

Annual Management Report of Fund Performance

As at October 31, 2015

Front Street Global Balanced Income Class

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

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

Forward Looking Information

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

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

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

Management Discussion of Fund Performance

INVESTMENT OBJECTIVES AND STRATEGIES

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

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

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

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

RISK

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

RESULTS OF OPERATIONS

During the year, low global economic growth and lack of inflationary pressures in the global economy led many of the world's central banks to maintain very accommodating monetary policies in an effort to stimulate growth. Concerns over slowing growth in China and weakened commodity prices put some stress on credit markets. In Europe, and Germany in particular, the economic recovery stalled and the Volkswagen scandal impacted investor confidence. The market was very focused on the timing of the first interest rate increase by the U.S. Federal Reserve Board during the later part of the year. As the market reacted to economic data, the probabilities of a rate hike shifted, leading to increased volatility in the rates market.

The Information Technology sector, and semi-conductor firms in particular, were negatively impacted by Chinese growth concerns. Equities with any commodity exposure were significantly down, and all sectors except Utilities performed poorly. 10-year U.S. Treasury yields were extremely volatile, hitting a high of 2.485% and a low of 1.642% during the period (ending the period at 2.143%).

For the year ended October 31, 2015, the Front Street Global Balanced Income Class returned 8.2%.

During the year ended October 31, 2015, the Fund earned investment income of \$359,650 from dividends, distributions from underlying funds and interest. There were net realized gains on the sale of investments of \$77,157 and an unrealized appreciation on the value of investments of \$360,305.

Operating expenses, excluding management fees and servicing fees, totalled \$146,393 and the Manager waived and absorbed \$144,560 of such expenses during the period ended October 31, 2015.

Top individual contributors to the Fund's performance included holdings in Facebook, The Walt Disney Company and Apple. Both Disney and Apple are large-weighted positions in the Fund, and both performed well. Significant individual detractors from performance included Macy's and Performance Sports Group.—both of which faced challenges during the year—and the Fund's large holding in Bank of America, which had flat performance.

The Manager raised cash within the Fund during the period by selling off a number of positions in the Financials sector.

RECENT DEVELOPMENTS

The Manager continues to position the portfolio for an expected interest rate hike in the coming period, and strong consumer confidence. The Fund's weighting has been adjusted to one third each of Financials, Consumer and Information Technology stocks, and a 10% allocation to defence.

Adoption of International Financial Reporting Standards ("IFRS") in 2015

The annual 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 December 10, 2013 has been prepared and the comparative information for the period from December 11, 2013 to 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 Notes to the annual financial statements.

RELATED PARTY-TRANSACTIONS

During the periods ended October 31, 2015 and 2014, fees paid to the Manager were as follows:

	2015	2014
Management fees	<u>\$ 265,068</u>	<u>\$ 90,043</u>
Servicing fees	<u>\$ 139,831</u>	<u>\$ 46,340</u>
Expenses absorbed by the Manager	<u>\$ (409,625)</u>	<u>\$ (203,212)</u>

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

	October 31, 2015	October 31, 2014	December 10, 2013
Servicing fees payable	<u>\$ 16,380</u>	<u>\$ 7,741</u>	<u>\$ -</u>

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

	October 31, 2015	October 31, 2014	December 10, 2013
Series F shares held by the Manager	-	15,507.00	15,000.00
Percentage of Series F shares held by the Manager	Nil%	20.57%	100.00%
Series F shares held by the Partners of the Manager	74,215.75	-	-
Percentage of Series F shares held by the Partners of the Manager	44.74%	Nil%	Nil%

As at October 31, 2015, the Fund held 686,627 (October 31, 2014 - Nil; December 10, 2013 - Nil) shares of Front Street Tactical Bond Fund, representing 9.7% of the total Front Street Tactical Bond Fund shares outstanding, which is also managed by the Manager. As at October 31, 2015, the Fund held Nil (October 31, 2014 - 485,755; December 10, 2013 - Nil) shares of Front Street Tactical Bond Class Series F, representing Nil% (October 31, 2014 - 31.81%; December 10, 2013 - Nil%) of the total Front Street Tactical Bond Class Series F shares outstanding, which is also managed by the Manager.

As at October 31, 2015, the Fund held 111,933 (October 31, 2014 - Nil, December 10, 2013 - Nil) shares of Front Street MLP and Infrastructure Income Class Series I, representing 16.01% (October 31, 2014 - Nil%, December 10, 2013 - Nil%) of the total Front Street MLP and Infrastructure Income Class Series I shares outstanding, which is also managed by the Manager.

The Fund may place a portion of its portfolio transactions with brokerage firms which are affiliates of the Manager provided it determines that these affiliates' trade execution abilities and costs are comparable to those non-affiliated, qualified brokerage firms, on an execution only basis. During the year ended October 31, 2015, Tuscarora Capital Inc., a company under common control to the Manager, received \$19,045 (2014 - \$11,703) in commissions on portfolio transactions for the Fund.

Management fees, servicing fees, and operating costs are measured at the consideration prescribed by the offering documents of the Fund. When related parties enter shareholder transactions with the Fund, the consideration is the transactional NAV available to all other shareholders on the trade date.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance since inception. This information is derived from the Fund's audited annual financial statements.

Series A

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

	October 31 2015 \$	For the period from commencement of operations on February 4, 2014 to October 31, 2014 \$
Net Assets, beginning of the period	9.95	10.00 *
Increase (decrease) from operations:		
Total revenue	0.25	0.22
Total expenses	(0.14)	(0.10)
Realized gain (loss) for the year	0.20	(0.25)
Unrealized gain (loss) for the year	0.33	0.32
Total increase (decrease) from operations ⁽²⁾	0.64	0.19
Distributions to redeemable Shareholders:		
From income (excluding dividends)	—	—
From dividends	—	—
From capital gains	—	—
Return of capital	(0.40)	(0.30)
Total distributions to redeemable Shareholders ⁽³⁾	(0.40)	(0.30)
Net Assets, end of the period	10.37	9.95

- (1) The information for October 31, 2015 and 2014 is derived from the Fund's audited annual financial statements and is prepared in accordance with IFRS. The information prior to 2014 is derived from the Fund's audited annual financial statements prepared based on Canadian GAAP. An explanation of the effect of the Fund's transition to IFRS can be found in the notes to the financial statements.
- (2) Net assets and distributions are based on the actual number of redeemable shares outstanding at the relevant time. The increase (decrease) from operations is based on the average number of redeemable shares outstanding over the financial year.
- (3) Distributions were paid in cash/reinvested in additional redeemable shares of the Fund or both.

Ratios and Supplemental Data

Total net asset value (000's) ⁽¹⁾	\$16,477	\$8,399
Number of redeemable shares outstanding ⁽¹⁾	1,588,808	843,958
Management expense ratio ⁽²⁾	1.33%	1.02%
Management expense ratio before waivers or absorptions ⁽²⁾	4.06%	5.18%
Trading expense ratio ⁽³⁾	0.22%	0.30%
Portfolio turnover rate ⁽⁴⁾	229.76%	122.50%
Net asset value per redeemable share ⁽⁵⁾	\$10.37	\$9.95

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

The Fund holds investments in other investment funds ("Underlying Funds") and the MER is calculated taking into consideration the expenses of the Fund allocated to the series including expenses indirectly attributable to its investment in the Underlying Funds divided by the average daily net asset value of the series of the Fund during the year.
- (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 year.
- (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 year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
- (5) The information for October 31, 2015 and 2014 is derived from the Fund's audited financial statements prepared in accordance with IFRS. The information prior to 2014 is derived from the Fund's annual audited financial statements prepared based on Canadian GAAP. An explanation of the effect of the Fund's transition to IFRS can be found in the notes to the financial statements.

* Initial Price

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

	October 31 2015 \$	For the period from commencement of operations on January 23, 2014 to October 31, 2014 \$
Net Assets, beginning of the period	9.91	10.00*
Increase (decrease) from operations:		
Total revenue	0.24	0.22
Total expenses	(0.13)	(0.11)
Realized gain (loss) for the year	(0.10)	(0.30)
Unrealized gain (loss) for the year	0.25	0.36
Total increase (decrease) from operations ⁽²⁾	0.26	0.17
Distributions to Redeemable Shareholders:		
From income (excluding dividends)	—	—
From dividends	—	—
From capital gains	—	—
Return of capital	(0.40)	(0.33)
Total distributions to Redeemable Shareholders ⁽³⁾	(0.40)	(0.33)
Net Assets, end of the period	10.32	9.91

- (1) The information for October 31, 2015 and 2014 is derived from the Fund's audited annual financial statements and is prepared in accordance with IFRS. The information prior to 2014 is derived from the Fund's audited annual financial statements prepared based on Canadian GAAP. An explanation of the effect of the Fund's transition to IFRS can be found in the notes to the financial statements.
- (2) Net assets and distributions are based on the actual number of redeemable shares outstanding at the relevant time. The increase (decrease) from operations is based on the average number of redeemable shares outstanding over the financial year.
- (3) Distributions were paid in cash/reinvested in additional redeemable shares of the Fund or both.

Ratios and Supplemental Data

Total net asset value (000's) ⁽¹⁾	\$4,091	\$1,048
Number of redeemable shares outstanding ⁽¹⁾	396,312	105,708
Management expense ratio ⁽²⁾	1.32%	1.03%
Management expense ratio before waivers or absorptions ⁽²⁾	4.05%	5.01%
Trading expense ratio ⁽³⁾	0.22%	0.30%
Portfolio turnover rate ⁽⁴⁾	229.76%	122.50%
Net asset value per redeemable share ⁽⁵⁾	\$10.32	\$9.91

- (1) This information is provided as at end of the year shown.
- (2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The manager can waive certain fees or absorb certain expenses otherwise payable by the Fund. The amount of expenses waived or absorbed is at the discretion of the manager.
- The Fund holds investments in other investment funds ("Underlying Funds") and the MER is calculated taking into consideration the expenses of the Fund allocated to the series including expenses indirectly attributable to its investment in the Underlying Funds divided by the average daily net asset value of the series of the Fund during the year.
- (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 year.
- (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 year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
- (5) The information for October 31, 2015 and 2014 is derived from the Fund's audited financial statements prepared in accordance with IFRS. The information prior to 2014 is derived from the Fund's annual audited financial statements prepared based on Canadian GAAP. An explanation of the effect of the Fund's transition to IFRS can be found in the notes to the financial statements.

* Initial Price

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

	October 31 2015 \$	For the period from commencement of operations on December 10, 2013 to October 31, 2014 \$
Net Assets, beginning of the period	9.99	10.00 *
Increase (decrease) from operations:		
Total revenue	0.25	0.24
Total expenses	(0.03)	(0.03)
Realized gain (loss) for the year	(0.02)	(0.36)
Unrealized gain (loss) for the year	0.01	0.11
Total increase (decrease) from operations ⁽²⁾	0.21	(0.04)
Distributions to Redeemable Shareholders:		
From income (excluding dividends)	—	—
From dividends	—	—
From capital gains	—	—
Return of capital	(0.40)	(0.33)
Total distributions to Redeemable Shareholders ⁽³⁾	(0.40)	(0.33)
Net Assets, end of the period	10.52	9.99

- (1) The information for October 31, 2015 and 2014 is derived from the Fund's audited annual financial statements and is prepared in accordance with IFRS. The information prior to 2014 is derived from the Fund's audited annual financial statements prepared based on Canadian GAAP. An explanation of the effect of the Fund's transition to IFRS can be found in the notes to the financial statements.
- (2) Net assets and distributions are based on the actual number of redeemable shares outstanding at the relevant time. The increase (decrease) from operations is based on the average number of redeemable shares outstanding over the financial year.
- (3) Distributions were paid in cash/reinvested in additional redeemable shares of the Fund or both.

Ratios and Supplemental Data

Total net asset value (000's) ⁽¹⁾	\$1,744	\$753
Number of redeemable shares outstanding ⁽¹⁾	165,887	75,398
Management expense ratio ⁽²⁾	0.34%	0.02%
Management expense ratio before waivers or absorptions ⁽²⁾	3.06%	3.46%
Trading expense ratio ⁽³⁾	0.22%	0.30%
Portfolio turnover rate ⁽⁴⁾	229.76%	122.50%
Net asset value per redeemable share ⁽⁵⁾	\$10.52	\$9.99

- (1) This information is provided as at end of the year shown.
- (2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The manager can waive certain fees or absorb certain expenses otherwise payable by the Fund. The amount of expenses waived or absorbed is at the discretion of the manager.
- The Fund holds investments in other investment funds ("Underlying Funds") and the MER is calculated taking into consideration the expenses of the Fund allocated to the series including expenses indirectly attributable to its investment in the Underlying Funds divided by the average daily net asset value of the series of the Fund during the year.
- (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 year.
- (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 year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
- (5) The information for October 31, 2015 and 2014 is derived from the Fund's audited financial statements prepared in accordance with IFRS. The information prior to 2014 is derived from the Fund's annual audited financial statements prepared based on Canadian GAAP. An explanation of the effect of the Fund's transition to IFRS can be found in the notes to the financial statements.

* Initial Price

MANAGEMENT AND PERFORMANCE FEES

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

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

There are no performance fees payable by this Fund.

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

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

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

DEALER COMPENSATION

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

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

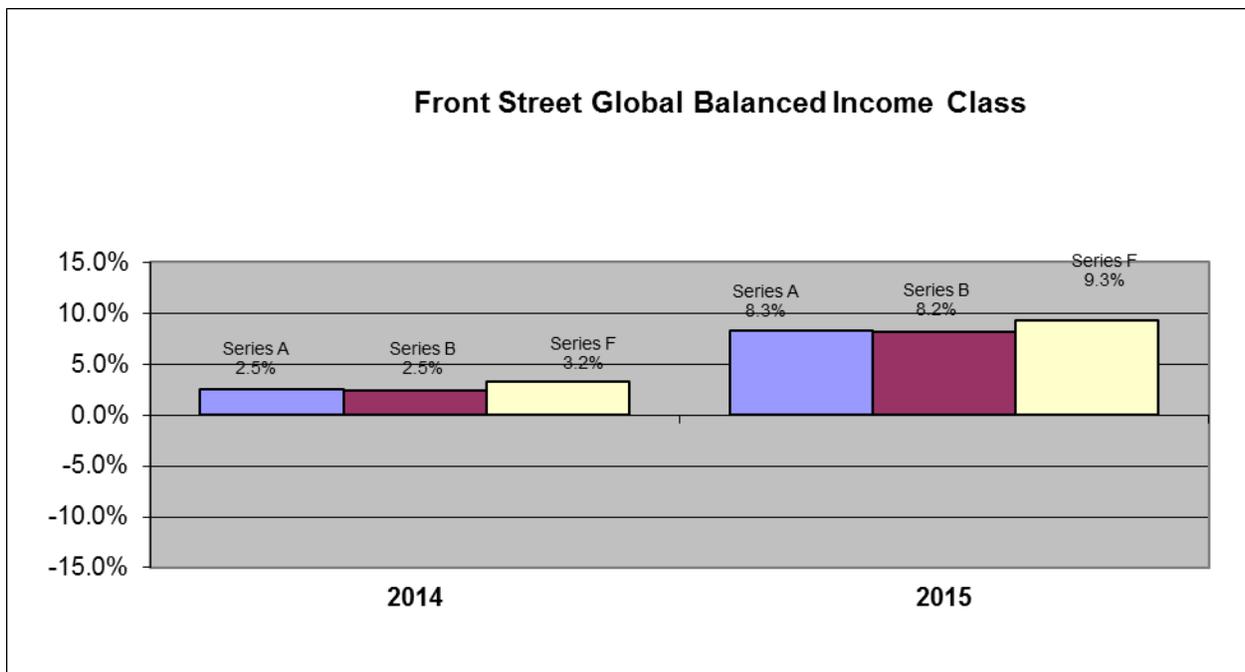
Series	Trailer Annual Rate	Annual Payment per \$1,000 of Fund securities held
A	1.00%	\$10.00
B	1.00%	\$10.00
F	0.00%	Nil
X	0.50%	\$5.00

PAST PERFORMANCE

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

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

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



ANNUAL COMPOUND RETURNS

The following table shows the Fund's historical annual compound total return for the past one financial year period and since inception, as at October 31, 2015 and as compared to the performance of the S&P 500 index.

Front Street Global Balanced Income Class	Past 1 year	Since Inception February 4, 2014
Series A	8.28%	6.16%
S&P 500 Index	3.04%	9.20%

Front Street Global Balanced Income Class	Past 1 year	Since Inception January 23, 2014
Series B	8.22%	5.81%
S&P 500 Index	3.04%	6.63%

Front Street Global Balanced Income Class	Past 1 year	Since Inception December 10, 2013
Series F	9.34%	6.54%
S&P 500 Index	3.04%	7.64%

S&P 500 Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

Summary of Investment Portfolio as at October 31, 2015

Portfolio by Category

	Percentage of Net Asset Value
LONG POSITIONS	
Mutual Funds	35.4%
Financials	17.4%
Information Technology	13.7%
Consumer Discretionary	11.8%
Health Care	10.4%
Cash and Cash Equivalents	2.4%
Industrials	1.7%
Consumer Staples	0.8%
Forward foreign currency contracts	0.3%
Other assets less other liabilities	6.1%
	100.0%

Top 25 Holdings

	Percentage of Net Asset Value
LONG POSITIONS	
Front Street Tactical Bond Fund	31.7%
Apple Inc.	3.9%
Gilead Sciences Inc.	3.9%
Front Street MLP & Infrastructure Income Class, Series I	3.7%
Merck & Company Inc.	3.2%
Morgan Stanley	3.1%
Prudential Financial Inc.	2.9%
American International Group Inc.	2.7%
Facebook Inc. 'A'	2.7%
Capital One Financial Corporation	2.6%
Citigroup Inc.	2.2%
Splunk Inc.	2.2%
Bank of America Corporation	2.1%
Macy's Inc.	2.1%
Amazon.com Inc.	2.0%
McDonald's Corporation	2.0%
MetLife Inc.	1.9%
General Electric Company	1.7%
Pfizer Inc.	1.5%
Abbott Laboratories	1.4%
The Walt Disney Company	1.3%
Alphabet Inc - Class C	1.3%
MasterCard Inc. 'A'	1.2%
Hilton Worldwide Holdings Inc.	1.1%
Performance Sports Group Limited	1.1%
	85.5%
TOTAL NET ASSET VALUE ('000s)	\$22,312

FRONT STREET GLOBAL BALANCED INCOME CLASS

**FINANCIAL STATEMENTS
OCTOBER 31, 2015 AND 2014**

INDEX

	Page
Management Report	1
Independent Auditor's Report	2 - 3
Statements of Financial Position	4 - 5
Statements of Comprehensive Income	6 - 7
Statements of Changes in Net Assets Attributable to Shareholders of Redeemable Shares	8 - 9
Statements of Cash Flows	10
Schedule of Investment Portfolio	11 - 13
Notes to the Financial Statements	14 - 42

MANAGEMENT REPORT

Management's Responsibility for Financial Reporting

The accompanying financial statements of Front Street Global Balanced Income Class have been prepared by the management of Front Street Capital 2004, the Manager of the Fund, and approved by the Board of Directors of Front Street Mutual Funds Limited. The Manager is responsible for the information and representations contained in these financial statements.

The Manager maintains processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. The significant accounting policies, which the Manager believes are appropriate for the Fund, are described in note 3 to the financial statements.

The Board of Directors of Front Street Mutual Funds Limited is responsible for reviewing the financial statements, the adequacy of internal controls, the audit process and financial reporting with the Manager and the external auditors. The Board of Directors approves the audited financial statements for publication.

Segal LLP are the external auditors of Front Street Global Balanced Income Class. They are appointed by the Manager of the Fund. The external auditors have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the shareholders their opinion on the financial statements. Their report is set out below.

On behalf of Management of Front Street Capital 2004,
Manager of the Fund



Gary P. Selke
Management Committee Member
Front Street Capital 2004



Normand G. Lamarche
Management Committee Member
Front Street Capital 2004

Toronto, Ontario
January 25, 2016

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Front Street Global Balanced Income Class (the "Fund") of Front Street Mutual Funds Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Front Street Global Balanced Income Class which comprise the statements of financial position as at October 31, 2015, October 31, 2014 and December 10, 2013, the statements of comprehensive income, statements of changes in net assets attributable to shareholders of redeemable shares, and statements of cash flows for the year ended October 31, 2015 and for the period from December 11, 2013 to October 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Independent Auditor's Report
Page 2

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Front Street Global Balanced Income Class as at October 31, 2015, October 31, 2014 and December 10, 2013 and its financial performance and its cash flows for the year ended October 31, 2015 and for the period from December 11, 2013 to October 31, 2014 in accordance with International Financial Reporting Standards.



Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
January 25, 2016

FRONT STREET GLOBAL BALANCED INCOME CLASS

STATEMENTS OF FINANCIAL POSITION

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

	October 31, 2015	October 31, 2014 (Note 15)	December 10, 2013 (Note 15)
ASSETS			
Current			
Financial assets at fair value through profit or loss *	\$ 20,344,568	\$ 9,124,847	\$ -
Receivables for investments sold	1,452,969	85,373	-
Cash and cash equivalents	546,102	1,112,318	150,000
Subscriptions receivable	148,814	26,712	-
Foreign exchange forward contracts at fair value through profit or loss*, note 12	63,476	-	-
Dividends receivable	<u>7,669</u>	<u>618</u>	<u>-</u>
	<u>\$ 22,563,598</u>	<u>\$ 10,349,868</u>	<u>\$ 150,000</u>
LIABILITIES			
Current			
Payables for investments purchased	\$ 211,453	\$ 130,556	\$ -
Distributions payable	23,675	9,201	-
Accrued expenses, note 9	16,380	7,741	-
Redemptions payable	<u>-</u>	<u>4,000</u>	<u>-</u>
Liabilities before net assets attributable to shareholders of redeemable shares	<u>251,508</u>	<u>151,498</u>	<u>-</u>
Net assets attributable to shareholders of redeemable shares	<u>\$ 22,312,090</u>	<u>\$ 10,198,370</u>	<u>\$ 150,000</u>

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

See accompanying notes to the financial statements

FRONT STREET GLOBAL BALANCED INCOME CLASS

STATEMENTS OF FINANCIAL POSITION

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

	October 31, 2015	October 31, 2014 (Note 15)	December 10, 2013 (Note 15)
Net assets attributable to shareholders of redeemable shares			
Series A	\$ 16,476,894	\$ 8,397,671	\$ -
Series B	\$ 4,090,753	\$ 1,047,623	\$ -
Series F	\$ 1,744,443	\$ 753,076	\$ 150,000
Number of redeemable shares outstanding, note 5			
Series A	1,588,808	843,958	-
Series B	396,312	105,708	-
Series F	165,887	75,398	15,000
Net assets attributable to shareholders of redeemable shares per share			
Series A	\$ 10.37	\$ 9.95	\$ -
Series B	\$ 10.32	\$ 9.91	\$ -
Series F	\$ 10.52	\$ 9.99	\$ 10.00

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



Gary P. Selke
Chief Executive Officer and Director



Susan Johnson
Chief Financial Officer

See accompanying notes to the financial statements

FRONT STREET GLOBAL BALANCED INCOME CLASS

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED OCTOBER 31, 2015

AND FOR THE PERIOD FROM DECEMBER 11, 2013 TO OCTOBER 31, 2014

	2015 (12 Months)	2014 (10 2/3 Months) (Note 15)
Investment income		
Dividends	\$ 71,093	\$ 21,604
Interest income for distribution purposes	1,604	82
Distributions from underlying funds	286,953	122,418
Foreign currency gain (loss) on cash and other net assets	142,474	(4,539)
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	77,157	(169,028)
Net realized loss on foreign exchange forward contracts	(3,099)	-
Change in unrealized appreciation on financial assets and liabilities at FVTPL	360,305	210,705
Change in unrealized appreciation on foreign exchange forward contracts and futures	<u>63,476</u>	<u>-</u>
	<u>999,963</u>	<u>181,242</u>
Expenses		
Management fees, notes 6 and 9	265,068	90,043
Servicing fees, notes 6 and 9	139,831	46,340
Administration fees	69,978	41,371
Transaction costs, notes 8 and 9	33,606	15,076
Audit fees	23,477	10,231
Legal fees	22,379	52,020
Custodial fees	20,384	9,235
Withholding tax	10,219	2,649
Securityholder reporting costs	8,784	-
Independent review committee	<u>1,391</u>	<u>311</u>
Total expenses before Manager absorption	<u>595,117</u>	<u>267,276</u>
Less: Expenses absorbed by the Manager, notes 6 and 9	<u>(409,625)</u>	<u>(203,212)</u>
Total expenses after Manager absorption	<u>185,492</u>	<u>64,064</u>
Increase in net assets attributable to shareholders of redeemable shares from operations	<u>\$ 814,471</u>	<u>\$ 117,178</u>

See accompanying notes to the financial statements

FRONT STREET GLOBAL BALANCED INCOME CLASS

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED OCTOBER 31, 2015

AND FOR THE PERIOD FROM DECEMBER 11, 2013 TO OCTOBER 31, 2014

	2015 (12 Months)	2014 (10 2/3 Months) (Note 15)
Increase (decrease) in net assets attributable to shareholders of redeemable shares from operations		
Series A	\$ 745,860	\$ 104,902
Series B	\$ 48,202	\$ 13,464
Series F	\$ 20,409	\$ (1,188)
Increase (decrease) in net assets attributable to shareholders of redeemable shares from operations per share		
Series A	\$ 0.64	\$ 0.19
Series B	\$ 0.26	\$ 0.17
Series F	\$ 0.21	\$ (0.04)

See accompanying notes to the financial statements

FRONT STREET GLOBAL BALANCED INCOME CLASS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS OF REDEEMABLE SHARES FOR THE YEAR ENDED OCTOBER 31, 2015 AND FOR THE PERIOD FROM DECEMBER 11, 2013 TO OCTOBER 31, 2014

	2015 (12 Months)	2014 (10 2/3 Months) (Note 15)
Net assets attributable to shareholders of redeemable shares, beginning of year/period		
Series A	\$ 8,397,671	\$ -
Series B	1,047,623	-
Series F	<u>753,076</u>	<u>150,000</u>
	<u>10,198,370</u>	<u>150,000</u>
Increase (decrease) in net assets attributable to shareholders of redeemable shares from operations		
Series A	745,860	104,902
Series B	48,202	13,464
Series F	<u>20,409</u>	<u>(1,188)</u>
	<u>814,471</u>	<u>117,178</u>
Redeemable share transactions		
Proceeds from redeemable shares issued		
Series A	8,338,966	8,527,869
Series B	3,602,082	1,244,746
Series F	<u>1,392,279</u>	<u>608,588</u>
	<u>13,333,327</u>	<u>10,381,203</u>
Reinvestment of distributions to shareholders of redeemable shares		
Series A	311,326	142,476
Series B	59,841	19,024
Series F	<u>22,347</u>	<u>6,651</u>
	<u>393,514</u>	<u>168,151</u>
Redemption of redeemable shares		
Series A	(841,788)	(201,454)
Series B	(587,839)	(204,288)
Series F	<u>(402,905)</u>	<u>-</u>
	<u>(1,832,532)</u>	<u>(405,742)</u>
Net increase from redeemable share transactions	<u>11,894,309</u>	<u>10,143,612</u>

See accompanying notes to the financial statements

FRONT STREET GLOBAL BALANCED INCOME CLASS

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS OF REDEEMABLE SHARES FOR THE YEAR ENDED OCTOBER 31, 2015 AND FOR THE PERIOD FROM DECEMBER 11, 2013 TO OCTOBER 31, 2014

	2015 (12 Months)	2014 (10 2/3 Months) (Note 15)
<hr/>		
Distribution to shareholders of redeemable shares		
Return of capital		
Series A	(475,141)	(176,122)
Series B	(79,156)	(25,323)
Series F	<u>(40,763)</u>	<u>(10,975)</u>
	<u>(595,060)</u>	<u>(212,420)</u>
Net increase in net assets attributable to shareholders of redeemable shares	<u>12,113,720</u>	<u>10,048,370</u>
Net assets attributable to shareholders of redeemable shares, end of year/period		
Series A	16,476,894	8,397,671
Series B	4,090,753	1,047,623
Series F	<u>1,744,443</u>	<u>753,076</u>
Total	<u>\$ 22,312,090</u>	<u>\$ 10,198,370</u>

See accompanying notes to the financial statements

FRONT STREET GLOBAL BALANCED INCOME CLASS

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED OCTOBER 31, 2015

AND FOR THE PERIOD FROM DECEMBER 11, 2013 TO OCTOBER 31, 2014

	2015 (12 Months) (Note 15)	2014 (10 2/3 Months) (Note 15)
Cash flows from operating activities		
Increase in net assets attributable to shareholders of redeemable shares from operations	\$ 814,471	\$ 117,178
Adjustments for:		
Foreign currency loss (gain) on cash and other net assets	(142,474)	4,539
Net realized loss (gain) on financial assets and liabilities at FVTPL	(77,157)	169,028
Net realized loss on foreign exchange forward contracts	3,099	-
Change in unrealized appreciation on financial assets and liabilities at FVTPL	(360,305)	(210,705)
Change in unrealized appreciation on foreign exchange forward contracts and futures	(63,476)	-
Non-cash distributions from underlying funds	(286,953)	(122,418)
Increase in dividends receivable	(7,051)	(618)
Increase in accrued expenses and other liabilities	8,639	7,741
Purchases of financial assets and liabilities at FVTPL	(40,559,505)	(16,574,361)
Proceeds from sales of financial assets and liabilities at FVTPL	28,777,500	7,658,792
Proceeds to settlement of foreign exchange forward contracts	(3,099)	-
Net cash used by operating activities	<u>(11,896,311)</u>	<u>(8,950,824)</u>
Cash flows from financing activities		
Proceeds from redeemable shares issued	13,211,225	10,354,491
Amounts paid on redemption of redeemable shares	(1,836,532)	(401,742)
Distributions to shareholders of redeemable shares, net of reinvested distributions	<u>(187,072)</u>	<u>(35,068)</u>
Net cash generated by financing activities	<u>11,187,621</u>	<u>9,917,681</u>
Net change in cash and cash equivalents	(708,690)	966,857
Foreign currency gain (loss) on cash and other net assets	142,474	(4,539)
Cash and cash equivalents, beginning of year/period	<u>1,112,318</u>	<u>150,000</u>
Cash and cash equivalents, end of year/period	<u>\$ 546,102</u>	<u>\$ 1,112,318</u>
Cash and cash equivalents comprise:		
Cash at bank	<u>\$ 546,102</u>	<u>\$ 1,112,318</u>
Interest received, net of withholding tax	\$ 1,604	\$ 82
Dividends received, net of withholding tax	\$ 53,823	\$ 18,337

See accompanying notes to the financial statements

FRONT STREET GLOBAL BALANCED INCOME CLASS

SCHEDULE OF INVESTMENT PORTFOLIO AS AT OCTOBER 31, 2015

	Number of Shares/Units /Par Value	Cost \$	Fair Value \$
Long positions (91.2%)			
Consumer Discretionary (11.8%)			
Amazon.com Inc.	550	\$ 367,795	\$ 450,323
Burlington Stores Inc.	2,500	161,353	157,239
Hilton Worldwide Holdings Inc.	7,500	238,918	245,278
Macy's Inc.	7,000	473,523	466,917
McDonald's Corporation	3,000	433,581	440,558
Performance Sports Group Limited	21,100	445,465	316,593
The ONE Group Hospitality Inc.	100	486	409
The Walt Disney Company	2,000	280,877	297,368
Under Armour Inc. "A"	2,000	<u>259,933</u>	<u>248,757</u>
		<u>\$ 2,661,931</u>	<u>\$ 2,623,442</u>
Consumers Staples (0.8%)			
Constellation Brands Inc. "A"	1,000	<u>\$ 89,332</u>	<u>\$ 176,286</u>
Financials (17.4%)			
American International Group Inc.	7,300	\$ 552,304	\$ 602,190
Bank of America Corporation	20,900	446,879	458,770
Capital One Financial Corporation	5,700	561,993	588,388
Citigroup Inc.	7,000	476,366	486,879
MetLife Inc.	6,400	410,155	421,789
Morgan Stanley	16,000	680,023	690,074
Prudential Financial Inc.	6,000	<u>650,462</u>	<u>647,376</u>
		<u>\$ 3,778,182</u>	<u>\$ 3,895,466</u>

See accompanying notes to the financial statements

FRONT STREET GLOBAL BALANCED INCOME CLASS

SCHEDULE OF INVESTMENT PORTFOLIO AS AT OCTOBER 31, 2015

	Number of Shares/Units /Par Value	Cost \$	Fair Value \$
Health Care (10.4%)			
Abbott Laboratories	5,500	\$ 305,716	\$ 322,327
Gilead Sciences Inc.	6,100	843,164	862,845
Merck & Company Inc.	10,000	677,222	715,164
Nobilis Health Corporation	22,600	91,784	83,394
Pfizer Inc.	7,500	<u>328,044</u>	<u>331,910</u>
		<u>\$ 2,245,930</u>	<u>\$ 2,315,640</u>
Industrials (1.7%)			
General Electric Company	10,000	<u>\$ 361,913</u>	<u>\$ 378,316</u>
Information Technology (13.7%)			
Alphabet Inc. - Class C	300	\$ 250,845	\$ 278,918
Apple Inc.	5,500	832,905	859,780
CGI Group Inc. "A"	3,900	188,398	189,423
Facebook Inc. "A"	4,500	474,624	600,263
MasterCard Inc. "A"	2,000	211,162	259,065
Shopify Inc.	3,000	124,405	126,445
Skyworks Solutions Inc.	2,400	266,610	242,499
Splunk Inc.	6,700	502,685	492,219
VersaPay Corporation	4,800	<u>5,627</u>	<u>5,280</u>
		<u>\$ 2,857,261</u>	<u>\$ 3,053,892</u>
Mutual Funds (35.4%)			
Front Street Tactical Bond Fund	686,627	\$ 6,876,841	\$ 7,066,902
Front Street MLP and Infrastructure Income Class Series I	111,933	<u>912,277</u>	<u>834,624</u>
		<u>\$ 7,789,118</u>	<u>\$ 7,901,526</u>

See accompanying notes to the financial statements

FRONT STREET GLOBAL BALANCED INCOME CLASS

SCHEDULE OF INVESTMENT PORTFOLIO AS AT OCTOBER 31, 2015

	Number of Shares/Units /Par Value	Cost \$	Fair Value \$
Total Long Positions (91.2%)		<u>\$ 19,783,667</u>	<u>\$ 20,344,568</u>
Transaction costs, note 3		<u>\$ (10,111)</u>	-
Total Investments (91.2%)		<u>\$ 19,773,556</u>	20,344,568
Cash and Cash Equivalents (2.4%)			546,102
Other liabilities in excess of other assets (6.1%)			1,357,944
Unrealized gain on currency forward contracts (0.3%)			<u>63,476</u>
Net assets (100.0%)			<u>\$ 22,312,090</u>

See accompanying notes to the financial statements

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

1. THE FUND

Front Street Global Balanced Income Class (the “Fund”) is a class of shares of Front Street Mutual Funds Limited (the “Corporation”), a mutual fund corporation incorporated under the Canada Business Corporations Act on September 26, 2006 and is authorized to issue an unlimited number of classes of shares in multiple series. Reference is made to the Fund's Simplified Prospectus for additional information on the Fund's structure. The Fund was established on December 10, 2013. Series A commenced operations on February 4, 2014. Series B commenced operations on January 23, 2014. Series F commenced operations on December 10, 2013.

The foregoing financial statements and accompanying notes to the financial statements presented herein are for the Fund. Separate financial statements of each of the other classes of shares of the Corporation have also been prepared as at October 31, 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. Front Street Capital 2004 assumed the portfolio management and investment advisory services from Front Street Investment Management Inc. on October 16, 2015. Citibank Canada is the custodian. Citigroup Fund Services Canada Inc. provides fund accounting services and shareholder recordkeeping services.

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

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

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

2. BASIS OF PRESENTATION AND ADOPTION OF INTERNATIONAL FINANCIAL STANDARDS

(a) Statement of compliance

These annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB"). The Fund adopted IFRS in 2015 as required by Canadian securities legislation and the Canadian Accounting Standards Board. These are the Fund's first annual financial statements prepared in accordance with IFRS and IFRS 1 First-time Adoption of International Financial Reporting Standards ("IFRS 1") has been applied. For the period from December 11, 2013 to October 31, 2014, the Fund had previously prepared its financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") as defined in Part V of the CPA Canada Handbook. To prepare comparative information, the Fund has applied IFRS as at December 10, 2013, the Fund's date of transition to IFRS. The accounting, estimation and valuation policies adopted on conversion to IFRS, as described below, have been applied consistently to all periods presented herein. An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows is provided in note 15 (Explanation of Transition to IFRS).

These financial statements were authorized for issue by the Board of Directors on January 25, 2016.

(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 annual financial statements and in preparing the statement of financial position as at December 10, 2013 for the purpose of the transition to IFRS.

(a) Financial instruments

Classification of financial instruments

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

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

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

(a) Financial instruments (Continued...)

Financial assets and liabilities at fair value through profit or loss

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

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

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

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

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

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

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

(b) Fair value measurement

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

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

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

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

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

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

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

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

(c) Cash and cash equivalents

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

(d) Redeemable shares

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

(e) Impairment of financial assets

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

(f) Investment transactions and income recognition

Investment transactions are accounted for on a trade date basis. Realized gains and losses are calculated on a weighted average cost basis.

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

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

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 year.

(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 year.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

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

(k) Transaction costs

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

(l) Provisions

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

(m) Interests in subsidiaries, associates and unconsolidated structured entities

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

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

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

(n) Future changes in accounting standards:

IFRS 9 - Financial Instruments

IFRS 9 was issued in November 2009 with an implementation date of annual periods beginning on or after January 1, 2018. It addresses classification and measurement of financial assets and replaces the multiple categories and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends, to the extent not clearly representing a return of investment, are recognized in profit or loss; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

(a) Valuation of investments

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

(b) Other judgments, estimates and assumptions

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

(c) Assessment as investment entity

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

5. REDEEMABLE SHARES

Net assets attributable to holders of redeemable shares consists of amounts paid for shares, undistributed income, realized gains and losses and unrealized appreciation (depreciation) of financial assets at FVTPL 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 prospectus, and entitles the shareholder to a proportionate interest in the net assets of the Fund. The Fund has no restrictions or specified capital requirements on subscriptions or redemptions of shares.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

5. **REDEEMABLE SHARES** (Continued...)

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

Series A shares

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

Series B shares

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

Series F shares

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

Series X shares

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

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

5. REDEEMABLE SHARES (Continued...)

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

The following redeemable share transactions took place during the periods ended October 31, 2015 and October 31, 2014:

	2015 (12 Months)	2014 (10 2/3 Months)
Redeemable shares outstanding, beginning of the year/period:		
Series A	843,958	-
Series B	105,708	-
Series F	75,398	15,000
Redeemable shares issued during the year/period:		
Series A	796,055	849,765
Series B	339,134	124,297
Series F	126,738	59,734
Redeemable shares distributions reinvested during the year/period:		
Series A	29,851	14,242
Series B	5,765	1,910
Series F	2,120	664
Redeemable shares redeemed during the year/period:		
Series A	81,056	20,049
Series B	54,295	20,499
Series F	38,369	-
Redeemable shares outstanding, end of the year/period:		
Series A	1,588,808	843,958
Series B	396,312	105,708
Series F	165,887	75,398

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

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 1.0% of the net asset value of Series A and Series B shares calculated and paid at the end of each month. The Fund pays a monthly service fee of 1/12 of 0.5% of the net asset value of Series X shares, calculated and paid at the end of each month.

There are no performance fees payable by this Fund.

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

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

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

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

7. INCOME TAX DISTRIBUTION

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

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

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

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

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

8. TRANSACTION COSTS AND SOFT DOLLARS

The total brokerage commissions paid by the Fund with respect to security transactions for the year ended October 31, 2015 was \$33,606 (2014 - \$15,076).

There were no soft dollar amounts included in brokerage commissions.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

9. RELATED PARTY TRANSACTIONS

During the periods ended October 31, 2015 and 2014, fees paid to the Manager were as follows:

	2015	2014
Management fees, note 6	<u>\$ 265,068</u>	<u>\$ 90,043</u>
Servicing fees, note 6	<u>\$ 139,831</u>	<u>\$ 46,340</u>
Expenses absorbed by the Manager, note 6	<u>\$ (409,625)</u>	<u>\$ (203,212)</u>

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

	October 31, 2015	October 31, 2014	December 10, 2013
Servicing fees payable	<u>\$ 16,380</u>	<u>\$ 7,741</u>	<u>\$ -</u>

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

	October 31, 2015	October 31, 2014	December 10, 2013
Series F shares held by the Manager	-	15,507.00	15,000.00
Percentage of Series F shares held by the Manager	Nil%	20.57%	100.00%
Series F shares held by the Partners of the Manager	74,215.75	-	-
Percentage of Series F shares held by the Partners of the Manager	44.74%	Nil%	Nil%

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

9. RELATED PARTY TRANSACTIONS (Continued...)

As at October 31, 2015, the Fund held 686,627 (October 31, 2014 - Nil; December 10, 2013 - Nil) shares of Front Street Tactical Bond Fund, representing 9.7% of the total Front Street Tactical Bond Fund shares outstanding, which is also managed by the Manager. As at October 31, 2015, the Fund held Nil (October 31, 2014 - 485,755; December 10, 2013 - Nil) shares of Front Street Tactical Bond Class Series F, representing Nil% (October 31, 2014 - 31.81%; December 10, 2013 - Nil%) of the total Front Street Tactical Bond Class Series F shares outstanding, which is also managed by the Manager.

As at October 31, 2015, the Fund held 111,933 (October 31, 2014 - Nil, December 10, 2013 - Nil) shares of Front Street MLP and Infrastructure Income Class Series I, representing 16.01% (October 31, 2014 - Nil%, December 10, 2013 - Nil%) of the total Front Street MLP and Infrastructure Income Class Series I shares outstanding, which is also managed by the Manager.

The Fund may place a portion of its portfolio transactions with brokerage firms which are affiliates of the Manager provided it determines that these affiliates' trade execution abilities and costs are comparable to those non-affiliated, qualified brokerage firms, on an execution only basis. During the year ended October 31, 2015, Tuscarora Capital Inc., a company under common control to the Manager, received \$19,045 (2014 - \$11,703) in commissions on portfolio transactions for the Fund.

Management fees, servicing fees, and operating costs are measured at the consideration prescribed by the offering documents of the Fund. When related parties enter shareholder transactions with the Fund, the consideration is the transactional NAV available to all other shareholders on the trade date.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

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

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

As at October 31, 2015, that reconciliation is as follows:

	Net asset value	Financial reporting adjustment	IFRS NA	Net asset value per share	IFRS NA per share
Series A	\$ 16,476,778	\$ 116	\$ 16,476,894	\$ 10.37	\$ 10.37
Series B	4,090,724	29	4,090,753	10.32	10.32
Series F	1,744,431	12	1,744,443	10.52	10.52
Total	\$ 22,311,933	\$ 157	\$ 22,312,090		

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

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

There is no difference between net asset value and IFRS net assets as at December 10, 2013.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

11. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

The Fund's financial instruments consist of financial assets and liabilities at FVTPL, foreign exchange forward contracts at FVTPL, cash and cash equivalents, receivables for investments sold, subscriptions receivable, dividends receivable, payables for investments purchased, distributions payable, accrued expenses and redemptions 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 Manager seeks to minimize potential adverse effects of these risks on the Fund's performance by employing professional, experienced portfolio advisors, by daily monitoring of the Fund's positions and market events, and by diversifying the investment portfolio within the constraints of the investment objective. To assist in managing risk, the Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations.

The schedule of investment portfolio presents the securities held by the Fund as at October 31, 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, liquidity risk, cash flow risk, credit risk and concentration risk. The Fund's overall risk management program seeks to minimize potentially adverse effects of those risks on the Fund's financial performance. The Fund moderates financial risks through the careful selection of portfolio investments and other financial instruments within the parameters of the investment guidelines, strategies and objectives.

i) Market price risk

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

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

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

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

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 October 31, 2015

Currency	Financial instruments at FVTPL*	Forward currency contracts (note 12)	Cash and cash equivalents	Total	Percentage of Net Assets
United States Dollar	<u>\$ 12,423,548</u>	<u>\$ (1,159,927)</u>	<u>\$ (153,307)</u>	<u>\$ 11,110,314</u>	<u>49.80 %</u>

As at October 31, 2014

Currency	Financial instruments at FVTPL**	Forward currency contracts (note 12)	Cash and cash equivalents	Total	Percentage of Net Assets
United States Dollar	<u>\$ 4,248,632</u>	<u>\$ -</u>	<u>\$ 655,568</u>	<u>\$ 4,904,200</u>	<u>48.09 %</u>

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

*Balance has been adjusted for the estimated effective exposure for the Fund's investment in Front Street Tactical Bond Fund.

**Balance has been adjusted for the estimated effective exposure for the Fund's investment in Front Street Tactical Bond Class.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

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

iii) Interest rate risk

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

As at October 31, 2015

Financial assets	Floating Rate Financial Instruments	Fixed Rate Financial Instruments	Non-interest Bearing	Total
Financial instruments at FVTPL*	\$ 245,322	\$ 6,726,763	\$ 13,435,959	\$ 20,408,044
Cash and cash equivalents	546,102	-	-	546,102
Loans and receivables	<u>-</u>	<u>-</u>	<u>1,609,452</u>	<u>1,609,452</u>
Total	<u>\$ 791,424</u>	<u>\$ 6,726,763</u>	<u>\$ 15,045,411</u>	<u>\$ 22,563,598</u>
Financial liabilities				
Other financial liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 251,508</u>	<u>\$ 251,508</u>
IFRS NA				<u>\$ 22,312,090</u>

*Balance has been adjusted for the estimated effective exposure for the Fund's investment in Front Street Tactical Bond Fund.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

11. 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 instruments at FVTPL**	\$ 115,393	\$ 4,693,424	\$ 4,316,030	\$ 9,124,847
Cash and cash equivalents	1,112,318	-	-	1,112,318
Loans and receivables	<u>-</u>	<u>-</u>	<u>112,703</u>	<u>112,703</u>
Total	<u>\$ 1,227,711</u>	<u>\$ 4,693,424</u>	<u>\$ 4,428,733</u>	<u>\$ 10,349,868</u>
Financial liabilities				
Other financial liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,498</u>	<u>\$ 151,498</u>
IFRS NA				<u>\$ 10,198,370</u>

As at December 10, 2013

Financial assets	Floating Rate Financial Instruments	Fixed Rate Financial Instruments	Non-interest Bearing	Total
Cash and cash equivalents	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,000</u>
IFRS NA				<u>\$ 150,000</u>

**Balance has been adjusted for the estimated effective exposure for the Fund's investment in Front Street Tactical Bond Class.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

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

iv) Liquidity risk

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

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

As at October 31, 2015

Financial assets	0 - 12 months	1 - 3 years	3 - 5 years	Beyond 5 years	Indefinite maturity	Total
Financial instruments at FVTPL*	\$ 345,471	\$ 95,513	\$ 711,067	\$ 5,982,636	\$ 13,273,357	\$ 20,408,044
Cash and cash equivalents	546,102	-	-	-	-	546,102
Loans and receivables	<u>1,609,452</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,609,452</u>
Total	<u>\$ 2,501,025</u>	<u>\$ 95,513</u>	<u>\$ 711,067</u>	<u>\$ 5,982,636</u>	<u>\$ 13,273,357</u>	<u>\$ 22,563,598</u>
Financial liabilities						
Other financial liabilities	<u>\$ 251,508</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 251,508</u>
IFRS NA						<u>\$ 22,312,090</u>

*Balance has been adjusted for the estimated effective exposure for the Fund's investment in Front Street Tactical Bond Fund.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

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

iv) Liquidity risk (Continued...)

As at October 31, 2014

Financial assets	0 - 12 months	1 - 3 years	3 - 5 years	Beyond 5 years	Indefinite maturity	Total
Financial instruments at FVTPL**	\$ 333,796	\$ -	\$ 205,036	\$4,488,388	\$ 4,097,627	\$ 9,124,847
Cash and cash equivalents	1,112,318	-	-	-	-	1,112,318
Loans and receivables	<u>112,703</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,703</u>
Total	<u>\$ 1,558,817</u>	<u>\$ -</u>	<u>\$ 205,036</u>	<u>\$4,488,388</u>	<u>\$ 4,097,627</u>	<u>\$ 10,349,868</u>
Financial liabilities						
Other financial liabilities	<u>\$ 151,498</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,498</u>
IFRS NA						<u>\$ 10,198,370</u>

As at December 10, 2013

Financial assets	0 - 12 months	1 - 3 years	3 - 5 years	Beyond 5 years	Indefinite maturity	Total
Cash and cash equivalents	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,000</u>
IFRS NA						<u>\$ 150,000</u>

**Balance has been adjusted for the estimated effective exposure for the Fund's investment in Front Street Tactical Bond Class.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

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

v) Cash flow risk

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

vi) Credit risk

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

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

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

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

vi) Credit risk (Continued...)

As at October 31, 2015, the Fund has invested 31.7% of its net assets in Front Street Tactical Bond Fund, of which 96.1% of its net assets were invested in debt instruments. As at October 31, 2014, the Fund had invested 49.3% of its net assets in Front Street Tactical Bond Class, of which 93.4% of its net assets were invested in debt instruments. Credit ratings of the debt instruments of Front Street Tactical Bond Class have been obtained from Standard and Poor's, Moody's or DBRS. The effective exposure on the Fund is as follows:

October 31, 2015

Debt instruments by credit rating	Percentage of Front Street Tactical Bond Fund net assets	Effective exposure on the Fund
BBB-	4.0 %	1.3 %
BB+	19.3 %	6.1 %
BB	17.8 %	5.6 %
BB-	26.2 %	8.3 %
B+	16.7 %	5.3 %
B	5.3 %	1.7 %
B-	6.0 %	1.9 %
Not available or not rated	0.8 %	0.3 %

October 31, 2014

Debt instruments by credit rating	Percentage of Front Street Tactical Bond Class net assets	Effective exposure on the Fund
BBB	1.2 %	0.6 %
BB+	25.0 %	12.3 %
BB	20.9 %	10.3 %
BB-	15.0 %	7.4 %
B+	14.2 %	7.0 %
B	8.9 %	4.4 %
B-	5.9 %	2.9 %
CCC+	1.7 %	0.9 %
Not available or not rated	0.6 %	0.3 %

There were no debt instruments held by the Fund as at December 10, 2013.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

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

vii) Concentration risk

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

	October 31, 2015*	October 31, 2014**	November 1, 2013
Corporate bonds	30.5 %	46.0 %	- %
Financials	17.4 %	10.8 %	- %
Information technology	13.7 %	9.1 %	- %
Consumer discretionary	11.8 %	7.1 %	- %
Health care	10.4 %	2.9 %	- %
Other assets less liabilities	6.5 %	2.2 %	- %
Mutual funds	3.7 %	- %	- %
Cash and cash equivalents	3.2 %	12.0 %	100.0 %
Industrials	1.7 %	- %	- %
Consumer staples	0.8 %	1.0 %	- %
Foreign exchange forward contracts at fair value	0.3 %	(0.4)%	- %
Materials	- %	7.0 %	- %
Energy	- %	1.6 %	- %
Telecommunication services	- %	0.7 %	- %
Total	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

*Percentages have been adjusted for the estimated effective exposure for the Fund's investment in Front Street Tactical Bond Fund.

**Percentages have been adjusted for the estimated effective exposure for the Fund's investment in Front Street Tactical Bond Class.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

12. FORWARD FOREIGN CURRENCY CONTRACTS

The Fund has entered into forward foreign currency contracts to protect against fluctuations in the U.S. dollar exchange rates. As at October 31, 2015, the Fund has contracted to buy U.S. dollar currency amounting to Cdn\$4,160,000 at a forward rate of 1.31858. The Fund also has contracted to sell U.S. dollar currency amounting to Cdn\$3,000,000 at a forward rate of 1.29493. These contracts will be settled on November 9, 2015.

The net unrealized gain from forward contracts amounted to \$63,476 as at October 31, 2015.

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

13. CAPITAL MANAGEMENT

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

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

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

The Fund is not subject to any externally imposed capital requirements.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

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 October 31, 2015; October 31, 2014 and November 1, 2013 in valuing the Fund's financial assets and liabilities at FVTPL.

As at October 31, 2015

	Level 1	Level 2	Level 3	Total
Financial instruments at FVTPL*	<u>\$ 13,277,666</u>	<u>\$ 7,130,378</u>	<u>\$ -</u>	<u>\$ 20,408,044</u>

As at October 31, 2014

	Level 1	Level 2	Level 3	Total
Financial instruments at FVTPL**	<u>\$ 4,097,626</u>	<u>\$ 5,027,221</u>	<u>\$ -</u>	<u>\$ 9,124,847</u>

There were no investments in financial assets and financial liabilities at FVTPL as at December 10, 2013.

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).

*Balance has been adjusted for the estimated effective exposure for the Fund's investment in Front Street Tactical Bond Fund.

**Balance has been adjusted for the estimated effective exposure for the Fund's investment in Front Street Tactical Bond Class.

FRONT STREET GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

14. FAIR VALUE HIERARCHY (Continued...)

Valuation techniques and framework (Continued...)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

15. TRANSITION TO IFRS

The quantitative effects of the Fund's transition to IFRS are summarized 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 years, 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 from operations previously reported under Canadian GAAP to IFRS:

	October 31, 2014	December 10, 2013
Net assets attributable to shareholders of redeemable shares		
Equity as reported under Canadian GAAP	\$ 10,196,049	\$ 150,000
Revaluation of investments due to bid-ask price spread adjustment	<u>2,321</u>	<u>-</u>
Net assets attributable to shareholders of redeemable shares	<u>\$ 10,198,370</u>	<u>\$ 150,000</u>
Comprehensive income for the year ended	October 31, 2014	
Increase in net assets attributable to shareholders of redeemable shares from operations under Canadian GAAP	\$ 114,857	
Revaluation of investments due to bid-ask price spread adjustment	<u>2,321</u>	
Decrease in net assets attributable to shareholders of redeemable shares from operations	<u>\$ 117,178</u>	

Transition elections

The Fund has applied the voluntary election upon transition to designate financial assets or financial liabilities at FVTPL. All financial assets designated at FVTPL upon transition were previously recorded at fair value under Canadian GAAP as required by Accounting Guideline 18, Investment Companies.

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 GLOBAL BALANCED INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015 AND 2014

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 investments by \$2,321 at October 31, 2014. The impact of this adjustment was to increase the Fund's increase in net assets attributable to shareholders of redeemable shares by \$2,321 for the period ended October 31, 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.

16. **SUBSEQUENT EVENTS**

Effective November 16, 2015, CIBC Mellon replaced Citibank Canada as the custodian and replaced Citigroup Fund Services Canada, Inc. to provide shareholder recordkeeping services and fund accounting services.

Pursuant to the press release dated January 18, 2016, Front Street U.S. MLP Income Fund Ltd. ("FSUSMLP") will amalgamate with Front Street Mutual Funds Limited ("FSMFL") on January 26, 2016. Upon amalgamation, each shareholder of FSMFL will be issued the class and series of shares of the new amalgamated fund that are of equal denomination as the class and series of FSMFL shares that he or she holds immediately prior to the amalgamation, and these shares will carry terms that are identical in all respects to their current holdings. For each equity share, series C, and equity share series U that shareholders of FSUSMLP hold immediately prior to the amalgamation, they will receive, on the effective date of the amalgamation, one series MC share or one series MU share respectively of the new amalgamated fund Front Street MLP and Infrastructure Income Class.