

ECIGIF TRUST

MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2015

Management Report of Fund Performance

This semi-annual management report of fund performance contains financial highlights but does not contain the complete unaudited semi-annual financial statements for ECIGIF Trust (the "Fund"). If you have not received a copy of the unaudited semi-annual financial statements with the management report of fund performance, you may obtain a copy of the unaudited semi-annual financial statements, at no cost, by calling 1-877-327-6048 or by sending a request to Arrow Capital Management Inc. (the "Manager"), 36 Toronto Street, Suite 750, Toronto, Ontario, M5C 2C5, or by visiting our website at www.arrow-capital.com or SEDAR at www.sedar.com.

Unitholders may also contact us by using one of these methods to request a copy of the Fund's unaudited semi-annual financial statements, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

The Fund

The Fund is an investment trust managed by the Manager. East Coast Fund Management Inc. (the "Portfolio Advisor"), is the portfolio advisor for the Portfolio held by the Fund.

Investment Objectives and Strategies

The Fund's investment objectives are to provide unitholders with attractive distributions, while preserving capital through an actively managed, diversified portfolio of investment grade debt securities of Canadian corporate and government issuers that are rated BBB- or higher by Standard & Poor's, or a similar rating from a qualified rating agency. The Portfolio Advisor intends to achieve the Fund's investment objectives by implementing four specific portfolio management strategies for managing the portfolio: the Core Credit Portfolio Strategy, the Relative Value Trading Strategy, the Active Credit Trading Strategy and the Macro Systemic Risk Protection Program. A detailed description of the trading strategies is provided in the Fund's prospectus dated April 26, 2012 (the "Prospectus"), which is available on the Fund's website at www.arrow-capital.com or on SEDAR at www.sedar.com.

Risks

Risks associated with an investment in the units of the Fund are discussed in the Fund's non-offering Prospectus which is available on the Fund's website at www.arrow-capital.com or on SEDAR at www.sedar.com. There were no changes to the Fund over the period that materially affected the risks associated with an investment in the units of the Fund.

Results of Operations

Investment Portfolio

As of June 30, 2015, the Fund's portfolio included a total of 84 [December 31, 2014 - 91] corporate investment grade debt securities held both long and short, the net representing approximately 234.1% [December 31, 2014 - 241.5%] of the net asset value of the Fund.

As part of its investment strategy, the Fund sells government bonds short and invests its proceeds in corporate investment grade debt securities. Incorporating short sales also enhances the portfolio yield and allows the Fund to offset some or all of the interest rate risk on that portion of the portfolio. As at June 30, 2015, the Fund had \$156.6 million [December 31, 2014 - \$136.5] short positions and an unrealized loss of \$0.3 million [December 31, 2014 - \$3.7 million unrealized loss] from short sales.

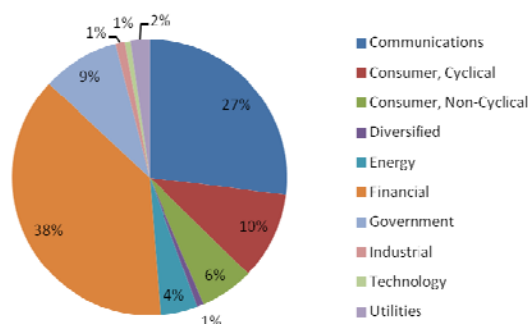
The breakdown of the portfolio by industry showing long positions only is shown in the accompanying pie chart. A detailed listing of the Fund's security holdings is provided in the financial statements.

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Portfolio Sectors



During the period, the Fund's portfolio generated net realized and unrealized losses of (\$0.4) million [December 31, 2014 – (\$4.2) million], including net realized and unrealized losses from derivatives of (\$0.9) million [December 31, 2014 – (\$2.6) million].

Revenues, Expenses and Distributions

The Fund earned interest income of \$0.33 per unit during the period [December 31, 2014 - \$0.73] including interest expense on short sales. Total expenses of the Fund for the period were \$0.11 per unit [December 31, 2014 - \$0.20], including security borrowing expenses of \$0.03 per unit [December 31, 2014 - \$0.04]. During the period ended June 30, 2015, the Fund declared distributions to unitholders which totaled \$0.39 per unit [December 31, 2014 - \$0.80].

Cash Overdraft

The Fund utilizes leverage and trades on margin as a component of its investment strategy. As a result, as at June 30, 2015 the Fund had a cash overdraft balance of \$9.3 million [December 31, 2014 - \$9.0 million] representing cash balances advanced under margin lending agreements with the Fund's brokers, which are payable on demand. Interest is charged on outstanding balances at the contractual rate.

Net Asset Value

During the period, the Net Asset Value per unit decreased by (\$0.30) per unit from \$11.19 as at December 31, 2014 to \$10.89 as at June 30, 2015 and included distributions of \$0.39 per unit. The aggregate Net Asset Value of the Fund as at June 30, 2015 was \$92.7 million [December 31, 2014 - \$95.3 million]. There were distributions of \$3.4 million during the period.

Redemptions

There were no redemptions during the period [December 31, 2014 - \$11.8 million] representing 0.0% [December 31, 2014 – 10.9%] of total units outstanding at the redemption date.

Recent Developments

There are no recent developments for the fund.

Related Party Transactions

Related party transactions consist of services provided by the Manager pursuant to a management agreement. See the Management and Performance Fees section below.

The Manager holds 1 Class A Unit of the Fund. No management fees or performance fees are charged on Class A units.

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Management and Performance Fees

Pursuant to a management agreement, the Manager provides management and administrative services to the Fund and for paying the fees of the Portfolio Advisor. The Fund pays management fees equal to 1.0% per annum of the Net Asset Value of the Fund, plus applicable taxes. The management fees from the Fund are used by the Manager to cover its costs for its services in connection with the management of the Fund, the cost of the Portfolio Advisor and for profit.

The Manager is also entitled to receive from the Fund an annual Performance Fee equal to 10% of the increase in the net asset value of the Fund (including any distributions paid on the units of the Fund), subject to an annual hurdle rate of 5.30%.

The Performance Fee will be calculated daily and payable on the last valuation date of each calendar year, except when units of the Fund are redeemed on the applicable redemption date, in which case, the Fund shall pay a Performance Fee in respect of any concurrently redeemed units of the Fund (the "Interim Performance Fee"). The Interim Performance Fees shall be payable on the applicable redemption date. For any partial fiscal year, including with respect to Interim Performance Fees the hurdle rate will be pro-rated. As at June 30, 2015, the Manager had earned \$nil in Performance Fees [December 31, 2014 - \$nil].

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help readers understand the Fund's financial performance. This information is derived from the Fund's financial statements. *The information in the following tables is presented in accordance with National Instrument ("NI") 81-106 and, as a result, does not act as a continuity of opening and closing Net Assets per unit.* The increase (decrease) in Net Assets from operations is based on average units outstanding during the period, and all other numbers are based on actual units outstanding at the relevant point in time.

Net Assets per Unit	Period ended June 30, 2015	Year ended December 31, 2014	Year ended December 31, 2013	Period ended December 31, 2012⁽³⁾
Net Assets per unit, beginning of period⁽¹⁾	\$11.19	\$11.93	\$12.13	\$12.00
Increase (decrease) from operations⁽¹⁾				
Total revenue	0.36	0.76	0.82	0.43
Total expenses	(0.11)	(0.20)	(0.19)	(0.17)
Realized gains (losses)	(0.64)	(0.28)	0.20	0.02
Unrealized gains (losses)	0.48	(0.22)	(0.21)	0.02
Total increase in Net Assets from operations⁽¹⁾	\$0.09	\$0.06	\$0.62	\$0.30
Distributions to unitholders⁽¹⁾				
From net investment income	(\$0.39)	(\$0.03)	(\$0.63)	(\$0.37)
Return of capital	-	(0.77)	(0.19)	-
Total distributions to unitholders⁽¹⁾	(\$0.39)	(\$0.80)	(\$0.82)	(\$0.37)⁽²⁾
Net Assets per unit, end of period⁽¹⁾	\$10.89	\$11.19	\$11.93	\$12.06

- (1) The net assets per unit shown for June 30, 2015, December 31, 2014 and December 31, 2013 are referenced to net assets attributable to holders of redeemable units determined in accordance with IFRS and are derived from the Fund's financial statements. The net assets per unit shown for prior years are referenced to Net Assets determined in accordance with Canadian generally accepted accounting principles ("GAAP") and are derived from the Fund's audited annual financial statements. The Net Assets presented in the financial statements may differ from the NAV calculated for fund pricing purposes. NAV is calculated using fair value measures as defined by National Instrument 81-106 ("NI 81-106"), where as Net Assets are calculated in accordance with IFRS/GAAP. An explanation of these differences can be found in the notes to the financial statements. Net Assets per unit and distributions per unit are based on the actual number of units outstanding at the relevant time. The

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increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

- (2) A year end distribution of \$1,360,424/\$0.13 per unit was reinvested and the units were immediately consolidated so that the number of units outstanding equaled the number of units outstanding immediately prior to the distribution.
- (3) Period from May 18, 2012 (commencement of operations) to December 31, 2012.

Ratios and Supplemental Data (Based on Net Asset Value)	June 30, 2015	December 31, 2014	December 31, 2013	December 31, 2012 ⁽⁴⁾
Net Asset Value (in 000s)	\$92,742	\$95,322	\$114,083	\$129,613
Number of units outstanding (in 000's)	8,519	8,519	9,560	10,750
Management expense ratio ("MER") ⁽¹⁾	1.31%*	1.26%	1.27%	1.26%*
Trading expense ratio ⁽²⁾	0.63%*	0.42%	0.35%	0.96%*
Portfolio turnover rate ⁽³⁾	187.9%	137.7%	106.3%	155.7%
Net Asset Value per unit	\$10.89	\$11.19	\$11.93	\$12.13

* Ratios have been annualized

- (1) MER is based on the requirements of NI 81-106 and includes the total expenses (excluding commissions, margin interest, security borrowing costs, and other portfolio transaction costs) of the Fund for the stated period, and is expressed as an annualized percentage of the average Net Asset Value of the period.
- (2) The trading expense ratio represents total commissions, margin interest, and security borrowing costs expressed as an annualized percentage of the daily average Net Asset Value of the Fund during the period.
- (3) The Fund's portfolio turnover rate indicates how actively the Fund's Portfolio Advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund. Portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the period, excluding cash and short-term investments maturing in less than one year, by the average market value of investments during the period.
- (4) Period from May 18, 2012 (commencement of operations) to December 31, 2012.

Past Performance

The following chart and table show the past performance of the Fund. Past performance does not necessarily indicate how the Fund will perform in the future. The information shown is based on Net Asset Value per unit and assumes that distributions made by the Fund on its units in the period shown were reinvested (at Net Asset Value per unit) in additional units of the Fund.

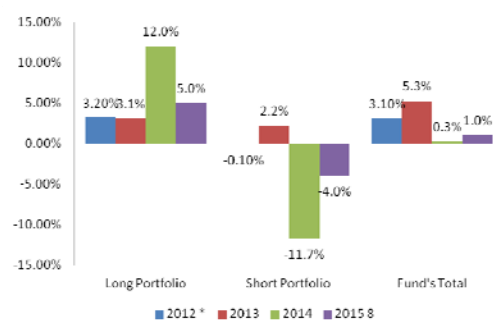
The bar chart shows the Fund's overall total return and the total return for long portfolio positions and short portfolio positions for each period. The chart shows, in percentage terms, how an investment held on the first day of the fiscal period would have changed by the last day of the fiscal period.

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Year-by-Year Returns



* Represents partial year

The following table shows the Fund's return for the periods indicated, compared with the FTSE TMX Canada Universe Bond Index (formerly the FTSE TMX Canada All Corporate Bond Index).

The benchmark index is calculated without the deduction of fees and fund expenses, whereas the performance of the Fund is calculated after deducting such fees and expenses.

Annual Compound Returns

The following table shows the annual compound total returns of the Fund, for the periods shown ended June 30, 2015.

	1 Year	3 Years	5 Years Since Inception ⁽¹⁾	Annualized
ECIGIF Trust	(1.8%)	3.1%	n/a	3.0%
FTSE TMX Canada Universe Bond Index ⁽²⁾	6.3%	3.8%	n/a	4.3%

(1) Period from May 18, 2012 (commencement of operations) to December 31, 2012.

(2) Formerly FTSE TMX Canada All Corporate Bond Index

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Summary of Investment Portfolio

Top 25 Holdings		Portfolio Composition	
Security Name	% of Net Asset Value	Industry Sector	% of Net Asset Value
Long Positions			
VW Credit Canada, Inc., 1.37% 19Aug15	12.5	Financial	96.4
Daimler Canada Finance Inc., 1.58% 16Jul15	12.5	Communications	68.1
Shaw Communications Inc., 4.35% 31Jan24	12.2	Utilities	6.0
Rogers Communications Inc., 5.80% 26May16	12.0	Energy	11.7
National Bank of Canada, 1.13% 22Jun16	10.8	Technology	1.8
Aon Finance N.S. 1, ULC, 4.76% 08Mar18	10.0	Consumer, Cyclical	27.5
Anheuser-Busch InBev Worldwide Inc., 3.65% 15Jan16	10.0	Consumer, Non-cyclical	16.8
Videotron Ltd., 5.63% 15Jun25	9.1	Industrial	2.9
Government of Canada, 1.50% 01Sep17	6.7	Diversified	2.1
TransCanada PipeLines Ltd., 9.45% 20Mar18	6.2	Government, Long	24.3
Bank of America Corporation, 3.23% 22Jun22	5.9	Government, Short	(158.8)
The Goldman Sachs Group Inc., 5.00% 03May18	5.9		
WTH Car Rental, ULC, 1.91% 20Jul20	5.8	Cash and Cash Equivalents	(4.4)
Manitoba Telecom Services Inc., 6.65% 11May16	5.5	Other Net Assets	5.6
The Manufacturers Life Insurance Co., 4.21% 18Nov21	5.2		
Thomson Reuters Corporation, 4.35% 30Sep20	5.2	Total Net Asset Value	100.0
KRC North Holdings III, Inc., 3.86% 04Aug20	5.2		
Thomson Reuters Corporation, 3.37% 23May19	5.2		
	145.9		
Short Positions			
Canadian Government Bond 4.25% 1Jun18	(44.2)		
Canadian Government Bond 1.50% 1Jun23	(37.5)		
Canadian Government Bond 3.75% 1Jun19	(22.4)		
Canadian Government Bond 3.50% 1Jun20	(15.8)		
Canadian Government Bond 2.75% 1Jun22	(7.5)		
Canadian Government Bond 4.00% 1Jun41	(6.6)		
Canadian Government Bond 1.50% 1Mar20	(5.8)		
	(139.8)		
Total	6.1		

The Summary of Investment Portfolio may change due to ongoing portfolio transactions. A quarterly update is available.

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Portfolio Advisor

East Coast Fund Management Inc. ("ECFMI"), incorporated under Business Corporations Act (Ontario) on June 22, 2009, is the portfolio advisor of the ECIGIF Trust. ECFMI is responsible for all portfolio advisory and investment management services that are provided to ECIGIF Trust.

Portfolio Advisor Report

Both Canadian and US bond yields rose during the 2nd quarter of the year. Canadian bond yields rose by 10bps less than US bond yields did, we think mainly reflecting what is going on in Greece and China spooking investors. Investment grade spreads rose significantly in Q2 worldwide. Surprisingly, high yield credit spreads were unchanged in the quarter.

We thought the FED wasn't going to raise rates in the first half of the year, and they did not. We believe this will happen in the second half of the year.

Credit markets became more cautious in Q2 especially in lower parts of the credit spectrum. The Greece issue was a major theme of Q1 and Q2 but we believe this to be primarily transitional and in the next few months we will likely look back on this as an event that cleared the way for markets to go higher.

Supply is high which we believe is driven by companies trying to raise money before rates start rising. Concessions haven't been as high as they needed to be so we have stepped back from this active trading part of our portfolio.

Canadian spreads continue to rise from the tights in January 2014 as oil has stayed low and global issues in Greece and China have caused investors to step back on risk taking. Spreads have risen 30% from their tights without a corresponding fall in the equity markets. We believe this gives Canadian investment grade credit good value compared to other assets classes.

The Canadian vs US government interest rate differential has continued to expand as Canadian rates remain below US government bond rates. We don't expect this to last as there is a weaker economy in Canada and has a more volatile currency. Over the next several years we expect these two rates to come together, in particular that Canadian rates will rise by more than the US rates will.

We saw reasonable improvement in the spreads of BB & BBB bonds in Q2 and exited these positions which has helped increase the liquidity of the portfolio. We have also reduced our credit average term to maturity to limit exposure to spread widening. We are planning on increasing credit quality and liquidity in the second half of the year. Because of the diverging policies of the US Federal Reserve and the Bank of Canada we also are continuing to stay exposed to the benefit from an appreciation of the US Dollar.

Forward-Looking Statements

Some of the statements contained herein including, without limitation, financial and business prospects and financial outlook may be forward-looking statements which reflect management's expectations regarding future plans and intentions, growth, results of operations, performance and business prospects and opportunities. Words such as "may," "will," "should," "could," "anticipate," "believe," "expect," "intend," "plan," "potential," "continue" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in general economic and market conditions and other risk factors. Although the forward-looking statements contained herein are based on what management believes to be reasonable assumptions, we cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof, and we assume no obligation to update or revise them to reflect new events or circumstances.