

Interim Management Report of Fund Performance As at April 30, 2016 Front Street Money Market Class

This Interim Management Report of Fund Performance contains financial highlights but does not contain the complete interim financial statements for Front Street Money Market 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 primarily to achieve limited income earnings with reasonable safety of capital and liquidity and secondarily for some capital appreciation. The Fund invests mainly in money market securities and bonds issued by Canadian governments and corporations, with maturities of up to one year, and in floating rate notes.

The Fund's investment strategy entails investing in "money market securities" which are eligible for the Fund's portfolio which include treasury bills, commercial paper, bankers' acceptances and other evidences of indebtedness with remaining terms to maturity of 365 days or less. The Fund intends to maintain a portfolio with a high credit quality. The weighted average term to maturity of the Fund's assets will not exceed 90 days.

RISK

The risks associated with investing in the Fund are discussed in the Fund's simplified prospectus, which is available on SEDAR at www.sedar.com or by visiting our website at www.frontstreetcapital.com. There were no changes over the period to the risks outlined in the simplified prospectus which would materially affect the overall risk of investing in the fund.

RESULTS OF OPERATIONS

For the six-month period ended April 30, 2016, the Fund earned investment income of \$76,823 from interest.

Operating expenses, excluding management fees, totalled \$47,142 and the Manager waived and absorbed \$46,972 of such expenses during the six month period ended April 30, 2016.

In the latter part of 2015, the market was focused on the timing of the U.S. Federal Reserve Board's (Fed) first interest rate increase. As markets reacted to economic data, probabilities shifted, leading to increased volatility in the rates market. The Fed finally raised rates 25 basis points in December, with an outlook of three to four more hikes in 2016. With the new year, market sentiment deteriorated on the back of concerns that China's economy was slowing faster than anticipated and rumours of large portfolio reallocations by large sovereign wealth fund(s). The Fed's messaging grew more dovish on the whole, with the successive rate hikes looking increasingly unlikely.

RECENT DEVELOPMENTS

The Manager will be monitoring interest rate expectations, and anticipates that markets will continue to be pre-occupied with anticipating the Fed's actions.

RELATED-PARTY TRANSACTIONS

During the period ended April 30, 2016 and 2015, fees paid to the Manager were as follows:

	2016	2015
Management fees	<u>\$ 35,046</u>	<u>\$ 83,930</u>
Servicing fees	<u>\$ -</u>	<u>\$ 18,649</u>
Expenses absorbed by the Manager	<u>\$ (82,018)</u>	<u>\$ (141,968)</u>

Management fees payable and other payables included in accrued expenses were as follows:

	April 30, 2016	October 31, 2015
Servicing fees payable	<u>\$ -</u>	<u>\$ -</u>

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

	April 30, 2016	October 31, 2015
Series F shares held by the Partners and Officers of the Manager	1,492,890.05	1,278,919.76
Percentage of Series F shares held by the Partners and Officers of the Manager	93.03%	95.99%

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 consideration is the transactional NAV available to all other shareholders on the trade date.

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 for the past five financial years. This information is derived from the Fund's audited annual and interim financial statements for the six months ended April 30, 2016.

Series A

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

	April 30 2016 \$	October 31 2015 \$	October 31 2014 \$	October 31 2013 \$	October 31 2012 \$	October 31 2011 \$
Net assets, beginning of the period	10.66	10.59	10.50	10.41	10.32	10.25
Increase (decrease) from operations:						
Total revenue	0.04	0.10	0.12	0.12	0.11	0.11
Total expenses	—	(0.02)	(0.03)	(0.03)	(0.03)	(0.03)
Realized gains (losses) for the period	—	—	—	—	—	—
Unrealized gains (losses) for the period	—	—	—	—	—	—
Total increase (decrease) from operations ⁽²⁾	0.04	0.08	0.09	0.09	0.08	0.08
Distributions to redeemable Shareholders:						
From income (excluding dividends)	—	—	—	—	—	—
From dividends	—	—	—	—	—	—
From capital gains	—	—	—	—	—	—
Return of capital	—	—	—	—	—	—
Total distributions to redeemable Shareholders ⁽³⁾	—	—	—	—	—	—
Net assets, end of the period	10.70	10.66	10.59	10.50	10.41	10.32

- (1) The information for April 30, 2016, October 31, 2015 and 2014 is derived from the Fund's unaudited interim and audited annual financial statements and is prepared in accordance with IFRS. The information prior to 2014 is derived from the Fund's audited annual financial statements prepared based on Canadian GAAP.
- (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⁾	\$1,578	\$1,243	\$2,712	\$7,417	\$5,956	\$6,259
Number of redeemable shares outstanding ⁽¹⁾	147,444	116,573	256,187	706,705	572,273	606,215
Management expense ratio ⁽²⁾	0.00%	0.22%	0.28%	0.25%	0.25%	0.27%
Management expense ratio before waivers or absorptions ⁽²⁾	0.81%	1.92%	1.44%	2.04%	2.19%	2.96%
Trading expense ratio ⁽³⁾	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate ⁽⁴⁾	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net asset value per redeemable share ⁽⁵⁾	\$10.70	\$10.66	\$10.59	\$10.50	\$10.41	\$10.32

- (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 annualized percentage of daily average net asset value during the period. The manager can waived certain fees or absorbed 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 necessarily a relationship between a high turnover rate and the performance of a fund.
- (5) The information for April 30, 2016, October 31, 2015 and 2014 is derived from the Fund's unaudited interim and audited annual financial statements and is prepared in accordance with IFRS. The information prior to 2014 is derived from the Fund's audited annual financial statements prepared based on Canadian GAAP.

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

	April 30 2016 \$	October 31 2015 \$	October 31 2014 \$	October 31 2013 \$	October 31 2012 \$	October 31 2011 \$
Net assets, beginning of the period	10.67	10.59	10.50	10.41	10.33	10.25
Increase (decrease) from operations:						
Total revenue	0.04	0.10	0.12	0.12	0.11	0.11
Total expenses	—	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
Realized gains (losses) for the period	—	—	—	—	—	—
Unrealized gains (losses) for the period	—	—	—	—	—	—
Total increase (decrease) from operations ⁽²⁾	0.04	0.07	0.09	0.09	0.08	0.08
Distributions to redeemable Shareholders:						
From income (excluding dividends)	—	—	—	—	—	—
From dividends	—	—	—	—	—	—
From capital gains	—	—	—	—	—	—
Return of capital	—	—	—	—	—	—
Total distributions to redeemable Shareholders ⁽³⁾		—				
Net Assets, end of the period	10.71	10.67	10.59	10.50	10.41	10.33

(1) The information for April 30, 2016, October 31, 2015 and 2014 is derived from the Fund's unaudited interim and audited annual financial statements and is prepared in accordance with IFRS. The information prior to 2014 is derived from the Fund's audited annual financial statements prepared based on Canadian GAAP.

(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⁾	\$2,816	\$2,327	\$5,108	\$4,381	\$4,949	\$4,859
Number of redeemable shares outstanding ⁽¹⁾	263,035	218,113	482,353	417,319	475,399	470,512
Management expense ratio ⁽²⁾	0.00%	0.25%	0.28%	0.25%	0.25%	0.26%
Management expense ratio before waivers or absorptions	0.81%	1.98%	1.43%	2.04%	2.19%	2.95%
Trading expense ratio ⁽³⁾	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate ⁽⁴⁾	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net asset value per redeemable share ⁽⁵⁾	\$10.71	\$10.67	\$10.59	\$10.50	\$10.41	\$10.33

(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 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 necessarily a relationship between a high turnover rate and the performance of a fund.

(5) The information for April 30, 2016, October 31, 2015 and 2014 is derived from the Fund's unaudited interim and audited annual financial statements and is prepared in accordance with IFRS. The information prior to 2014 is derived from the Fund's audited annual financial statements prepared based on Canadian GAAP.

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

	April 30 2016 \$	October 31, 2015 \$	October 31 2014 \$	October 31 2013 \$	October 31 2012 \$	October 31 2011 \$
Net assets, beginning of the period	10.80	10.70	10.59	10.47	10.36	10.26
Increase (decrease) from operations:						
Total revenue	0.04	0.08	0.12	0.11	0.11	0.10
Total expenses	—	—	—	—	—	—
Realized gains (losses) for the period	—	—	—	—	—	—
Unrealized gains (losses) for the period	—	—	—	—	—	—
Total increase (decrease) from operations ⁽²⁾	0.04	0.08	0.12	0.11	0.11	0.10
Distributions to redeemable Shareholders:						
From income (excluding dividends)	—	—	—	—	—	—
From dividends	—	—	—	—	—	—
From capital gains	—	—	—	—	—	—
Return of capital	—	—	—	—	—	—
Total distributions to redeemable Shareholders ⁽³⁾	—	—	—	—	—	—
Net Assets, end of the period	10.84	10.80	10.70	10.59	10.47	10.36

- (1) The information for April 30, 2016, October 31, 2015 and 2014 is derived from the Fund's unaudited interim and audited annual financial statements and is prepared in accordance with IFRS. The information prior to 2014 is derived from the Fund's audited annual financial statements prepared based on Canadian GAAP.
- (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⁾	\$17,398	\$14,390	\$1,050	\$3,422	\$2,800	\$224
Number of redeemable shares outstanding ⁽¹⁾	1,604,812	1,332,333	98,074	323,272	267,410	21,588
Management expense ratio ⁽²⁾	0.00%	0.02%	0.02%	0.00%	0.00%	0.00%
Management expense ratio before waivers or absorptions	0.81%	1.45%	0.88%	1.52%	1.65%	2.69%
Trading expense ratio ⁽³⁾	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate ⁽⁴⁾	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net asset value per redeemable share ⁽⁵⁾	\$10.84	\$10.80	\$10.70	\$10.59	\$10.47	\$10.36

- (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 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 necessarily a relationship between a high turnover rate and the performance of a fund.
- (5) The information for April 30, 2016, October 31, 2015 and 2014 is derived from the Fund's unaudited interim and audited annual financial statements and is prepared in accordance with IFRS. The information prior to 2014 is derived from the Fund's audited annual financial statements prepared based on Canadian GAAP.

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

	April 30 2016 \$	October 31 2015 \$	October 31 2014 \$	October 31 2013 \$	October 31 2012 \$	October 31 2011 \$
Net assets, beginning of the period						
Net Assets, beginning of the period	10.66	10.58	10.49	10.41	10.32	10.24
Increase (decrease) from operations:						
Total revenue	0.04	0.11	0.12	0.12	0.11	0.11
Total expenses	—	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
Realized gains (losses) for the period	—	—	—	—	—	—
Unrealized gains (losses) for the period	—	—	—	—	—	—
Total increase (decrease) from operations ⁽²⁾	0.04	0.08	0.09	0.09	0.08	0.08
Distributions to redeemable Shareholders:						
From income (excluding dividends)	—	—	—	—	—	—
From dividends	—	—	—	—	—	—
From capital gains	—	—	—	—	—	—
Return of capital	—	—	—	—	—	—
Total distributions to redeemable Shareholders ⁽³⁾	—	—	—	—	—	—
Net Assets, end of the period	10.70	10.66	10.58	10.49	10.41	10.32

(1) The information for April 30, 2016, October 31, 2015 and 2014 is derived from the Fund's unaudited interim and audited annual financial statements and is prepared in accordance with IFRS. The information prior to 2014 is derived from the Fund's audited annual financial statements prepared based on Canadian GAAP.

(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.
Total net asset value (000's) ⁽¹⁾

Ratios and Supplemental Data

Total net asset value (000's) ⁽¹⁾	\$29	\$29	\$161	\$192	\$1,234	\$3,594
Number of redeemable shares outstanding ⁽¹⁾	2,712	2,712	15,244	18,281	118,560	348,129
Management expense ratio ⁽²⁾	0.00%	0.25%	0.28%	0.25%	0.25%	0.25%
Management expense ratio before waivers or absorptions	0.81%	1.95%	1.45%	2.03%	2.21%	2.94%
Trading expense ratio ⁽³⁾	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate ⁽⁴⁾	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net asset value per redeemable share ⁽⁵⁾	\$10.70	\$10.66	\$10.58	\$10.49	\$10.41	\$10.32

(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 annualized percentage of daily average net asset value during the period. The manager can waived certain fees or absorbed 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 necessarily a relationship between a high turnover rate and the performance of a fund.

(5) The information for April 30, 2016, October 31, 2015 and 2014 is derived from the Fund's unaudited interim and audited annual financial statements and is prepared in accordance with IFRS. The information prior to 2014 is derived from the Fund's audited annual financial statements prepared based on Canadian GAAP.

MANAGEMENT & PERFORMANCE FEES

The Fund pays a monthly management fee equal to 1/12 of 1.0% of the net asset value of Series A, Series B, and Series X shares calculated and paid at the end of each month in arrears from each Fund series.

The Fund pays a monthly management fee equal to 1/12 of 0.75% of the net asset value of series F shares, calculated and paid at the end of each month in arrears.

Effective July 23, 2015, the fees were reduced such that the Fund pays a monthly management fee equal to 1/12 of 0.5% of the net asset value of Series A, Series B and Series X shares, calculated and paid at the end of each month in arrears from each Fund series. The Fund pays a monthly management fee equal to 1/12 of 0.25% of the net asset value of Series F shares, calculated and paid at the end of each month in arrears.

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.

Effective May 1, 2009, the Manager of the Fund waived the monthly management fee for Series A, Series B, Series F, and Series X shares of the Fund.

There are no performance fees payable by this Fund.

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 has absorbed certain expenses relating to the operation of the Fund. These expenses include management fees, administration fees, audit fees, operating costs, legal fees, securityholder reporting costs 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.

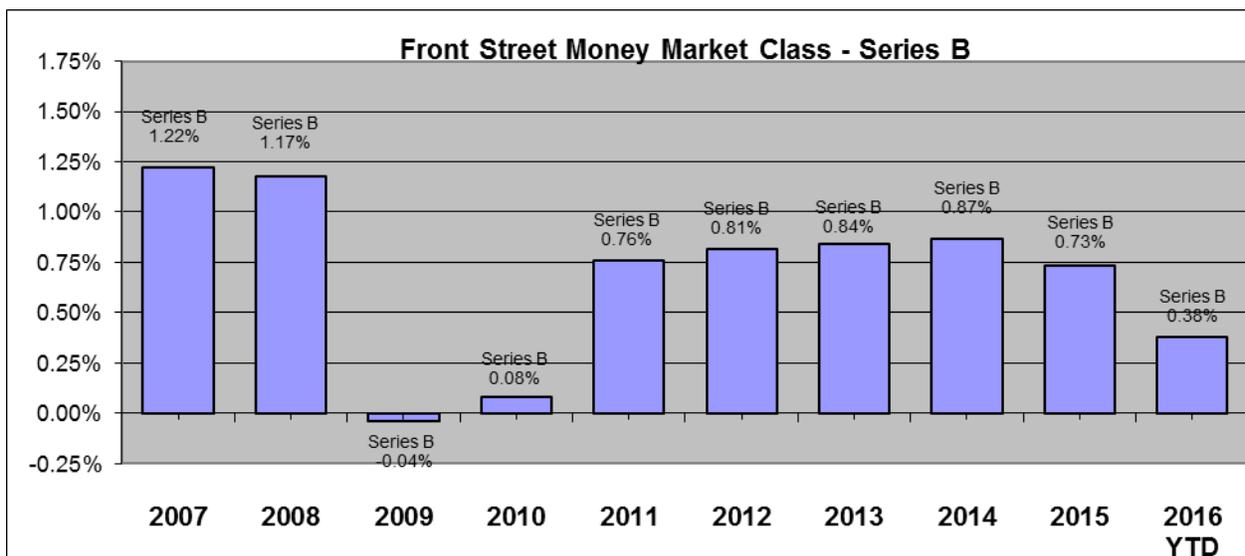
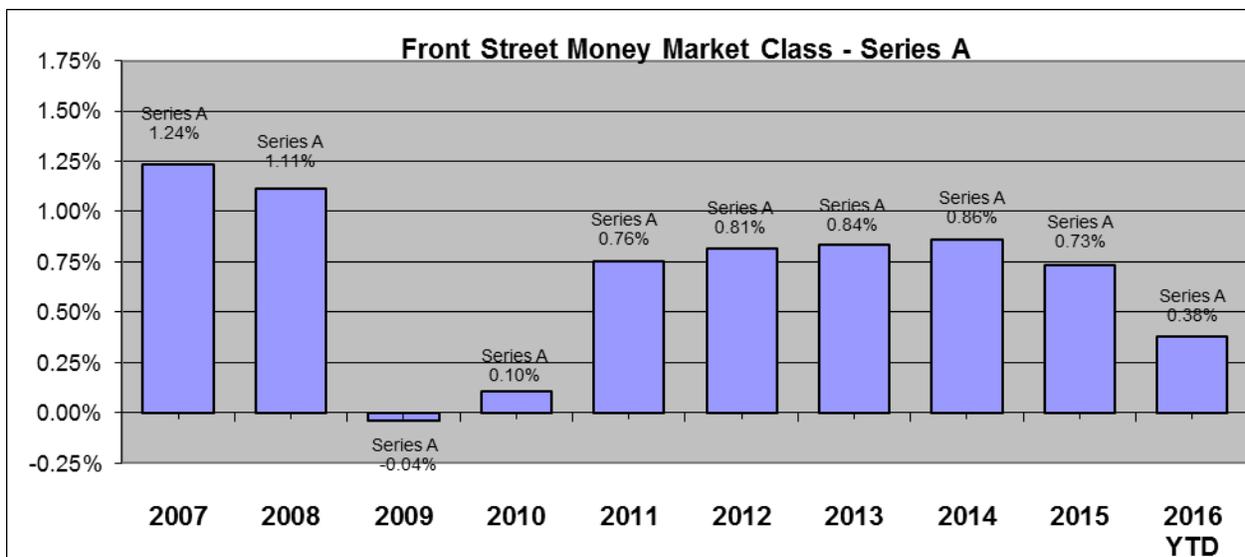
The trailer commission is calculated as a percentage of assets each broker, dealer or advisor has placed in the Fund series. The trailer commission is calculated based on the closing balance of client accounts for each calendar month. The trailer commission will not be paid if the assets are removed from the Funds. Annual trailer commissions for the Fund are 0.25%, paid monthly. Effective July 23, 2015, the Fund no longer pays a monthly service fee.

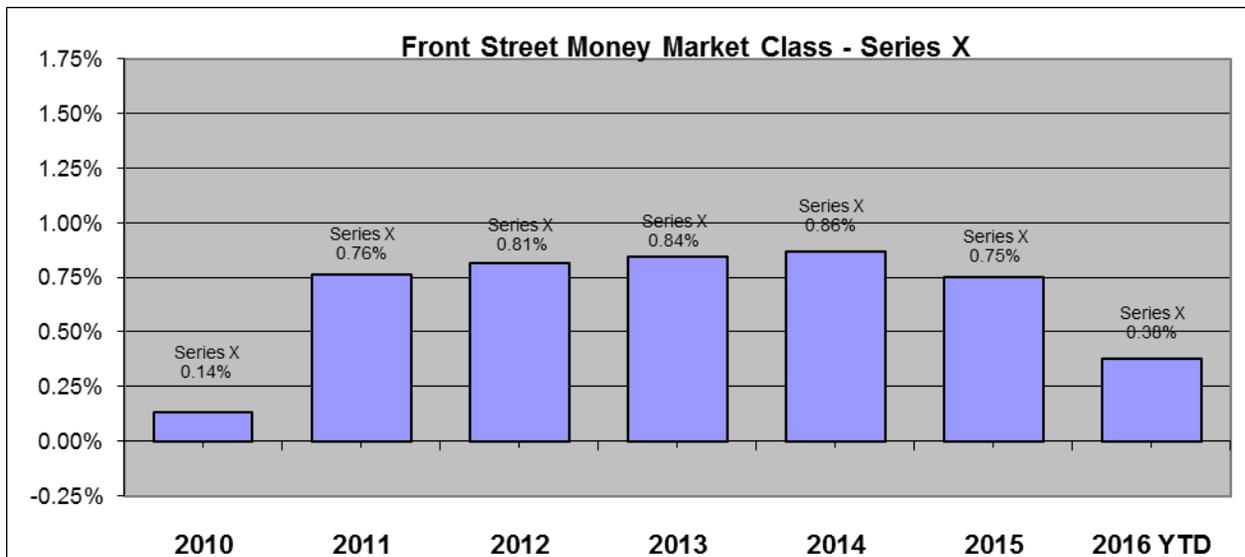
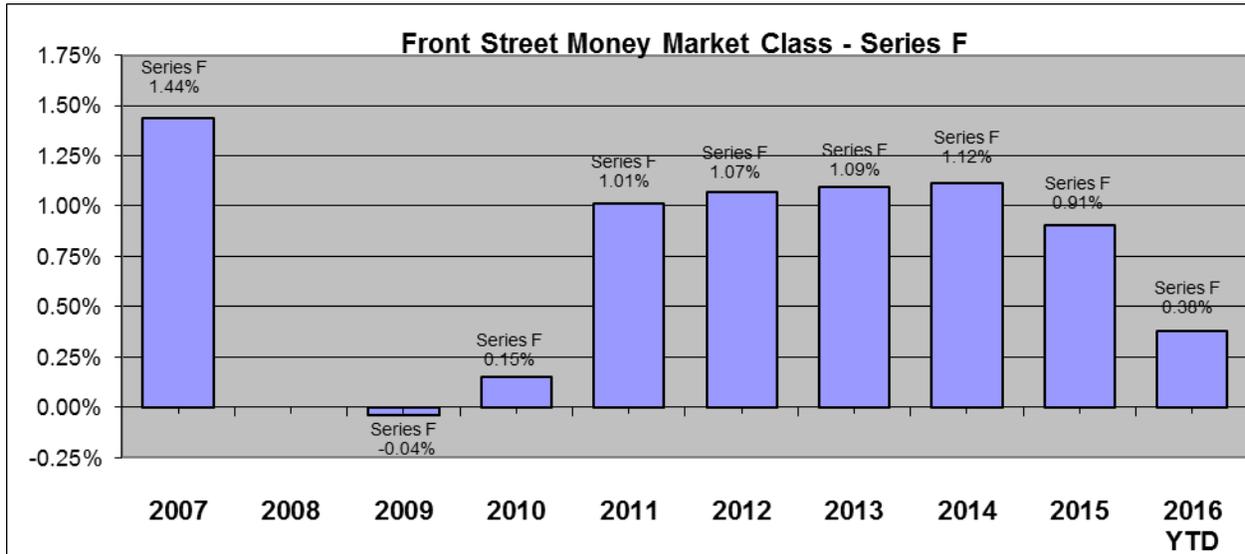
PAST PERFORMANCE

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 the future.





The above year-by-year return chart is for Front Street Money Market Class, a class of Front Street Mutual Funds Ltd. The Fund was merged with the discontinuing Fund being Front Street Cash Fund on November 1, 2008 and fund performance for the discontinued fund has not been included in the chart above in the 2008 period.

Summary of Investment Portfolio as at April 30, 2016
Portfolio by Category

	Percentage of Net Asset Value
LONG POSITIONS	
Commercial Papers	59.1%
Bankers Acceptances	40.3%
Cash	1.6%
Other assets less other liabilities	-1.0%
	<hr/> 100.0%

Top 25 Holdings

	Percentage of Net Asset Value
LONG POSITIONS	
Bank of Montreal Bankers Acceptance, 0.65% May 4, 2016	10.1%
TD Bankers Acceptance, 0.78% May 11, 2016	10.1%
Imperial Oil Limited, 0.83% June 7, 2016	10.1%
Suncor Energy Inc., 0.80% May 6, 2016	9.6%
Vancouver City Savings Credit Union Bankers Acceptance, 0.89% June 1, 2016	9.6%
Enbridge Pipelines Inc., 0.94% May 13, 2016	9.2%
Bell Canada, 0.82%, May 25, 2016	9.1%
Inter Pipeline Limited, 0.84% May 27, 2016	6.9%
TransCanada Pipelines Limited, 0.88% May 11, 2016	6.4%
Royal Bank of Canada Bankers Acceptance, 0.84% July 20, 2016	5.5%
TransCanada Pipelines Limited, 0.94% May 18, 2016	3.7%
Inter Pipeline Limited, 0.90% June 14, 2016	3.2%
Bank of Nova Scotia Bankers Acceptance, 0.77% June 2, 2016	2.7%
HSBC Bank Bankers Acceptance, 0.87% July 15, 2016	2.3%
Enbridge Pipelines Inc., 0.94% June 8, 2016	0.9%
	<hr/> 99.4%
TOTAL NET ASSET VALUE (000's)	\$21,821

The information presented in the foregoing list is subject to change due to the ongoing portfolio transactions of the Fund. A quarterly update may be obtained by contacting Front Street Capital.



INTERIM FINANCIAL STATEMENTS

FRONT STREET MONEY MARKET CLASS

FOR THE SIX MONTHS ENDED APRIL 30, 2016

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 MONEY MARKET CLASS

STATEMENTS OF FINANCIAL POSITION AS AT APRIL 30, 2016 (UNAUDITED) AND OCTOBER 31, 2015 (AUDITED)

	April 30, 2016 (Unaudited)	October 31, 2015 (Audited)
ASSETS		
Financial assets at fair value through profit or loss*	\$ 21,687,075	\$ 17,944,943
Cash and cash equivalents	351,091	68,798
Subscriptions receivable	-	1,944
Interest and other receivables	-	372
	\$ 22,038,166	\$ 18,016,057
LIABILITIES		
Redemptions payable	\$ 216,955	\$ 28,044
Liabilities before net assets attributable to shareholders of redeemable shares	216,955	28,044
Net assets attributable to shareholders of redeemable shares	\$ 21,821,211	\$ 17,988,013
Net assets attributable to shareholders of redeemable shares		
Series A	\$ 1,578,140	\$ 1,243,023
Series B	\$ 2,816,258	\$ 2,326,506
Series F	\$ 17,397,783	\$ 14,389,562
Series X	\$ 29,030	\$ 28,922
Number of redeemable shares outstanding, note 5		
Series A	147,444	116,573
Series B	263,035	218,113
Series F	1,604,812	1,332,333
Series X	2,712	2,712
Net assets attributable to shareholders of redeemable shares per share		
Series A	\$ 10.70	\$ 10.66
Series B	\$ 10.71	\$ 10.67
Series F	\$ 10.84	\$ 10.80
Series X	\$ 10.70	\$ 10.66

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

Approved on behalf of the Board of Front Street Mutual Funds Limited:



Gerard Ferguson
Chief Executive Officer



Susan Johnson
Chief Financial Officer

See accompanying notes to the financial statements.

FRONT STREET MONEY MARKET CLASS

STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE PERIODS ENDED APRIL 30, 2016 AND 2015

	2016	2015
Investment income		
Interest income for distribution purposes and other	\$ 76,823	\$ 81,256
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	1,660	-
	<u>78,483</u>	<u>81,256</u>
Expenses		
Management fees, notes 6 and 9	35,046	83,930
Administration fees	28,249	42,120
Audit fees	9,939	9,071
Legal fees	5,894	2,133
Independent review committee	1,759	695
Securityholder reporting costs	1,301	5,728
Servicing fees, notes 6 and 9	-	18,649
Total expenses before Manager Absorption	<u>82,188</u>	<u>162,326</u>
Less: Expenses Absorbed by Manager, notes 6 and 9	<u>(82,018)</u>	<u>(141,968)</u>
Total expenses after Manager Absorption	<u>170</u>	<u>20,358</u>
Increase (decrease) in net assets attributable to shareholders of redeemable shares from operations	<u>\$ 78,313</u>	<u>\$ 60,898</u>
Increase (decrease) in net assets attributable to shareholders of redeemable shares from operations		
Series A	\$ 5,714	\$ 8,436
Series B	\$ 9,914	\$ 46,865
Series F	\$ 62,577	\$ 5,100
Series X	\$ 108	\$ 497
Increase (decrease) in net assets attributable to shareholders of redeemable shares from operations per share		
Series A	\$ 0.04	\$ 0.04
Series B	\$ 0.04	\$ 0.04
Series F	\$ 0.04	\$ 0.05
Series X	\$ 0.04	\$ 0.04

See accompanying notes to the financial statements.

FRONT STREET MONEY MARKET CLASS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS OF REDEEMABLE SHARES (UNAUDITED) FOR THE PERIODS ENDED APRIL 30, 2016 AND 2015

	2016	2015
Net assets attributable to shareholders of redeemable shares, beginning of period		
Series A	\$ 1,243,023	\$ 2,711,905
Series B	2,326,506	5,107,671
Series F	14,389,562	1,049,714
Series X	28,922	161,351
	<u>17,988,013</u>	<u>9,030,641</u>
Increase (decrease) in net assets attributable to shareholders of redeemable shares from operations		
Series A	5,714	8,436
Series B	9,914	46,865
Series F	62,577	5,100
Series X	108	497
	<u>78,313</u>	<u>60,898</u>
Redeemable share transactions		
Proceeds from redeemable Shares issued		
Series A	774,752	331,851
Series B	1,630,481	17,303,595
Series F	4,765,632	1,488,790
Series X	-	-
	<u>7,170,865</u>	<u>19,124,236</u>
Redemption of redeemable shares		
Series A	(445,349)	(1,559,478)
Series B	(1,150,643)	(3,793,322)
Series F	(1,819,988)	(1,466,931)
Series X	-	(47,749)
	<u>(3,415,980)</u>	<u>(6,867,480)</u>
Net increase (decrease) from redeemable share transactions	<u>3,754,885</u>	<u>12,256,756</u>
Net increase (decrease) in net assets attributable to shareholders of redeemable shares	<u>3,833,198</u>	<u>12,317,654</u>
Net assets attributable to shareholders of redeemable shares, end of period		
Series A	1,578,140	1,492,714
Series B	2,816,258	18,664,809
Series F	17,397,783	1,076,673
Series X	29,030	114,099
Total	<u>\$ 21,821,211</u>	<u>\$ 21,348,295</u>

See accompanying notes to the financial statements.

FRONT STREET MONEY MARKET CLASS

STATEMENTS OF CASH FLOWS (UNAUDITED) FOR THE PERIODS ENDED APRIL 30, 2016 AND 2015

	2016	2015
Cash flow from operating activities		
Increase (decrease) in net assets attributable to shareholders of redeemable shares from operations	\$ 78,313	\$ 60,898
Adjustments for:		
Net realized (gain) loss on financial assets and liabilities at FVTPL	(1,660)	-
(Increase) decrease in interest and other receivable:	372	(6,801)
Increase (decrease) in other payables and accrued liabilities:	-	2,283
Purchases of financial assets and liabilities at FVTPL	(100,601,111)	(79,255,021)
Proceeds from sales of financial assets and liabilities at FVTPL	96,860,639	66,163,878
Net cash generated (used) by operating activities	<u>(3,663,447)</u>	<u>(13,034,763)</u>
Cash flows from financing activities		
Proceeds from redeemable shares issued	7,172,809	19,121,041
Amount paid on redemption of redeemable shares:	<u>(3,227,069)</u>	<u>(7,122,504)</u>
Net cash generated (used) by financing activities	<u>3,945,740</u>	<u>11,998,537</u>
Net increase in cash and cash equivalents	282,293	(1,036,226)
Cash and cash equivalents, beginning of period	<u>68,798</u>	<u>246,182</u>
Cash and cash equivalents, end of period	<u>\$ 351,091</u>	<u>\$ (790,044)</u>
Cash and cash equivalents comprise:		
Cash at bank	<u>\$ 351,091</u>	<u>\$ (790,044)</u>
Interest received, net of withholding tax	\$ 77,196	\$ 81,256

See accompanying notes to the financial statements.

FRONT STREET MONEY MARKET CLASS

SCHEDULE OF INVESTMENT PORTFOLIO (UNAUDITED)

AS AT APRIL 30, 2016

	Number of Shares/units Par Value	Average Cost	Fair Value
		\$	\$
Bankers Acceptance (40.3%)			
Bank of Montreal Bankers Acceptance, 0.65% May 4, 2016	2,200,000	\$ 2,199,804	\$ 2,199,804
Bank of Nova Scotia Bankers Acceptance, 0.77% June 2, 2016	600,000	599,572	599,572
HSBC Bank Bankers Acceptance, 0.87% July 15, 2016	500,000	499,087	499,087
Royal Bank of Canada Bankers Acceptance, 0.84% July 20, 2016	1,200,000	1,197,739	1,197,739
TD Bankers Acceptance, 0.78% May 11, 2016	2,200,000	2,199,439	2,199,439
Vancouver City Savings Credit Union Bankers Acceptance, 0.89% June 1, 2016	2,100,000	2,098,325	2,098,325
		<u>\$ 8,793,966</u>	<u>\$ 8,793,966</u>
Commercial Papers (59.1%)			
Bell Canada, 0.82%, May 25, 2016	2,000,000	\$ 1,998,838	\$ 1,998,838
Enbridge Pipelines Inc., 0.94% May 13, 2016	2,000,000	1,999,279	1,999,279
Enbridge Pipelines Inc., 0.94% June 8, 2016	200,000	199,795	199,795
Imperial Oil Limited, 0.83% June 7, 2016	2,200,000	2,198,065	2,198,065
Inter Pipeline Limited, 0.84% May 27, 2016	1,500,000	1,499,038	1,499,038
Inter Pipeline Limited, 0.90% June 14, 2016	700,000	699,209	699,209
Suncor Energy Inc., 0.80% May 6, 2016	2,100,000	2,099,677	2,099,677
TransCanada Pipelines Limited, 0.88% May 11, 2016	1,400,000	1,399,597	1,399,597
TransCanada Pipelines Limited, 0.94% May 18, 2016	800,000	799,611	799,611
		<u>\$ 12,893,109</u>	<u>\$ 12,893,109</u>
Total Investments (99.4%)		<u>\$ 21,687,075</u>	21,687,075
Cash and cash equivalents (1.6%)			351,091
Other assets in excess of other liabilities (-1.0%)			-216,955
Net assets (100.0%)			<u>\$ 21,821,211</u>

See accompanying notes to the financial statements

FRONT STREET MONEY MARKET CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2016 AND 2015 (UNAUDITED)

1. THE FUND

Front Street Money Market 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 April 11, 2006, and is authorized to issue an unlimited number of classes of shares in multiple series. Pursuant to the notice of change in legal structure, the name of the Fund was changed to Front Street Money Market Class on June 27, 2012. Reference is made to the Fund's Simplified Prospectus for additional information on the Fund's structure. Series A commenced operations on March 2, 2007. Series B commenced operations on March 2, 2007. Series F commenced operations on March 2, 2007. Series X commenced operations on December 7, 2009.

The foregoing interim 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, 2016.

Front Street Capital 2004 is the manager (the "Manager") and investment advisor of the Fund (the "Investment Advisor"), on behalf of the Fund, to provide investment advisory and portfolio management services to the Fund. Front Street Capital 2004 assumed the portfolio management and investment advisory services from Front Street Investment Management Inc. on October 16, 2015. CIBC Mellon is the custodian and also provides fund accounting services and shareholder recordkeeping services. Effective November 16, 2015, CIBC Mellon replaced NBCN Inc. as the custodian of the Fund and replaced Citigroup Fund Services Canada, Inc. to provide shareholder recordkeeping services and fund accounting services.

The Fund's investment objective is primarily to provide Fund securityholders income earnings with reasonable safety of capital and liquidity and secondarily for some capital appreciation. The Fund invests mainly in money market securities and bonds issued by Canadian governments and corporations with maturities of up to one year, and in floating rate notes.

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

FRONT STREET MONEY MARKET CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2016 AND 2015 (UNAUDITED)

2. BASIS OF PRESENTATION

(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 interim financial statements were authorized for issue by the Board of Directors on June 27, 2016.

(b) Basis of measurement

These interim 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 interim 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.

(a) Financial instruments

Classification of financial instruments

The Fund classifies its financial assets and financial liabilities at initial recognition into the following categories, in accordance with IAS 39, Financial Instruments: Recognition and Measurement:

FRONT STREET MONEY MARKET CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2016 AND 2015 (UNAUDITED)

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

(a) Financial instruments (Continued...)

Financial assets and liabilities at fair value through profit or loss

The category of financial assets and liabilities at fair value through profit or loss is sub-divided into the following two sub-categories.

Financial assets and liabilities held for trading: financial assets are classified as held for trading if they are acquired for the purpose of selling and/or repurchasing in the near term. Derivatives are classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39. The Fund's policy is not to apply hedge accounting.

Financial instruments designated as fair value through profit or loss upon initial recognition: these include equities, treasury bills, and other interest-bearing investments. These financial assets are designated upon initial recognition on the basis that they are part of a group of financial assets that are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Fund as set out in the Fund's Investment Guidelines.

The Fund recognizes financial instruments at fair value upon initial recognition. 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 obligations for net assets attributable to shareholders of redeemable shares are 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 MONEY MARKET CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2016 AND 2015 (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 and ask spread. The Fund has determined the closing sale price to be most reflective of fair value unless the price is outside the bid and 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 MONEY MARKET CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2016 AND 2015 (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 gains and losses are calculated on a weighted average cost basis.

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 MONEY MARKET CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2016 AND 2015 (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 MONEY MARKET CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2016 AND 2015 (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) Interests in subsidiaries, associates and unconsolidated structured entities

The Fund meets the definition of an investment entity and as such, does not consolidate the entities it controls. Instead, interests in entities subject to control are classified as fair value through profit or loss, and measured at fair value.

The Fund may invest in redeemable units of other investment funds as part of its investment strategy. The nature and purpose of the investee funds generally is to manage assets on behalf of third party investors and generate fees for the investment manager, and are financed through the issue of redeemable units to investors.

The maximum exposure to loss from interests in investee funds is equal to the fair value of the investment in those respective funds, which are included in financial assets at fair value through profit or loss in the statement of financial position.

(n) Future changes in accounting standards:

IFRS 9 - Financial Instruments

IFRS 9 was issued in November 2009 with an implementation date of annual periods beginning on or after January 1, 2018. It addresses classification and measurement of financial assets and replaces the multiple categories 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 MONEY MARKET CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2016 AND 2015 (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 has 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. 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 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 prospectus, 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.

FRONT STREET MONEY MARKET CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2016 AND 2015 (UNAUDITED)

5. REDEEMABLE SHARES (Continued...)

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:

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.

FRONT STREET MONEY MARKET CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2016 AND 2015 (UNAUDITED)

5. REDEEMABLE SHARES (Continued...)

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

The following redeemable share transactions took place during the period ended April 30:

	2016	2015
Redeemable shares outstanding, beginning of the period:		
Series A	116,573	256,187
Series B	218,113	482,353
Series F	1,332,333	98,074
Series X	2,712	15,244
Redeemable shares issued during the period:		
Series A	72,546	31,317
Series B	152,548	1,631,357
Series F	440,714	138,716
Series X	-	-
Redeemable shares redeemed during the period:		
Series A	(41,675)	147,035
Series B	(107,626)	357,887
Series F	(168,235)	136,711
Series X	-	4,506
Redeemable shares outstanding, end of the period:		
Series A	147,444	140,469
Series B	263,035	1,755,823
Series F	1,604,812	100,079
Series X	2,712	10,738

FRONT STREET MONEY MARKET CLASS

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2016 AND 2015

(UNAUDITED)

6. FEES AND EXPENSES

The Fund pays a monthly management fee equal to 1/12 of 1.0 % of the net asset value of Series A, Series B and Series X shares, calculated and paid at the end of each month in arrears from each Fund series. The Fund pays a monthly management fee equal to 1/12 of 0.75% of the net asset value of Series F shares, calculated and paid at the end of each month in arrears.

Effective July 23, 2015, the fees were reduced such that the Fund pays a monthly management fee equal to 1/12 of 0.5% of the net asset value of Series A, Series B and Series X shares, calculated and paid at the end of each month in arrears from each Fund series. The Fund pays a monthly management fee equal to 1/12 of 0.25% of the net asset value of Series F shares, calculated and paid at the end of each month in arrears.

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.

Effective May 1, 2009, the Manager of the Fund waived the monthly management fee for Series A, Series B, Series F shares and Series X shares of the Fund.

The Fund pays a monthly service fee of 1/12 of 0.25% of the net asset value of the Series A, Series B and Series X shares, calculated and paid at the end of each month in arrears. Effective July 23, 2015, the Fund no longer pays a monthly service fee.

There are no performance fees payable for the 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 establishment of the Fund's client servicing models, maintenance of investor support phone lines, and investor website and email support.

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NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2016 AND 2015 (UNAUDITED)

7. INCOME TAX 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 income 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 share 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, 2016 was \$Nil (April 30, 2015 - \$Nil).

There were no soft dollar amounts included in brokerage commissions.

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NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2016 AND 2015 (UNAUDITED)

9. RELATED PARTY TRANSACTIONS

During the period ended April 30, 2016 and 2015, fees paid to the Manager were as follows:

	2016	2015
Management fees, note 6	\$ <u>35,046</u>	\$ <u>83,930</u>
Servicing fees, note 6	\$ <u>-</u>	\$ <u>18,649</u>
Expenses absorbed by the Manager, note 6	\$ <u>(82,018)</u>	\$ <u>(141,968)</u>

Management fees payable and other payables included in accrued expenses were as follows:

	April 30, 2016	October 31, 2015
Servicing fees payable	\$ <u>-</u>	\$ <u>-</u>

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

	April 30, 2016	October 31, 2015
Series F shares held by the Partners and Officers of the Manager	1,492,890.05	1,278,919.76
Percentage of Series F shares held by the Partners and Officers of the Manager	93.03%	95.99%

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 consideration is the transactional NAV available to all other shareholders on the trade date.

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NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2016 AND 2015 (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 interim financial statements present a reconciliation of Net asset value per share to IFRS Net Assets Attributable to Shareholders of Redeemable Shares.

There are no differences between transactional NAV and IFRS NA in this Fund.

11. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

The Fund's financial instruments consist of financial assets and liabilities at FVTPL, cash and cash equivalents, subscriptions receivable, interest receivable, redemptions payable and accrued expenses. 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 Manager 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, 2016 and groups the securities by asset type, sector and/or market segment. Significant risks that are relevant to the Fund are discussed below.

FRONT STREET MONEY MARKET CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2016 AND 2015 (UNAUDITED)

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

The Fund is exposed to financial risks, including market risk, currency risk, interest rate risk, credit risk, liquidity risk, cash flow risk, credit risk and concentration 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, 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 Manager 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.

At April 30, 2016 and October 31, 2015 the Fund had no material exposure to foreign currencies.

FRONT STREET MONEY MARKET CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2016 AND 2015 (UNAUDITED)

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

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, 2016, there were investments in short-term investments representing 99.4% (October 31, 2015 – 99.7%) of the net assets, all maturing in less than 90 days. The remaining portion of the Fund's investments are substantially non-interest bearing equity investments and its exposure to interest rate changes is minimal.

As at April 30, 2016

Financial assets	Floating Rate Financial Instruments	Fixed Rate Financial Instruments	Non-interest Bearing	Total
Financial assets at FVTPL	\$ -	\$ 21,687,075	\$ -	\$ 21,687,075
Cash and cash equivalents	351,091	-	-	351,091
Loans and receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 321,091</u>	<u>\$ 21,687,075</u>	<u>\$ -</u>	<u>\$ 22,038,166</u>
Financial liabilities				
Other financial liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 216,955</u>	<u>\$ 216,955</u>
IFRS NA				<u>\$ 21,821,211</u>

As at October 31, 2015

Financial assets	Floating Rate Financial Instruments	Fixed Rate Financial Instruments	Non-interest Bearing	Total
Financial assets at FVTPL	\$ -	\$ 17,944,943	\$ -	\$ 17,944,943
Cash and cash equivalents	68,798	-	-	68,798
Loans and receivables	<u>-</u>	<u>-</u>	<u>2,316</u>	<u>2,316</u>
Total	<u>\$ 68,798</u>	<u>\$ 17,944,943</u>	<u>\$ 2,316</u>	<u>\$ 18,016,057</u>
Financial liabilities				
Other financial liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,044</u>	<u>\$ 28,044</u>
IFRS NA				<u>\$ 17,988,013</u>

FRONT STREET MONEY MARKET CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2016 AND 2015 (UNAUDITED)

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

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 cash and marketable securities and manages liquidity risk through its ability to close out market positions in a timely manner.

As at April 30, 2016

Financial assets	0 - 12 months	1 - 3 years	3 - 5 years	Beyond 5 years	Indefinite maturity	Total
Financial assets at FVTPL	\$ 21,687,075	\$ -	\$ -	\$ -	\$ -	\$ 21,687,075
Cash and cash equivalents	351,091	-	-	-	-	351,091
Loans and receivables	-	-	-	-	-	-
Total	<u>\$ 22,038,166</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,038,166</u>
Financial liabilities						
Other financial liabilities	<u>\$ 216,955</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 216,955</u>
IFRS NA						<u>\$ 21,821,211</u>

As at October 31, 2015

Financial assets	0 - 12 months	1 - 3 years	3 - 5 years	Beyond 5 years	Indefinite maturity	Total
Financial assets at FVTPL	\$ 17,944,943	\$ -	\$ -	\$ -	\$ -	\$ 17,944,943
Cash and cash equivalents	68,798	-	-	-	-	68,798
Loans and receivables	2,316	-	-	-	-	2,316
Total	<u>\$ 18,016,057</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,016,057</u>
Financial liabilities						
Other financial liabilities	<u>\$ 28,044</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,044</u>
IFRS NA						<u>\$ 17,988,013</u>

FRONT STREET MONEY MARKET CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2016 AND 2015 (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. 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 investment 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 value as recorded in the fund's statements of financial position.

As at April 30, 2016, the Fund had 99.4% (October 31, 2015 – 99.7%) of holdings in debt instruments with the following credit ratings obtained from Standard and Poor's Moody's or DBRS:

	Percentage of net assets	
Debt instruments by credit rating	April 30, 2016	October 31, 2015
AA	34.8%	36.7%
A	45.3%	25.5%
BBB	19.2%	37.5%

FRONT STREET MONEY MARKET CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2016 AND 2015 (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:

	Percentage of net assets	
	April 30, 2016	October 31, 2015
Commercial papers	59.1%	57.5%
Bankers acceptance	40.3%	42.2%
Cash and cash equivalents	1.6%	0.4%
Other assets less liabilities	<u>(1.0)%</u>	<u>(0.1)%</u>
Total	<u>100.0%</u>	<u>100.0%</u>

12. 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.

FRONT STREET MONEY MARKET CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2016 AND 2015 (UNAUDITED)

13. 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 at April 30, 2016 and October 31, 2015 in valuing the Fund's financial assets and liabilities at FVTPL.

As at April 30, 2016

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	\$ <u> -</u>	\$ <u> 21,687,075 </u>	\$ <u> -</u>	\$ <u> 21,687,075 </u>

As at October 31, 2015

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	\$ <u> -</u>	\$ <u> 17,944,943 </u>	\$ <u> -</u>	\$ <u> 17,944,943 </u>

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.

FRONT STREET MONEY MARKET CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2016 AND 2015 (UNAUDITED)

13. FAIR VALUE HIERARCHY (Continued...)

Valuation techniques and framework (Continued...)

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 judgment and estimation in the determination of fair value. Management judgment 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.