

Annual Management Report of Fund Performance As at October 31, 2015 Front Street MLP and Infrastructure Income Class

This Annual Management Report of Fund Performance contains financial highlights but does not contain the complete annual financial statements for Front Street MLP Infrastructure and 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 fundamental investment objective of the Fund is to provide stable and long-term capital appreciation and income by investing primarily in, or providing economic exposure to, the securities of North American issuers that collect revenue based on the transportation of commodities between producers and consumers in sectors such as pipelines, terminals, marine transportation and midstream services energy infrastructure sector, including energy infrastructure master limited partnerships (“MLPs”) that are U.S. limited partnerships or limited liability companies that are (a) publicly traded on U.S. securities exchanges and (b) primarily engaged in the transportation, storage, processing, refining, marketing, exploration and production and mining of minerals or natural resources.

To meet its investment objectives, the Fund will provide Shareholders with economic exposure to the performance of an actively managed, diversified notional portfolio (the “Infrastructure MLP Portfolio”) of energy infrastructure MLPs and with exposure to a portfolio of North American energy infrastructure equity and income securities that are not MLPs (the “Infrastructure Portfolio”).

Front Street Capital 2004 is the manager of the Fund (the “Manager”). OFI SteelPath, Inc., New York, U.S.A. (the “MLP Advisor”) has been retained by the Manager, on behalf of the Fund, to provide investment advisory and portfolio management services on the Infrastructure MLP Portfolio. 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 on the Infrastructure Portfolio. Front Street Capital 2004 assumed the portfolio management and investment advisory services from Front Street Investment Management Inc. on October 16, 2015. The allocation of the assets of the Fund between the Infrastructure MLP Portfolio and the Infrastructure Portfolio from time to time will be made by the Investment Advisor based on market conditions and the relative values of securities eligible for inclusion in such portfolios.

In order to obtain economic exposure to the Infrastructure MLP Portfolio, the Fund will enter into one or more equity swaps with a U.S. financial institution (the “Counterparty”) as counterparty (collectively, the “Infrastructure MLP Swap Agreement”). In accordance with its investment objectives, the return to Shareholders and the Fund is dependent upon the economic performance of the Infrastructure MLP Portfolio by virtue of the Swap Agreement to gain economic exposure to the Infrastructure MLP Portfolio. At any given time, all or a portion of the Fund’s assets may be exposed to the Infrastructure MLP Portfolio by virtue of the Swap Agreement, at the discretion of the Manager.

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 past year, global markets were significantly impacted by a sharp drop in the price of crude oil and declines in natural gas prices. As a result, global commodity-linked sectors performed poorly, particularly in the U.S. and Canada.

During the period ended October 31, 2015, the Fund earned investment income of \$4,431 from interest. There were net realized losses on the financial assets held in swap agreement of \$7,575,308, losses from foreign exchange forward contracts of \$1,950,920 and an unrealized appreciation on swap agreements and forward foreign currency contracts of \$2,073,700.

Operating expenses, excluding management fees and servicing fees, totalled \$189,391 and the Manager waived and absorbed \$78,388 of such expenses during the period ended October 31, 2015.

Midstream equities declined sharply over the period, EBITDA and distributions continued to grow, albeit along with decreased growth expectations over the near-to-medium term.

During the year, the Manager increased the Fund's weighting in Energy Transfer Partners LP via the Regency Energy Partners LP merger, now making it the Fund's largest holding. The Manager also added to existing shares of Tallgrass Energy Partners LP, Holly Energy Partners LP—now the Fund's second largest holding—and Sunoco LP, which now represents 4% of the portfolio. The Fund's holdings of ONEOK Partners LP were trimmed.

RECENT DEVELOPMENTS

The Manager anticipates a 5% to 7% annualized growth rate over the medium term, but expects near-term growth to run below trend. The Manager believes that as global oil and natural gas supply moderates, demand will continue to grow at a healthy pace. The Manager continues to monitor commodity pricing, and the supply and demand situation of oil and natural gas particularly, both domestically and abroad.

RELATED PARTY-TRANSACTIONS

During the period ended October 31, 2015, fees paid to the Manager were as follows:

Management fees	<u>\$ 314,811</u>
Servicing fees	<u>\$ 65,830</u>
Expenses waived or absorbed by Manager	<u>\$ (227,517)</u>

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

Management fees payable	<u>\$ 37,008</u>
Servicing fees payable	<u>\$ 8,589</u>

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

Series F shares held by the Partners and Officers of the Manager	335,486.91
Percentage of Series F shares held by the Partners and Officers of the Manager	18.52%
Series F shares held by the relatives of the Partners of the Manager	45,896.10
Percentage of Series F shares held by the relatives of the Partners of the Manager	2.53%

As at October 31, 2015, Front Street Global Balanced Income Class which is also managed by the Manager held 111,933 shares of Series I, representing 16.0% of Series I shares outstanding.

As at October 31, 2015, Front Street Global Opportunities Class which is also managed by the Manager held 320,618 shares of Series I, representing 45.9% of Series I shares outstanding.

As at October 31, 2015, Front Street Resource Growth and Income Class which is also managed by the Manager held 84,264 shares of Series I, representing 12.1% of Series I shares outstanding.

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

Management fees and servicing fees 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. This information is derived from the Fund's audited annual financial statements.

Series A

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

For the period from commencement of operations
 on November 14, 2014 to October 31
 2015
 \$

Net Assets, beginning of the period	10.00*
Increase (decrease) from operations:	
Total revenue	—
Total expenses	(0.19)
Realized loss for the period	(3.45)
Unrealized gain for the period	0.94
Total decrease from operations⁽²⁾	(2.70)
Distributions to Redeemable Shareholders:	
From income (excluding dividends)	—
From dividends	—
From capital gains	—
Return of capital	(0.49)
Total distributions to Redeemable Shareholders⁽³⁾	(0.49)
Net Assets, end of the period	7.19

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

Ratios and Supplemental Data

Total net asset value (000's) ⁽¹⁾	\$6,074
Number of redeemable shares outstanding ⁽¹⁾	845,081
Management expense ratio ⁽²⁾	2.16%
Management expense ratio before waivers or absorptions ⁽²⁾	3.31%
Trading expense ratio ⁽³⁾	-
Portfolio turnover rate ⁽⁴⁾	-
Net asset value per redeemable share ⁽⁵⁾	\$7.19

- (1) This information is provided as at end of the period shown.
- (2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The manager can waive certain fees or absorb certain expenses otherwise payable by the Fund. The amount of expenses waived or absorbed is at the discretion of the manager.
- (3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
- (4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
- (5) The information for October 31, 2015 is derived from the Fund's audited annual financial statements prepared in accordance with IFRS.

* Initial price

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

 For the period from commencement of operations
 on November 11, 2014 to October 31
 2015
 \$

Net Assets, beginning of the period	10.00*
Increase (decrease) from operations:	
Total revenue	—
Total expenses	(0.19)
Realized loss for the period	(3.39)
Unrealized gain for the period	0.88
Total decrease from operations⁽²⁾	(2.70)
Distributions to Redeemable Shareholders:	
From income (excluding dividends)	—
From dividends	—
From capital gains	—
Return of capital	(0.49)
Total distributions to Redeemable Shareholders⁽³⁾	(0.49)
Net Assets, end of the period	7.19

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

Ratios and Supplemental Data

Total net asset value (000's) ⁽¹⁾	\$8,215
Number of redeemable shares outstanding ⁽¹⁾	1,141,928
Management expense ratio ⁽²⁾	2.18%
Management expense ratio before waivers or absorptions ⁽²⁾	3.32%
Trading expense ratio ⁽³⁾	-
Portfolio turnover rate ⁽⁴⁾	-
Net asset value per redeemable share ⁽⁵⁾	\$7.19

- (1) This information is provided as at end of the period shown.
- (2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The manager can waive certain fees or absorb certain expenses otherwise payable by the Fund. The amount of expenses waived or absorbed is at the discretion of the manager.
- (3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
- (4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
- (5) The information for October 31, 2015 is derived from the Fund's audited annual financial statements prepared in accordance with IFRS.

* Initial price

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

For the period from commencement of operations
 on November 4, 2014 to October 31
 2015
 \$

Net Assets, beginning of the period	10.00*
Increase (decrease) from operations:	
Total revenue	—
Total expenses	(0.13)
Realized loss for the period	(3.58)
Unrealized gain for the period	1.17
Total decrease from operations⁽²⁾	(2.54)
Distributions to Redeemable Shareholders:	
From income (excluding dividends)	—
From dividends	—
From capital gains	—
Return of capital	(0.49)
Total distributions to Redeemable Shareholders⁽³⁾	(0.49)
Net Assets, end of the period	7.26

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

Ratios and Supplemental Data

Total net asset value (000's) ⁽¹⁾	\$13,163
Number of redeemable shares outstanding ⁽¹⁾	1,811,924
Management expense ratio ⁽²⁾	1.56%
Management expense ratio before waivers or absorptions ⁽²⁾	2.70%
Trading expense ratio ⁽³⁾	-
Portfolio turnover rate ⁽⁴⁾	-
Net asset value per redeemable share ⁽⁵⁾	\$7.26

- (1) This information is provided as at end of the period shown.
- (2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The manager can waive certain fees or absorb certain expenses otherwise payable by the Fund. The amount of expenses waived or absorbed is at the discretion of the manager.
- (3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
- (4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
- (5) The information for October 31, 2015 is derived from the Fund's audited annual financial statements prepared in accordance with IFRS.

* Initial price

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

For the period from commencement of operations
on December 8, 2014 to October 31
2015
\$

Net Assets, beginning of the period	10.00*
Increase (decrease) from operations:	
Total revenue	—
Total expenses	(0.12)
Realized gains (losses) for the period	(2.99)
Unrealized gain for the period	0.94
Total decrease from operations⁽²⁾	(2.17)
Distributions to Redeemable Shareholders:	
From income (excluding dividends)	—
From dividends	—
From capital gains	—
Return of capital	(0.45)
Total distributions to Redeemable Shareholders⁽³⁾	(0.45)
Net Assets, end of the period	7.46

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

Ratios and Supplemental Data

Total net asset value (000's) ⁽¹⁾	\$5,212
Number of redeemable shares outstanding ⁽¹⁾	699,039
Management expense ratio ⁽²⁾	1.40%
Management expense ratio before waivers or absorptions ⁽²⁾	2.54%
Trading expense ratio ⁽³⁾	-
Portfolio turnover rate ⁽⁴⁾	-
Net asset value per redeemable share ⁽⁵⁾	\$7.46

- (1) This information is provided as at end of the period shown.
- (2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The manager can waive certain fees or absorb certain expenses otherwise payable by the Fund. The amount of expenses waived or absorbed is at the discretion of the manager.
- (3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
- (4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
- (5) The information for October 31, 2015 is derived from the Fund's audited annual financial statements prepared in accordance with IFRS.

* Initial price

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

For the period from commencement of operations
 on February 17, 2015 to October 31
 2015
 \$

Net Assets, beginning of the period	10.00*
Increase (decrease) from operations:	
Total revenue	0.03
Total expenses	(0.11)
Realized loss for the period	(2.12)
Unrealized gain for the period	0.21
Total decrease from operations⁽²⁾	(1.99)
Distributions to Redeemable Shareholders:	
From income (excluding dividends)	—
From dividends	—
From capital gains	—
Return of capital	(0.37)
Total distributions to Redeemable Shareholders⁽³⁾	(0.37)
Net Assets, end of the period	7.65

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

Ratios and Supplemental Data

Total net asset value (000's) ⁽¹⁾	\$8
Number of redeemable shares outstanding ⁽¹⁾	1,043
Management expense ratio ⁽²⁾	1.26%
Management expense ratio before waivers or absorptions ⁽²⁾	2.40%
Trading expense ratio ⁽³⁾	-
Portfolio turnover rate ⁽⁴⁾	-
Net asset value per redeemable share ⁽⁵⁾	\$7.65

- (1) This information is provided as at end of the period shown.
- (2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The manager can waive certain fees or absorb certain expenses otherwise payable by the Fund. The amount of expenses waived or absorbed is at the discretion of the manager.
- (3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
- (4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
- (5) The information for October 31, 2015 is derived from the Fund's audited annual financial statements prepared in accordance with IFRS.

* Initial price

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

For the period from commencement of operations
 on November 11, 2014 to October 31
 2015
 \$

Net Assets, beginning of the period	10.00*
Increase (decrease) from operations:	
Total revenue	0.03
Total expenses	(0.23)
Realized loss for the period	(2.69)
Unrealized gain for the period	1.31
Total decrease from operations⁽²⁾	(1.58)
Distributions to Redeemable Shareholders:	
From income (excluding dividends)	—
From dividends	—
From capital gains	—
Return of capital	(0.62)
Total distributions to Redeemable Shareholders⁽³⁾	(0.62)
Net Assets, end of the period	9.94

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

Ratios and Supplemental Data

Total net asset value (000's) ⁽¹⁾	\$1,101
Number of redeemable shares outstanding ⁽¹⁾	110,847
Management expense ratio ⁽²⁾	2.06%
Management expense ratio before waivers or absorptions ⁽²⁾	3.20%
Trading expense ratio ⁽³⁾	-
Portfolio turnover rate ⁽⁴⁾	-
Net asset value per redeemable share ⁽⁵⁾	\$9.94

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- (2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The manager can waive certain fees or absorb certain expenses otherwise payable by the Fund. The amount of expenses waived or absorbed is at the discretion of the manager.
- (3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
- (4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
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* Initial price

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

For the period from commencement of operations
 on December 4, 2014 to October 31
 2015
 \$

Net Assets, beginning of the period	10.00*
Increase (decrease) from operations:	
Total revenue	0.05
Total expenses	(0.06)
Realized loss for the period	(1.22)
Unrealized loss for the period	(0.44)
Total decrease from operations⁽²⁾	(1.67)
Distributions to Redeemable Shareholders:	
From income (excluding dividends)	—
From dividends	—
From capital gains	—
Return of capital	(0.53)
Total distributions to Redeemable Shareholders⁽³⁾	(0.53)
Net Assets, end of the period	9.77

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

Ratios and Supplemental Data

Total net asset value (000's) ⁽¹⁾	\$942
Number of redeemable shares outstanding ⁽¹⁾	96,413
Management expense ratio ⁽²⁾	0.55%
Management expense ratio before waivers or absorptions ⁽²⁾	1.69%
Trading expense ratio ⁽³⁾	-
Portfolio turnover rate ⁽⁴⁾	-
Net asset value per redeemable share ⁽⁵⁾	\$9.77

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- (2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The manager can waive certain fees or absorb certain expenses otherwise payable by the Fund. The amount of expenses waived or absorbed is at the discretion of the manager.
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- (4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
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* Initial price

MANAGEMENT AND PERFORMANCE FEES

The Fund pays a monthly management fee equal to 1/12 of 1.35% of the net asset value of the Series A shares, Series B shares, Series F shares, Series X shares, Series UB shares, and Series UF shares and 1/12 of 0.90% of the net asset value of the Series I shares and Series UI shares calculated and paid at the end of each month in arrears.

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

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

The Fund pays fees to the Counterparty in respect of the Swap Agreements it enters into with the Counterparty equal to an amount calculated at the beginning of a particular month as the product of (i) the value of the MLP Portfolio and (ii) the 3-month London interbank offered rate plus a spread, which spread value is based on the specific MLPs selected for the MLP Portfolio. Total counterparty fees in 2015 amounted to \$197,446 and are included in the realized gain (loss) on Swap Agreement.

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, Series X and Series UB 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	0.75%	\$7.50
B	0.75%	\$7.50
F	0.00%	Nil
H	0.00%	Nil
I	0.00%	Nil
X	0.50%	\$5.00
UB	0.75%	\$7.50
UF	0.00%	Nil
UI	0.00%	Nil

PAST PERFORMANCE

The past performance has not been provided because the Fund is less than one year old.

Summary of MLP Portfolio as at October 31, 2015

The Fund obtains economic exposure to the MLP portfolio through a swap agreement. Accordingly, the investments in the MLP portfolio are as follows:

Underlying MLP portfolio	Percentage of MLP Portfolio
Energy Transfer Partners LP	7.8%
Holly Energy Partners LP	6.3%
Enbridge Energy Partners LP	5.2%
Energy Transfer Equity LP	4.5%
Buckeye Partners LP	4.2%
Plains All American Pipeline LP	3.9%
Sunoco LP	3.9%
Rice Midstream Partners LP	3.7%
NuStar Energy LP	3.7%
Williams Partners LP	3.6%
Global Partners LP	3.5%
Martin Midstream Partners LP	3.5%
Enterprise Products Partners LP	3.5%
Enlink Midstream Partners LP	3.4%
Targa Resources Partners LP	3.4%
Teekay LNG Partners LP	3.3%
Tesoro Logistics LP	3.3%
Sunoco Logistics Partners LP	3.0%
Magellan Midstream Partners LP	3.0%
Exterran Partners LP	2.9%
Genesis Energy LP	2.6%
Oneok Partners LP	2.5%
Golar LNG Partners LP	2.5%
Targa Resources Corp.	2.0%
Markwest Energy Partners LP	2.0%
Tallgrass Energy Partners LP	2.0%
DCP Midstream Partners LP	1.9%
NuStar GP Holdings LLC	1.6%
Transmontaigne Partners LP	1.6%
Summit Midstream Partners LP	1.0%
Enable Midstream Partners LP	0.7%
	100.0%

The following table summarizes the sector breakdown of investments in MLP portfolio as at October 31, 2015:

Sector	%
Petroleum transportation	49.3%
Natural Gas Pipelines	17.7%
Gathering and Processing of Natural Gas	21.1%
Diversified	6.1%
Shipping	5.8%

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

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

**FINANCIAL STATEMENTS
OCTOBER 31, 2015**

INDEX

	Page
Management Report	1
Independent Auditor's Report	2 - 3
Statement of Financial Position	4 - 5
Statement of Comprehensive Income	6 - 7
Statement of Changes in Net Assets Attributable to Shareholders of Redeemable Shares	8 - 9
Statement of Cash Flows	10
Schedule of Investment Portfolio and Supplementary Information	11 - 17
Notes to the Financial Statements	18 - 42

MANAGEMENT REPORT

Management's Responsibility for Financial Reporting

The accompanying financial statements of Front Street MLP and Infrastructure 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 MLP and Infrastructure 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 MLP and Infrastructure 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 MLP and Infrastructure Income Class which comprise the statement of financial position as at October 31, 2015, the statement of comprehensive income, statement of changes in net assets attributable to shareholders of redeemable shares, and statement of cash flows for the period from November 4, 2014 to October 31, 2015, 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit 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 audit 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 MLP and Infrastructure Income Class as at October 31, 2015, and its financial performance and its cash flows for the period from November 4, 2014 to October 31, 2015 in accordance with International Financial Reporting Standards.



Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
January 25, 2016

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

STATEMENT OF FINANCIAL POSITION AS AT OCTOBER 31, 2015

ASSETS

Current

Cash and cash equivalents	\$ 23,517,076
Margin deposits	8,746,284
Financial assets at fair value through profit or loss*, note 5	2,092,279
Subscriptions receivable	558,965
Foreign exchange forward contracts at fair value through profit or loss*, note 5	<u>62,376</u>
	<u>\$ 34,976,980</u>

LIABILITIES

Current

Foreign exchange forward contracts at fair value through profit or loss*, note 5	\$ 80,955
Accrued expenses, note 10	73,113
Distributions payable	43,830
Management fees payable, note 10	37,008
Redemptions payable	<u>27,214</u>

**Liabilities before net assets attributable
to shareholders of redeemable shares** 262,120

**Net assets attributable to shareholders
of redeemable shares** \$ 34,714,860

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

See accompanying notes to the financial statements

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

STATEMENT OF FINANCIAL POSITION AS AT OCTOBER 31, 2015

Net assets attributable to shareholders of redeemable shares

Series A	\$	6,073,377
Series B	\$	8,214,572
Series F	\$	13,163,307
Series I	\$	5,212,346
Series X	\$	7,977
Series UB	\$	1,101,377
Series UF	\$	941,904

Number of redeemable shares outstanding, note 6

Series A	845,081
Series B	1,141,928
Series F	1,811,924
Series I	699,039
Series X	1,043
Series UB	110,847
Series UF	96,413

Net assets attributable to shareholders of redeemable shares per share

Series A	\$	7.19
Series B	\$	7.19
Series F	\$	7.26
Series I	\$	7.46
Series X	\$	7.65
Series UB	\$	9.94
Series UF	\$	9.77

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 MLP AND INFRASTRUCTURE INCOME CLASS

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM NOVEMBER 4, 2014 TO OCTOBER 31, 2015

Investment income

Interest for distribution purposes and other	\$ 4,431
Foreign currency gain on cash and other net assets	2,117,579
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss ("FVTPL")	
Net realized loss on financial assets held in swap agreement	(7,575,308)
Net realized loss on foreign exchange forward contracts	(1,950,920)
Change in the unrealized appreciation on swap agreements and forward foreign currency contracts	<u>2,073,700</u>
	<u>(5,330,518)</u>

Expenses

Management fees, notes 7 and 10	314,811
Administration fees	125,733
Servicing fees, notes 7 and 10	65,830
Legal fees	32,380
Audit fees	12,464
Securityholder reporting costs	8,750
Custodial fees	7,796
Independent review committee	<u>2,268</u>
	570,032
Expenses waived or absorbed by Manager, notes 7 and 10	<u>(227,517)</u>
	<u>342,515</u>

Decrease in net assets attributable to shareholders of redeemable shares from operations

\$ (5,673,033)

See accompanying notes to the financial statements

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM NOVEMBER 4, 2014 TO OCTOBER 31, 2015

Decrease in net assets attributable to shareholders of redeemable shares from operations

Series A	\$	(1,146,242)
Series B	\$	(1,562,626)
Series F	\$	(2,154,318)
Series I	\$	(380,574)
Series X	\$	(2,023)
Series UB	\$	(111,118)
Series UF	\$	(316,132)

Decrease in net assets attributable to shareholders of redeemable shares from operations per share

Series A	\$	(2.70)
Series B	\$	(2.70)
Series F	\$	(2.54)
Series I	\$	(2.17)
Series X	\$	(1.99)
Series UB	\$	(1.58)
Series UF	\$	(1.67)

See accompanying notes to the financial statements

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS OF REDEEMABLE SHARES FOR THE PERIOD FROM NOVEMBER 4, 2014 TO OCTOBER 31, 2015

Net assets attributable to shareholders of redeemable shares, beginning of period

Series A	\$	-
Series B		-
Series F		-
Series I		-
Series X		-
Series UB		-
Series UF		-
		<u>-</u>
		<u>-</u>

Decrease in net assets attributable to shareholders of redeemable shares from operations

Series A	(1,146,242)
Series B	(1,562,626)
Series F	(2,154,318)
Series I	(380,574)
Series X	(2,023)
Series UB	(111,118)
Series UF	(316,132)
	<u>(5,673,033)</u>

Redeemable share transactions

Proceeds from redeemable shares issued

Series A	7,492,348
Series B	11,386,015
Series F	17,531,605
Series I	5,596,115
Series X	10,000
Series UB	1,291,081
Series UF	5,489,975
	<u>48,797,139</u>

Reinvestment of distributions to shareholders of redeemable shares

Series A	145,900
Series B	249,259
Series F	359,517
Series I	83,110
Series X	382
Series UB	31,816
Series UF	27,623
	<u>897,607</u>

See accompanying notes to the financial statements

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDER OF REDEEMABLE SHARES FOR THE PERIOD FROM NOVEMBER 4, 2014 TO OCTOBER 31, 2015

Redemption of redeemable shares	
Series A	(195,523)
Series B	(1,552,963)
Series F	(2,119,112)
Series I	-
Series X	-
Series UB	(64,662)
Series UF	<u>(4,148,547)</u>
	<u>(8,080,807)</u>
Net increase from redeemable share transactions	<u>41,613,939</u>
Distribution to shareholders of redeemable shares	
Return of capital	
Series A	(223,106)
Series B	(305,113)
Series F	(454,385)
Series I	(86,305)
Series X	(382)
Series UB	(45,740)
Series UF	<u>(111,015)</u>
	<u>(1,226,046)</u>
Increase in net assets attributable to shareholders of redeemable shares	<u>34,714,860</u>
Net assets attributable to shareholders of redeemable shares, end of period	
Series A	6,073,377
Series B	8,214,572
Series F	13,163,307
Series I	5,212,346
Series X	7,977
Series UB	1,101,377
Series UF	<u>941,904</u>
	<u>\$ 34,714,860</u>

See accompanying notes to the financial statements

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM NOVEMBER 4, 2014 TO OCTOBER 31, 2015

Cash flows from operating activities

Decrease in net assets attributable to shareholders of redeemable shares from operations	\$ (5,673,033)
Adjustments for:	
Foreign currency gain on cash and other net assets	(2,117,579)
Net realized loss on financial assets held in swap agreement	7,575,308
Net realized loss on foreign exchange forward contracts	1,950,920
Change in unrealized appreciation on swap agreement and forward currency contracts	(2,073,700)
Increase in other payables and accrued liabilities	110,121
Settlement of swap agreement	(7,575,308)
Settlement of foreign exchange forward contracts	<u>(1,950,920)</u>

Net cash used by operating activities (9,754,191)

Cash flows from financing activities

Proceeds from redeemable shares issued	48,238,174
Amounts paid on redemption of redeemable shares	(8,053,593)
Distributions to shareholders of redeemable shares, net of reinvested distributions	<u>(284,609)</u>

Net cash generated by financing activities 39,899,972

Net change in cash and cash equivalents 30,145,781

Foreign currency gain on cash and other net assets 2,117,579

Cash and cash equivalents, beginning of period -

Cash and cash equivalents, end of period \$ 32,263,360

Cash and cash equivalents comprise:

Cash at bank	\$ 23,517,076
Margin deposits	<u>8,746,284</u>
	<u>\$ 32,263,360</u>

Interest received, net of withholding tax \$ 4,431

See accompanying notes to the financial statements

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

SCHEDULE OF INVESTMENT PORTFOLIO AS AT OCTOBER 31, 2015

	Number of Shares/Units /Par Value	Cost \$	Fair Value \$
Long positions (6.0%)			
MLP Portfolio - Swap agreement - Refer to Schedule A	1	\$ -	\$ 2,092,279
Forward Contracts, at fair value, note 5 (-0.0%)			
Unrealized gain on currency forward foreign contracts held by Series A only - Refer to Schedule B	-	\$ -	\$ 158
Unrealized gain on currency forward foreign contracts held by Series B only - Refer to Schedule C	-	-	2,531
Unrealized gain on currency forward foreign contracts held by Series F only - Refer to Schedule D	-	-	(13,631)
Unrealized gain on currency forward foreign contracts held by Series I only - Refer to Schedule E	-	-	(7,624)
Unrealized gain on currency forward foreign contracts held by Series X only - Refer to Schedule F	-	-	(13)
		<u>\$ -</u>	<u>\$ (18,579)</u>
Total Investments (6.0%)		<u>\$ -</u>	<u>2,073,700</u>
Cash and cash equivalents (92.9%)			32,263,360
Other assets in excess of other liabilities (1.1%)			<u>377,800</u>
Net assets (100.0%)			<u>\$ 34,714,860</u>

See accompanying notes to the financial statements

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

SCHEDULE OF INVESTMENT PORTFOLIO

SCHEDULE A

AS AT OCTOBER 31, 2015

The indirect investments in the MLP Portfolio under the swap contract are as follows:

Notional Shares	Underlying MLP Portfolio	Fair Value of Notional Shares*	Unrealized Gain (Loss) on Swap Agreement*
11,236	Buckeye Partners LP	\$ 996,988	\$ 125,043
11,845	DCP Midstream Partners LP	445,171	70,169
10,840	Enable Midstream Partners LP	170,589	(4,300)
33,280	Enbridge Energy Partners LP	1,216,372	139,226
37,042	Energy Transfer Equity LP	1,044,235	34,960
31,663	Energy Transfer Partners LP	1,829,101	104,143
35,827	Enlink Midstream Partners LP	808,456	48,516
22,540	Enterprise Products Partners LP	814,688	91,194
25,963	Exterran Partners LP	678,250	119,734
11,684	Genesis Energy LP	616,114	39,371
19,347	Global Partners LP	829,114	111,480
25,004	Golar LNG Partners LP	581,564	101,298
33,110	Holly Energy Partners LP	1,483,462	222,351
8,295	Magellan Midstream Partners LP	692,407	47,843
8,336	Markwest Energy Partners LP	476,318	7,980
21,627	Martin Midstream Partners LP	819,033	128,111
12,991	NuStar Energy LP	860,753	98,398
9,982	NuStar GP Holdings LLC	381,422	32,073
14,109	Oneok Partners LP	587,475	61,534
22,093	Plains All American Pipeline LP	916,736	38,352
48,645	Rice Midstream Partners LP	871,797	28,738
9,400	Summit Midstream Partners LP	230,069	13,087
18,713	Sunoco Logistics Partners LP	710,881	3,355
20,160	Sunoco LP	909,579	870
8,300	Tallgrass Energy Partners LP	470,352	15,066
20,120	Targa Resources Partners LP	789,598	46,301
6,390	Targa Resources Corp.	477,720	54,285
23,681	Teekay LNG Partners LP	769,499	49,525
10,456	Tesoro Logistics LP	766,925	161,126
8,982	Transmontaigne Partners LP	372,468	60,403
19,126	Williams Partners LP	<u>845,663</u>	<u>42,047</u>
		<u>\$ 23,462,799</u>	<u>\$ 2,092,279</u>

*Balances have been converted to Canadian dollars from USD @ 0.76444

See accompanying notes to the financial statements

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

Forward Currency Foreign Contracts

SERIES A

AS AT OCTOBER 31, 2015

Schedule B

Purchased Currency	Sold Currency		Forward Rate	Maturity Date	Fair Value (\$)	Counterparty	Credit Rating	
CAD	1,523,156	USD	(1,160,374)	1.31264	November 4, 2015	5,167	Citibank NA New York	A+
CAD	109,386	USD	(82,912)	1.31931	November 9, 2015	918	Citibank NA New York	A+
USD	62,080	CAD	(80,588)	0.77034	November 9, 2015	627	Citibank NA New York	A+
CAD	50,000	USD	(37,761)	1.32411	November 9, 2015	599	Citibank NA New York	A+
CAD	57,824	USD	(44,026)	1.31341	November 9, 2015	228	Citibank NA New York	A+
CAD	458,679	USD	(346,934)	1.32209	November 16, 2015	4,788	Citibank NA New York	A+
CAD	106,902	USD	(80,856)	1.32213	November 16, 2015	<u>1,119</u>	Citibank NA New York	A+
						<u>13,446</u>		
CAD	67,961	USD	(52,029)	1.30622	November 9, 2015	(105)	Citibank NA New York	A+
CAD	12,966	USD	(10,002)	1.29635	November 9, 2015	(119)	Citibank NA New York	A+
USD	37,429	CAD	(49,206)	0.76065	November 9, 2015	(241)	Citibank NA New York	A+
CAD	212,157	USD	(162,479)	1.30575	November 9, 2015	(403)	Citibank NA New York	A+
CAD	61,110	USD	(47,073)	1.29821	November 9, 2015	(472)	Citibank NA New York	A+
CAD	127,240	USD	(97,788)	1.30119	November 9, 2015	(688)	Citibank NA New York	A+
CAD	67,301	USD	(51,991)	1.29448	November 9, 2015	(715)	Citibank NA New York	A+
CAD	344,326	USD	(263,849)	1.30501	November 9, 2015	(849)	Citibank NA New York	A+
CAD	160,937	USD	(124,447)	1.29322	November 9, 2015	(1,868)	Citibank NA New York	A+
CAD	174,380	USD	(133,575)	1.30548	November 16, 2015	(376)	Citibank NA New York	A+
CAD	2,632,873	USD	(2,018,151)	1.30460	November 16, 2015	<u>(7,452)</u>	Citibank NA New York	A+
						<u>(13,288)</u>		
						<u>158</u>		

See accompanying notes to the financial statements

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

Forward Currency Foreign Contracts

SERIES B

AS AT OCTOBER 31, 2015

Schedule C

Purchased Currency	Sold Currency		Forward Rate	Maturity Date	Fair Value (\$)	Counterparty	Credit Rating	
CAD	1,983,996	USD	(1,511,452)	1.31264	November 4, 2015	6,730	Citibank NA New York	A+
CAD	250,000	USD	(189,680)	1.31801	November 4, 2015	1,863	Citibank NA New York	A+
CAD	191,028	USD	(145,328)	1.31447	November 9, 2015	906	Citibank NA New York	A+
CAD	193,875	USD	(147,612)	1.31341	November 9, 2015	764	Citibank NA New York	A+
CAD	87,642	USD	(66,431)	1.31931	November 9, 2015	736	Citibank NA New York	A+
USD	50,446	CAD	(65,485)	0.77034	November 9, 2015	510	Citibank NA New York	A+
CAD	479,748	USD	(362,870)	1.32209	November 16, 2015	5,008	Citibank NA New York	A+
CAD	97,714	USD	(73,906)	1.32213	November 16, 2015	1,023	Citibank NA New York	A+
CAD	31,566	USD	(23,894)	1.32106	November 16, 2015	<u>305</u>	Citibank NA New York	A+
						<u>17,845</u>		
CAD	136,475	USD	(104,481)	1.30622	November 9, 2015	(210)	Citibank NA New York	A+
CAD	159,155	USD	(121,888)	1.30575	November 9, 2015	(302)	Citibank NA New York	A+
CAD	40,002	USD	(30,813)	1.29821	November 9, 2015	(309)	Citibank NA New York	A+
CAD	63,020	USD	(48,683)	1.29448	November 9, 2015	(669)	Citibank NA New York	A+
CAD	99,719	USD	(76,923)	1.29635	November 9, 2015	(914)	Citibank NA New York	A+
CAD	122,154	USD	(94,457)	1.29322	November 9, 2015	(1,418)	Citibank NA New York	A+
CAD	637,582	USD	(488,564)	1.30501	November 9, 2015	(1,573)	Citibank NA New York	A+
CAD	322,091	USD	(246,723)	1.30548	November 16, 2015	(694)	Citibank NA New York	A+
CAD	3,259,103	USD	(2,498,168)	1.30460	November 16, 2015	<u>(9,225)</u>	Citibank NA New York	A+
						<u>(15,314)</u>		
						<u>2,531</u>		

See accompanying notes to the financial statements

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

Forward Currency Foreign Contracts

SERIES F

AS AT OCTOBER 31, 2015

Schedule D

Purchased Currency	Sold Currency		Forward Rate	Maturity Date	Fair Value (\$)	Counterparty	Credit Rating	
CAD	1,056,764	USD	(805,066)	1.31264	November 4, 2015	3,585	Citibank NA New York	A+
CAD	570,635	USD	(434,469)	1.31341	November 9, 2015	2,249	Citibank NA New York	A+
USD	119,629	CAD	(155,293)	0.77034	November 9, 2015	1,208	Citibank NA New York	A+
CAD	986,840	USD	(746,423)	1.32209	November 16, 2015	10,301	Citibank NA New York	A+
CAD	235,613	USD	(178,207)	1.32213	November 16, 2015	2,466	Citibank NA New York	A+
CAD	19,514	USD	(14,772)	1.32106	November 16, 2015	<u>189</u>	Citibank NA New York	A+
						<u>19,998</u>		
CAD	9,928	USD	(7,647)	1.29821	November 9, 2015	(77)	Citibank NA New York	A+
CAD	194,488	USD	(148,894)	1.30622	November 9, 2015	(300)	Citibank NA New York	A+
CAD	65,501	USD	(50,527)	1.29635	November 9, 2015	(600)	Citibank NA New York	A+
USD	97,493	CAD	(128,171)	0.76065	November 9, 2015	(627)	Citibank NA New York	A+
CAD	966,752	USD	(740,800)	1.30501	November 9, 2015	(2,385)	Citibank NA New York	A+
CAD	326,316	USD	(252,328)	1.29322	November 9, 2015	(3,787)	Citibank NA New York	A+
CAD	2,117,003	USD	(1,621,296)	1.30575	November 9, 2015	(4,024)	Citibank NA New York	A+
CAD	384,306	USD	(296,880)	1.29448	November 9, 2015	(4,081)	Citibank NA New York	A+
CAD	395,323	USD	(302,819)	1.30548	November 16, 2015	(852)	Citibank NA New York	A+
CAD	5,969,382	USD	(4,575,652)	1.30460	November 16, 2015	<u>(16,896)</u>	Citibank NA New York	A+
						<u>(33,629)</u>		
						<u>(13,631)</u>		

See accompanying notes to the financial statements

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

Forward Currency Foreign Contracts

SERIES I

AS AT OCTOBER 31, 2015

Schedule E

Purchased Currency	Sold Currency		Forward Rate	Maturity Date	Fair Value (\$)	Counterparty	Credit Rating	
CAD	300,548	USD	(228,964)	1.31264	November 4, 2015	1,020	Citibank NA New York	A+
USD	129,277	CAD	(167,818)	0.77034	November 9, 2015	1,306	Citibank NA New York	A+
CAD	148,810	USD	(112,794)	1.31931	November 9, 2015	1,249	Citibank NA New York	A+
USD	293,208	CAD	(382,655)	0.76625	November 9, 2015	928	Citibank NA New York	A+
CAD	490,888	USD	(371,587)	1.32106	November 16, 2015	4,744	Citibank NA New York	A+
CAD	157,191	USD	(118,896)	1.32209	November 16, 2015	1,641	Citibank NA New York	A+
CAD	17,222	USD	(13,026)	1.32213	November 16, 2015	<u>180</u>	Citibank NA New York	A+
						<u>11,068</u>		
USD	115,020	CAD	(151,213)	0.76065	November 9, 2015	(740)	Citibank NA New York	A+
CAD	74,272	USD	(57,432)	1.29322	November 9, 2015	(862)	Citibank NA New York	A+
CAD	667,214	USD	(510,799)	1.30622	November 9, 2015	(1,028)	Citibank NA New York	A+
CAD	285,171	USD	(219,980)	1.29635	November 9, 2015	(2,613)	Citibank NA New York	A+
CAD	1,815,058	USD	(1,390,838)	1.30501	November 9, 2015	(4,477)	Citibank NA New York	A+
CAD	601,284	USD	(463,164)	1.29821	November 9, 2015	(4,641)	Citibank NA New York	A+
CAD	150,201	USD	(115,054)	1.30548	November 16, 2015	(324)	Citibank NA New York	A+
CAD	430,750	USD	(330,660)	1.30270	November 16, 2015	(1,849)	Citibank NA New York	A+
CAD	762,550	USD	(584,510)	1.30460	November 16, 2015	<u>(2,158)</u>	Citibank NA New York	A+
						<u>(18,692)</u>		
						<u>(7,624)</u>		

See accompanying notes to the financial statements

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

Forward Currency Foreign Contracts

SERIES X

AS AT OCTOBER 31, 2015

Schedule F

Purchased Currency	Sold Currency		Forward Rate	Maturity Date	Fair Value (\$)	Counterparty	Credit Rating	
USD	2,445	CAD	(3,191)	0.76625	November 9, 2015	8	Citibank NA New York	A+
CAD	233	USD	(177)	1.31931	November 9, 2015	2	Citibank NA New York	A+
USD	118	CAD	(154)	0.77034	November 9, 2015	1	Citibank NA New York	A+
CAD	657	USD	(497)	1.32209	November 16, 2015	7	Citibank NA New York	A+
CAD	97	USD	(74)	1.32213	November 16, 2015	<u>1</u>	Citibank NA New York	A+
						<u>19</u>		
CAD	149	USD	(114)	1.30622	November 9, 2015	-	Citibank NA New York	A+
CAD	435	USD	(333)	1.30501	November 9, 2015	(1)	Citibank NA New York	A+
USD	199	CAD	(262)	0.76065	November 9, 2015	(1)	Citibank NA New York	A+
CAD	140	USD	(108)	1.29322	November 9, 2015	(2)	Citibank NA New York	A+
CAD	308	USD	(236)	1.30548	November 16, 2015	(1)	Citibank NA New York	A+
CAD	9,702	USD	(7,436)	1.30460	November 16, 2015	<u>(27)</u>	Citibank NA New York	A+
						<u>(32)</u>		
						<u>(13)</u>		

See accompanying notes to the financial statements

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015

1. THE FUND

Front Street MLP and Infrastructure 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 April 11, 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. Series A commenced operations on November 14, 2014. Series B commenced operations on November 11, 2014. Series F commenced operations on November 4, 2014. Series I commenced operations on December 8, 2014. Series X commenced operations on February 17, 2015. Series UB commenced operations on November 11, 2014. Series UF commenced operations on December 4, 2014.

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"). OFI SteelPath, Inc., New York, U.S.A. (the "MLP Advisor") has been retained by the Manager, on behalf of the Fund, to provide investment advisory and portfolio management services on the MLP Portfolio. 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 on the Infrastructure Portfolio. 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 Fund's investment objective is to provide Shareholders with economic exposure to the performance of an actively managed, diversified notional portfolio (the "MLP Portfolio") of energy infrastructure MLPs and with exposure to a portfolio of North American energy infrastructure equity and income securities that are not MLPs (the "Infrastructure Portfolio"). MLPs are U.S. limited partnerships or limited liability companies that are (a) publicly traded on U.S. securities exchanges and (b) primarily engaged in the transportation, storage, processing, refining, marketing, exploration and production and mining of minerals or natural resources.

In order to obtain economic exposure to the MLP Portfolio, the Fund will enter into one or more equity swaps with a U.S. financial institution (the "Counterparty") as counterparty (collectively, the "Swap Agreement"). In accordance with its investment objectives, the return to Shareholders and the Fund is dependent upon the economic performance of the MLP Portfolio by virtue of the Swap Agreement to gain economic exposure to the MLP Portfolio. At any given time, all or a portion of the Fund's assets may be exposed to the MLP Portfolio by virtue of the Swap Agreement, at the discretion of the Manager.

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

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015

2. **BASIS OF PRESENTATION AND ADOPTION OF INTERNATIONAL FINANCIAL STANDARDS**

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB").

These financial statements have been prepared on the basis of IFRS standards that are published at the time of preparation and that are effective as at October 31, 2015, the Fund's annual reporting date.

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**

(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:

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.

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015

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

(a) Financial instruments (Continued...)

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.

(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.

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015

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

(b) Fair value measurement (Continued...)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a transaction between market participants at the measurement date. The fair value of financial instruments traded in active markets should be measured based on a price within the bid and ask spread that is most representative of fair value and allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurement within a bid-ask spread. The Fund has determined the closing sale price to be most reflective of fair value unless this 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 11 (Reconciliation of Net Asset Value to IFRS Net Assets Attributable to Shareholders of Redeemable Shares).

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

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015

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

(b) Fair value measurement: (Continued...)

Swap agreement

The value of the swap agreement on a valuation date is equal to the gain or loss that would be realized if the swap agreement were closed out. On cash settlement, the fair value of the Swap Agreement would equal the difference between the fair value of the notional securities held in the MLP portfolio, net of contractual expenses including counterparty fees plus any distributions on the notional shares, and the value of the notional securities held in the MLP portfolio at the previous reset date. Such calculation is performed on the last business day of each month. The MLP portfolio is valued at their closing prices on the valuation date for the purpose of determining the value of the Swap Agreement.

The unrealized gains (losses) arising from the swap agreement are recorded as part of change in unrealized appreciation (depreciation) on financial assets and financial liabilities held in a swap agreement at fair value through profit or loss in the statement of comprehensive income and financial assets held in swap agreement at fair value through profit or loss in the statement of financial position until the swap contract is closed out at such time as the gains (losses) are realized and reported as realized gain (loss) on financial assets held in swap agreement in the statement of comprehensive income.

(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.

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015

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

(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.

(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.

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015

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

(h) Foreign currency translation (Continued...)

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.

(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.

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015

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

(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 MLP AND INFRASTRUCTURE INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015

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.

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015

5. SWAP AGREEMENT AND FORWARD CURRENCY CONTRACTS

The Fund has entered into Equity Swaps with a U.S. financial institution as counterparty (collectively, the “Swap Agreement”). In accordance with its investment objectives, the return to Shareholders and the Fund is dependent upon the economic performance of the MLP Portfolio by virtue of the Swap Agreement to gain economic exposure to the MLP Portfolio.

The Fund obtains economic exposure to the MLP portfolio through a Swap Agreement with Citibank NA New York. The Swap Agreement has an initial term ending on November 16, 2015. The MLP portfolio has an initial invested amount equal to the amount of the proceeds of the subscription, net of fees, less 12.5% for margin requirements.

Citibank NA New York has entered into a total return swap in order to hedge its exposure to the economic performance of the MLP portfolio under the terms of the Swap Agreement. The Fund is exposed to counterparty risk, both from Citibank NA New York and from the total return swap counterparty, and tax uncertainty associated with withholding taxes. Currently, there is not expected to be US withholding or other taxes that would reduce the value of the amounts payable to the counterparty under the total return swap based on the MLP portfolio. The Fund is subject to the risk that changes in US tax laws or in the interpretation or application of such laws could result in the imposition of greater withholding or other taxes, which would have the effect of reducing the net amount received by the counterparty under the total return swap and, in turn, the amount payable to the Fund under the Swap Agreement.

The cash in the margin account has been pledged to Citibank NA New York as security for the obligations of the Fund under the swap agreement. Citibank NA New York will not have the right to sell, re-hypothecate, assign or otherwise dispose of the cash pledged.

On the settlement date of the swap agreement reset dates (month-end), payment or receipts will be made in US dollars.

As at October 31, 2015, the unrealized gain from Swap Agreement amounted to \$2,092,279.

The MLP Portfolio is denominated in U.S. dollars. Payments under the Swap Agreement will be made in United States dollars. Accordingly, the return of the Fund under the Swap Agreement for Shareholders of Series other than UB, UF and UI may be exposed to fluctuations in the Canadian / U.S. dollar exchange rate, except to the extent the Manager chooses to hedge such exposure. All or a portion of the value of the MLP Portfolio (other than the portion that is referable to Series UB, UF and UI Shares) may be hedged at any time, at the discretion of the Portfolio Advisor, and the portion of the MLP Portfolio that is hedged may vary based on market conditions.

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015

5. SWAP AGREEMENT AND FORWARD CURRENCY CONTRACTS (Continued...)

The Fund has entered into forward foreign currency contracts to protect against fluctuations in the U.S. dollar exchange rates at Series level. As at October 31, 2015, the Fund has contracted to sell U.S. dollar currency amounting to CDN \$32,367,856 at various forward rates.

The net unrealized gain (loss) from forward contracts is as follows:

Series A	\$	158
Series B		2,531
Series F		(13,631)
Series I		(7,624)
Series X		<u>(13)</u>
	\$	<u>(18,579)</u>

6. 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.

The authorized capital of the Fund consists of an unlimited number of mutual fund shares, available in eight 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 between the first 18 months to 36 months following acquisition. No redemption fee applies to shares of this series sold after the third year following acquisition.

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015

6. REDEEMABLE SHARES (Continued...)

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 I 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.

Series UB

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 UF

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

Series UI

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

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

UB, UF and UI series are denominated in U.S dollars. Holders of these series who exchange these shares for shares of another series will do so at the prevailing exchange rate where applicable.

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015

6. REDEEMABLE SHARES (Continued...)

The following redeemable share transactions took place during the period November 4, 2014 to October 31, 2015:

Redeemable shares outstanding, beginning of the period:

Series A	-
Series B	-
Series F	-
Series I	-
Series X	-
Series UB	-
Series UF	-

Redeemable shares issued during the period:

Series A	850,729
Series B	1,291,056
Series F	2,007,056
Series I	688,895
Series X	1,000
Series UB	113,150
Series UF	459,982

Redeemable shares distributions reinvested during the period:

Series A	17,754
Series B	30,322
Series F	44,145
Series I	10,144
Series X	43
Series UB	2,846
Series UF	2,536

Redeemable shares redeemed during the period:

Series A	23,402
Series B	179,450
Series F	239,277
Series I	-
Series X	-
Series UB	5,149
Series UF	366,105

Redeemable shares outstanding, end of the period:

Series A	845,081
Series B	1,141,928
Series F	1,811,924
Series I	699,039
Series X	1,043
Series UB	110,847
Series UF	96,413

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015

7. FEES AND EXPENSES

The Fund pays a monthly management fee equal to 1/12 of 1.35% of the net asset value of the Fund calculated and paid at the end of each month payable monthly in arrears for series A, B, F, X, UB and UF of the Fund. The Fund pays a monthly management fee equal to 1/12 of 0.90% of the net asset value of series I and UI calculated and paid at the end of each month payable monthly in arrears.

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

The Fund pays a monthly service fee of 1/12 of 0.75% of the net asset value of the Series A share, Series B share and Series UB share calculated and paid at the end of each month. The Funds pays a monthly service fee of 1/12 of 0.50% of the net asset value of Series X shares calculated and paid at the end of each month.

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.

No performance fees are payable by the Fund.

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

The Fund pays fees to the Counterparty in respect of the swap agreements it enters into with the Counterparty equal to an amount calculated at the beginning of a particular month as the product of (i) the value of the MLP Portfolio and (ii) the 3-month London interbank offered rate plus a spread, which spread value is based on the specific MLPs selected for the MLP Portfolio. Total counterparty fees in 2015 amounted to \$197,446 and are included in the realized gain (loss) on swap agreement.

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015

8. 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.

9. TRANSACTION COSTS AND SOFT DOLLARS

The total brokerage commissions paid by the Fund with respect to security transactions for the period ended October 31, 2015 was \$Nil.

There were no soft dollar amounts included in brokerage commissions.

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015

10. RELATED PARTY TRANSACTIONS

During the period ended October 31, 2015, fees paid to the Manager were as follows:

Management fees, note 7	<u>\$ 314,811</u>
Servicing fees, note 7	<u>\$ 65,830</u>
Expenses waived or absorbed by Manager, note 7	<u>\$ (227,517)</u>

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

Management fees payable, note 7	<u>\$ 37,008</u>
Servicing fees payable, note 7	<u>\$ 8,589</u>

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

Series F shares held by the Partners and Officers of the Manager	335,486.91
Percentage of Series F shares held by the Partners and Officers of the Manager	18.52%
Series F shares held by the relatives of the Partners of the Manager	45,896.10
Percentage of Series F shares held by the relatives of the Partners of the Manager	2.53%

As at October 31, 2015, Front Street Global Balanced Income Class, which is also managed by the Manager, held 111,933 shares of Series I, representing 16.0% of Series I shares outstanding.

As at October 31, 2015, Front Street Global Opportunities Class, which is also managed by the Manager, held 320,618 shares of Series I, representing 45.9% of Series I shares outstanding.

As at October 31, 2015, Front Street Resource Growth and Income Class, which is also managed by the Manager, held 84,264 shares of Series I, representing 12.1% of Series I shares outstanding.

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

Management fees and servicing fees 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 MLP AND INFRASTRUCTURE INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015

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

Investment funds may have two different net asset values: (i) one for financial statements, which is prepared in accordance with IFRS (referred to as "IFRS NA") and (ii) another for all other purposes, including share pricing for investor transactions (referred to as "net asset value"). For investments that are traded in an active market where quoted prices are readily and regularly available, IFRS requires investments to be valued using the methods and principles described in note 4 (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 there are no variances between the IFRS NA per share and net asset value per share.

12. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

The Fund's financial instruments consist of financial assets held in Swap Agreement at FVTPL, foreign exchange forward contracts at FVTPL, cash and cash equivalents, margin accounts, subscriptions receivable, accrued expenses, distributions payable 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.

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015

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

i) Market price risk

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

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

ii) Currency risk

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

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

As at October 31, 2015

Currency	Financial instruments at FVTPL	Cash and cash equivalents	Total	Percentage of Net Assets
United States Dollar	<u>\$ 2,092,279</u>	<u>\$ 32,104,399</u>	<u>\$ 34,196,678</u>	<u>98.51 %</u>

The Fund has entered into forward foreign currency contracts to protect against fluctuations in the U.S. dollar exchange rates at Series level. As at October 31, 2015, on a net basis, the Fund has contracted to sell U.S. dollar currency amounting to CDN \$32,367,856 at various forward rates (Schedules B-F).

The net unrealized gain (loss) from forward contracts is as follows:

Series A	\$ 158
Series B	2,531
Series F	(13,631)
Series I	(7,624)
Series X	<u>(13)</u>
	<u>\$ (18,579)</u>

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015

12. 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 there were no net assets invested in bonds. The remaining portion of the Fund's investments are substantially non-interest bearing equity investments.

As at October 31, 2015

Financial assets	Floating Rate Financial Instruments	Fixed Rate Financial Instruments	Non-interest Bearing	Total
Financial instruments at FVTPL	\$ -	\$ -	\$ 2,154,655	\$ 2,154,655
Cash and cash equivalents	32,263,360	-	-	32,263,360
Loans and receivables	<u>-</u>	<u>-</u>	<u>558,965</u>	<u>558,965</u>
Total	<u>\$ 32,263,360</u>	<u>\$ -</u>	<u>\$ 2,713,620</u>	<u>\$ 34,976,980</u>
Financial liabilities				
Financial liabilities at FVTPL	\$ -	\$ -	\$ 80,955	\$ 80,955
Other financial liabilities	<u>-</u>	<u>-</u>	<u>181,165</u>	<u>181,165</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 262,120</u>	<u>\$ 262,120</u>
IFRS NA				<u>\$ 34,714,860</u>

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015

12. 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	\$ 2,154,655	\$ -	\$ -	\$ -	\$ -	\$ 2,154,655
Loans and receivables	558,965	-	-	-	-	558,965
Cash and cash equivalents	<u>32,263,360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,263,360</u>
Total	<u>\$34,976,980</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,976,980</u>
 Financial liabilities						
Financial liabilities at FVTPL	\$ 80,955	\$ -	\$ -	\$ -	\$ -	\$ 80,955
Other financial liabilities	<u>181,165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>181,165</u>
Total	<u>\$ 262,120</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 262,120</u>
 IFRS NA						 <u>\$ 34,714,860</u>

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015

12. 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 Swap agreements and foreign exchange forward contracts. The Fund seeks to mitigate its exposure to credit risk by placing its cash, and transacting its securities activity with large financial institutions. The extent of the Fund's exposure to credit risk in respect of these financial assets is reflected in their carrying values as recorded in the fund's statement of financial position.

As at October 31, 2015 the Fund has no debt instruments. The net assets of the Fund include financial assets held in a swap agreement at FVTPL with fair value of \$2,092,279 and net foreign exchange forward contracts at FVTPL of \$(18,579). The counterparty to the swap agreement and foreign exchange forward contracts is Citibank NA New York, which has a credit rating of A+ according to Standard & Poor's. The Manager monitors the risks associated with the swap agreements and forward contracts on a continuous basis.

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; as at October 31, 2015:

MLP portfolio - swap agreement	6.0 %
Forward foreign currency contracts	0.0 %
Cash and cash equivalents	92.9 %
Other assets less liabilities	<u>1.1 %</u>
Total	<u>100.0 %</u>

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015

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

vii) Concentration risk (Continued...)

The return to the Fund is dependent upon the economic performance of the MLP Portfolio by virtue of the swap agreement to gain economic exposure to the MLP Portfolio. The MLP Portfolio's concentration risk by market segments/categories of financial instruments has been summarized as follows; as at October 31, 2015:

Petroleum transportation	49.3 %
Natural Gas Pipelines	17.7 %
Gathering and Processing of Natural Gas	21.1 %
Diversified	6.1 %
Shipping	<u>5.8 %</u>
Total	<u>100.0 %</u>

13. CAPITAL MANAGEMENT

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

- (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 MLP AND INFRASTRUCTURE INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015

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 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>\$ -</u>	<u>\$ 2,154,655</u>	<u>\$ -</u>	<u>\$ 2,154,655</u>
Financial liabilities at FVTPL	<u>\$ -</u>	<u>\$ 80,955</u>	<u>\$ -</u>	<u>\$ -</u>

Valuation techniques and framework

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

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

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

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015

14. FAIR VALUE HIERARCHY (Continued...)

Valuation techniques and framework (Continued...)

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

The Fund may invest in equity securities of private companies, which are classified as Level 3 securities. These may be valued using the most recent rounds of financing, or in certain cases, using models. Some or all of the significant inputs into the valuation models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows on the security being valued, and other inputs (such as discount rate, liquidity risk, credit risk, as applicable), to the extent that the Fund believes that a third party market participant would take them into account in pricing a transaction.

The Fund has established a control framework for the measurement of fair value. The valuation process is overseen by management, who are 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, are 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 MLP AND INFRASTRUCTURE INCOME CLASS

NOTES TO THE FINANCIAL STATEMENTS OCTOBER 31, 2015

15. SUBSEQUENT EVENTS

Effective November 16, 2015, CIBC Mellon replaced Citigroup Fund Services Canada Inc. to provide custodial services, 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.