454,141	\$ 1,047,623	-
Series F	\$ 744,257	\$ 753,076	150,000
Number of redeemable shares outstanding, note 5			
Series A	1,117,430	843,958	-
Series B	139,420	105,708	-
Series F	70,441	75,398	15,000
Net assets attributable to shareholders of redeemable shares per share			
Series A	\$ 10.47	\$ 9.95	-
Series B	\$ 10.43	\$ 9.91	-
Series F	\$ 10.57	\$ 9.99	10.00

Approved on behalf of Front Street Mutual Funds Limited:



Gary P. Selke
Chief Executive Officer and Director



Susan Johnson
Chief Financial Officer

* Cost of investments is reflected on the Schedule of Investment Portfolio.

See accompanying notes to financial statements.

FRONT STREET GLOBAL BALANCED INCOME CLASS

STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE PERIODS ENDED APRIL 30, 2015 AND DECEMBER 11, 2013 TO APRIL 30, 2014

	November 1, 2014 to April 30, 2015	December 11, 2013 to April 30, 2014 (note 15)
Investment Income		
Interest income for distribution purposes	\$ 141,802	\$ 22,238
Dividends	30,883	1,728
Foreign currency gain (loss) on cash and other net assets	52,891	(11,560)
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss ("FVTPL")		
Net realized gain (loss) on financial assets and liabilities at FVTPL	218,820	(89,469)
Change in unrealized appreciation on financial assets and liabilities at FVTPL	471,195	48,807
	<u>915,591</u>	<u>(28,256)</u>
Expenses		
Management fees, notes 6 and 9	106,275	17,526
Servicing fees, notes 6 and 9	55,971	7,229
Administration fees	39,919	14,922
Audit fees	11,739	9
Custodial fees	10,499	-
Securityholder reporting costs	7,581	3
Transaction costs, notes 3(k) and 8	7,102	4,153
Withholding tax	4,271	242
Legal fees	2,079	34,526
Independent Review Committee fees	621	30
Total expenses before Manager Absorption	<u>246,057</u>	<u>78,640</u>
Less: Expenses Absorbed by Manager, notes 6 and 9	(178,713)	(67,016)
Total expenses after Manager Absorption	<u>67,344</u>	<u>11,624</u>
Increase (decrease) in net assets attributable to shareholders of redeemable shares	<u>\$ 848,247</u>	<u>\$ (39,880)</u>
Increase (decrease) in net assets attributable to shareholders of redeemable shares		
Series A	\$ 702,692	\$ (32,849)
Series B	\$ 89,278	\$ (6,441)
Series F	\$ 56,277	\$ (590)
Increase (decrease) in net assets attributable to shareholders of redeemable shares per share		
Series A	\$ 0.72	\$ (0.13)
Series B	\$ 0.73	\$ (0.14)
Series F	\$ 0.78	\$ (0.04)

See accompanying notes to financial statements.

FRONT STREET GLOBAL BALANCED INCOME CLASS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS OF REDEEMABLE SHARES (UNAUDITED)

FOR THE PERIODS ENDED APRIL 30, 2015 AND DECEMBER 11, 2013 TO APRIL 30, 2014

	November 1, 2014 to April 30, 2015	December 11, 2013 to April 30, 2014 (note 15)
Net assets attributable to shareholders of redeemable shares, beginning of period		
Series A	\$ 8,397,671	\$ -
Series B	1,047,623	-
Series F	753,076	150,000
	<u>10,198,370</u>	<u>150,000</u>
Increase (decrease) in net assets attributable to shareholders of redeemable shares from operations		
Series A	702,692	(32,849)
Series B	89,278	(6,441)
Series F	56,277	(590)
	<u>848,247</u>	<u>(39,880)</u>
Redeemable share transactions		
Proceeds from redeemable shares issued		
Series A	2,928,956	4,684,858
Series B	377,193	913,693
Series F	25,763	91,305
	<u>3,331,912</u>	<u>5,689,856</u>
Reinvestment of distributions to shareholders of redeemable shares		
Series A	136,144	29,441
Series B	17,417	5,348
Series F	6,241	2,077
	<u>159,802</u>	<u>36,866</u>
Redemption of redeemable shares		
Series A	(261,486)	-
Series B	(52,478)	(21,736)
Series F	(82,736)	-
	<u>(396,700)</u>	<u>(21,736)</u>
Net increase in net assets from redeemable share transactions	<u>3,095,014</u>	<u>5,704,986</u>
Distributions to shareholders of redeemable shares		
Return of capital		
Series A	(199,568)	(32,691)
Series B	(24,892)	(6,444)
Series F	(14,364)	(2,329)
	<u>(238,824)</u>	<u>(41,464)</u>
Net increase in net assets attributable to shareholders of redeemable shares	<u>3,704,437</u>	<u>5,623,642</u>
Net assets attributable to shareholders of redeemable shares, end of period		
Series A	11,704,409	4,648,759
Series B	1,454,141	884,420
Series F	744,257	240,463
	<u>\$ 13,902,807</u>	<u>\$ 5,773,642</u>

See accompanying notes to financial statements.

FRONT STREET GLOBAL BALANCED INCOME CLASS

STATEMENTS OF CASH FLOWS (UNAUDITED)

FOR THE PERIODS ENDED APRIL 30, 2015 AND DECEMBER 11, 2013 TO APRIL 30, 2014

	November 1, 2014 to April 30, 2015 (note 15)	December 11, 2013 to April 30, 2014 (note 15)
Cash Flow from Operating Activities		
Increase (decrease) in net assets attributable to shareholders of redeemable shares from operations	\$ 848,247	\$ (39,880)
Adjustments for:		
Foreign currency (gain) loss on cash and other net assets	(52,891)	11,560
Net realized (gain) loss on financial assets and liabilities at FVTPL	(218,820)	89,469
Change in unrealized appreciation on financial assets and liabilities at FVTPL	(471,195)	(48,807)
Increase in interest and other receivable	(26,842)	(11,451)
Increase in dividends receivable	(1,184)	(609)
Increase in accrued expenses	2,835	4,297
Purchase of financial assets and liabilities at FVTPL	(6,894,402)	(6,751,097)
Proceeds from sales of financial assets and liabilities at FVTPL	4,225,931	1,325,769
Net Cash Used by Operating Activities	(2,588,321)	(5,420,749)
Cash Flows from Financing Activities		
Distributions to unitholders of redeemable shares, net of reinvested distributions	(72,574)	(2,003)
Proceeds from redeemable shares issued	3,190,535	5,545,855
Amount paid on redemption of redeemable shares	(400,388)	(1,400)
Net Cash Generated by Financing Activities	2,717,573	5,542,452
Net increase in cash and cash equivalents	129,252	121,703
Foreign currency gain (loss) on cash and other net assets	52,891	(11,560)
Cash and cash equivalents, beginning of period	1,112,318	150,000
Cash and Cash Equivalents, End of Period	\$ 1,294,461	\$ 260,143
Cash and cash equivalents comprise:		
Cash at bank	1,294,461	260,143
	\$ 1,294,461	\$ 260,143
Interest received, net of withholding tax	\$ 114,960	\$ 10,787
Dividends received, net of withholding tax	\$ 25,428	\$ 877

See accompanying notes to financial statements

FRONT STREET GLOBAL BALANCED INCOME CLASS

SCHEDULE OF INVESTMENT PORTFOLIO

AS AT APRIL 30, 2015 (UNAUDITED)

	Number of Shares / Units	Cost \$	Fair Value \$
Long positions (88.8%)			
Consumer Discretionary (11.6%)			
DISH Network Corporation 'A'	1,800	\$ 117,496	\$ 147,540
Macy's Inc.	3,750	269,732	293,518
Magna International Inc.	200	12,224	12,219
Netflix Inc.	830	480,373	559,560
Performance Sports Group Limited	3,300	57,096	81,155
The Walt Disney Company	3,900	453,847	513,804
		<u>\$ 1,390,768</u>	<u>\$ 1,607,796</u>
Consumer Staples (1.0%)			
Constellation Brands Inc. 'A'	1,000	\$ 89,332	\$ 140,455
Financials (9.0%)			
American International Group Inc.	4,730	\$ 284,557	\$ 322,549
Citigroup Inc.	6,200	399,777	400,485
JPMorgan Chase & Company	4,300	274,960	329,535
Morgan Stanley	4,420	154,438	199,780
		<u>\$ 1,113,732</u>	<u>\$ 1,252,349</u>
Health Care (5.3%)			
Abbott Laboratories	1,500	\$ 84,626	\$ 84,353
Acadia Healthcare Company Inc.	2,700	197,273	224,057
Actavis PLC	600	223,238	205,507
Bristol-Myers Squibb Company	1,100	70,494	84,899
Mallinckrodt PLC	1,000	99,973	137,111
		<u>\$ 675,604</u>	<u>\$ 735,927</u>
Information Technology (13.6%)			
Apple Inc.	500	\$ 59,021	\$ 75,843
Autodesk Inc.	2,300	161,491	158,347
Facebook Inc. 'A'	5,200	469,144	496,213
LinkedIn Corporation 'A'	500	117,799	152,721
MasterCard Inc. 'A'	2,000	211,162	218,569
NXP Semiconductors NV	2,000	196,473	232,888
Oracle Corporation	2,100	114,826	110,971
Salesforce.com Inc.	900	63,872	79,396
Skyworks Solutions Inc.	1,700	182,156	189,985
Splunk Inc.	2,135	157,802	171,597
		<u>\$ 1,733,746</u>	<u>\$ 1,886,530</u>

FRONT STREET GLOBAL BALANCED INCOME CLASS

SCHEDULE OF INVESTMENT PORTFOLIO

AS AT APRIL 30, 2015 (UNAUDITED)

	Number of Shares / Units	Cost \$	Fair Value \$
Materials (0.4%)			
The Dow Chemical Company	1,000	\$ 54,555	\$ 61,784
Mutual Funds (47.9%)			
Front Street MLP & Infrastructure Income Class Series I	32,024	\$ 301,329	\$ 319,281
Front Street Tactical Bond Class F	612,133	6,299,778	6,345,251
		\$ 6,601,107	\$ 6,664,532
Total Long Positions (88.8%)		\$ 11,658,844	\$ 12,349,373
Unrealized loss on forward foreign currency contracts (-0.1%)		\$ -	(14,584)
Transaction costs, note 3		\$ (5,957)	
Total Investments (88.7%)		\$ 11,652,887	12,334,789
Cash and cash equivalents (9.3%)			1,294,461
Other liabilities in excess of other assets (2.0%)			273,557
Net assets (100.0%)			\$ 13,902,807

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2015 AND 2014

(UNAUDITED)

1. THE FUND

Front Street Global Balanced Income Class (the "Fund") is a class of shares of Front Street Mutual Funds Limited (the "Corporation"), a mutual fund corporation incorporated under the Canada Business Corporations Act on September 26, 2013 and is authorized to issue an unlimited number of classes of shares in multiple series. Reference is made to the Fund's Simplified Prospectus for additional information on the Fund's structure. The Fund was established on December 10, 2013. Series A commenced operations on February 4, 2014. Series B commenced operations on January 23, 2014. Series F commenced operations on December 10, 2013.

The foregoing financial statements and accompanying notes to the financial statements presented herein are for the Fund. Separate financial statements of each of the other classes of shares of the Corporation have also been prepared as at April 30, 2015.

Front Street Capital 2004 is the manager of the Fund (the "Manager"). Front Street Investment Management Inc. (the "Investment Advisor") has been retained by the Manager, on behalf of the Fund, to provide investment advisory and portfolio management services to the Fund. Citibank Canada is the custodian. Citigroup Fund Services Canada Inc. provides fund accounting services and shareholder recordkeeping services.

The investment objective of the Fund is to provide Shareholders with stable and long-term capital appreciation and income by investing in a diversified portfolio consisting primarily of equity, corporate or government bonds, and debt instruments or debt-like securities of investment grade and non-investment grade income securities of North American and/or international issuers, which could include investments in fixed or floating rate notes, convertible bonds, preferred shares, master limited partnerships, bank loans, or other income producing securities.

2. BASIS OF PRESENTATION AND ADOPTION OF INTERNATIONAL FINANCIAL STANDARDS

(a) Statement of compliance

These interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB). These are the Fund's first interim financial statements prepared under IFRS, and have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34") and IFRS 1 First-time Adoption of International Financial Reporting Standards ("IFRS 1") has been applied. Certain information and disclosures normally required to be included in notes to annual financial statements may have been condensed or omitted. For the period from December 10, 2013 to October 31, 2014, the Fund had previously prepared its financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") as defined in Part V of the CPA Canada Handbook. To prepare comparative information, the Fund has applied IFRS as at December 10, 2013, the Fund's date of transition to IFRS. The accounting, estimation and valuation policies adopted on conversion to IFRS, as described below, have been applied consistently to all periods presented herein. An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows is provided in note 15 (Explanation of Transition to IFRS).

These interim financial statements were authorized for issue by the Manager on June 24, 2015.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2015 AND 2014

(UNAUDITED)

2. BASIS OF PRESENTATION AND ADOPTION OF INTERNATIONAL FINANCIAL STANDARDS (Continued...)

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis, except for financial assets and liabilities at fair value through profit or loss which are measured at fair value.

(c) Functional and presentation currency

The financial statements have been presented in Canadian dollars, which is the Fund's functional currency, and all values are rounded to the nearest dollar except where otherwise indicated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies described below have been applied consistently to all periods presented in these interim financial statements and in preparing the statement of financial position as at December 10, 2013 for the purpose of the transition to IFRS.

(a) Financial instruments:

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Transaction costs include brokerage commissions incurred in the purchase and sale of portfolio investments in which the Fund invests. All such costs are expensed in the period incurred and presented in the statements of comprehensive income. Purchases and sales of financial assets are recognized at their trade date. The Fund's investments and derivative assets and liabilities are measured at fair value through profit or loss (FVTPL), including certain investments in debt securities which have been designated at FVTPL. The Fund's obligation for net assets attributable to shareholders of redeemable shares is presented at the redemption amount. All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate. The Fund's accounting policies for measuring the fair value of its investments and derivatives, except for warrants classified as level 2 are identical to those used in measuring its net asset value ("NAV") for transactions with shareholders.

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. Quantitative information on the impact on the Fund's statements of financial position if all amounts were set off is required.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2015 AND 2014

(UNAUDITED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued...)

(b) Fair value measurement:

The Fund's portfolio investments are classified as fair value through profit or loss ("FVTPL"). Any unrealized gain or loss arising due to changes in fair value during the reporting period is presented separately in the statements of comprehensive income. Portfolio investments cannot be reclassified out of the FVTPL category while they are held.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a transaction between market participants at the measurement date. The fair value of financial instruments traded in active markets should be measured based on a price within the bid and ask spread that is most representative of fair value and allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurement within a bid-ask spread. When the closing sale price of financial instruments traded in active markets is outside the bid and ask spread, such financial instruments are measured based on the bid price for securities owned or held long and on the asking price for securities sold short. The fair value of financial instruments not traded in an active market (including, but not limited to securities in private companies, warrants and restricted securities) are determined using valuation techniques. Depending on the circumstances, the Fund may use several methods and make assumptions based on market conditions existing at each reporting date. Valuation techniques may include, without limitation, the use of comparable recent arm's length transactions, discounted cash flow analysis, option-pricing models and other valuation techniques commonly used by market participants. Estimated fair values for investments in securities not traded in an active market are based on inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for such investments.

The fair value of financial instruments which are restricted as to transferability are valued at the fair value of the unrestricted investment as provided above less a discount of 2% per month up to four months.

Short-term investments, if any, are valued at the aggregate of cost and accrued interest receivable, which approximates fair value.

For financial statement reporting purposes, under National Instrument 81-106 ("NI 81-106") the Fund is required to disclose the differences between net assets attributable to redeemable shares per share and net asset value per share, including any differences in valuation principles or practices for the purposes of calculating net asset value versus those required under IFRS. A reconciliation between the net assets attributable to redeemable shares per share for financial reporting purposes and net asset value for investor transactions is presented in note 10 (Reconciliation of Net Asset Value to IFRS Net Assets Attributable to Shareholders of Redeemable Shares).

Investments in mutual funds or pooled funds are valued based on the net asset value per share at the close of trading on the financial statement date.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2015 AND 2014

(UNAUDITED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued...)

(c) Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Fund in the management of short-term commitments, other than cash collateral provided in respect of derivatives and securities borrowing transactions.

(d) Redeemable shares

The Fund classifies redeemable shares issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Fund has multiple classes of redeemable shares that do not have identical features and therefore, do not qualify as equity under IAS 32, Financial Instruments. The redeemable shares, which are classified as financial liabilities and measured at redemption amount, provide investors with the right to require redemption, subject to available liquidity, for cash at a share price based on the Fund's valuation policies at each redemption date. The shares represent the residual interest in the Fund.

(e) Impairment of financial assets

At the end of each reporting period, the Fund reviews its financial assets that are carried at amortized cost for any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured and recognized as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed.

(f) Investment transactions and income recognition

Investment transactions are accounted for on a trade date basis. Realized and unrealized gains and losses from such transactions are calculated using the weighted average cost of the securities on disposition.

Revenue from investments is recognized on the accrual basis. Interest for distribution purposes shown on the statements of comprehensive income represents the coupon interest received by the Fund accounted for on an accrual basis and is recognized through profit or loss. Dividend revenue is recognized on the ex-dividend date.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2015 AND 2014

(UNAUDITED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued...)

(g) Securities lending, repurchase and reverse repurchase transactions

The Fund is permitted to enter into securities lending, repurchase and reverse repurchase transactions as set out in the Simplified Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date. The value of cash or securities held as collateral must at least 102% of the fair value of the securities loaned, sold or purchased. 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 recognized on an accrual basis and included in the statements of comprehensive income under the heading securities lending revenue.

(h) Foreign currency translation

The fair value of investments and derivatives, other assets and liabilities denominated in foreign currencies are translated at the exchange rate between the functional currency and the foreign currency at each of the valuation date. Foreign currency transactions, including purchase and sales of investments, investment income and expenses are translated at the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Realized and unrealized exchange gains and losses on foreign currency cash and cash equivalents and other assets and liabilities are presented as "Foreign currency gain (loss) on cash and cash equivalents and other net assets". Realized and unrealized exchange gains and losses on investments and derivatives are presented within "Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss".

(i) Increase (decrease) in net assets attributable to shareholders of redeemable shares from operations per share

Increase (decrease) in net assets attributable to shareholders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to shareholders of redeemable shares from operations of a series by the average number of shares outstanding of that series during the period.

(j) Net assets attributable to shareholders of redeemable shares per share

The net assets attributable to shareholders of redeemable shares per share are calculated by dividing the net assets of a series of shares by the total number of redeemable shares of that series outstanding at the end of the period.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2015 AND 2014

(UNAUDITED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued...)

(k) Transaction costs

Portfolio transaction costs are expensed and are included in "Transaction costs" in the statements of comprehensive income. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges. The individual security's cost shown on the schedule of investment portfolio includes only those transaction costs incurred on the acquisition of portfolio investments.

(l) Provisions

The Fund recognizes a provision, if as a result of a prior event, the Fund has a current obligation requiring the outflow of resources to settle. Provisions are recorded at the Manager's best estimates of the most probable outcome of any future settlement.

(m) Future changes in accounting standards:

IFRS 9 was issued in November 2009. It addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends, to the extent not clearly representing a return of investment, are recognized in profit or loss; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2015 AND 2014

(UNAUDITED)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The timely preparation of financial statements requires the Fund to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. The following summarizes the accounting judgments, estimates and assumptions the Fund considers significant:

(a) Valuation of investments

Portfolio investments are measured and reported at fair value through profit or loss. Portfolio investments may include securities not traded in an active market, the fair value of which is determined using valuation techniques. Such estimates of fair value of portfolio investments not traded in an active market involve assumptions and uncertainties, and may include matters of significant judgment. Therefore, such estimates are subjective and cannot be determined with precision. Changes in assumptions may significantly affect the estimates.

(b) Other judgments, estimates and assumptions

Estimates are also used when determining the amount of impairment of assets and the likelihood of contingencies.

(c) Assessment as investment entity

The Manager has concluded that the Fund meets the characteristics of an investment entity, in that it has more than one investment and is managed in accordance with the Articles of Incorporation and prospectus; the investments are predominantly in the form of equities and similar securities; it has more than one investor and its investors are not related parties, and has also concluded that the Fund meets the definition of an investment entity. These conclusions will be reassessed on an annual basis, if any of these criteria or characteristics change.

5. REDEEMABLE SHARES

Net assets attributable to holders of redeemable shares consists of amounts paid for shares, undistributed income, realized gains and losses and unrealized appreciation (depreciation) of financial assets at FVTPL, less amounts paid for redemptions and represents the capital of the Fund. The Fund may issue an unlimited number of redeemable shares. Each share is redeemable at the option of the shareholder in accordance with the Articles of Incorporation, and entitles the shareholder to a proportionate interest in the net assets of the Fund. The Fund has no restrictions or specified capital requirements on subscriptions or redemptions of shares. The Manager manages the capital of the Fund in accordance with the Fund's investment objectives.

The authorized capital of the Fund consists of an unlimited number of mutual fund shares, available in four series. Redemption and commission fees vary according to each series of shares as follows:

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2015 AND 2014 (UNAUDITED)

5. REDEEMABLE SHARES (Continued...)

Series A shares

Redemption fees payable to the Manager may be applicable upon the sale of shares of this series based on the original cost amount and the time to disposition. A redemption fee of 3% applies to shares of this series sold within the first 18 months following acquisition. A redemption fee of 2% applies to shares of this series sold after the first 18 months and prior to 36 months following acquisition. No redemption fee applies to shares of this series sold after the first 36 months following acquisition.

Series B shares

Commission fees payable to brokers, dealers or advisors may be applicable upon the purchase of shares of this series up to 5% of the gross purchase amount, at the discretion of the broker, dealer or advisor.

Series F shares

No redemption or commission fees are applicable to shares of this series.

Series X shares

Redemption fees payable to the Manager may be applicable upon the sale of shares of this series based on the original cost amount and the time to disposition. A redemption fee of 5% applies to shares of this series sold within the first year following acquisition. A redemption fee of 3% applies to shares of this series sold within the second year following acquisition. A redemption fee of 1.5% applies to shares of this series sold within the third year following acquisition. No redemption fee applies to shares of this series sold after the third year following acquisition.

The Fund allocates income and expenses, and realized and unrealized capital gains and losses to each class of shares outstanding based on the average class allocation for the period.

The following redeemable share transactions took place during the period ended:

	November 1, 2014 to April 30, 2015	December 11, 2013 to April 30, 2014
Redeemable Shares outstanding, beginning of the period:		
Series A	843,958	-
Series B	105,708	-
Series F	75,398	15,000
Redeemable Shares issued during the period:		
Series A	285,981	465,933
Series B	37,273	91,175
Series F	2,548	9,072
Redeemable Shares distributions reinvested during the period:		
Series A	13,232	2,950
Series B	1,699	539
Series F	603	208

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2015 AND 2014

(UNAUDITED)

5. REDEEMABLE SHARES (Continued...)

Redeemable Shares redeemed during the period:

Series A	25,741	-
Series B	5,260	2,161
Series F	8,108	-

Redeemable Shares outstanding, end of the period:

Series A	1,117,430	468,883
Series B	139,420	89,553
Series F	70,441	24,280

6. FEES AND EXPENSES

The Fund pays a monthly management fee equal to 1.50% of the net asset value of the Fund calculated and paid at the end of each month in arrears from each Fund series.

In consideration of the management fees payable by the Fund to the Manager, the Manager is responsible for providing marketing and promotion, fund management and administration and investment advisory services to the Fund. Fund management and administration services include establishing investment objectives, selecting investment sub-advisors, if applicable, and establishing and maintaining an appropriate infrastructure to meet accounting, financial and taxation reporting requirements. The Manager is also responsible for establishing and maintaining a servicing and risk management framework to ensure regulatory compliance, which includes regular monitoring. The Manager does not charge or allocate corporate overhead or expenses to the Fund.

The Fund pays a monthly service fee of 1/12 of 1.00% of the net asset value of the Series A shares and Series B shares calculated at the end of each month. The Funds pays a monthly service fee of 1/12 of 0.50% of the net asset value of Series X shares calculated at the end of each month.

There is no performance fee payable by this Fund.

The Fund is responsible for payment of all operating and administrative expenses of the Fund. The main components of these expenses are legal and accounting fees, printing expenses, reporting issuer filing and sustaining fees, custodial fees, fees payable to, and expenses incurred by, the Fund's Independent Review Committee and expenses of making distributions to shareholders. As the Fund has more than one series of shares, the shareholders of each series, bear their pro rata share of those expenses which are common to the operation of all series, as well as those expenses which are attributable solely to that series.

The Manager may, at its discretion, add a service charge of up to 15% of the costs incurred for any operating and administrative costs charged to the Fund other than management services which are already included in the management fee rate which the Manager receives from the Fund. The 15% service charge is intended to cover certain investor servicing costs attributable solely to the Fund, such as the establishment of the Fund's client servicing models, maintenance of investor support phone lines, and investor website and email support.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2015 AND 2014

(UNAUDITED)

6. FEES AND EXPENSES (Continued...)

The Manager absorbed certain expenses relating to the operation of the Fund. These expenses include administration fees, audit fees, custodial fees, operating costs, legal fees, securityholder reporting costs, management fees and independent review committee expenses.

7. INCOME TAX AND DISTRIBUTION

The Fund qualifies as a mutual fund corporation under the Income Tax Act (Canada). The Corporation will earn three types of income, Canadian dividends, taxable capital gains and other net taxable income. The income of the Fund, including taxable capital gains, will be subject to tax at applicable corporate tax rates, after claiming allowable deductions for expenses and applicable credits for foreign taxes paid on foreign source income. Income tax on capital gains is refundable to the Fund to the extent that such gains are distributed to shareholders as capital gains dividends or the Fund's shares are redeemed. Gains and losses realized by the Fund in relation to certain derivative transactions and short sale transactions may be taxed on account of income as opposed to on account of capital. Other income is subject to tax at normal corporate rates and is not subject to refundable tax treatment.

The Fund may elect in the prescribed manner and form in order to have the dividends it distributes treated as capital gains dividends to the extent that the dividends do not exceed the Fund's capital gains dividend account. The capital gains dividend account will be represented by the amount by which capital gains realized by the Fund while it was a mutual fund corporation exceed the aggregate of:

- (a) capital losses realized by the Fund while it was a mutual fund corporation;
- (b) certain capital gains dividends previously paid by it; and
- (c) amounts in respect of which the Fund received capital gains tax refunds.

The Corporation is a single legal entity for tax purposes and is not taxed on a fund-by-fund basis. Non-capital and capital losses of the Corporation may be applied against the income and/or capital gains attributable to the Corporation as a whole irrespective of the Fund from which the income, gains and/or losses arise. Therefore, where the Corporation has positive net taxable income, any current tax liability can be offset with the utilization of unused prior year tax losses of the Corporation. Further, the payment of capital gains dividends, will also reduce or eliminate any taxes payable by the Corporation. This eliminates the requirement for a net tax provision for the Fund.

The Corporation's shares are qualified investments for registered plans.

8. TRANSACTION COSTS AND SOFT DOLLARS

The total brokerage commissions paid by the Fund with respect to security transactions for the period ended April 30, 2015 was \$7,102 (April 30, 2014 - \$4,153).

There were no soft dollar amounts included in brokerage commissions.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2015 AND 2014 (UNAUDITED)

9. RELATED PARTY TRANSACTIONS

During the periods ended April 30, 2015 and 2014, fees paid to (waived and/or absorbed by) the Manager were as follows:

	2015	2014
Management fees, note 6	<u>\$ 106,275</u>	<u>\$ 17,526</u>
Servicing fees, note 6	<u>\$ 55,971</u>	<u>\$ 7,229</u>
Expenses waived and/or absorbed by Manager, note 6	<u>\$ (178,713)</u>	<u>\$ (67,016)</u>

Included in accrued expenses are amounts payable to the Manager as follows:

	April 30, 2015	October 31, 2014	December 10, 2013
Servicing fees payable	<u>\$ 10,576</u>	<u>\$ 7,741</u>	<u>\$ Nil</u>

The following are redeemable shares held by the related parties of the Fund:

	April 30, 2015	October 31, 2014	December 10, 2013
Series F shares held by the Manager	-	15,507	15,000
Percentage of Series F shares held by the Manager	-	20.57%	100.00%

As at April 30, 2015 the Fund held 612,133 (October 31, 2014 – 485,755, December 10, 2013 - Nil) shares of Front Street Tactical Bond Class Series F, representing 26.44% (October 31, 2014 – 31.81%, December 10, 2013 – Nil%) of the total Front Street Tactical Bond Class Series F shares outstanding, which was also managed by the Manager.

As at April 30, 2015 the Fund held 32,024 (October 31, 2014 – Nil, December 10, 2013 - Nil) shares of Front Street MLP and Infrastructure Income Class Series I, representing 28.11% (October 31, 2014 – Nil%, December 10, 2013 – Nil%) of the total Front Street MLP and Infrastructure Income Class Series I shares outstanding, which was also managed by the Manager.

The Fund may place a portion of its portfolio transactions with brokerage firms which are affiliates of the Manager provided it determines that these affiliates' trade execution abilities and costs are comparable to those non-affiliated, qualified brokerage firms, on an execution-only basis. During the period ended April 30, 2015, Tuscarora Capital Inc., a company under common control to the Manager, received \$5,113 (April 30, 2014 - \$3,505) in commissions on portfolio transactions for the Fund.

Management fees, servicing fees, and operating costs are measured at the exchange amount of consideration prescribed by the offering documents of the Fund. When related parties enter shareholder transactions with the Fund, the exchange amount of consideration is the NAV available to all other shareholders on the trade date. In the case of brokerage commissions, the exchange amount of consideration is that which is negotiated by the related parties.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2015 AND 2014

(UNAUDITED)

10. RECONCILIATION OF NET ASSET VALUE TO IFRS NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS OF REDEEMABLE SHARES

Investment funds may have two different net asset values: (i) one for financial statements, which is prepared in accordance with IFRS (referred to as "IFRS NA") and (ii) another for all other purposes, including share pricing for investor transactions (referred to as "net asset value"). For investments that are traded in an active market where quoted prices are readily and regularly available, IFRS requires investments to be valued using the methods and principles described in note 3 (Summary of significant accounting policies – Fair value measurement), wherein the Fund may use closing sale prices for the purpose of determining net asset value. For investments that are not traded in an active market, IFRS requires the use of specific valuation techniques, rather than the use of valuation techniques in general practice in the investment funds industry. National Instrument 81-106 ("NI 81-106") requires that annual financial statements present a reconciliation of Net asset value per share to IFRS Net Assets Attributable to Shareholders of Redeemable Shares.

As at April 30, 2015, that reconciliation is as follows:

	Net Asset Value	IFRS fair value Adjustment	IFRS NA	Net asset value per share	IFRS NA per share
Series A	\$ 11,704,438	\$ (29)	\$ 11,704,409	\$ 10.47	\$ 10.47
Series B	1,454,145	(4)	1,454,141	10.43	10.43
Series F	744,258	(1)	744,257	10.57	10.57
Total	\$ 13,902,841	\$ (34)	\$ 13,902,807		

As at October 31, 2014, that reconciliation is as follows:

	Net Asset Value	IFRS fair value Adjustment	IFRS NA	Net asset value per share	IFRS NAV per share
Series A	\$ 8,398,867	\$ (1,196)	\$ 8,397,671	\$ 9.95	\$ 9.95
Series B	1,047,773	(150)	1,047,623	9.91	9.91
Series F	753,184	(108)	753,076	9.99	9.99
Total	\$ 10,199,824	\$ (1,454)	\$ 10,198,370		

There is no difference in Net Asset Value and IFRS NA as at December 10, 2013.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2015 AND 2014 (UNAUDITED)

11. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

The Fund's financial instruments consist of financial assets and liabilities at FVTPL, cash and cash equivalents, dividends receivable, subscriptions receivable, interest and other receivable, receivable for investments sold, accrued expenses, redemptions payable, payable for investments purchased and distributions payable. It is the Manager's opinion that due to the short term nature of these financial instruments, the Fund is not exposed to significant market price, currency, interest rate, liquidity, cash flow, credit, and portfolio concentration risks arising from these financial instruments except as described below. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

All securities present a risk of loss of capital. The Investment Advisor seeks to minimize potential adverse effects of these risks on the Fund's performance by employing professional, experienced portfolio advisors, by daily monitoring of the Fund's positions and market events, and by diversifying the investment portfolio within the constraints of the investment objective. To assist in managing risk, the Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations.

The schedule of investment portfolio presents the securities held by the Fund as at April 30, 2015 and groups the securities by asset type, sector and/or market segment. Significant risks that are relevant to the Fund are discussed below.

The Fund is exposed to financial risks, including market risk, currency risk, interest rate risk, credit risk, liquidity risk, cash flow risk and credit risk. The Fund's overall risk management program seeks to minimize potentially adverse effects of those risks on the Fund's financial performance. The Fund moderates financial risks through the careful selection of portfolio investments and other financial instruments within the parameters of the investment guidelines, strategies and objectives.

i) Market price risk

Market price risk, is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The Fund is exposed to market price risk arising from its investments in securities. The Investment Advisor manages the Fund's market price risk on a daily basis in accordance with the Fund's investment objective and policies.

ii) Currency risk

The Fund may invest in financial instruments denominated in currencies other than its measurement currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other currencies may change in a manner that has an adverse effect on the value of the portion of the Fund's assets or liabilities denominated in currencies other than Canadian dollars, absent any changes in market price or investment specific events.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2015 AND 2014 (UNAUDITED)

11. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (Continued...)

ii) Currency risk (continued...)

Included in the undernoted accounts are the following foreign currency balances:

As at April 30, 2015

Currency	Financial instruments at FVTPL	Cash and cash equivalents	Foreign exchange forward contracts (note 12)	Total	Percentage of Net Assets
United States Dollar	<u>\$ 5,684,841</u>	<u>\$ 42,200</u>	<u>\$ (1,196,861)</u>	<u>\$ 4,530,180</u>	<u>32.58%</u>

As at October 31, 2014

Currency	Financial instruments at FVTPL	Cash and cash equivalents	Total	Percentage of Net Assets
United States Dollar	<u>\$ 3,935,939</u>	<u>\$ 655,568</u>	<u>\$ 4,591,507</u>	<u>45.02%</u>

As at December 10, 2013, the Fund had no currency risk.

iii) Interest rate risk

The Fund may invest in fixed and floating rate securities. The income of the Fund may be affected by changes to interest rates relevant to particular securities or as a result of management being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movement in the future. Interest payable on bank overdraft or broker margin account positions will be affected by fluctuations in interest rates. As at April 30, 2015, October 31, 2014 and December 10, 2013, there were no investments in bonds or short-term note investments.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2015 AND 2014 (UNAUDITED)

11. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (Continued...)

iii) Interest rate risk (continued...)

As at April 30, 2015

Financial assets	Floating Rate Financial Instruments	Fixed Rate Financial Instruments	Non-Interest Bearing	Total
Financial assets at FVTPL	\$ -	\$ -	\$ 12,349,373	\$ 12,349,373
Loans and other receivables	-	-	300,094	300,094
Cash and cash equivalents	<u>1,294,461</u>	<u>-</u>	<u>-</u>	<u>1,294,461</u>
Total	<u>\$ 1,294,461</u>	<u>\$ -</u>	<u>\$ 12,649,467</u>	<u>\$ 13,943,928</u>
Financial liabilities				
Financial liabilities at FVTPL	\$ -	\$ -	\$ 14,584	\$ 14,584
Other financial liabilities	<u>-</u>	<u>-</u>	<u>26,537</u>	<u>26,537</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,121</u>	<u>\$ 41,124</u>
IFRS NA				<u>\$ 13,902,807</u>

As at October 31, 2014

Financial assets	Floating Rate Financial Instruments	Fixed Rate Financial Instruments	Non-Interest Bearing	Total
Financial assets at FVTPL	\$ -	\$ -	\$ 9,124,847	\$ 9,124,847
Loans and other receivables	-	-	112,703	112,703
Cash and cash equivalents	<u>1,112,318</u>	<u>-</u>	<u>-</u>	<u>1,112,318</u>
Total	<u>\$ 1,112,318</u>	<u>\$ -</u>	<u>\$ 9,237,550</u>	<u>\$ 10,349,868</u>
Financial liabilities				
Financial liabilities at FVTPL	\$ -	\$ -	\$ -	\$ -
Other financial liabilities	<u>-</u>	<u>-</u>	<u>151,498</u>	<u>151,498</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,498</u>	<u>\$ 151,498</u>
IFRS NA				<u>\$ 10,198,370</u>

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2015 AND 2014 (UNAUDITED)

11. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (Continued...)

As at December 10, 2013

Financial assets	Floating Rate Financial Instruments	Fixed Rate Financial Instruments	Non-Interest Bearing	Total
Financial assets at FVTPL	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
Total	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,000</u>
Financial liabilities				
Financial liabilities at FVTPL	\$ -	\$ -	\$ -	\$ -
Other financial liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
IFRS NA				<u>\$ 150,000</u>

iv) Liquidity risk

Liquidity risk is the risk the Fund will encounter difficulty in meeting obligations associated with financial liabilities. Shareholder redemption requests are the main liquidity risk for the Fund.

The Fund maintains sufficient cash and marketable securities, and manages liquidity risk through its ability to close out market positions.

As at April 30, 2015

Financial assets	0-12 months	1 - 3 years	3 - 5 years	Beyond 5 years	Indefinite Maturity	Total
Financial assets at FVTPL	\$ -	\$ -	\$ -	\$ -	\$ 12,349,373	\$ 12,349,373
Loans and other receivables	300,094	-	-	-	-	300,094
Cash and cash equivalents	<u>1,294,461</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,294,461</u>
Total	<u>\$ 1,594,555</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,349,373</u>	<u>\$ 13,943,928</u>
Financial liabilities						
Financial liabilities at FVTPL	\$ 14,584	\$ -	\$ -	\$ -	\$ -	\$ 14,584
Other financial liabilities	<u>26,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,537</u>
Total	<u>\$ 41,121</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,121</u>
IFRS NA						<u>\$ 13,902,807</u>

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2015 AND 2014 (UNAUDITED)

11. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (Continued...)

iv) Liquidity risk (Continued...)

As at October 31, 2014

Financial assets	0-12 months	1 - 3 years	3 - 5 years	Beyond 5 years	Indefinite Maturity	Total
Financial assets at FVTPL	\$ -	\$ -	\$ -	\$ -	\$ 9,124,847	\$ 9,124,847
Loans and other receivables	112,703	-	-	-	-	112,703
Cash and cash equivalents	<u>1,112,318</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,112,318</u>
Total	<u>\$ 1,225,021</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,124,847</u>	<u>\$ 10,349,868</u>
Financial liabilities						
Financial liabilities at FVTPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other financial liabilities	<u>151,498</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,498</u>
Total	<u>\$ 151,498</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,498</u>
IFRS NA						<u>\$ 10,198,370</u>

As at December 10, 2013

Financial assets	0-12 months	1 - 3 years	3 - 5 years	Beyond 5 years	Indefinite maturity	Total
Financial assets at FVTPL	\$ -	\$ -	\$ -	\$ -	\$ -	-
Loans and other receivables	-	-	-	-	-	-
Cash and cash equivalents	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
Total	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,000</u>
Financial liabilities						
Financial liabilities at FVTPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other financial liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
IFRS NA						<u>\$ 150,000</u>

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2015 AND 2014 (UNAUDITED)

11. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (Continued....)

v) Cash flow risk

The risk that future cash flows associated with a monetary financial instrument will fluctuate in amount. In the case of a floating rate debt instrument, for example, such fluctuations could result from a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value.

vi) Credit risk

The Fund is exposed to credit risk arising from its transactions with its counterparties and brokers, related to securities purchases and sales and Fund's securities lending activities. Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Financial assets which potentially expose the Fund to credit risk consist principally of investments in bonds, amounts due from brokers and derivatives. The Fund seeks to mitigate its exposure to credit risk by placing its cash, and transacting its securities activity with large financial institutions. The Fund may also invest in corporate bonds. Until the bonds are sold or mature, the Fund is exposed to credit risk relating to whether the bond issuer will meet its obligations when they come due. The extent of the Fund's exposure to credit risk in respect of these financial assets is reflected in their carrying values as recorded in the Fund's Statement of Financial Position.

As at April 30, 2015, the Fund invested 45.6% (October 31, 2014 – 49.3%) of its net asset in Front Street Tactical Bond Class, of which 98.4% of its net assets were invested in debt instruments. Credit ratings of the debt instruments of Front Street Tactical Bond Class have been obtained from Standard and Poor's, Moody's or DBRS. The effective exposure on the Fund is as follows:

Debt instruments by credit rating	Percentage of Front Street Tactical Bond Class net assets	Effective exposure on the Fund
AA+	10.6%	4.8%
BBB	2.5%	1.1%
BB+	28.0%	12.8%
BB	21.2%	9.7%
BB-	20.2%	9.2%
B+	7.9%	3.6%
B	4.3%	2.0%
B-	3.7%	1.7%

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2015 AND 2014 (UNAUDITED)

11. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (Continued....)

vii) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk by market segments/categories of financial instruments has been summarized as follows:

	April 30, 2015	October 31, 2014	December 10, 2013
Mutual Funds	47.9%	49.3%	-
Information Technology	13.6%	9.1%	-
Consumer Discretionary	11.6%	7.1%	-
Cash and cash equivalents	9.3%	10.9%	100.0%
Financials	9.0%	10.8%	-
Health Care	5.3%	2.9%	-
Other assets less liabilities	2.0%	(0.4)%	-
Consumer Staples	1.0%	1.0%	-
Materials	0.4%	7.0%	-
Energy	-	1.6%	-
Telecommunication Services	-	0.7%	-
Unrealized loss on currency forward contracts	<u>(0.1)%</u>	<u>-</u>	<u>-</u>
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

12. FORWARD FOREIGN CURRENCY CONTRACTS

The Fund has entered into forward foreign currency contracts to protect against fluctuations in the U.S. dollar exchange rates. As at April 30, 2015, the Fund has contracted to sell U.S. dollar currency amounting to Cdn\$1,197,478 at a forward rate of 1.1975. These contracts will be settled on June 5, 2015.

The net unrealized loss from forward contracts amounted to \$14,584 as at April 30, 2015.

As at October 31, 2014 and December 10, 2013, the Fund did not enter into forward foreign currency contracts.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2015 AND 2014 (UNAUDITED)

13. CAPITAL MANAGEMENT

The Fund considers financial instruments in the form of Redeemable shares to represent capital. In managing this capital, the objectives of the Fund are:

- (a) to safeguard the Fund's ability to continue as a going concern, be flexible and take advantage of opportunities that might present themselves;
- (b) to provide an appropriate return to shareholders; and
- (c) to use active management strategies intended to enhance the returns of the Fund and concurrently minimize risk and preserve capital, consistent with the investment guidelines, strategies and objectives of the Fund.

The Fund follows, and is in compliance with, the Investment Guidelines described in the Prospectus.

The Fund is not subject to any externally imposed capital requirements. The Manager considers the Fund's capital to consist of the issued redeemable shares and the net assets attributable to shareholders of redeemable shares.

14. FAIR VALUE HIERARCHY

IFRS requires the Fund to use a three-tier hierarchy as a framework for disclosing fair values, based on inputs used to value the Fund's investments in financial assets and financial liabilities. This hierarchy is summarized as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following tables summarize the inputs used as of April 30, 2015, October 31, 2014 and December 10, 2013 in valuing the Fund's financial assets and liabilities at FVTPL.

As at April 30, 2015

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	<u>\$ 12,349,373</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,349,373</u>

As at October 31, 2014

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	<u>\$ 9,124,847</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,124,847</u>

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2015 AND 2014 (UNAUDITED)

14. FAIR VALUE HIERARCHY (Continued...)

As at December 10, 2013

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -

Valuation techniques and framework

The Fund's portfolio investments in equity securities are classified as Level 1 when the security is actively traded and a reliable price is observable. The Fund may not be able to trade certain equity securities of publicly listed issuers (primarily warrants and shares for which trading is restricted by a contractual hold period), and therefore observable prices may not be available. In such cases, fair value is determined based on observable market data (e.g., prices for transactions for similar securities of the same issuer) and the fair value is classified as Level 2. However, if the determination of fair value requires significant unobservable data, the measurement of such securities is classified as Level 3.

Valuation techniques are used for equity securities classified as Level 2 and Level 3 (primarily private companies).

Valuation techniques may include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models, including but not limited to the Black Scholes stock option model. Assumptions and inputs used in valuation techniques include risk free and benchmark interest rates, credit spreads and other premiums used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity indices, EBITDA and/or revenue multiples and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement for an asset to be sold or a liability to be transferred between market participants at a measurement date.

The Fund uses widely recognized valuation models for determining the fair value of common and simple financial instruments, such as warrants and temporarily restricted shares of public companies, which generally use observable market data and require some management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and other simple derivatives. The availability of observable market prices and model inputs may reduce the need for management judgment and estimation and may reduce, but does not eliminate, uncertainty associated with determining fair values. The availability of observable inputs may vary and depends on the nature of the securities being valued and markets, and is subject to change based on specific events and general conditions in the financial markets. Management applies a certain discount to restricted securities in order to determine the fair value of these securities. To determine the fair value of warrants, management uses the Black-Scholes stock option model, which incorporates the volatility of the underlying stock.

The Fund may invest in equity securities of private companies, which are classified as Level 3 securities. These may be valued using the most recent rounds of financing, or in certain cases, using models. Some or all of the significant inputs into the valuation models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2015 AND 2014 (UNAUDITED)

14. FAIR VALUE HIERARCHY (Continued...)

Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows on the security being valued, and other inputs (such as discount rate, liquidity risk, credit risk, as applicable), to the extent that the Fund believes that a third party market participant would take them into account in pricing a transaction.

The Fund has established a control framework for the measurement of fair value. The valuation process is overseen by management, who is responsible for developing the Fund's valuation processes and procedures, conducting periodic reviews of those policies and evaluating their consistent application. When third party information, such as broker quotes or pricing services or recent transactions, is used to measure value, then management assesses the evidence obtained from third parties to support the conclusion that such valuations meet the requirements of IFRS. This includes verifying the information provided, and analyzing the information to check for any material inconsistencies.

15. TRANSITION TO IFRS

The quantitative effect of the Fund's transition to IFRS is summarized in this note as follows:

- (a) Statement of Cash Flows
Under Canadian GAAP, the Fund was exempt from providing a statement of cash flows. IAS 1 requires that a complete set of financial statements include a statement of cash flows for the current and comparative periods, without exception.
- (b) Reconciliation of net assets attributable to shareholders of redeemable shares and increase (decrease) in net assets attributable to shareholders of redeemable shares previously reported under Canadian GAAP to IFRS:

Equity	October 31, 2014 \$	April 30, 2014 \$	December 10, 2013 \$
Equity as reported under Canadian GAAP	10,196,049	5,772,851	150,000
Revaluation of investments due to bid-ask price spread adjustment	2,321	791	-
Net Assets Attributable to Shareholders of Redeemable Shares	10,198,370	5,773,642	150,000
Comprehensive income		October 31, 2014 \$	April 30, 2014 \$
For the period Ended			
Increase (decrease) in net assets attributable to shareholders of redeemable shares from operations under Canadian GAAP		114,857	(40,671)
Revaluation of investments due to bid-ask price spread adjustment		2,321	791
Increase (decrease) in Net Assets Attributable to Shareholders of Redeemable Shares from Operations		117,178	(39,880)

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2015 AND 2014 (UNAUDITED)

15. **TRANSITION TO IFRS** (Continued...)

Classification of redeemable shares issued by the Fund

Under Canadian GAAP, the Fund accounted for its redeemable shares as equity. Under IFRS, IAS 32 requires that shares of an entity which include a contractual obligation of the issuer to repurchase or redeem them for cash or another financial asset be classified as financial liability. The Fund's shares do not meet the criteria in IAS 32 for classification as equity and therefore, have been reclassified as financial liabilities on transition to IFRS.

Revaluation of investments due to bid-ask spread adjustments

Under Canadian GAAP, the Fund measured the fair values of its investments in accordance with Section 3855, Financial Instruments – Recognition and Measurement, which required the use of bid prices for long positions and ask prices for short positions, to the extent such prices are available. Under IFRS, the Fund measures the fair values of its investments using the guidance in IFRS 13, Fair Value Measurement, which requires that if an asset or a liability has a bid price or ask price, then its fair value is to be based on a price within the bid-ask spread that is most representative of fair value. When the closing sale price of financial instruments traded in active markets is outside the bid and ask spread, such financial instruments are measured based on the bid price for securities owned or held long and on the asking price for securities sold short. As a result, upon adoption of IFRS an adjustment was recognized to increase the carrying amount of the Fund's investment by \$2,321 at October 31, 2014 and \$791 at April 30, 2014. The impact of this adjustment was to increase the Fund's increase (decrease) in net assets attributable to holders of redeemable shares from operations by \$2,321 for the year ended October 31, 2014 and \$791 for the period ended April 30, 2014.

Reclassification adjustments

In addition to the measurement adjustments noted above, the Fund reclassified certain amounts upon transition in order to conform to its financial statement presentation under IFRS.

Presentation of the statements of financial position has been reclassified in accordance with IFRS to present assets and liabilities between current and non current.

IFRS requires withholding taxes to be disclosed separately as an expense, whereas Canadian GAAP allowed withholding taxes to be netted against dividend income.

IFRS requires transaction costs and other gains or losses, all presented under Canadian GAAP after the line "Investment loss for the period", to be classified with expenses or income as applicable