

Interim Management Report of Fund Performance As at April 30, 2015 Front Street Tactical Equity Class

This Interim Management Report of Fund Performance contains financial highlights but does not contain the complete interim financial statements for Front Street Tactical Equity 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 Objective and Strategies

The Fund's investment objective is to provide shareholders with long term capital growth through the selection, management and strategic trading of long and short positions in equity, debt and derivative securities. The Fund will invest primarily in Canadian equities and may focus its assets in specific industry sectors and asset classes based on analysis of business cycles, industry sectors and market outlook. The Fund may also invest in foreign equities.

The Fund's Investment Advisor, Front Street Investment Management Inc., may also consider non-investment factors such as cash flow and liquidity requirements hold periods and restrictions, risk factors, stop-loss containment and tax efficient distributions.

The Fund portfolio will consist primarily of investments which generate capital gains, but will also include investments which generate income. In managing the portfolio, the Investment Advisor intends to use strategies including: investing in undervalued securities, short selling overvalued securities, managing long/short positions, pairs trading, trading in securities of distressed issuers, special warrant arbitrage, merger arbitrage, convertible arbitrage, and participation in restructurings.

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 of other mutual funds, including funds managed by the Manager or an associate or affiliate. 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 common shares and other equity securities. The Fund will therefore be subject to stock market risk. Since the Fund may also invest in foreign securities, this may expose the Fund, to a limited extent, to the risk of investments in foreign securities and foreign currency risk. The Fund invests 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. The Fund may also be exposed to the risks of short selling and investing in derivatives. The Fund will also be subject to risks associated with investing in securities of junior industrial and technology companies, series risk and securities lending, repurchase and reverse repurchase 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 Fund has multiple risks associated with equity markets. Investors whose primary concern is preservation of capital should not invest in this Fund. The Fund is suitable for investors seeking long-term growth with a tolerance for risk and volatility and a long-term investment horizon.

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

Results of Operations

For the six month period ended April 30, 2015, the Fund returned 0.2% (net of expenses) while the benchmark (S&P/TSX Composite Index) returned 4.2%. Underperformance was partly attributable to writing down values of some private equity holdings, reflecting the lower values in energy-related sectors.

During the six month period ended April 30, 2015, the Fund earned investment income of \$340,187 from dividends, interest and securities lending revenue. There were net realized gains on the sale of investments of \$1.8 million and an unrealized depreciation on the value of investments of \$1.6 million.

Operating expenses, excluding management fees, servicing fees, dividends paid and transaction costs, totaled \$236,799 during the six month period ended April 30, 2015.

Recent Developments

The large Canadian geographic allocation and energy sector weakness has detracted from the performance of the fund through the period. The 2nd half of the year should present some opportunities in certain U.S. sectors (IT, Health Care; the fund can hold some U.S. equities), as well as Canadian sectors (such as Financials).

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 period ended April 30, 2015 and 2014, fees paid to the Manager were as follows:

	2015	2014
Management fees	\$ <u>312,918</u>	\$ <u>479,117</u>
Servicing fees	\$ <u>186,650</u>	\$ <u>282,409</u>
Operating costs	\$ <u>26,035</u>	\$ <u>20,529</u>

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

	April 30, 2015	October 31, 2014	November 1, 2013
Management fees payable	\$ 40,938	\$ 73,234	\$ 85,678
Servicing fees payable	23,577	42,700	50,285
Operating costs payable	4,160	(594)	(11,695)
	<u>\$ 68,675</u>	<u>\$ 115,340</u>	<u>\$ 124,268</u>

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

	April 30, 2015	October 31, 2014	November 1, 2013
Series B shares held by the Partners of the Manager	3,945.94	1,464,518.52	1,464,518.52
Percentage of Series B shares held by the Partners of the Manager	0.25%	44.62%	38.27%
Series B shares held by the relatives of the Partners of the Manager	6,756.63	Nil	Nil
Percentage of Series B shares held by the relatives of the Partners of the Manager	0.43%	Nil%	Nil%
Series F shares held by the relatives of the Partners of the Manager	4,538.18	8,497.59	7,602.03
Percentage of Series F shares held by the relatives of the Partners of the Manager	6.45%	6.92%	5.75%

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 \$44,801 (April 30, 2014 - \$83,106) in commissions on portfolio transactions for the Fund.

Management fees, servicing fees, operating costs and performance fees 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 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, 2015.

Series A

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

	April 30, 2015 \$	October 31, 2014 \$	October 31, 2013 \$	October 31, 2012 \$	October 31, 2011 \$	October 31, 2010 \$
Net Assets, beginning of the period	10.78	9.61	8.75	9.24	10.79	8.95
Increase (decrease) from operations:						
Total revenue	0.09	0.21	0.19	0.10	0.08	0.05
Total expenses	(0.26)	(0.36)	(0.29)	(0.30)	(0.55)	(0.40)
Realized gains (losses) for the period	0.69	2.35	0.12	(0.93)	1.05	1.23
Unrealized gains (losses) for the period	(0.49)	(0.88)	0.68	0.60	(2.03)	0.82
Total increase (decrease) from operations⁽²⁾	0.03	1.32	0.70	(0.53)	(1.45)	1.70
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	10.82	10.73	9.61	8.75	9.24	10.79

- (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 shares outstanding over the financial period.
- (3) Distributions were paid in cash/reinvested in additional shares of the Fund or both.

Ratios and Supplemental Data

Total net asset value (000's) ⁽¹⁾	\$11,004	\$15,361	\$21,639	\$32,658	\$43,836	\$60,304
Number of redeemable shares outstanding ⁽¹⁾	1,019,453	1,425,317	2,244,213	3,714,060	4,736,818	5,598,733
Management expense ratio ⁽²⁾	3.83%	3.30%	3.22%	3.33%	4.89%	4.19%
Management expense ratio before waivers or absorptions	3.83%	3.30%	3.22%	3.33%	4.89%	4.19%
Trading expense ratio ⁽³⁾	0.91%	0.82%	1.33%	1.64%	1.46%	1.33%
Portfolio turnover rate ⁽⁴⁾	81.08%	212.25%	280.49%	386.98%	326.81%	393.47%
Net asset value per redeemable share ⁽⁵⁾	\$10.79	\$10.78	\$9.64	\$8.79	\$9.25	\$10.77

- (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.
- (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.

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

	April 30, 2015 \$	October 31, 2014 \$	October 31, 2013 \$	October 31, 2012 \$	October 31, 2011 \$	October 31, 2010 \$
Net Assets, beginning of the period	10.76	9.61	8.74	9.24	10.78	8.96
Increase (decrease) from operations:						
Total revenue	0.09	0.21	0.19	0.10	0.08	0.05
Total expenses	(0.25)	(0.36)	(0.29)	(0.30)	(0.54)	(0.41)
Realized gains (losses) for the period	0.49	2.33	0.14	(0.93)	0.96	1.26
Unrealized gains (losses) for the period	(0.38)	(1.00)	0.74	0.62	(2.16)	0.78
Total increase (decrease) from operations⁽²⁾	(0.05)	1.18	0.78	(0.51)	(1.66)	1.68
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	10.81	10.72	9.61	8.74	9.24	10.78

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- (3) Distributions were paid in cash/reinvested in additional shares of the Fund or both.

Ratios and Supplemental Data

Total net asset value (000's) ⁽¹⁾	\$16,976	\$35,334	\$36,869	\$43,394	\$55,839	\$67,171
Number of redeemable shares outstanding ⁽¹⁾	1,574,039	3,282,407	3,826,811	4,937,796	6,036,717	6,239,097
Management expense ratio ⁽²⁾	3.75%	3.34%	3.23%	3.33%	4.82%	4.27%
Management expense ratio before waivers or absorptions	3.75%	3.34%	3.23%	3.33%	4.82%	4.27%
Trading expense ratio ⁽³⁾	0.91%	0.82%	1.33%	1.64%	1.46%	1.33%
Portfolio turnover rate ⁽⁴⁾	81.08%	212.25%	280.49%	386.98%	326.81%	393.47%
Net asset value per redeemable share ⁽⁵⁾	\$10.79	\$10.76	\$9.63	\$8.79	\$9.25	\$10.77

- (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.
- (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.

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

	April 30, 2015 \$	October 31, 2014 \$	October 31, 2013 \$	October 31, 2012 \$	October 31, 2011 \$	October 31, 2010 \$
Net Assets, beginning of the period	10.76	9.51	8.57	8.96	10.37	8.60
Increase (decrease) from operations:						
Total revenue	0.09	0.21	0.18	0.10	0.08	0.05
Total expenses	(0.21)	(0.26)	(0.20)	(0.20)	(0.40)	(0.27)
Realized gains (losses) for the period	0.73	2.30	0.12	(0.82)	0.48	1.10
Unrealized gains (losses) for the period	(0.49)	(1.05)	0.58	0.60	(2.18)	0.33
Total increase (decrease) from operations⁽²⁾	0.12	1.20	0.68	(0.32)	(2.02)	1.21
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	10.85	10.72	9.51	8.57	8.96	10.37

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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 shares outstanding over the financial period.

(3) Distributions were paid in cash/reinvested in additional shares of the Fund or both.

Ratios and Supplemental Data

Total net asset value (000's) ⁽¹⁾	\$762	\$1,321	\$1,262	\$2,621	\$6,504	\$4,841
Number of redeemable shares outstanding ⁽¹⁾	70,324	122,715	132,278	304,287	725,107	467,506
Management expense ratio ⁽²⁾	2.91%	2.36%	2.26%	2.25%	3.73%	2.92%
Management expense ratio before waivers or absorptions	2.91%	2.36%	2.26%	2.25%	3.73%	2.92%
Trading expense ratio ⁽³⁾	0.91%	0.82%	1.33%	1.64%	1.46%	1.33%
Portfolio turnover rate ⁽⁴⁾	81.08%	212.25%	280.49%	386.98%	326.81%	393.47%
Net asset value per redeemable share ⁽⁵⁾	\$10.83	\$10.76	\$9.54	\$8.61	\$8.97	\$10.35

(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.

(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.

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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.

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 Fund pays a performance fee if the percentage gain in the net asset value of a series of the Fund (as adjusted for any prior return deficiencies) over the preceding fiscal quarter or quarters since a performance fee was last payable exceeds the percentage gain or loss of the S&P/TSX Composite Index (the "Benchmark") over the same period. The fee is equal to this excess return per share multiplied by the number of shares outstanding at the end of the quarter multiplied by 20%, provided that the net asset value per share of the Fund (including distributions) is greater than all previous values at the end of each previous fiscal quarter. The starting reference point for the next fiscal quarter's calculation is based on the higher of either the Benchmark performance adjusted net asset value per share or the adjusted actual net asset value per share, both with respect to the previous quarter in which a performance fee was payable.

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 quarterly at rates set within ranges according to the following table.

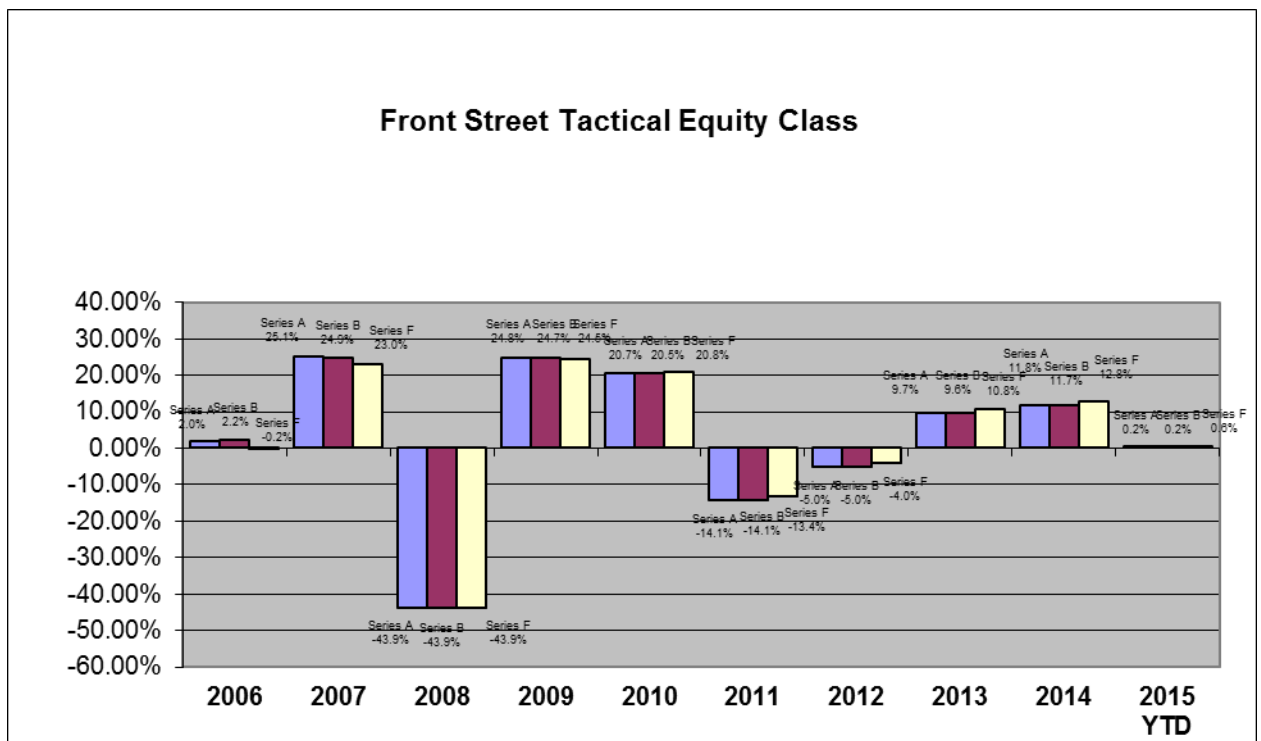
Series	Trailer Annual Rate	Annual Payment per \$1,000 of Fund securities held
A	1.00%	\$10.00
B	1.00%	\$10.00
F	0.00%	Nil
X	0.50%	\$5.00

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:

- 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;
- 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
- how the Fund has performed in the past does not necessarily indicate how it will perform in the future.



The above chart is the year-by-year returns for Front Street Tactical Equity Class, a class of Front Street Mutual Funds Ltd. The Fund was merged with the discontinuing Front Street Equity Opportunities 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, 2015
Portfolio by Category

	Percentage of Net Asset Value
LONG POSITIONS	
Financials	39.9%
Information Technology	15.8%
Consumer Discretionary	13.7%
Industrials	9.0%
Materials	4.9%
Energy	4.7%
Corporate Bonds	3.8%
Cash and Cash Equivalents	3.5%
Health Care	1.9%
Consumer Staples	1.3%
Telecommunication Services	0.3%
Utilities	0.1%
SHORT POSITIONS	
Consumer Staples	-0.0%
Information Technology	-0.1%
Energy	-0.6%
Written Option	-1.0%
Other assets in excess of other liabilities	2.8%
	100.0%

Top 25 Holdings

	Percentage of Net Asset Value
LONG POSITIONS	
Royal Bank of Canada	4.6%
Element Financial Corporation	4.4%
Manulife Financial Corporation	3.8%
Boyd Group Income Fund	3.6%
Sun Life Financial Inc.	3.6%
Canadian Imperial Bank of Commerce	3.4%
Performance Sports Group Limited	3.2%
The Toronto-Dominion Bank	3.2%
The ONE Group Hospitality Inc.	2.8%
Citigroup Inc.	2.6%
JPMorgan Chase & Company	2.6%
American International Group Inc.	2.5%
CBS Corporation	2.3%
Air Canada	2.3%
The Descartes Systems Group Inc.	2.2%
Canam Group Inc.	2.2%
COM DEV International Limited	2.1%
Intertape Polymer Group Inc.	2.0%
Morgan Stanley	1.9%
Delavaco Properties Inc.*	1.9%
Peyto Exploration & Development Corporation	1.8%
Splunk Inc.	1.7%
Altus Group Limited	1.7%
ATS Automation Tooling Systems Inc.	1.6%
Facebook Inc.	1.5%
	65.5%
TOTAL NET ASSET VALUE (000s)	\$28,742

*Debt Instruments

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



FRONT STREET TACTICAL EQUITY CLASS

INTERIM FINANCIAL STATEMENTS

FRONT STREET TACTICAL EQUITY CLASS

FOR THE SIX MONTHS 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 TACTICAL EQUITY CLASS

STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

AS AT APRIL 30, 2015, OCTOBER 31, 2014 AND NOVEMBER 1, 2013

	April 30, 2015	October 31, 2014 (Note 15)	November 1, 2013 (Note 15)
Assets			
Financial assets at fair value through profit or loss*	\$ 27,495,045	\$ 48,066,681	\$ 55,793,907
Receivable for investments sold	1,662,901	578,973	2,722,280
Cash and cash equivalents	1,006,528	6,129,836	2,702,003
Dividends receivable	25,619	40,567	32,818
Interest and other receivable	15,091	80,956	119,591
Subscriptions receivable	-	2,500	-
	\$ 30,205,184	\$ 54,899,513	\$ 61,370,599
Liabilities			
Payable for investments purchased	\$ 574,318	\$ 1,358,667	\$ 991,701
Financial liabilities at fair value through profit or loss*	502,229	1,124,295	155,441
Accrued expenses (Note 9)	226,145	253,332	265,151
Redemptions payable	101,335	154,695	176,771
Dividends payable	338	-	-
Total liabilities before net assets attributable to shareholders of redeemable shares	1,404,365	2,890,989	1,589,064
Net assets attributable to shareholders of redeemable shares	\$ 28,800,819	\$ 52,008,524	\$ 59,781,535
Net assets attributable to shareholders of redeemable shares			
Series A	\$ 11,026,558	\$ 15,358,817	\$ 21,643,244
Series B	\$ 17,010,985	\$ 35,328,869	\$ 36,875,965
Series F	\$ 763,276	\$ 1,320,838	\$ 1,262,326
Number of redeemable shares outstanding, note 5			
Series A	1,019,453	1,425,317	2,244,213
Series B	1,574,039	3,282,407	3,826,811
Series F	70,324	122,715	132,278
Net assets attributable to shareholders of redeemable shares per share			
Series A	\$ 10.82	\$ 10.78	\$ 9.64
Series B	\$ 10.81	\$ 10.76	\$ 9.64
Series F	\$ 10.85	\$ 10.76	\$ 9.54

On behalf of the Board 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 the financial statements.

FRONT STREET TACTICAL EQUITY CLASS

STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE PERIODS ENDED APRIL 30

	2015	2014
		(Note 15)
Income		
Dividends	\$ 301,702	\$ 417,632
Interest income for distribution purposes and other	37,127	166,935
Securities lending income, note 10	1,358	1,519
Foreign currency gain (loss) on cash and other net assets	262,908	(546)
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	1,792,672	7,438,379
Net realized gain (loss) on foreign exchange forward contracts	-	(66,739)
Change in unrealized appreciation (depreciation) on financial assets and liabilities at FVTPL	(1,556,660)	204,656
	839,107	8,161,836
Expenses		
Management fees, notes 6 and 9	312,918	479,117
Service fees, notes 6 and 9	186,650	282,409
Transaction costs, notes 3(k) and 8	175,646	213,580
Administration fees	96,559	90,384
Custodial fees	59,507	27,291
Audit fees	27,273	29,753
Operating costs, notes 6 and 9	26,035	20,529
Withholding tax	12,052	8,060
Legal fees	9,917	4,562
Securityholder reporting costs	3,472	2,751
Dividend paid	3,043	26,401
Independent Review Committee fees	1,984	1,980
	915,056	1,186,817
Increase (decrease) in net assets attributable to shareholders of redeemable shares from operations	\$ (75,949)	\$ 6,975,019
Increase (decrease) in net assets attributable to shareholders of redeemable shares from operations		
Series A	\$ 33,522	\$ 2,394,055
Series B	\$ (122,970)	\$ 4,420,306
Series F	\$ 13,499	\$ 160,658
Increase (decrease) in net assets attributable to shareholders of redeemable shares from operations per share		
Series A	\$ 0.03	\$ 1.23
Series B	\$ (0.05)	\$ 1.23
Series F	\$ 0.12	\$ 1.28

See accompanying notes to the financial statements.

FRONT STREET TACTICAL EQUITY CLASS

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

FOR THE PERIODS ENDED APRIL 30

	2015	2014
		(Note 15)
Net assets attributable to shareholders of redeemable shares, beginning of period		
Series A	\$ 15,358,817	\$ 21,643,244
Series B	35,328,869	36,875,965
Series F	1,320,838	1,262,326
	<u>52,008,524</u>	<u>59,781,535</u>
Increase (decrease) in net assets attributable to shareholders of redeemable shares from operations		
Series A	33,522	2,394,055
Series B	(122,970)	4,420,306
Series F	13,499	160,658
	<u>(75,949)</u>	<u>6,975,019</u>
Redeemable share transactions		
Proceeds from redeemable Shares issued		
Series A	79,409	14,600
Series B	12,312	25,411
Series F	27,215	54,719
	<u>118,936</u>	<u>94,730</u>
Redemption of redeemable shares		
Series A	(4,445,190)	(5,549,989)
Series B	(18,207,226)	(3,904,691)
Series F	(598,276)	(144,311)
	<u>(23,250,692)</u>	<u>(9,598,991)</u>
Net decrease from redeemable share transactions	<u>(23,131,756)</u>	<u>(9,504,261)</u>
Net decrease in net assets attributable to shareholders of redeemable shares	<u>(23,207,705)</u>	<u>(2,529,242)</u>
Net assets attributable to shareholders of redeemable shares, end of period		
Series A	11,026,558	18,501,910
Series B	17,010,985	37,416,991
Series F	763,276	1,333,392
	<u>28,800,819</u>	<u>57,252,293</u>
	\$	\$

See accompanying notes to the financial statements.

FRONT STREET TACTICAL EQUITY CLASS

STATEMENTS OF CASH FLOWS (UNAUDITED)

FOR THE PERIODS ENDED APRIL 30

	2015 (Note 15)	2014 (Note 15)
Cash flow from operating activities		
Increase (decrease) in net assets attributable to shareholders of redeemable shares from operations	\$ (75,949) \$	6,975,019
Adjustments for:		
Foreign currency gain on cash and other net assets	(262,908)	546
Net realized gain on financial assets and liabilities at FVTPL	(1,792,672)	(7,438,379)
Net realized loss on foreign exchange forward contracts	-	66,739
Change in unrealized (appreciation) depreciation on financial assets and liabilities at FVTPL	1,556,660	(204,656)
Decrease in interest and other receivable	65,865	36,340
Decrease in dividends receivable	14,948	565
Increase in dividends payable	338	8,800
Decrease in other payable and accrued liabilities	(27,187)	(27,482)
Purchase of financial assets and liabilities at FVTPL	(19,396,443)	(47,174,760)
Proceeds from sales of financial assets and liabilities at FVTPL	37,713,748	58,057,536
Proceeds from (to) settlement of foreign exchange forward contracts and futures	-	(66,739)
Net cash generated by operating activities	17,796,400	10,233,529
Cash flows from financing activities		
Proceeds from redeemable shares issued	121,436	72,130
Amount paid on redemption of redeemable shares	(23,304,052)	(9,489,752)
Net cash used by financing activities	(23,182,616)	(9,417,622)
Net increase (decrease) in cash and cash equivalents	(5,386,216)	815,907
Foreign currency gain (loss) on cash and other net assets	262,908	(546)
Cash and cash equivalents, beginning of period	6,129,836	2,702,003
Cash and cash equivalents, end of period	\$ 1,006,528 \$	3,517,364
Cash and cash equivalents comprise:		
Cash at bank	1,006,528	3,517,364
	\$ 1,006,528 \$	3,517,364
Interest received, net of withholding tax	\$ 102,992 \$	203,275
Dividends received, net of withholding tax	\$ 304,598 \$	410,137
Dividends paid	\$ (2,705) \$	(17,601)

See accompanying notes to the financial statements.

FRONT STREET TACTICAL EQUITY CLASS

SCHEDULE OF INVESTMENT PORTFOLIO (UNAUDITED)

AS AT APRIL 30, 2015

	Number of Shares/Units Par Value	Cost \$	Fair Value \$
Long positions (95.5%)			
Consumer Discretionary (13.5%)			
CBS Corporation 'B'	9,000	\$ 572,434	\$ 677,404
Committed Capital Acquisition Corporation Restricted	20,000	103,845	118,479
Gaming Nation Acquisition Corporation Restricted	307,177	293,419	306,409
Magna International Inc.	5,950	398,039	361,760
Martinrea International Inc.	8,300	98,960	100,015
Netflix Inc.	500	291,940	337,085
Performance Sports Group Limited	37,700	467,136	923,478
The ONE Group Hospitality Inc.	118,100	617,307	699,621
The ONE Group Hospitality Inc., Warrants October 13, 2016	88,000	-	54,370
The Walt Disney Company	2,300	286,441	303,013
		<u>\$ 3,129,521</u>	<u>\$ 3,881,634</u>
Consumer Staples (1.3%)			
Alimentation Couche-Tard Inc. 'B'	7,860	\$ 239,134	\$ 362,975
Crumbs Bake Shop Inc.	299	98	28
		<u>\$ 239,232</u>	<u>\$ 363,003</u>
Corporate Bonds (3.9%)			
Delavaco Properties Inc. Secured Senior Note 7.500%, June 30, 2016	450,000	\$ 461,676	\$ 545,151
Estrella International Energy Services Limited 12.000% Convertible Debentures, December 31, 2015	1,100,000	1,100,000	440,000
Gran Colombia Gold Corporation 5.000%, August 11, 2018	792,000	660,245	134,325
Ivanhoe Energy Inc. 5.750%, June 30, 2016	100,000	77,625	-
		<u>\$ 2,299,546</u>	<u>\$ 1,119,476</u>
Energy (4.7%)			
DeeThree Exploration Limited	25,208	\$ 168,824	\$ 185,531
EnCana Corporation	6,000	87,600	102,780
Estrella International Energy Services Limited, Warrants January 24, 2016	11	-	-
Interex Oilfield Services Limited, Special Warrants	203,500	-	-
Kelt Exploration Limited	18,300	137,640	170,373
Parex Resources Inc.	2,200	20,070	21,296
Peyto Exploration & Development Corporation	15,000	513,750	526,050
Raging River Exploration Inc.	16,900	137,696	159,705
RMP Energy Inc.	13,500	46,030	43,740
Rock Energy Inc.	28,000	65,800	95,200
Weatherford International PLC	2	24	35
Whitecap Resources Inc.	3,200	47,654	47,840
		<u>\$ 1,225,088</u>	<u>\$ 1,352,550</u>

FRONT STREET TACTICAL EQUITY CLASS

SCHEDULE OF INVESTMENT PORTFOLIO (UNAUDITED)

AS AT APRIL 30, 2015

	Number of Shares/Units Par Value	Cost \$	Fair Value \$
Financials (39.8%)			
Altus Group Limited	23,800	\$ 381,674	\$ 480,284
American International Group Inc.	10,700	623,702	729,657
Bank of Montreal	4,600	354,513	362,572
Canadian Imperial Bank of Commerce	10,000	937,977	968,800
Citigroup Inc.	11,700	772,324	755,753
Committed Capital Acquisition Corporation II	38,900	213,144	219,132
Delavaco Properites Inc., Warrants June 3, 2017	77,000	-	5,976
Diversified Royalty Corporation	29,700	60,291	81,675
Dream Global Real Estate Investment Trust	25,298	230,758	255,763
Dundee Acquisition Limited Units Restricted	32,000	320,000	320,000
Element Financial Corporation	72,962	1,002,460	1,262,244
JPMorgan Chase & Company	9,800	629,826	751,033
Manulife Financial Corporation	50,000	1,016,858	1,098,000
MetLife Inc.	5,200	305,711	323,102
Morgan Stanley	12,300	431,988	555,948
Royal Bank of Canada	16,800	1,300,373	1,345,849
Sun Life Financial Inc.	26,800	993,699	1,034,748
The Toronto-Dominion Bank	16,400	888,787	913,480
		<u>\$ 10,464,085</u>	<u>\$ 11,464,016</u>
Health Care (1.9%)			
Bedrocan Cannabis Corporation, Warrants November 15, 2015	26,300	\$ -	-
Bristol-Myers Squibb Company	5,000	330,554	385,906
Concordia Healthcare Corporation	200	12,752	16,920
Savaria Corporation	23,000	74,750	120,750
Savaria Corporation, Warrant April 15, 2017	11,500	-	13,489
		<u>\$ 418,056</u>	<u>\$ 537,065</u>
Industrials (9.0%)			
Air Canada	57,500	\$ 414,067	\$ 662,400
ATS Automation Tooling Systems Inc.	35,600	472,972	473,836
Boyd Group Income Fund	20,300	425,124	1,045,653
EnWave Corporation	159,900	223,860	167,895
Enwave Corporation, Warrants December 20, 2015	82,000	-	4,100
People Corporation	11,300	30,730	41,697
WestJet Airlines Limited	7,500	196,767	204,975
		<u>\$ 1,763,520</u>	<u>\$ 2,600,556</u>
Information Technology (15.8%)			
COM DEV International Limited	119,600	\$ 446,138	\$ 590,824
Embotics Corporation Preferred Class 'A'	56,874	244,292	5,687
Embotics Corporation Private Placement	100,224	1,046,893	10,022
Espial Group Inc.	19,800	79,200	75,438
Facebook Inc. 'A'	4,650	420,376	443,729
Frankly Inc.	99,200	302,560	277,760
Mobidia Technology Inc. 'A' Series 3 Preferred	301,946	332,141	78,506
NXP Semiconductors NV	3,600	349,024	419,199
Oracle Corporation	4,500	241,539	237,795
Pure Technologies Limited	13,496	54,798	106,618
QHR Corporation	152,911	91,424	227,837
Redline Communications Group Inc., Warrants July 30, 2015	24,000	-	-
Salesforce.com Inc.	4,850	344,132	427,855
Skyworks Solutions Inc.	3,700	404,582	413,497
Splunk Inc.	6,200	482,246	498,315
The Descartes Systems Group Inc.	35,200	237,942	638,176
VersaPay Corporation Units Restricted	75,500	105,700	93,771
		<u>\$ 5,182,987</u>	<u>\$ 4,545,029</u>

See accompanying notes to the financial statements

FRONT STREET TACTICAL EQUITY CLASS

SCHEDULE OF INVESTMENT PORTFOLIO (UNAUDITED)

AS AT APRIL 30, 2015

	Number of Shares/Units Par Value	Cost \$	Fair Value \$
Materials (5.3%)			
Canam Group Inc.	45,000	\$ 562,511	\$ 617,400
GoviEx Uranium Inc.	365,000	795,017	31,025
GoviEx Uranium Inc., Special Warrants Private Placement	196,880	428,830	8,860
Intertape Polymer Group Inc.	35,000	406,140	575,050
Jemi Fibre Corporation Restricted July 25, 2015	283,000	169,800	174,243
Jemi Fibre Corporation, Warrants March 24, 2018	283,000	-	105,813
Tolima Gold Inc., Warrants December 5, 2016	220,000	-	-
		<u>\$ 2,362,298</u>	<u>\$ 1,512,391</u>
Telecommunication Services (0.3%)			
Mitel Networks Corporation	6,900	\$ 57,368	\$ 77,655
PESA Corporation	787,280	263,528	15,746
XMG Studio Inc. Restricted	463,160	440,002	9,263
		<u>\$ 760,898</u>	<u>\$ 102,664</u>
Utilities (0.0%)			
Trilliant Inc. Restricted	833,056	\$ 499,459	\$ 16,661
U.S. Geothermal Inc., Warrants September 16, 2015	205,550	-	-
		<u>\$ 499,459</u>	<u>\$ 16,661</u>
Total Long Positions (95.5%)		<u>\$ 28,344,690</u>	<u>\$ 27,495,045</u>
Short positions (-1.8%)			
Consumer Staples (-0.0%)			
AGT Food & Ingredients Inc.	(2)	\$ (36)	\$ (53)
Energy (-0.6%)			
Paramount Resources Limited	(1,000)	\$ (32,095)	\$ (35,690)
Tamarack Valley Energy Limited	(6,900)	(26,922)	(31,326)
Torc Oil & Gas Limited	(10,700)	(109,353)	(112,350)
		<u>\$ (168,370)</u>	<u>\$ (179,366)</u>
Information Technology (-0.1%)			
Sphere 3D Corporation	(5,000)	\$ (33,900)	\$ (19,020)

FRONT STREET TACTICAL EQUITY CLASS

SCHEDULE OF INVESTMENT PORTFOLIO (UNAUDITED)

AS AT APRIL 30, 2015

	Number of Shares/Units Par Value	Cost \$	Fair Value \$
Written Options (-1.1%)			
American International Group May/55 WPO	(3)	\$ (140)	\$ (200)
American International Group May/57.5 WCO	(3)	(480)	(200)
American International Group May/58 WCO	(5)	(277)	(242)
American International Group May/60 WCO	(98)	(5,240)	(1,187)
Apple Inc. May/115 WPO	(10)	(1,708)	(569)
Apple Inc. May/120 WPO	(30)	(9,400)	(4,289)
Apple Inc. May/125 WPO	(20)	(1,371)	(7,148)
ARC Resources Limited May/22 WPO	(70)	(7,910)	(350)
ARC Resources Limited May/23 WPO	(80)	(2,520)	(1,200)
ARC Resources Limited May/24 WPO	(48)	(1,909)	(1,440)
Bank of America Corporation May/16 WPO	(240)	(15,057)	(8,141)
Bank of Montreal May/80 WCO	(23)	(920)	(736)
Baytex Energy Limited May/20 WPO	(64)	(4,096)	(416)
Baytex Energy Limited May/22 WPO	(250)	(14,375)	(6,875)
Baytex Energy Limited May/23 WPO	(124)	(12,452)	(6,820)
Bristol-Myers Squibb Company May/65.5 WCO	(20)	(2,653)	(1,187)
Bristol-Myers Squibb Company May/67 WCO	(30)	(2,929)	(872)
Canadian Natural Resources Limited May/30 WPO	(80)	(5,364)	(969)
Canadian Natural Resources Limited May/32 WPO	(90)	(3,716)	(4,906)
Canadian Natural Resources Limited May/38 WPO	(80)	(2,800)	(3,280)
Cardinal Energy Limited May/14 WPO	(80)	(3,120)	(360)
Cardinal Energy Limited May/16 WPO	(128)	(4,952)	(5,440)
CBS Corporation May/62.5 WCO	(85)	(10,995)	(15,549)
Cenovus Energy Inc. May/23 WPO	(80)	(3,520)	(5,600)
Citigroup Inc. May/53.5 WCO	(65)	(2,344)	(5,512)
Citigroup Inc. May/55 WCO	(25)	(1,132)	(636)
Detour Gold Corporation May/12 WPO	(150)	(10,350)	(3,000)
Element Financial Corporation May/17 WCO	(55)	(3,245)	(3,025)
EnCana Corporation May/13 WPO	(100)	(3,539)	(1,211)
EnCana Corporation May/14 WPO	(360)	(15,870)	(1,260)
EnCana Corporation May/16 WPO	(64)	(1,920)	(928)
EnCana Corporation May/18 WCO	(60)	(1,380)	(1,140)
Facebook Inc. 'A' May/84 WCO	(30)	(1,876)	(654)
Facebook Inc. 'A' May/84.5 WCO	(20)	(1,712)	(339)
Goldcorp Inc. May/19 WPO	(64)	(3,175)	(5,505)
Goldcorp Inc. May/19.50 WPO	(64)	(3,077)	(8,218)
Hudson's Bay Company May/26 WPO	(80)	(3,273)	(2,600)
Husky Energy Inc. May/26 WPO	(80)	(3,600)	(1,920)
Husky Energy Inc. May/27 WPO	(80)	(4,720)	(5,040)
Interfor Corporation May/18 WPO	(40)	(2,560)	(4,000)
JPMorgan Chase & Company May/65 WCO	(96)	(6,865)	(2,326)
Kelt Exploration Limited May/9 WPO	(328)	(12,312)	(6,560)
Magna International Inc. May/52.5 WCO	(25)	(2,945)	(1,817)
Magna International Inc. May/66 WCO	(25)	(2,100)	(563)
Methanex Corporation May/66 WPO	(80)	(7,360)	(2,400)
MetLife Inc. May/51 WPO	(50)	(4,296)	(6,239)
Morgan Stanley May/38 WCO	(50)	(1,811)	(1,635)
NXP Semiconductors NV May/110 WCO	(17)	(2,552)	(206)
NXP Semiconductors NV May/115 WCO	(20)	(5,596)	(24)
NXP Semiconductors NV May/95 WPO	(14)	(2,328)	(3,392)
Oracle Corporation May/44 WPO	(55)	(7,940)	(5,797)
Paramount Resources Limited May/32 WPO	(64)	(7,872)	(2,240)
Paramount Resources Limited May/34 WPO	(128)	(8,352)	(9,600)
Parex Resources Inc. May/9 WPO	(180)	(9,020)	(900)
Peyto Exploration & Development Corporation May/36 WPO	(150)	(12,600)	(20,250)
Peyto Exploration & Development Corporation May/37 WCO	(150)	(11,850)	(1,800)
Raging River Exploration Inc. May/9 WPO	(233)	(7,487)	(3,379)
Royal Bank of Canada May/79 WCO	(125)	(13,500)	(20,000)
Salesforce.com Inc. May/67.5 WCO	(26)	(2,719)	(19,529)
Salesforce.com Inc. May/70 WCO	(15)	(1,011)	(8,359)

See accompanying notes to the financial statements

FRONT STREET TACTICAL EQUITY CLASS

SCHEDULE OF INVESTMENT PORTFOLIO (UNAUDITED)

AS AT APRIL 30, 2015

	Number of Shares/Units Par Value	Cost \$	Fair Value \$
Secure Energy Services Inc. Jun/15 WPO	(100)	(3,650)	(3,000)
Secure Energy Services Inc. May/15 WPO	(100)	(4,900)	(850)
Skyworks Solutions Inc. May/100 WCO	(30)	(7,952)	(4,906)
Skyworks Solutions Inc. May/105 WCO	(15)	(8,787)	(1,090)
Splunk Inc. May/65 WCO	(46)	(8,081)	(17,275)
Sun Life Financial Inc. May/40 WPO	(80)	(8,240)	(12,320)
Suncor Energy Inc. May/31 WPO	(64)	(4,951)	(1,706)
Tahoe Resources Inc. May/15 WPO	(120)	(17,160)	(1,080)
Tahoe Resources Inc. May/16 WPO	(60)	(2,640)	(1,200)
The Bank of Nova Scotia May/66 WPO	(90)	(5,490)	(4,680)
The Descartes Systems Group Inc. May/20 WCO	(115)	(4,772)	(748)
The Toronto-Dominion Bank May/56 WCO	(80)	(4,350)	(3,440)
The Walt Disney Company May/112 WCO	(8)	(870)	(1,270)
Torc Oil & Gas Limited May/10 WPO	(80)	(2,320)	(840)
WestJet Airlines Limited May/29 WCO	(30)	(1,545)	(825)
Whitecap Resources Inc. May/15 WPO	(264)	(11,696)	(8,580)
		<u>\$ (409,597)</u>	<u>\$ (303,790)</u>
Total Short Positions (-1.8%)		<u>\$ (611,903)</u>	<u>\$ (502,229)</u>
Transaction costs, note 3		<u>\$ (81,057)</u>	
Total Investments (93.7%)		<u>\$ 27,651,730</u>	26,992,816
Cash and cash equivalents (3.5%)			1,006,528
Other assets in excess of other liabilities (2.8%)			<u>801,475</u>
Net assets (100.0%)		<u>\$ 28,800,819</u>	

FRONT STREET TACTICAL EQUITY CLASS

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2015 AND 2014

(UNAUDITED)

1. THE FUND

Front Street Tactical Equity 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 Tactical Equity 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 June 28, 2006. Series B commenced operations on June 22, 2006. Series F commenced operations on August 3, 2006. Series X commenced operations on February 11, 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. NBCN Inc. is the custodian. Citigroup Fund Services Canada, Inc. provides fund accounting services and shareholder recordkeeping services.

The Fund's investment objective is to provide shareholders with long term capital growth through the selection, management and strategic trading of long and short positions in equity, debt and derivative securities. The Fund will invest primarily in Canadian equities and may focus its assets in specific industry sectors and asset classes based on analysis of business cycles, industry sectors and market outlook. The Fund may also invest in foreign equities.

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 November 1, 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 November 1, 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 TACTICAL EQUITY 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 November 1, 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 TACTICAL EQUITY 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 11 (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 TACTICAL EQUITY 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 TACTICAL EQUITY 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 TACTICAL EQUITY 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 TACTICAL EQUITY 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.

FRONT STREET TACTICAL EQUITY CLASS

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

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:

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.

FRONT STREET TACTICAL EQUITY CLASS

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

5. REDEEMABLE SHARES (Continued...)

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

Redeemable shares outstanding, beginning of the period:	2015	2014
Series A	1,425,317	2,244,213
Series B	3,282,407	3,826,811
Series F	122,715	132,278

Redeemable shares issued during the period:

Series A	7,304	1,337
Series B	1,141	2,344
Series F	2,529	5,068

Redeemable shares redeemed during the period:

Series A	413,168	544,880
Series B	1,709,509	386,598
Series F	54,920	14,067

Redeemable shares outstanding, end of the period:

Series A	1,019,453	1,700,670
Series B	1,574,039	3,442,557
Series F	70,324	123,279

6. FEES AND EXPENSES

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.

The Fund pays a monthly service fee of 1/12 of 1% of the net asset value of the Series A and Series B shares and 1/12 of 0.5% of the net asset value of the Series X shares calculated and paid at the end of each month.

FRONT STREET TACTICAL EQUITY CLASS

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2015 AND 2014

(UNAUDITED)

6. FEES AND EXPENSES (Continued...)

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 Fund pays a performance fee if the percentage gain in the net asset value of a series of the Fund (as adjusted for any prior return deficiencies) over the preceding fiscal quarter or quarters since a performance fee was last payable exceeds the percentage gain or loss of the S&P/TSX Composite Index (the "Benchmark") over the same period. The fee is equal to this excess return per share multiplied by the number of shares outstanding at the end of the quarter multiplied by 20%, provided that the net asset value per share of the Fund (including distributions) is greater than all previous values at the end of each previous fiscal quarter. The starting reference point for the next fiscal quarter's calculation is based on the higher of either the Benchmark performance adjusted net asset value per share or the adjusted actual net asset value per share, both with respect to the previous quarter in which a performance fee was payable.

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 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 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.

FRONT STREET TACTICAL EQUITY CLASS

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

7. INCOME TAX AND DISTRIBUTION (Continued...)

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 \$175,646 (April 30, 2014 - \$213,580).

There were no soft dollar amounts included in brokerage commissions.

9. RELATED PARTY TRANSACTIONS

During the period ended April 30, 2015 and 2014, fees paid to the Manager were as follows:

	2015	2014
Management fees, note 6	\$ <u>312,918</u>	\$ <u>479,117</u>
Servicing fees, note 6	\$ <u>186,650</u>	\$ <u>282,409</u>
Operating costs, note 6	\$ <u>26,035</u>	\$ <u>20,529</u>

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

	April 30, 2015	October 31, 2014	November 1, 2013
Management fees payable	\$ 40,938	\$ 73,234	\$ 85,678
Servicing fees payable	23,577	42,700	50,285
Operating costs payable	4,160	(594)	(11,695)
	<u>\$ 68,675</u>	<u>\$ 115,340</u>	<u>\$ 124,268</u>

FRONT STREET TACTICAL EQUITY CLASS

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

9. RELATED PARTY TRANSACTIONS (Continued...)

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

	April 30, 2015	October 31, 2014	November 1, 2013
Series B shares held by the Partners of the Manager	3,945.94	1,464,518.52	1,464,518.52
Percentage of Series B shares held by the Partners of the Manager	0.25%	44.62%	38.27%
Series B shares held by the relatives of the Partners of the Manager	6,756.63	Nil	Nil
Percentage of Series B shares held by the relatives of the Partners of the Manager	0.43%	Nil%	Nil%
Series F shares held by the relatives of the Partners of the Manager	4,538.18	8,497.59	7,602.03
Percentage of Series F shares held by the relatives of the Partners of the Manager	6.45%	6.92%	5.75%

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 \$44,801 (April 30, 2014 - \$83,106) in commissions on portfolio transactions for the Fund.

Management fees, servicing fees, operating costs and performance fees 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.

10. SECURITIES LENDING

The Fund lends portfolio securities from time to time in order to earn additional income. The Fund has entered into a securities lending program with its custodian, NBCN Inc. The aggregate fair value of all securities loaned will not exceed 50% of the net assets of the Fund. The Fund receives collateral (in the form of obligations of, or guaranteed by, the Government of Canada, or a province thereof, or by the United States government or its agencies and/or cash) against the loaned securities. Collateral is maintained in an amount representing at least 102% of the fair value of the loaned securities during the year the loan is outstanding. The fair value of the loaned securities is determined daily at the close of business of the Fund and any additional collateral required is delivered to the Fund on the next business day. As at April 30, 2015, October 31, 2014, and November 1, 2013 the aggregate fair values of the Fund's securities loaned and the collateral received were as follows

	April 30, 2015	October 31, 2014	November 1, 2013
Value of securities loaned	<u>\$ 382,409</u>	<u>\$ 142,645</u>	<u>\$ 349,447</u>
Value of collateral received	<u>\$ 408,518</u>	<u>\$ 205,267</u>	<u>\$ 367,070</u>

FRONT STREET TACTICAL EQUITY CLASS

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

11. 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	\$ 11,004,137	\$ 22,421	\$ 11,026,558	\$ 10.79	\$ 10.82
Series B	16,976,442	34,543	17,010,985	10.79	10.81
Series F	761,726	1,550	763,276	10.83	10.85
Total	\$ 28,742,305	\$ 58,514	\$ 28,800,819		

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 NA per share
Series A	\$ 15,360,833	\$ (2,016)	\$ 15,358,817	\$ 10.78	\$ 10.78
Series B	35,333,503	(4,634)	35,328,869	10.76	10.76
Series F	1,321,018	(180)	1,320,838	10.76	10.76
Total	\$ 52,015,354	\$ (6,830)	\$ 52,008,524		

FRONT STREET TACTICAL EQUITY CLASS

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

11. RECONCILIATION OF NET ASSET VALUE TO IFRS NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS OF REDEEMABLE SHARES (Continued...)

As at November 1, 2013, that reconciliation is as follows:

	Net Asset Value	IFRS fair value Adjustment	IFRS NA	Net asset fair per share	IFRS NA per share
Series A	\$ 21,638,982	\$ 4,262	\$ 21,643,244	\$ 9.64	\$ 9.64
Series B	36,868,695	7,270	36,875,965	9.63	9.64
Series F	1,262,078	248	1,262,326	9.54	9.54
Total	\$ 59,769,755	\$ 11,780	\$ 59,781,535		

12. 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 receivable, receivable for investments sold, payable for investments purchased, accrued expenses, redemptions payable and dividends 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.

FRONT STREET TACTICAL EQUITY CLASS

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

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

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.

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	Total	Percentage of Net Assets
United States Dollar	<u>\$ 9,207,531</u>	<u>\$ 240,323</u>	<u>\$ 9,447,854</u>	<u>32.80%</u>

As at October 31, 2014

Currency	Financial instruments at FVTPL	Cash and cash equivalents	Total	Percentage of Net Assets
United States Dollar	<u>\$ 14,165,363</u>	<u>\$ 3,289,996</u>	<u>\$ 17,455,359</u>	<u>33.56%</u>

FRONT STREET TACTICAL EQUITY CLASS

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

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

ii) Currency risk (Continued...)

As at November 1, 2013

Currency	Financial instruments at FVTPL	Cash and cash equivalents	Total	Percentage of Net Assets
Australian Dollar	\$ 85,785	\$ -	\$ 85,785	0.14%
United States Dollar	<u>13,020,927</u>	<u>1,615,961</u>	<u>14,636,888</u>	<u>24.48%</u>
	<u>\$ 13,106,712</u>	<u>\$ 1,615,961</u>	<u>\$ 14,722,673</u>	<u>24.62%</u>

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 there were 3.9% (October 31, 2014 – 3.8%; November 1, 2013 – 10.0%) of investments owned which are held in bonds. 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, 2015

Financial assets	Floating Rate Financial Instruments	Fixed Rate Financial Instruments	Non-Interest Bearing	Total
Financial assets at FVTPL	\$ -	\$ 1,119,476	\$ 26,375,569	\$ 27,495,045
Loans and receivables	-	-	1,703,611	1,703,611
Cash and cash equivalents	<u>1,006,528</u>	<u>-</u>	<u>-</u>	<u>1,006,528</u>
Total	<u>\$ 1,006,528</u>	<u>\$ 1,119,476</u>	<u>\$ 28,079,180</u>	<u>\$ 30,205,184</u>
Financial liabilities				
Financial liabilities at FVTPL	\$ -	\$ -	\$ 502,229	\$ 502,229
Other financial liabilities	<u>-</u>	<u>-</u>	<u>902,136</u>	<u>902,136</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,404,365</u>	<u>\$ 1,404,365</u>
IFRS NA				<u>\$ 28,800,819</u>

FRONT STREET TACTICAL EQUITY CLASS

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

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

iii) Interest rate risk (Continued...)

As at October 31, 2014

Financial assets	Floating Rate Financial Instruments	Fixed Rate Financial Instruments	Non-Interest Bearing	Total
Financial assets at FVTPL	\$ -	\$ 1,970,055	\$ 46,096,626	\$ 48,066,681
Loans and receivables	-	-	702,996	702,996
Cash and cash equivalents	<u>6,129,836</u>	<u>-</u>	<u>-</u>	<u>6,129,836</u>
Total	<u>\$ 6,129,836</u>	<u>\$ 1,970,055</u>	<u>\$ 46,799,622</u>	<u>\$ 54,899,513</u>
Financial liabilities				
Financial liabilities at FVTPL	\$ -	\$ -	\$ 1,124,295	\$ 1,124,295
Other financial liabilities	<u>-</u>	<u>-</u>	<u>1,766,694</u>	<u>1,766,694</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,890,989</u>	<u>\$ 2,890,989</u>
IFRS NA				<u>\$ 52,008,524</u>

As at November 1, 2013

Financial assets	Floating Rate Financial Instruments	Fixed Rate Financial Instruments	Non-Interest Bearing	Total
Financial assets at FVTPL	\$ -	\$ 5,289,850	\$ 50,504,057	\$ 55,793,907
Loans and receivables	-	-	2,874,689	2,874,689
Cash and cash equivalents	<u>2,702,003</u>	<u>-</u>	<u>-</u>	<u>2,702,003</u>
Total	<u>\$ 2,702,003</u>	<u>\$ 5,289,850</u>	<u>\$ 53,378,746</u>	<u>\$ 61,370,599</u>
Financial liabilities				
Financial liabilities at FVTPL	\$ -	\$ -	\$ 155,441	\$ 155,441
Other financial liabilities	<u>-</u>	<u>-</u>	<u>1,433,623</u>	<u>1,433,623</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,589,064</u>	<u>\$ 1,589,064</u>
IFRS NA				<u>\$ 59,781,535</u>

FRONT STREET TACTICAL EQUITY CLASS

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

12. 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	\$ 3,816	\$ 1,762,797	\$ 293,882	\$ -	\$ 46,006,186	\$ 48,066,681
Loans and receivables	702,996	-	-	-	-	702,996
Cash and cash equivalents	<u>6,129,836</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,129,836</u>
Total	<u>\$ 6,836,648</u>	<u>\$ 1,762,797</u>	<u>\$ 293,882</u>	<u>\$ -</u>	<u>\$ 46,006,186</u>	<u>\$ 54,899,513</u>
Financial liabilities						
Financial liabilities at FVTPL	\$ 536,513	\$ -	\$ -	\$ -	\$ 587,782	\$ 1,124,295
Other financial liabilities	<u>1,766,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,766,694</u>
Total	<u>\$ 2,303,207</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 587,782</u>	<u>\$ 2,890,989</u>
IFRS NA						<u>\$ 52,008,524</u>

As at November 1, 2013

Financial assets	0-12 months	1 - 3 years	3 - 5 years	Beyond 5 years	Indefinite Maturity	Total
Financial assets at FVTPL	\$ 2,086,733	\$ 3,048,122	\$ 2,340,373	\$ 507,955	\$ 47,810,724	\$ 55,793,907
Loans and receivables	2,874,689	-	-	-	-	2,874,689
Cash and cash equivalents	<u>2,702,003</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,702,003</u>
Total	<u>\$ 7,663,425</u>	<u>\$ 3,048,122</u>	<u>\$ 2,340,373</u>	<u>\$ 507,955</u>	<u>\$ 47,810,724</u>	<u>\$ 61,370,599</u>
Financial liabilities						
Financial liabilities at FVTPL	\$ 155,049	\$ -	\$ -	\$ -	\$ 32	\$ 155,441
Other financial liabilities	<u>1,433,623</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,433,623</u>
Total	<u>\$ 1,589,032</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32</u>	<u>\$ 1,589,064</u>
IFRS NA						<u>\$ 59,781,535</u>

FRONT STREET TACTICAL EQUITY CLASS

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

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

iv) Liquidity risk (Continued...)

Certain of the Fund's investments are in private securities which are thinly traded. As at April 30, 2015, the fair value of such assets was 5.0% (October 31, 2014 – 6.1%; November 1, 2013 – 8.7%) of the total net assets.

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 Statements of Financial Position.

To partially mitigate credit risk with respect to its securities lending the Fund receives collateral against the securities loaned (note 10). As at April 30, 2015, the Fund has loaned securities with an aggregate fair value of \$382,408 (October 31, 2014 - \$142,645; November 1, 2013 - \$349,447) and received collateral with an aggregate fair value of \$408,518 (October 31, 2014 - \$205,267; November 1, 2013 - \$367,070.)

As at April 30, 2015, the Fund had 3.9% (October 31, 2014 – 3.8%; November 1, 2013 – 10.0%) of holdings in long term debt instruments for which the following credit rating have been obtained from Standard and Poor's, Moody's or DBRS:

Debt Instruments by Credit Rating	Percentage of IFRS NA		
	April 30, 2015	October 31, 2014	November 1, 2013
B-	-	-	0.9%
Not available or not rated	3.9%	3.8%	9.1%

FRONT STREET TACTICAL EQUITY CLASS

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

12. 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	November 1 2013
Consumer Discretionary	13.5%	12.1%	11.3%
Consumer Staples	1.3%	0.5%	0.3%
Corporate Bonds	3.9%	3.8%	10.0%
Energy	4.1%	5.4%	14.9%
Financials	39.8%	34.0%	20.9%
Health Care	1.9%	2.3%	0.3%
Industrials	9.0%	14.9%	11.1%
Information Technology	15.7%	7.3%	14.4%
Materials	5.3%	9.6%	8.2%
Telecommunication Services	0.3%	1.1%	1.3%
Utilities	-	0.2%	0.7%
Written Options	(1.1)%	(1.0)%	(0.3)%
Cash and cash equivalents	3.5%	11.8%	4.5%
Other assets less liabilities	2.8%	(2.0)%	2.4%
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

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:

- to safeguard the Fund's ability to continue as a going concern, be flexible and take advantage of opportunities that might present themselves;
- to provide an appropriate return to shareholders; and
- 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.

FRONT STREET TACTICAL EQUITY CLASS

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

13. CAPITAL MANAGEMENT (Continued...)

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 November 1, 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>\$ 24,435,421</u>	<u>\$ 1,623,319</u>	<u>\$ 1,436,305</u>	<u>\$ 27,495,045</u>
Financial liabilities at FVTPL	<u>\$ (502,229)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (502,229)</u>

As at October 31, 2014

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	<u>\$ 43,553,432</u>	<u>\$ 1,336,626</u>	<u>\$ 3,176,623</u>	<u>\$ 48,066,681</u>
Financial liabilities at FVTPL	<u>\$ (1,124,295)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,124,295)</u>

As at November 1, 2013

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	<u>\$ 45,185,650</u>	<u>\$ 5,402,195</u>	<u>\$ 5,206,062</u>	<u>\$ 55,793,907</u>
Financial liabilities at FVTPL	<u>\$ (155,441)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (155,441)</u>

FRONT STREET TACTICAL EQUITY CLASS

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

14. FAIR VALUE HIERARCHY (Continued...)

The following table reconciles opening balances to closing balances for fair value measurements in Level 3 of the fair value hierarchy:

		Financial assets at FVTPL Equities		Financial assets at FVTPL Bonds
Balance at November 1, 2013	\$	2,771,137	\$	2,434,925
Purchases		828,077		-
Proceeds from sales		(200,957)		(301,246)
Transfer in		15,745		-
Transfer out		(168,790)		-
Realized gains (losses)		(1,256,994)		(488,060)
Unrealized gains (losses)		(475,668)		18,454
		<u> </u>		<u> </u>
Balance at October 31, 2014	\$	1,512,550	\$	1,664,073
Purchases		293,418		-
Proceeds from sales		(1,033,425)		(64,495)
Realized gains (losses)		(1,078,712)		13,198
Unrealized gains (losses)		757,323		(627,625)
		<u> </u>		<u> </u>
Balance at April 30, 2015	\$	<u>451,154</u>	\$	<u>985,151</u>

The transfer in of equities represents an equity that has moved from level two to level three as a result of no longer having observable market data.

The transfer out of equities represents an equity reallocated to level one as it became a public company.

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 TACTICAL EQUITY CLASS

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

14. 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 judgement and estimation in the determination of fair value. 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.

FRONT STREET TACTICAL EQUITY CLASS

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

14. FAIR VALUE HIERARCHY (Continued...)

The tables below summarize the level 3 financial assets at FVTPL valued based on the aforementioned valuation techniques as at April 30, 2015, October 31, 2014, and November 1, 2013.

As at April 30, 2015	Number of Shares/Units /Par Value	Cost \$	Fair Value \$
Delavaco Properties Inc.			
Secured Senior Note 7.500%, June 30, 2016	450,000	\$ 461,676	\$ 545,151
Embotics Corporation Preferred Class 'A'	56,874	244,292	5,687
Embotics Corporation Private Placement	100,224	1,046,893	10,022
Estrella International Energy Services Limited			
12.000% Convertible Debentures, December 31, 2015	1,100,000	1,100,000	440,000
Gaming Nation Acquisition Corporation Restricted	307,177	293,419	306,409
GoviEx Uranium Inc., Special Warrants Private Placement	196,880	428,830	8,860
Interex Oilfield Services Limited, Special Warrants	203,500	-	-
Ivanhoe Energy Inc., 5.75%, June 30, 2016	100,000	77,625	-
Mobidia Technology Inc. 'A' Series 3 Preferred	301,946	332,141	78,506
PESA Corporation	787,280	263,528	15,746
Trilliant Inc. Restricted	833,056	499,459	16,661
XMG Studio Inc. Restricted	463,160	440,002	9,263
		<u>\$ 5,187,865</u>	<u>\$ 1,436,305</u>

As at October 31, 2014	Number of Shares/Units /Par Value	Cost \$	Fair Value \$
Amaya Gaming Group Inc. Convertible Preferred	750	\$ 708,302	\$ 750,000
C.O.R.E. Holdings Inc. 'B' Private Placement	1,292	208,156	-
Delavaco Properties Inc.			
Secured Senior Note 7.50% June 30, 2016	500,000	512,973	564,073
Embotics Corporation Preferred Class 'A'	56,874	244,292	56,874
Embotics Corporation Private Placement	100,224	1,046,893	100,224
Estrella International Energy Services Limited			
Convertible Debentures 12.00% December 31, 2015	1,100,000	1,100,000	1,100,000
Govi Highpower Exploration Inc. Special Warrants	561,880	1,223,847	209,181
Interex Oilfield Services Limited, Special Warrants	203,500	-	-
Mobidia Technology Inc. 'A' Series 3 Preferred	301,946	332,141	241,557
QuStream Corporation	787,280	263,528	15,746
TiCan Titane Metals Company Inc. 'A'	842,167	137,639	8,422
Trilliant Inc. Restricted	833,056	499,459	108,297
WG Limited	330,000	263,024	3,723
XMG Studio Inc. Restricted	463,160	440,002	18,526
		<u>\$ 6,980,256</u>	<u>\$ 3,176,623</u>

FRONT STREET TACTICAL EQUITY CLASS

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

14. FAIR VALUE HIERARCHY (Continued...)

As at November 1, 2013	Number of Shares/Units /Par Value	Cost \$	Fair Value \$
C.O.R.E. Holdings Inc. 'B' Private Placement	1,292	\$ 208,156	\$ -
Crumbs Bake Shop Inc., Convertible Note 6.500% May 7, 2018	630,000	633,306	657,276
Delavaco Properites Inc. Warrants June 3, 2017	77,000	-	-
Delavaco Properties Inc. Secured Senior Note 7.50% June 30, 2016	500,000	512,973	521,647
Dirtt Environmental Solutions Limited	116,985	168,790	175,478
Embotics Corporation Preferred Class 'A'	56,874	244,292	239,440
Embotics Corporation Private Placement	100,224	1,046,893	421,943
Estrella International Energy Services Limited Convertible Debentures 12.00% December 31, 2015	1,100,000	1,100,000	1,100,000
Govi Highpower Exploration Inc. Special Warrants	561,880	1,223,487	451,380
Guatavita Gold Corporation Restricted	820,000	205,000	41,000
High Power Exploration Inc. Private Placement	196,880	-	-
Interex Oilfield Services Limited, Special Warrants	203,500	-	-
Inviro Medical Inc. Private Placement	92,500	101,339	-
Mobidia Technology Inc. 'A' Series 3 Preferred	301,946	332,141	377,433
Oak Point Energy Limited 15.00% Convertible Debentures March 31, 2014	156,000	156,000	156,000
Southeast Asia Mining Corporation Special Warrants Private Placement	32,725	12,411	-
TiCan Titate Metals Company Inc. 'A'	842,167	137,639	8,422
Trilliant Inc. Restricted	833,056	499,459	424,859
Verano Energy Limited	358,181	1,019,426	78,800
Virgin Gaming Limited Private Common	330,000	263,024	251,330
XMG Studio Inc. Restricted	463,160	440,002	301,054
		<u>\$ 8,304,338</u>	<u>\$ 5,206,062</u>

FRONT STREET TACTICAL EQUITY CLASS

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

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 \$	November 1, 2013 \$
Equity as reported under Canadian GAAP	51,793,217	57,034,549	59,600,083
Revaluation of investments due to bid-ask price spread adjustment	215,307	217,744	181,452
Net Assets Attributable to Shareholders of Redeemable Shares	52,008,524	57,252,293	59,781,535

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	6,552,469	6,938,727
Revaluation of investments due to bid-ask price spread adjustment	33,855	36,292
Increase (decrease) in Net Assets Attributable to Shareholders of Redeemable Shares from Operations	6,586,324	6,975,019

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.

FRONT STREET TACTICAL EQUITY CLASS

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

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

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 \$215,307 at October 31, 2014, \$217,744 at April 30, 2014 and \$181,452 at November 1, 2013. 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 \$33,855 for the year ended October 31, 2014 and \$36,292 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.