



UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS

JUNE 2015

EXEMPLAR LEADERS FUND | EXEMPLAR YIELD FUND | EXEMPLAR PERFORMANCE FUND |
EXEMPLAR INVESTMENT GRADE FUND | EXEMPLAR TACTICAL CORPORATE BOND FUND |
EXEMPLAR GROWTH AND INCOME FUND |

EXEMPLAR LEADERS FUND

Statements of Financial Position (Unaudited)

	Note	As at June 30, 2015	As at December 31, 2014
Assets			
Current assets			
Financial assets designated at fair value through profit and loss		\$ 32,351,830	\$ 30,745,099
Financial assets held for trading			
Warrants		227,232	170,764
Cash		6,006,292	5,956,804
Margin deposit		1,986,828	1,404,480
Accrued dividends receivable		69,461	66,595
Receivable for securities sold		49,200	-
Receivable for redeemable units issued		7,095	641
		40,697,938	38,344,383
Liabilities			
Current liabilities			
Financial liabilities held for trading			
Investments sold short		1,356,551	1,105,865
Payable for securities purchased		-	948,069
Accrued dividends payable		559	386
Payable for redeemable units redeemed		30,806	52,560
Other liabilities	8	82,106	82,927
		1,470,022	2,189,807
Net assets attributable to holders of redeemable units			
Net assets attributable to holders of redeemable units			
Series A		\$ 29,987,935	\$ 28,010,297
Series F		\$ 9,239,981	\$ 8,144,279
Number of redeemable units outstanding			
Series A	7	697,601	694,810
Series F		207,022	195,600
Net assets attributable to holders of redeemable units per unit			
Series A		\$ 42.99	\$ 40.31
Series F		\$ 44.63	\$ 41.64

Approved on behalf of the Board of Directors of Arrow Capital Management Inc.,
the Manager of the Fund:

"James L. McGovern"

James L. McGovern, Director

"Robert W. Maxwell"

Robert W. Maxwell, Director

The accompanying notes are an integral part of these financial statements.

EXEMPLAR LEADERS FUND

Statements of Comprehensive Income (Unaudited) For the periods ended June 30,

	Note	2015 \$	2014 \$
Income			
Net gains on investments and derivatives			
Dividend income	5	352,584	437,085
Dividend expense on short sales	5	(3,043)	(2,416)
Net realized gain (loss) on investments and derivatives	5	2,273,472	985,490
Net change in unrealized appreciation (depreciation) in value of investments and derivatives	5	(16,285)	611,216
Net gains on investments and derivatives		2,606,728	2,031,375
Other Income Items:			
Interest on cash		4,368	6,320
Foreign exchange gain (loss)		205,708	32,779
Net change in unrealized foreign exchange gain (loss)		128,501	(9,282)
Total income (net)		2,945,305	2,061,192
Expenses			
Securityholder reporting fees		105,203	119,010
Management fees	8	302,013	274,630
Interest expense		617	-
Audit fees		9,000	7,535
Legal fees		7,877	6,632
Independent review committee fees		2,404	3,201
Custodial fees		3,009	3,100
Security borrowing expenses		4,761	6,246
Commissions and other portfolio transaction costs	8	14,314	16,375
Withholding tax expense		15,828	11,808
Harmonized sales tax		39,990	34,977
Total expenses		505,016	483,514
Increase (decrease) in net assets attributable to holders of redeemable units		2,440,289	1,577,678
Increase (decrease) in net assets attributable to holders of redeemable units	10		
Series A		1,857,367	1,190,596
Series F		582,922	387,082
Increase (decrease) in net assets attributable to holders of redeemable units per unit	10		
Series A		2.66	1.76
Series F		2.91	2.05

The accompanying notes are an integral part of these financial statements.

EXEMPLAR LEADERS FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)
For the periods ended June 30,

		2015 \$	2014 \$
Net assets attributable to holders of redeemable units at beginning of period			
	Series A	28,010,297	25,525,178
	Series F	8,144,279	7,300,068
		<u>36,154,576</u>	<u>32,825,246</u>
Increase (decrease) in net assets attributable to holders of redeemable units			
	Series A	1,857,367	1,190,596
	Series F	582,922	387,082
		<u>2,440,289</u>	<u>1,577,678</u>
Redeemable unit transactions			
Proceeds from redeemable units issued	Series A	1,475,412	3,719,586
	Series F	717,837	736,468
Redemption of redeemable units	Series A	(1,355,141)	(1,743,403)
	Series F	(205,057)	(192,821)
Net increase (decrease) from redeemable unit transactions		<u>633,051</u>	<u>2,519,830</u>
Net increase (decrease) in net assets attributable to holders of redeemable units		<u>3,073,340</u>	<u>4,097,508</u>
	Series A	29,987,935	28,691,957
	Series F	9,239,981	8,230,797
Net assets attributable to holders of redeemable units at end of period		<u>39,227,916</u>	<u>36,922,754</u>

The accompanying notes are an integral part of these financial statements.

EXEMPLAR LEADERS FUND

Statements of Cash Flows (Unaudited) For the periods ended June 30,

	2015 \$	2014 \$
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	2,440,289	1,577,678
Adjustment for:		
Net change in unrealized foreign exchange (gain) loss on cash	(159,951)	9,282
Net realized (gain) loss on investments and derivatives	(2,273,472)	(985,490)
Net change in unrealized (appreciation) depreciation in value of investments and derivatives	16,285	(611,216)
Purchase of investments	(10,094,456)	(7,209,358)
Proceeds on sale of investments	9,941,861	4,120,419
Decrease (increase) in accrued dividends receivable	(2,866)	1,727
Increase (decrease) in accrued dividends payable	173	(2,505)
Increase (decrease) in other liabilities	(821)	(655,765)
Decrease (increase) in margin deposit	(582,348)	1,331,536
Net cash from (used in) operating activities	(715,306)	(2,423,692)
Cash flows from (used in) financing activities		
Proceeds from redeemable units issued	2,186,795	4,443,111
Redemption of redeemable units	(1,581,952)	(1,865,577)
Net cash from (used in) financing activities	604,843	2,577,534
Net Increase (decrease) in cash	(110,463)	153,842
Cash at beginning of the period	5,956,804	1,101,808
Net change in unrealized foreign exchange gain (loss) on cash	159,951	(9,282)
Cash at end of the period	6,006,292	1,246,368
Interest received*	4,368	6,320
Dividends received, net of withholding tax*	333,890	427,004
Interest paid*	(617)	-
Dividends paid*	(2,870)	(4,921)
*Included as part of cash flows from operating activities		

The accompanying notes are an integral part of these financial statements.

EXEMPLAR LEADERS FUND

Schedule of Investment Portfolio – As at June 30, 2015 (Unaudited)

Equity Positions - Long		82.5%			
Security Name	Currency		Quantity	Average Cost \$	Fair Value \$
Basic Materials		4.1%			
IBC Advanced Alloys Corp.	CAD		400,000	40,000	37,884
Mandalay Resources Corporation	CAD		99,400	91,448	95,424
Noranda Income Fund	CAD		119,300	499,909	380,567
Praxair, Inc.	USD		7,300	1,097,021	1,088,625
				<u>1,728,378</u>	<u>1,602,500</u>
Communications		8.2%			
AcuityAds Holding Inc.	CAD		72,000	50,400	54,000
BCE Inc.	CAD		23,000	818,024	1,220,380
Cisco Systems, Inc.	USD		6,600	232,303	226,074
eBay Inc.	USD		2,600	154,175	195,373
Verizon Communications Inc.	USD		12,200	676,835	709,324
Webtech Wireless Inc.	CAD		291,990	566,687	744,575
YANGAROO Inc.	CAD		277,500	83,250	54,113
				<u>2,581,674</u>	<u>3,203,839</u>
Consumer, Cyclical		11.0%			
Canwell Building Materials Group	CAD		43,000	215,000	215,000
Magna International Inc.	CAD		51,000	1,179,292	3,575,100
WestJet Airlines Ltd.	CAD		19,400	365,425	511,384
				<u>1,759,717</u>	<u>4,301,484</u>
Consumer, Non-Cyclical		15.9%			
Acasti Pharma Inc.	CAD		618,500	714,714	247,400
Anthem, Inc.	USD		6,000	363,720	1,228,490
Baxter International Inc.	USD		2,700	240,916	235,523
Boyd Group Income Fund	CAD		10,200	166,186	537,744
DirectCash Payments Inc.	CAD		59,700	1,046,616	777,891
Gilead Sciences, Inc.	USD		11,500	672,025	1,679,525
Neptune Technologies & Bioresources Inc.	CAD		473,600	1,108,582	757,760
Philip Morris International Inc.	USD		5,100	322,610	510,021
Telesta Therapeutics Inc.	CAD		200,000	34,000	69,000
Varian Medical Systems, Inc.	USD		1,700	128,856	178,829
				<u>4,798,225</u>	<u>6,222,183</u>
Energy		5.5%			
Boulder Energy Ltd.	CAD		7,900	63,338	65,570
Crescent Point Energy Corp.	CAD		6,400	182,400	164,032
Freehold Royalties Ltd.	CAD		26,400	571,349	426,096
Polaris Infrastructure Inc.	CAD		41,720	333,765	566,349
RMP Energy Inc.	CAD		80,900	288,283	189,306
TransGlobe Energy Corporation	CAD		110,400	409,519	549,792
ZCL Composites Inc.	CAD		26,200	85,967	182,090
				<u>1,934,621</u>	<u>2,143,235</u>

EXEMPLAR LEADERS FUND

Schedule of Investment Portfolio – As at June 30, 2015 (Unaudited)

Equity Positions - Long		82.5%			
Security Name	Currency		Quantity	Average Cost \$	Fair Value \$
Financial		16.7%			
Alaris Royalty Corp.	CAD		69,000	1,273,674	2,103,810
American Hotel Income Properties REIT LP	CAD		13,000	138,344	134,030
Currency Exchange International, Corp.	CAD		3,300	88,275	124,004
Element Financial Corporation	CAD		87,000	1,048,510	1,718,250
Element Financial Corporation	CAD		8,400	142,800	164,556
Inovalis Real Estate Investment Trust	CAD		89,900	824,130	813,595
Input Capital Corp.	CAD		38,300	81,258	111,836
NorthWest Healthcare Properties REIT	CAD		21,632	191,896	172,407
Plum Creek Timber Company, Inc.	USD		3,600	171,394	182,185
Pure Multi-Family REIT LP	CAD		31,100	194,704	196,863
Slate Retail REIT	CAD		8,000	103,103	104,320
Tricon Capital Group Inc.	CAD		31,800	220,494	346,938
VersaPay Corporation	CAD		92,000	110,400	116,840
The Westaim Corporation	CAD		72,500	192,125	236,350
Westaim Corp.	CAD		13,300	43,225	43,359
				4,824,332	6,569,343
Industrial		8.9%			
DIRTT Environmental Solutions Ltd.	CAD		20,600	117,924	133,076
FLYHT Aerospace Solutions Ltd.	CAD		2,627,000	904,851	617,345
Headwaters Incorporated	USD		8,300	167,841	188,639
Hexcel Corporation	USD		9,299	436,839	576,963
Martinrea International Inc.	CAD		59,100	510,527	788,985
Opsens Inc.	CAD		247,000	179,700	234,650
Rocky Mountain Dealerships Inc.	CAD		8,600	99,663	79,120
United Parcel Service, Inc.	USD		7,200	883,912	870,376
				3,301,257	3,489,154
Technology		11.1%			
Apple Inc.	USD		3,300	482,658	516,302
The Descartes Systems Group Inc.	CAD		13,200	196,176	264,660
Espial Group Inc.	CAD		206,200	183,535	624,786
Immersion Corporation	USD		23,800	267,868	376,149
Imperus Technologies Corp.	CAD		116,000	40,600	30,740
Kinaxis Inc.	CAD		17,300	245,754	481,632
Microsoft Corporation	USD		26,600	1,052,359	1,464,935
Sandvine Corporation	CAD		66,900	210,150	240,171
Spectra7 Microsystems Inc.	CAD		50,800	35,155	30,480
Wi-LAN Inc.	CAD		115,500	568,937	333,795
				3,283,192	4,363,650
Utilities		1.2%			
Borex Inc.	CAD		4,500	58,275	59,761
National Fuel Gas Company	USD		5,400	329,411	396,681
				387,686	456,442
				24,599,082	32,351,830

EXEMPLAR LEADERS FUND

Schedule of Investment Portfolio – As at June 30, 2015 (Unaudited)

Equity Positions - Short		(3.5%)	Quantity	Proceeds	Fair Value
Security Name				\$	\$
Consumer, Cyclical		(2.8%)			
Tesla Motors, Inc.	USD		(3,300)	(862,340)	(1,104,271)
				(862,340)	(1,104,271)
Energy		(0.3%)			
Imperial Oil Limited	CAD		(2,800)	(145,576)	(135,100)
				(145,576)	(135,100)
Funds		(0.3%)			
iShares S&P/TSX Capped Energy	CAD		(9,000)	(123,167)	(117,180)
				(123,167)	(117,180)
				(1,131,083)	(1,356,551)

Warrant Positions - Long		0.6%		Quantity	Average Cost	Fair Value
Security Name	Currency	Strike Price	Maturity Date		\$	\$
Acasti Pharma Inc.	CAD	1.50	12-03-18	205,000	-	-
Cortex Business Solutions Inc.	CAD	11.56	04-04-16	600,000	24,000	1
Cynapsus Therapeutics Inc.	CAD	12.96	04-15-19	18,125	73,950	183,021
Eguana Technologies Inc.	CAD	0.39	12-22-19	84,000	-	4,028
Falco Resources Ltd.	CAD	0.6	11-15-15	117,000	-	4
Imperus Technologies Corp.	CAD	0.55	01-28-18	72,000	-	-
Kane Biotech Inc.	CAD	0.06	06-08-16	1,300,000	-	2,915
Opsens Inc.	CAD	1.05	02-18-16	120,000	-	7,518
Sensio Technologies Inc.	CAD	0.18	10-04-15	340,000	-	11,846
Telesta Therapeutics Inc.	CAD	0.30	09-23-19	100,000	12,000	14,532
Versapay Corp.	CAD	1.50	02-04-16	68,000	-	3,367
					109,950	227,232

Investment Portfolio Summary		Average Cost	Fair Value
	%	\$	\$
Equity Positions - Long	82.5	24,599,082	32,351,830
Equity Positions - Short	(3.5)	(1,131,083)	(1,356,551)
Warrant Positions - Long	0.6	109,950	227,232
Total Investments	79.6	23,577,949	31,222,511
Total Other Net Assets	20.4	-	8,005,405
Total Net Assets	100.0	23,577,949	39,227,916

EXEMPLAR LEADERS FUND

DISCUSSION OF NOTES 4 & 5: FINANCIAL INSTRUMENTS (UNAUDITED)

June 30, 2015

The investment objective of the Exemplar Leaders Fund is to maximize absolute returns on investments through securities selection and asset allocation. The Fund focuses on achieving growth of capital through superior securities selection and pursues a long-term investment program with the aim of generating capital gains. The Fund attempts to reduce volatility through diversifying the portfolio across both economic sectors and market capitalizations (company size and liquidity). The Fund invests primarily in equity and equity-related securities of North American companies. The Fund may also invest in international companies.

RISK MANAGEMENT

The Fund's overall risk management program seeks to maximize the returns derived for the level of risk to which the Fund is exposed and seeks to minimize potential adverse effects on the Fund's financial performance. All investments present a risk of loss of capital. The maximum loss of capital on long equity, warrants and debt securities is limited to the fair value of those positions. The maximum loss on equities and debt sold short can be unlimited.

The management of these risks is carried out by the Manager in accordance with Fund's Declaration of Trust.

A general discussion of financial risk management for the Exemplar Funds appears as Note 4: FINANCIAL INSTRUMENTS – RISK MANAGEMENT.

Credit Risk

As at June 30, 2015 and December 31, 2014 the Fund had no investments in debt instruments and therefore was not subject to related credit risk.

There are risks involved in dealing with custodians or brokers who settle trades with regard to the segregation of assets. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of the Fund. Therefore, the Fund should not be exposed to credit risk with respect to such parties. However, it may not always be possible to achieve this segregation, so the portfolio of the Fund may experience increased exposure to credit risk associated with the applicable custodians or brokers.

The Fund is exposed to counterparty credit risk on margin on deposit and receivables for securities sold. The Fund's brokerage agreement requires cash collateral in excess of 150% of the fair value of securities sold short. The Fund's brokerage services are provided BMO Nesbitt Burns which has a credit rating of Aa3 (December 31, 2014: Aa3) as rated by Moody's bond rating services.

The Fund is exposed to counterparty credit risk on cash and other receivable balances. The Fund's custodial services are provided by CIBC Mellon Trust Company which has a credit rating as rated by Moody's bond rating services of A1 (December 31, 2014: A1).

The Fund is exposed to credit risk on cash deposits held at TD Canada Trust which has a credit rating as rated by Moody's bond rating services of Aa1 (December 31, 2014: Aa1).

Liquidity Risk

All of the Fund's liabilities are typically due in less than 3 months except for performance fees which are accrued daily and payable annually on December 31 (if applicable). Redeemable units are redeemable on demand at the holder's option. However, holders of these instruments typically retain them for a longer period.

Market Risk

The following include sensitivity analyses that show how the net assets attributable to holders of redeemable units would have been affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ and the differences could be material.

(a) Currency Risk

The tables below indicate the Fund's exposure to USD as at June 30, 2015 and December 31, 2014, in Canadian dollar terms. The tables also illustrate the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to USD, with all other variables held constant. Non-monetary items include equities and warrants. Monetary items include cash and other current receivables and payables.

June 30, 2015			Impact on net assets attributable to holders of redeemable units			
Currency	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
United States Dollar - Long	\$6,009,981	\$10,631,685	\$16,641,666	\$600,998	\$1,063,169	\$1,664,167
United States Dollar - Short	-	(1,104,271)	(1,104,271)	-	(110,427)	(110,427)
Total	\$6,009,981	\$9,527,414	\$15,537,395	\$600,998	\$952,742	\$1,553,740
% of net assets attributable to holders of redeemable units	15.3%	24.3%	39.6%	1.5%	2.4%	4.0%

December 31, 2014			Impact on net assets attributable to holders of redeemable units			
Currency	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
United States Dollar - Long	\$4,099,806	\$10,724,368	\$14,824,174	\$409,981	\$1,072,437	\$1,482,418
United States Dollar - Short	(301,770)	(748,251)	(1,050,021)	(30,177)	(74,825)	(105,002)
Total	\$3,798,036	\$9,976,117	\$13,774,153	\$379,804	\$997,612	\$1,377,416
% of net assets attributable to holders of redeemable units	10.5%	27.6%	38.1%	1.0%	2.8%	3.8%

(b) Interest Rate Risk

As at June 30, 2015 and December 31, 2014 the Fund did not hold any interest-bearing securities, and therefore was not subject to significant interest rate risk.

(c) Price Risk

The Fund's policy is to manage price risk through diversification and selection of investments within specified limits established by the investment restrictions within the prospectus, as summarized below.

To achieve the investment objective of the Fund, the Manager: (i) makes long term investments of securities of issuers which the Manager believes present the greatest opportunity for capital appreciation; and (ii) manages the portfolio's sector allocation, increasing and decreasing exposure to different sectors of the market as appropriate.

The impact on net assets of the Fund due to a 5% change in market prices of equity securities with all other variables held constant, is presented in the following table.

Impact on net assets attributable to holders of redeemable units		
	June 30, 2015	December 31, 2014
5% Increase	\$1,561,126	\$1,490,500
5% Decrease	\$(1,561,126)	\$(1,490,500)

The Fund has the ability to take short positions, in total not exceeding 20% of the Net Asset Value of the Fund. Until the Fund covers its short sales, it is exposed to market risk to the extent that subsequent market fluctuations may require purchasing securities sold short at prices which may be significantly higher than the fair value reflected on the financial statements.

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 following is a summary of the Fund's concentration risk:

Market Segment	% of net assets attributable to holders of redeemable units			
	June 30, 2015		December 31, 2014	
	Long	Short	Long	Short
Basic Materials	4.1	-	-	-
Communications	8.2	-	7.8	-
Consumer, Cyclical	11.0	(2.8)	10.9	(2.1)
Consumer, Non-Cyclical	15.9	-	24.9	-
Energy	5.5	(0.3)	3.9	(0.5)
Financial	16.7	-	15.9	-
Funds	-	(0.3)	-	(0.5)
Industrial	8.9	-	9.6	-
Technology	11.1	-	10.8	-
Utilities	1.2	-	1.2	-
Warrants	0.6	-	0.5	-

FAIR VALUE MEASUREMENT

A general discussion of fair value measurement for the Exemplar Funds appears as Note 5: FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENT.

The following table illustrates the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2015 and December 31, 2014:

As at June 30, 2015	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial assets				
Equities	31,403,118	948,712	-	32,351,830
Warrants	-	227,232	-	227,232
Total	31,403,118	1,175,944	-	32,579,062
Financial liabilities				
Equities sold short	(1,356,551)	-	-	(1,356,551)
Total	(1,356,551)	-	-	(1,356,551)

As at December 31, 2014	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial assets				
Equities	30,717,452	26,307	1,340	30,745,099
Warrants	-	170,764	-	170,764
Total	30,717,452	197,071	1,340	30,915,863
Financial liabilities				
Equities sold short	(1,105,865)	-	-	(1,105,865)
Total	(1,105,865)	-	-	(1,105,865)

All fair value measurements above are recurring. The carrying values of all of the Fund's financial instruments not carried at FVTPL approximate their fair values due to their short-term nature. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it would be classified as Level 3.

The Manager is responsible for performing the fair value measurements included in the financial statements of the Fund, including Level 3 measurements if any. The Manager obtains pricing from a third party pricing vendor which is monitored and reviewed daily by the finance department. In addition, at each financial reporting date, the Manager reviews and approves all Level 3 fair value measurements.

During the period ended June 30, 2015, the Fund transferred equity securities with a fair value of \$26,307 from Level 2 to Level 1 due to resale restrictions being lifted (June 30, 2014: none).

Most of the Fund's equity positions are classified as Level 1 as the securities are actively traded on a recognized exchange and a quoted price is available. Equity positions which have resale restrictions but otherwise trade on the market are classified as Level 2.

Warrants are valued using models and valuation techniques commonly used in the industry, including inputs such as underlying stock price, restrictions on exercise and days to expiry. When the inputs that are significant to valuation are generally observable, the warrant is classified as Level 2. Warrants that have significant unobservable inputs are classified as Level 3.

As at December 31, 2014, the Fund held 13,395 Class A shares of NeuroBiopharm Inc. ("Neuro") and 26,790 NeuroBiopharm Inc. warrants which it received by a way of a dividend-in-kind from the parent company of Neuro, Neptune Technologies & Bioresources Inc. ("Neptune"). On January 13, 2015, Neptune announced that it will acquire all outstanding shares of Neuro in exchange for shares of Neptune. As such, on February 26, 2015 the Fund received 620 shares of Neptune with a value of \$1,426. Neptune is a publically traded company and the securities have been classified as Level 1.

Financial Instruments By Category

The following table presents the net gains (losses) on investments and derivatives at FVTPL by category for the periods ended June 30, 2015 and 2014.

June 30, 2015	Net realized gains/(losses) (\$)	Net unrealized gains/(losses) (\$)	Dividend Income (\$)	Dividend Expense (\$)	Total (\$)
Financial assets at FVTPL:					
Designated as FVTPL	2,193,320	379,129	352,584	-	2,925,033
HFT	-	(17,483)	-	-	(17,483)
	2,193,320	361,646	352,584	-	2,907,550
Financial liabilities at FVTPL:					
HFT	80,152	(377,931)	-	(3,043)	(300,822)
Total:	2,273,472	(16,285)	352,584	(3,043)	2,606,728

June 30, 2014	Net realized gains/(losses) (\$)	Net unrealized gains/(losses) (\$)	Dividend Income (\$)	Dividend Expense (\$)	Total (\$)
Financial assets at FVTPL:					
Designated as FVTPL	1,383,222	445,391	437,085	-	2,265,698
HFT	-	230,610	-	-	230,610
	1,383,222	676,001	437,085	-	2,496,308
Financial liabilities at FVTPL:					
HFT	(397,732)	(64,785)	-	(2,416)	(464,933)
Total:	985,490	611,216	437,085	(2,416)	2,031,375

The accompanying notes are an integral part of these financial statements.

EXEMPLAR YIELD FUND

Statements of Financial Position (Unaudited)

	Note	As at June 30, 2015	As at December 31, 2014
Assets			
Current assets			
Financial assets designated at fair value through profit and loss		\$ 7,100,132	\$ 7,845,959
Cash		202,104	882,729
Accrued interest receivable		12,645	12,402
Accrued dividends receivable		23,295	28,947
Receivable for redeemable units issued		-	26,940
		7,338,176	8,796,977
Liabilities			
Current liabilities			
Payable for securities purchased		50,000	245,032
Payable for redeemable units redeemed		20,584	96,674
Other liabilities	8	16,100	17,883
		86,684	359,589
Net assets attributable to holders of redeemable units		\$ 7,251,492	\$ 8,437,388
Net assets attributable to holders of redeemable units			
Series A		\$ 5,545,095	\$ 5,372,102
Series F		\$ 584,102	\$ 1,897,648
Series I		\$ 817,592	\$ 813,026
Series L		\$ 304,703	\$ 354,612
Number of redeemable units outstanding			
Series A	7	552,434	523,553
Series F		55,485	177,161
Series I		77,094	75,922
Series L		30,485	34,658
Net assets attributable to holders of redeemable units per unit			
Series A		\$ 10.04	\$ 10.26
Series F		\$ 10.53	\$ 10.71
Series I		\$ 10.61	\$ 10.71
Series L		\$ 10.00	\$ 10.23

Approved on behalf of the Board of Directors of Arrow Capital Management Inc.,
the Manager of the Fund:

"James L. McGovern"

James L. McGovern, Director

"Robert W. Maxwell"

Robert W. Maxwell, Director

The accompanying notes are an integral part of these financial statements.

EXEMPLAR YIELD FUND

Statements of Comprehensive Income (Unaudited) For the periods ended June 30,

	Note	2015 \$	2014 \$
Income			
Net gains (losses) on investments and derivatives			
Interest for distribution purposes	5	40,357	30,692
Dividend income	5	118,054	244,554
Net realized gain (loss) on investments and derivatives	5	26,800	279,184
Net change in unrealized appreciation (depreciation) in value of investments and derivatives	5	(19,119)	132,000
Net gains (losses) on investments and derivatives		166,092	686,430
Other Income Items:			
Interest on cash		586	1,385
Foreign exchange gain (loss)		6,003	916
Net change in unrealized foreign exchange gain (loss)		(3,884)	(7,656)
Total income (net)		168,797	681,075
Expenses			
Securityholder reporting fees		41,806	87,003
Management fees	8	66,872	69,504
Interest expense		18	-
Audit fees		9,000	8,098
Legal fees		7,877	6,158
Independent review committee fees		2,377	2,862
Custodial fees		1,080	3,000
Commissions and other portfolio transaction costs	8	14,383	2,255
Withholding tax expense		17,037	14,414
Harmonized sales tax		7,452	8,112
Total expenses before manager absorption		167,902	201,406
Less: Expenses absorbed by manager	8	(39,256)	(81,181)
Total expenses after manager absorption		128,646	120,225
Increase (decrease) in net assets attributable to holders of redeemable units		40,151	560,850
Increase (decrease) in net assets attributable to holders of redeemable units			
Series A	10	(28,208)	326,908
Series F		60,000	125,630
Series I		8,280	88,106
Series L		79	20,206
Increase (decrease) in net assets attributable to holders of redeemable units per unit			
Series A	10	(0.05)	0.62
Series F		0.51	0.68
Series I		0.11	0.58
Series L		0.00	0.65

The accompanying notes are an integral part of these financial statements.

EXEMPLAR YIELD FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited) For the periods ended June 30,

		2015 \$	2014 \$
Net assets attributable to holders of redeemable units at beginning of period			
	Series A	5,372,102	5,612,966
	Series F	1,897,648	2,033,904
	Series I	813,026	2,364,867
	Series L	354,612	241,953
		8,437,388	10,253,690
Increase (decrease) in net assets attributable to holders of redeemable units			
	Series A	(28,208)	326,908
	Series F	60,000	125,630
	Series I	8,280	88,106
	Series L	79	20,206
		40,151	560,850
Distributions to holders of redeemable units			
From net investment income	Series A	(111,388)	(111,317)
	Series F	(25,420)	(39,794)
	Series I	(16,492)	(31,631)
	Series L	(6,746)	(6,914)
		(160,046)	(189,656)
Total distributions to holders of redeemable units		(160,046)	(189,656)
Redeemable unit transactions			
Proceeds from redeemable units issued	Series A	1,573,023	834,127
	Series F	136,187	4,800
	Series I	-	-
	Series L	-	197,097
Reinvestments of distributions to holders of redeemable units	Series A	102,917	101,599
	Series F	25,148	39,245
	Series I	16,492	31,631
	Series L	6,156	4,808
Redemption of redeemable units	Series A	(1,363,351)	(750,206)
	Series F	(1,509,461)	(281,287)
	Series I	(3,714)	(1,610,613)
	Series L	(49,398)	(13,260)
Net increase (decrease) from redeemable unit transactions		(1,066,001)	(1,442,059)
Net increase (decrease) in net assets attributable to holders of redeemable units		(1,185,896)	(1,070,865)
	Series A	5,545,095	6,014,077
	Series F	584,102	1,882,498
	Series I	817,592	842,360
	Series L	304,703	443,890
Net assets attributable to holders of redeemable units at end of period		7,251,492	9,182,825

The accompanying notes are an integral part of these financial statements.

EXEMPLAR YIELD FUND

Statements of Cash Flows (Unaudited) For the periods ended June 30,

	2015 \$	2014 \$
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	40,151	560,850
Adjustment for:		
Net change in unrealized foreign exchange (gain) loss on cash	18	7,656
Net realized (gain) loss on investments and derivatives	(26,800)	(279,184)
Net change in unrealized (appreciation) depreciation in value of investments and derivatives	19,119	(132,000)
Purchase of investments	(1,439,818)	(2,249,754)
Proceeds on sale of investments	1,998,294	3,590,352
Decrease (increase) in accrued interest receivable	(243)	88
Decrease (increase) in accrued dividends receivable	5,652	15,114
Increase (decrease) in other liabilities	(1,783)	592
Net cash from (used in) operating activities	594,590	1,513,714
Cash flows from (used in) financing activities		
Proceeds from redeemable units issued	1,736,150	1,298,190
Redemption of redeemable units	(3,002,014)	(3,023,257)
Distributions paid to holders of redeemable units, net of reinvested distributions	(9,333)	(11,929)
Net cash from (used in) financing activities	(1,275,197)	(1,736,996)
Net Increase (decrease) in cash	(680,607)	(223,282)
Cash at beginning of the period	882,729	573,307
Net change in unrealized foreign exchange gain (loss) on cash	(18)	(7,656)
Cash at end of the period	202,104	342,369
Interest received*	40,700	32,165
Interest paid*	(18)	-
Dividends received, net of withholding tax*	106,669	245,254
*Included as part of cash flows from operating activities		

The accompanying notes are an integral part of these financial statements.

EXEMPLAR YIELD FUND

Schedule of Investment Portfolio – As at June 30, 2015 (Unaudited)

Equity Positions - Long		78.9%			
Security Name	Currency		Quantity	Average Cost \$	Fair Value \$
Basic Materials		0.8%			
Noranda Income Fund	CAD		18,700	69,211	59,653
				69,211	59,653
Communications		11.3%			
AT&T Inc.	USD		5,000	194,999	221,538
BCE Inc.	CAD		2,000	107,367	106,120
Verizon Communications Inc.	USD		8,300	433,238	482,573
				735,604	810,231
Consumer, Cyclical		0.7%			
Canwell Building Materials Group	CAD		10,000	50,000	50,000
				50,000	50,000
Consumer, Non-Cyclical		6.9%			
DirectCash Payments Inc.	CAD		17,700	355,057	230,631
EnerCare Inc.	CAD		9,600	134,918	127,680
Nestle S.A.	USD		1,600	115,126	144,020
				605,101	502,331
Energy		10.5%			
Crescent Point Energy Corp.	CAD		1,300	37,050	33,319
Freehold Royalties Ltd.	CAD		4,700	104,180	75,858
Kinder Morgan, Inc.	USD		3,100	111,356	148,452
MarkWest Energy Partners, L.P.	USD		3,800	217,428	267,248
Tesoro Logistics LP	USD		2,000	113,542	142,503
TransGlobe Energy Corporation	CAD		19,000	73,522	94,620
				657,078	762,000
Financial		38.3%			
Alaris Royalty Corp.	CAD		12,000	286,111	365,880
American Hotel Income Properties REIT LP	CAD		19,600	206,507	202,076
BTB Real Estate Investment Trust	CAD		7,100	33,970	32,234
Education Realty Trust, Inc.	USD		8,000	263,743	312,948
Inovalis Real Estate Investment Trust	CAD		45,900	407,036	415,395
NorthWest Healthcare Properties REIT	CAD		6,520	58,359	51,964
Plum Creek Timber Company, Inc.	USD		5,803	287,756	293,673
Pure Industrial Real Estate Trust	CAD		51,200	233,294	241,152
Pure Multi-Family REIT LP	CAD		8,900	55,745	56,337
Slate Retail REIT	CAD		19,600	237,331	255,584
Tricon Capital Group Inc.	CAD		16,800	128,265	183,288
W.P. Carey Inc.	USD		4,400	298,774	323,496
WPT Industrial Real Estate Investment Trust	USD		3,000	40,186	45,842
				2,537,077	2,779,869
Industrial		1.3%			
Norfolk Southern Corporation	USD		400	45,654	43,589
Rocky Mountain Dealerships Inc.	CAD		5,700	59,247	52,440
				104,901	96,029

EXEMPLAR YIELD FUND

Schedule of Investment Portfolio – As at June 30, 2015 (Unaudited)

Equity Positions - Long		78.9%			
Security Name	Currency		Quantity	Average Cost \$	Fair Value \$
Technology		4.0%			
Microsoft Corporation	USD		5,000	142,748	275,364
Wi-LAN Inc.	CAD		5,100	19,400	14,739
				<u>162,148</u>	<u>290,103</u>
Utilities		5.1%			
Boralex Inc.	CAD		5,200	67,631	69,056
National Grid PLC	USD		3,000	250,420	241,634
TransAlta Corporation	CAD		6,400	90,545	61,952
				<u>408,596</u>	<u>372,642</u>
				<u>5,329,716</u>	<u>5,722,858</u>

Fixed Income Positions - Long		19.0%				
Security Name	Currency	Coupon Rate %	Maturity Date	Par Value	Average Cost \$	Fair Value \$
Boyd Group Income Fund	CAD	5.25	10-31-21	100,000	100,000	107,625
Element Financial Corporation	CAD	5.13	06-30-19	200,000	200,000	252,480
Fairfax Financial Holdings Limited	CAD	7.50	08-19-19	250,000	287,125	292,718
Gibson Energy Inc.	CAD	7.00	07-15-20	100,000	98,633	107,250
Kirkland Lake Gold Inc.	CAD	6.00	06-30-17	250,000	226,875	244,188
Paramount Resources Ltd.	CAD	7.63	12-04-19	50,000	50,375	51,875
Stuart Olson Inc.	CAD	6.00	12-31-19	100,000	100,000	100,500
Videotron Ltd.	CAD	7.13	01-15-20	212,000	233,200	220,638
					<u>1,296,208</u>	<u>1,377,274</u>

Investment Portfolio Summary			Average Cost \$	Fair Value \$
	%			
Equity Positions - Long	78.9		5,329,716	5,722,858
Fixed Income Positions - Long	19.0		1,296,208	1,377,274
Total Investments	<u>97.9</u>		<u>6,625,924</u>	<u>7,100,132</u>
Total Other Net Assets	2.1		-	151,360
Total Net Assets	<u>100.0</u>		<u>6,625,924</u>	<u>7,251,492</u>

EXEMPLAR YIELD FUND
DISCUSSION OF NOTES 4 & 5: FINANCIAL INSTRUMENTS (UNAUDITED)
June 30, 2015

The investment objective of the Exemplar Yield Fund is to provide consistent and tax efficient monthly income and capital appreciation by investing in a diversified portfolio primarily consisting of Canadian equity, global equity, Canadian corporate bonds, income trusts and REITs.

RISK MANAGEMENT

The Fund's overall risk management program seeks to maximize the returns derived for the level of risk to which the Fund is exposed and seeks to minimize potential adverse effects on the Fund's financial performance. All investments present a risk of loss of capital. The maximum loss of capital on long equity and debt securities is limited to the fair value of those positions.

The management of these risks is carried out by the Manager in accordance with Fund's Declaration of Trust.

A general discussion of financial risk management for the Exemplar Funds appears as Note 4: FINANCIAL INSTRUMENTS – RISK MANAGEMENT.

Credit Risk

The analysis below summarizes the credit quality of the Fund's debt portfolio at June 30, 2015 and December 31, 2014.

Credit Rating*	Percentage of total debt securities	
	As at June 30, 2015 (%)	As at December 31, 2014 (%)
BBB	21.2	22.8
Below BBB	27.6	29.3
Not Rated	51.2	47.9
Total	100.0	100.0

* Credit ratings are obtained from Standard & Poor's, Moody's and/or Dominion Bond Rating Service. Where multiple ratings were obtained for a security, the lowest rating has been used.

There are risks involved in dealing with custodians or brokers who settle trades with regard to the segregation of assets. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of the Fund. Therefore, the Fund should not be exposed to credit risk with respect to such parties. However, it may not always be possible to achieve this segregation, so the portfolio of the Fund may experience increased exposure to credit risk associated with the applicable custodians or brokers.

The Fund is exposed to counterparty credit risk on cash and other receivable balances. The Fund's broker and custodial services are provided by CIBC Mellon Trust Company which has a credit rating as rated by Moody's bond rating services of A1 (December 31, 2014: A1).

The Fund is exposed to credit risk on cash deposits held at TD Canada Trust which has a credit rating as rated by Moody's bond rating services of Aa1 (December 31, 2014: Aa1).

Liquidity Risk

All of the Fund's liabilities are typically due in less than 3 months. Redeemable units are redeemable on demand at the holder's option. However, holders of these instruments typically retain them for a longer period.

Market Risk

The following include sensitivity analyses that show how the net assets attributable to holders of redeemable units would have been affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ and the differences could be material.

(a) Currency Risk

The tables below indicate the Fund's exposure to USD as at June 30, 2015 and December 31, 2014, in Canadian dollar terms. The tables also illustrate the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to USD, with all other variables held constant. Non-monetary items include equities. Monetary items include bonds, cash and other current receivables and payables.

June 30, 2015	Exposure			Impact on net assets attributable to holders of redeemable units		
	Currency	Monetary	Non-Monetary	Total	Monetary	Non-Monetary
United States Dollar- long	\$24,322	\$2,948,458	\$2,972,780	\$2,432	\$294,846	\$297,278
United States Dollar- short	-	-	-	-	-	-
Total	\$24,322	\$2,948,458	\$2,972,780	\$2,432	\$294,846	\$297,278
% of net assets attributable to holders of redeemable units	0.3%	40.7%	41.0%	0.0%	4.1%	4.1%

December 31, 2014	Exposure			Impact on net assets attributable to holders of redeemable units		
	Currency	Monetary	Non-Monetary	Total	Monetary	Non-Monetary
United States Dollar- long	\$276,871	\$3,189,573	\$3,466,444	\$27,687	\$318,957	\$346,644
United States Dollar- short	(118,449)	-	(118,449)	(11,845)	-	(11,845)
Total	\$158,422	\$3,189,573	\$3,347,995	\$15,842	\$318,957	\$334,799
% of net assets attributable to holders of redeemable units	1.9%	37.8%	39.7%	0.2%	3.8%	4.0%

(b) Interest Rate Risk

The table below summarizes the Fund's exposure to interest rate risk as at June 30, 2015 and December 31, 2014. The table also illustrates the potential impact, or sensitivity, on the net assets attributable to holders of redeemable units if the prevailing levels of market interest rates changed by 1.0%, assuming a parallel shift in the yield curve with all other variables held constant.

Term to Maturity	Total Exposure	
	June 30, 2015	December 31, 2014
1-3 years	\$244,188	\$187,500
3-5 years	918,211	554,342
Greater than 5 years	214,875	529,070
Total	\$1,377,274	\$1,270,912
Sensitivity:		
Total \$ sensitivity	\$31,976	\$7,514
Total % sensitivity	0.4%	0.1%

(c) Price Risk

The Fund's policy is to manage price risk through diversification and selection of investments within specified limits established by the investment restrictions within the prospectus, as summarized below.

To achieve the investment objectives of the Fund, the Manager: (i) will actively manage the asset allocation of the Fund; (ii) will make concentrated investments primarily in Canadian equities, global equities, Canadian corporate bonds, income trusts and REITs; (iii) will invest up to 30% of the assets of the Fund in foreign securities; and (iv) may hold all or a portion of the Fund's assets in cash or money market securities while seeking investment opportunities or for defensive purposes.

The impact on net assets of the Fund due to a 5% change in market prices of equity securities with all other variables held constant, is presented in the following table.

	Impact on net assets attributable to holders of redeemable units	
	June 30, 2015	December 31, 2014
5% Increase	\$286,143	\$328,752
5% Decrease	\$(286,143)	\$(328,752)

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 following is a summary of the Fund's concentration risk:

Market Segment	% of net assets attributable to holders of redeemable units			
	Equities		Fixed Income	
	June 30, 2015 (%)	December 31, 2014 (%)	June 30, 2015 (%)	December 31, 2014 (%)
Basic Materials	0.8	1.4	3.4	2.2
Communications	11.3	8.1	3.0	2.6
Consumer, Cyclical	0.7	-	-	-
Consumer, Non-Cyclical	6.9	8.3	1.5	1.3
Energy	10.5	9.4	2.2	1.8
Financial	38.3	38.6	7.5	6.0
Industrial	1.3	5.5	1.4	1.1
Technology	4.0	5.2	-	-
Utilities	5.1	1.6	-	-

FAIR VALUE MEASUREMENT

A general discussion of fair value measurement for the Exemplar Funds appears as Note 5: FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENT.

The following table illustrates the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2015 and December 31, 2014:

As at June 30, 2015	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial assets				
Equities	5,672,858	50,000	-	5,722,858
Bonds	-	1,377,274	-	1,377,274
Total	5,672,858	1,427,274	-	7,100,132

As at December 31, 2014	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial assets				
Equities	6,575,047	-	-	6,575,047
Bonds	-	1,270,912	-	1,270,912
Total	6,575,047	1,270,912	-	7,845,959

All fair value measurements above are recurring. The carrying values of all of the Fund's financial instruments not carried at FVTPL approximate their fair values due to their short-term nature. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it would be classified as Level 3.

The Manager is responsible for performing the fair value measurements included in the financial statements of the Fund, including Level 3 measurements if any. The Manager obtains pricing from a third party pricing vendor which is monitored and reviewed daily by the finance department. In addition, at each financial reporting date, the Manager reviews and approves all Level 3 fair value measurements, if applicable.

As at June 30, 2015 and December 31, 2014 the Fund did not hold any Level 3 financial instruments. There were no transfers between levels 1, 2 and 3 during the periods ending June 30, 2015 and 2014.

a) Equities

Most of the Fund's equity positions are classified as Level 1 as each security is actively traded on a recognized exchange and a quoted price is available. Equity positions which have resale restrictions but otherwise trade on the market are classified as Level 2.

b) Bonds

The Fund's bond holdings are comprised of Canadian corporate bonds. Bond pricing is obtained from bid and ask prices provided by independent security pricing services or recognized investment dealers. Bond prices may be derived by using models which include inputs such as interest rate curves, credit spreads and volatilities. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds have been classified as Level 2.

Financial Instruments By Category

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the periods ended June 30, 2015 and 2014.

June 30, 2015	Net realized gains/(losses)	Net unrealized gains/(losses)	Interest income	Interest expense	Dividend income	Dividend expense	Total
Financial assets at FVTPL:							
Designated as FVTPL	\$26,800	\$(19,119)	\$40,357	-	\$118,054	-	\$166,092
Financial liabilities at FVTPL:							
HFT	-	-	-	-	-	-	-
Total:	\$26,800	\$(19,119)	\$40,357	-	\$118,054	-	\$166,092

June 30, 2014	Net realized gains/(losses)	Net unrealized gains/(losses)	Interest income	Interest expense	Dividend income	Dividend expense	Total
Financial assets at FVTPL:							
Designated as FVTPL	\$279,184	\$132,000	\$30,692	-	\$244,554	-	\$686,430
Financial liabilities at FVTPL:							
HFT	-	-	-	-	-	-	-
Total:	\$279,184	\$132,000	\$30,692	-	\$244,554	-	\$686,430

The accompanying notes are an integral part of these financial statements.

EXEMPLAR PERFORMANCE FUND

Statements of Financial Position (Unaudited)

	Note	As at June 30, 2015	As at December 31, 2014
Assets			
Current assets			
Financial assets designated at fair value through profit and loss		\$ 9,497,647	\$ 5,224,552
Cash		4,677,917	2,273,461
Margin deposit		298,658	172,310
Accrued dividends receivable		10,483	7,690
Accrued interest receivable		227	-
Receivable for securities sold		-	63,813
Receivable for redeemable units issued		190,927	100
		<u>14,675,859</u>	<u>7,741,926</u>
Liabilities			
Current liabilities			
Financial liabilities held for trading			
Investments sold short		259,744	124,959
Payable for securities purchased		-	81,495
Accrued dividends payable		-	269
Other liabilities	8	230,617	13,413
		<u>490,361</u>	<u>220,136</u>
Net assets attributable to holders of redeemable units		\$ 14,185,498	\$ 7,521,790
Net assets attributable to holders of redeemable units			
Series A		\$ 4,369,464	\$ 2,357,412
Series AD		\$ 57,048	\$ -
Series F		\$ 7,625,447	\$ 4,960,263
Series FD		\$ 70,019	\$ -
Series I		\$ 1,360,636	\$ -
Series L		\$ 651,062	\$ 204,115
Series LD		\$ 51,822	\$ -
Number of redeemable units outstanding			
Series A	7	374,704	216,367
Series AD		5,732	-
Series F		648,896	453,629
Series FD		6,915	-
Series I		133,219	-
Series L		60,354	20,124
Series LD		5,109	-
Net assets per units attributable to holders of redeemable units			
Series A		\$ 11.66	\$ 10.90
Series AD		\$ 9.95	\$ -
Series F		\$ 11.75	\$ 10.93
Series FD		\$ 10.13	\$ -
Series I		\$ 10.21	\$ -
Series L		\$ 10.79	\$ 10.14
Series LD		\$ 10.14	\$ -

Approved on behalf of the Board of Directors of Arrow Capital Management Inc., the Manager of the Fund:

"James L. McGovern"

James L. McGovern, Director

"Robert W. Maxwell"

Robert W. Maxwell, Director

The accompanying notes are an integral part of these financial statements.

EXEMPLAR PERFORMANCE FUND

Statements of Comprehensive Income (Unaudited)

For the six months ended June 30, 2015 and for the period from March 24, 2014 (date of commencement of operations) to June 30, 2014

	Note	2015 \$	2014 \$
Income			
Net gains (losses) on investments and derivatives			
Dividend income	5	50,355	2,033
Dividend expense on short sales	5	(3,827)	(8)
Net realized gain (loss) on investments and derivatives	5	18,428	8,836
Net change in unrealized appreciation (depreciation) in value of investments and derivatives	5	855,260	99,167
Net gains (losses) on investments and derivatives		920,216	110,028
Other Income Items:			
Interest on cash		5,087	306
Foreign exchange gain (loss)		865	(1,640)
Net change in unrealized foreign exchange gain (loss)		1,145	-
Total income (net)		927,313	108,694
Expenses			
Securityholder reporting fees		64,982	23,082
Management fees	8	66,264	4,364
Performance fees	8	182,397	235
Interest expense		27	-
Audit fees		9,833	4,000
Legal fees		9,377	-
Independent review committee fees		2,367	2,559
Custodial fees		4,386	3,000
Security borrowing expenses		2,499	-
Commissions and other portfolio transaction costs	8	3,273	676
Withholding tax expense		1,369	3
Harmonized sales tax		35,215	867
Total expenses before manager absorption		381,989	38,786
Less: expenses absorbed by manager	8	(60,810)	(30,517)
Total expenses after manager absorption		321,179	8,269
Increase (decrease) in net assets attributable to holders of redeemable units		606,134	100,425
Increase (decrease) in net assets attributable to holders of redeemable units			
Series A	10	181,992	24,105
Series AD		48	-
Series F		408,156	76,320
Series FD		687	-
Series I		7,117	-
Series L		8,034	-
Series LD		100	-
Increase (decrease) in net assets attributable to holders of redeemable units per unit			
Series A	10	0.65	0.75
Series AD		0.01	-
Series F		0.75	0.87
Series FD		0.16	-
Series I		0.10	-
Series L		0.33	-
Series LD		0.06	-

The accompanying notes are an integral part of these financial statements.

EXEMPLAR PERFORMANCE FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)

For the six months ended June 30, 2015 and for the period from March 24, 2014 (date of commencement of operations) to June 30, 2014

		2015 \$	2014 \$
Net assets attributable to holders of redeemable units at beginning of period			
	Series A	2,357,412	-
	Series AD	-	-
	Series F	4,960,263	-
	Series FD	-	-
	Series I	-	-
	Series L	204,115	-
	Series LD	-	-
		7,521,790	-
Increase (decrease) in net assets attributable to holders of redeemable units			
	Series A	181,992	24,105
	Series AD	48	-
	Series F	408,156	76,320
	Series FD	687	-
	Series I	7,117	-
	Series L	8,034	-
	Series LD	100	-
		606,134	100,425
Distributions to holders of redeemable units			
From net investment income			
	Series A	-	-
	Series AD	(103)	-
	Series F	-	-
	Series FD	(221)	-
	Series I	-	-
	Series L	-	-
	Series LD	(254)	-
		(578)	-
Total distributions to holders of redeemable units		(578)	-
Redeemable unit transactions			
Proceeds from redeemable units issued			
	Series A	2,462,189	1,009,681
	Series AD	57,000	-
	Series F	2,595,839	3,289,796
	Series FD	69,332	-
	Series I	1,353,519	-
	Series L	439,059	-
	Series LD	51,722	-
Reinvestments of distributions to holders of redeemable units			
	Series A	-	-
	Series AD	103	-
	Series F	-	-
	Series FD	221	-
	Series I	-	-
	Series L	-	-
	Series LD	254	-
Redemption of redeemable units			
	Series A	(632,129)	-
	Series AD	-	-
	Series F	(338,811)	(304,746)
	Series FD	-	-
	Series I	-	-
	Series L	(146)	-
	Series LD	-	-
Net increase (decrease) from redeemable unit transactions		6,058,152	3,994,731
Net increase (decrease) in net assets attributable to holders of redeemable units		6,663,708	4,095,156
	Series A	4,369,464	1,033,786
	Series AD	57,048	-
	Series F	7,625,447	3,061,370
	Series FD	70,019	-
	Series I	1,360,636	-
	Series L	651,062	-
	Series LD	51,822	-
Net assets attributable to holders of redeemable units at end of period		14,185,498	4,095,156

The accompanying notes are an integral part of these financial statements.

EXEMPLAR PERFORMANCE FUND

Statements of Cash Flows (Unaudited)

For the six months ended June 30, 2015 and for the period from March 24, 2014 (date of commencement of operations) to June 30, 2014

	2015 \$	2014 \$
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	606,134	100,425
Adjustment for:		
Net change in unrealized foreign exchange (gain) loss on cash	(824)	-
Net realized (gain) loss on investments and derivatives	(18,428)	(8,836)
Net change in unrealized (appreciation) depreciation in value of investments and derivatives	(855,260)	(99,167)
Purchase of investments	(6,531,972)	(1,523,630)
Proceeds on sale of investments	3,249,668	142,767
Decrease (increase) in accrued dividends receivable	(2,793)	(1,580)
Decrease (increase) in accrued interest receivable	(227)	-
Increase (decrease) in accrued dividends payable	(269)	8
Increase (decrease) in other liabilities	217,204	5,451
Decrease (increase) in margin deposit	(126,348)	(42,959)
Net cash from (used in) operating activities	(3,463,115)	(1,427,521)
Cash flows from (used in) financing activities		
Proceeds from redeemable units issued	6,837,833	4,280,311
Redemption of redeemable units	(971,086)	(304,746)
Net cash from (used in) financing activities	5,866,747	3,975,565
Net Increase (decrease) in cash	2,403,632	2,548,044
Cash at beginning of the period	2,273,461	-
Net change in unrealized foreign exchange gain (loss) on cash	824	-
Cash at end of the period	4,677,917	2,548,044
Interest received*	4,860	306
Dividends received, net of withholding tax*	46,193	2,030
Interest paid*	(27)	-
Dividends paid*	(4,096)	(8)
*Included as part of cash flows from operating activities		

The accompanying notes are an integral part of these financial statements.

EXEMPLAR PERFORMANCE FUND

Schedule of Investment Portfolio – As at June 30, 2015 (Unaudited)

Equity Positions - Long		66.5%			
Security Name	Currency		Quantity	Average Cost \$	Fair Value \$
Basic Materials		1.9%			
AirBoss of America Corp.	CAD		5,100	92,629	113,730
Detour Gold Corporation	CAD		800	11,709	11,496
Klondex Mines Ltd.	CAD		44,000	88,000	149,600
				192,338	274,826
Communications		4.2%			
COM DEV International Ltd.	CAD		400	2,029	2,308
eBay Inc.	USD		600	35,274	45,086
Gaming Nation Inc.	CAD		40,000	100,000	84,000
The Intertain Group Limited	CAD		5,400	37,651	93,042
NeuLion, Inc.	CAD		24,000	32,436	38,880
Nielsen N.V.	USD		1,600	79,581	89,354
Starz	USD		1,100	43,163	61,362
Stingray Digital Group Inc.	CAD		3,400	21,250	24,650
TELUS Corporation	CAD		1,800	77,261	77,454
theScore, Inc.	CAD		28,000	18,648	17,920
UrtheCast Corp.	CAD		15,800	33,700	62,252
				480,993	596,308
Consumer, Cyclical		16.6%			
Alimentation Couche-Tard Inc.	CAD		5,200	205,476	277,836
Amaya Inc.	CAD		6,600	141,907	225,852
Canadian Tire Corporation, Limited	CAD		1,600	193,537	213,728
Cara Operations Limited	CAD		800	18,400	27,600
Cineplex Inc.	CAD		1,700	80,392	79,934
CVS Health Corporation	USD		900	115,533	117,745
DHX Media Ltd.	CAD		10,100	77,181	94,334
Dollarama Inc.	CAD		900	53,317	68,130
Foot Locker, Inc.	USD		600	46,070	50,153
Gildan Activewear Inc.	CAD		1,200	35,964	49,788
The Home Depot, Inc.	USD		200	20,118	27,725
Hudson's Bay Company	CAD		3,800	104,747	105,450
Lennar Corporation	USD		600	36,842	38,200
Linamar Corporation	CAD		2,000	127,977	162,240
Lions Gate Entertainment Corp.	USD		400	14,648	18,486
The Madison Square Garden Company	USD		800	71,241	83,316
MGM Resorts International	USD		600	16,108	13,659
New Look Vision Group Inc.	CAD		600	19,416	19,200
NIKE, Inc.	USD		900	96,719	121,270
NYX Gaming Group Limited	CAD		4,500	20,608	18,945
Performance Sports Group Ltd.	USD		4,200	98,918	94,304
Restaurant Brands International Inc.	USD		600	27,945	28,598
Richelieu Hardware Ltd.	CAD		2,200	136,165	138,226
Ross Stores, Inc.	USD		2,000	125,367	121,272
Uni-Select Inc.	CAD		2,100	86,220	98,868
Vitamin Shoppe, Inc.	USD		1,400	68,480	65,087
				2,039,296	2,359,946

EXEMPLAR PERFORMANCE FUND

Schedule of Investment Portfolio – As at June 30, 2015 (Unaudited)

Equity Positions - Long		66.5%			
Security Name	Currency		Quantity	Average Cost \$	Fair Value \$
Consumer, Non-Cyclical		17.5%			
AGT Food and Ingredients Inc	CAD		5,800	156,445	183,860
Allergan Public Limited Company	USD		300	108,895	113,561
Anthem, Inc.	USD		300	38,125	61,425
Boyd Group Income Fund	CAD		6,200	282,164	326,864
Cimpress N.V.	USD		500	52,203	52,491
Colliers International Group Inc.	USD		900	46,273	43,200
Colliers International Group Inc.	CAD		1,000	36,101	47,800
Concordia Healthcare Corp.	CAD		3,400	261,737	306,850
DH Corporation	CAD		3,700	145,068	147,704
Diageo plc	USD		100	14,291	14,475
EnerCare Inc.	CAD		4,400	57,200	58,520
ENERGIZER HOLDINGS INC	USD		200	33,657	32,819
The Hain Celestial Group, Inc.	USD		400	24,093	32,862
Halyard Health, Inc.	USD		600	34,670	30,312
Humana Inc.	USD		300	74,106	71,581
The Kroger Co.	USD		800	59,186	72,359
MacDonald, Dettwiler and Associates Ltd.	CAD		1,200	106,163	109,524
Merus Labs International Inc.	CAD		40,000	68,000	117,600
Metro Inc.	CAD		600	20,733	20,112
Morneau Shepell Inc.	CAD		6,400	109,153	106,368
Nobilis Health Corp.	CAD		10,500	89,585	89,145
Patient Home Monitoring Corp.	CAD		60,000	60,600	88,800
Pinnacle Foods Inc.	USD		400	14,096	22,723
Premium Brands Holdings Corporation	CAD		200	6,544	6,420
Valeant Pharmaceuticals International, Inc.	CAD		500	110,715	138,535
The WhiteWave Foods Company	USD		1,600	95,045	97,557
Zoetis Inc.	USD		1,500	75,434	90,224
				2,180,282	2,483,691
Energy		2.2%			
Canadian Energy Services & Technology Corp.	CAD		9,800	106,010	70,560
Enbridge Income Fund Holdings Inc.	CAD		2,600	98,156	89,778
Freehold Royalties Ltd.	CAD		8,000	144,000	129,120
PrairieSky Royalty Ltd.	CAD		600	17,539	18,906
				365,705	308,364
Financial		6.6%			
Aston Hill Financial Inc.	CAD		32,500	21,291	19,175
Blackhawk Network Holdings, Inc.	USD		1,500	56,923	77,089
Canadian Western Bank	CAD		1,400	42,732	40,278
CI Financial Corp.	CAD		3,200	104,367	107,520
Element Financial Corporation	CAD		1,400	23,441	27,650
Element Financial Corporation	CAD		19,500	331,500	382,005
FirstService Corporation	CAD		1,000	21,729	34,720
Manulife Financial Corporation	CAD		1,000	22,345	23,210
Mogo Finance Technology Inc.	CAD		6,000	60,000	53,640
Tricon Capital Group Inc.	CAD		15,500	122,784	169,105
				807,112	934,392

EXEMPLAR PERFORMANCE FUND

Schedule of Investment Portfolio – As at June 30, 2015 (Unaudited)

Equity Positions - Long		66.5%			
Security Name	Currency		Quantity	Average Cost \$	Fair Value \$
Funds		1.8%			
Health Care Select Sector SPDR	USD		1,200	92,455	111,353
iShares Russell 2000 ETF	USD		40	4,948	6,230
PureFunds ISE Cyber Security	USD		800	28,662	31,484
SPDR Gold Shares	USD		800	121,335	112,136
				<u>247,400</u>	<u>261,203</u>
Industrial		8.5%			
Avigilon Corporation	CAD		1,800	36,963	30,312
Badger Daylighting Ltd.	CAD		2,000	63,351	52,380
Bemis Company, Inc.	USD		2,000	97,642	112,291
Canadian National Railway Company	CAD		900	73,994	64,854
CCL Industries Inc.	CAD		2,500	290,436	383,000
DIRTT Environmental Solutions Ltd.	CAD		6,200	19,885	40,052
General Electric Company	USD		400	13,460	13,257
Honeywell International Inc.	USD		600	74,114	76,318
Pure Technologies Ltd.	CAD		8,400	60,293	60,900
Stantec Inc.	CAD		3,000	97,975	109,500
Stella-Jones Inc.	CAD		2,900	106,333	120,408
Student Transportation Inc.	CAD		9,800	66,271	56,448
TransForce Inc.	CAD		2,000	53,952	50,660
WSP Global Inc.	CAD		1,000	34,038	39,310
				<u>1,088,707</u>	<u>1,209,690</u>
Technology		5.9%			
Broadcom Corporation	USD		200	13,493	12,846
CGI Group Inc.	CAD		900	48,220	43,965
Computer Sciences Corporation	USD		1,600	139,142	131,007
Constellation Software Inc.	CAD		800	277,503	396,688
The Descartes Systems Group Inc.	USD		5,300	77,535	106,110
Enghouse Systems Limited	CAD		300	14,278	14,607
Espial Group Inc.	CAD		5,200	18,240	15,756
Kinaxis Inc.	CAD		2,800	58,579	77,952
NVIDIA Corporation	USD		200	5,363	5,017
salesforce.com, inc.	USD		200	17,528	17,371
Sandvine Corporation	CAD		2,600	10,344	9,334
				<u>680,225</u>	<u>830,653</u>
Utilities		1.2%			
American Water Works Company, Inc.	USD		1,200	74,180	72,794
Keyera Corp.	CAD		2,400	96,847	100,080
				<u>171,027</u>	<u>172,874</u>
				<u>8,253,085</u>	<u>9,431,947</u>

EXEMPLAR PERFORMANCE FUND

Schedule of Investment Portfolio – As at June 30, 2015 (Unaudited)

Equity Positions - Short		(1.8%)	Quantity	Proceeds	Fair Value
Security Name	Currency			\$	\$
Basic Materials		(0.1%)			
Centerra Gold Inc.	CAD		(1,300)	(8,726)	(9,230)
				(8,726)	(9,230)
Consumer, Cyclical		(0.1%)			
Coach, Inc.	USD		(300)	(13,192)	(12,952)
				(13,192)	(12,952)
Funds		(1.7%)			
iShares Russell 2000 ETF	USD		(40)	(5,378)	(6,230)
iShares S&P/TSX Capped Financials Index ETF	CAD		(2,200)	(66,726)	(67,452)
iShares S&P/TSX Completion Index ETF	CAD		(6,800)	(160,534)	(163,880)
				(232,638)	(237,562)
				(254,556)	(259,744)

Fixed Income Positions - Long		0.5%	Coupon Rate	Maturity Date	Par Value	Average Cost	Fair Value
Security Name	Currency		%			\$	\$
Element Financial Corporation	CAD		4.25	06-30-20	60,000	60,000	65,700
						60,000	65,700

Investment Portfolio Summary			Average Cost	Fair Value
	%		\$	\$
Equity Positions - Long	66.5		8,253,085	9,431,947
Equity Positions - Short	(1.8)		(254,556)	(259,744)
Fixed Income Positions - Long	0.5		60,000	65,700
Total Investments	65.2		8,058,529	9,237,903
Total Other Net Assets	34.8		-	4,947,595
Total Net Assets	100.0		8,058,529	14,185,498

EXEMPLAR PERFORMANCE FUND
DISCUSSION OF NOTES 4 & 5: FINANCIAL INSTRUMENTS (UNAUDITED)
June 30, 2015

The investment objective of the Exemplar Performance Fund is to achieve capital appreciation over both short and long term horizons primarily through the selection and management of shares of Canadian equity securities.

RISK MANAGEMENT

The Fund's overall risk management program seeks to maximize the returns derived for the level of risk to which the Fund is exposed and seeks to minimize potential adverse effects on the Fund's financial performance. All investments present a risk of loss of capital. The maximum loss of capital on long equity and debt securities is limited to the fair value of those positions. The maximum loss on equities and debt sold short can be unlimited.

The management of these risks is carried out by the Manager in accordance with the Fund's Declaration of Trust.

A general discussion of financial risk management for the Exemplar Funds appears as Note 4: FINANCIAL INSTRUMENTS – RISK MANAGEMENT.

Credit Risk

The analysis below summarizes the credit quality of the Fund's debt portfolio at June 30, 2015 and December 31, 2014.

Credit Rating*	Percentage of total debt securities	
	As at June 30, 2015 (%)	As at December 31, 2014 (%)
BBB	-	-
Below BBB	-	-
Not Rated	100.0	-
Total	100.0	-

* Credit ratings are obtained from Standard & Poor's, Moody's and/or Dominion Bond Rating Service. Where multiple ratings were obtained for a security, the lowest rating has been used.

There are risks involved in dealing with custodians or brokers who settle trades with regard to the segregation of assets. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of the Fund. Therefore, the Fund should not be exposed to credit risk with respect to such parties. However, it may not always be possible to achieve this segregation, so the portfolio of the Fund may experience increased exposure to credit risk associated with the applicable custodians or brokers.

The Fund is exposed to counterparty credit risk on margin on deposit, cash held at the broker and receivables for securities sold. The Fund's brokerage agreement requires cash collateral in excess of 150% of the fair value of securities sold short. The Fund's prime brokerage services are provided BMO Nesbitt Burns which has a credit rating of Aa3 as rated by Moody's bond rating services (December 31, 2014: Aa3).

The Fund is exposed to counterparty credit risk on cash and other receivable balances. The Fund's broker and custodial services are provided by CIBC Mellon Trust Company which has a credit rating as rated by Moody's bond rating services of A1 (December 31, 2014: A1).

The Fund is exposed to credit risk on cash deposits held at TD Canada Trust which has a credit rating as rated by Moody's bond rating services of Aa1 (December 31, 2014: Aa1).

Liquidity Risk

All of the Fund's liabilities are typically due in less than 3 months except for performance fees which are accrued daily and payable annually on December 31 (if applicable). Redeemable units are redeemable on demand at the holder's option. However, holders of these instruments typically retain them for a longer period.

Market Risk

The following include sensitivity analyses that show how the net assets attributable to holders of redeemable units would have been affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ and the differences could be material.

(a) Currency Risk

The table below indicates the Fund's exposure to USD as at June 30, 2015 and December 31, 2014 in Canadian dollar terms. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to USD, with all other variables held constant. Non-monetary items include equities. Monetary items include fixed income, cash and other current receivables and payables.

June 30, 2015	Exposure			Impact on net assets attributable to holders of redeemable units			
	Currency	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
United States Dollar - Long		\$82,391	\$2,597,514	\$2,679,905	\$8,239	\$259,751	\$267,990
United States Dollar - Short		-	(19,182)	(19,182)	-	(1,918)	(1,918)
Total		\$82,391	\$2,578,332	\$2,660,723	\$8,239	\$257,833	\$266,072
% of net assets attributable to holders of redeemable units		0.6%	18.2%	18.8%	0.1%	1.8%	1.9%

December 31, 2014	Exposure			Impact on net assets attributable to holders of redeemable units			
	Currency	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
United States Dollar - Long		\$197,160	\$1,292,266	\$1,489,426	\$19,716	\$129,227	\$148,943
United States Dollar - Short		(45,058)	(5,553)	(50,611)	(4,506)	(555)	(5,061)
Total		\$152,102	\$1,286,713	\$1,438,815	\$15,210	\$128,672	\$143,882
% of net assets attributable to holders of redeemable units		2.0%	17.1%	19.1%	0.2%	1.7%	1.9%

(b) Interest Rate Risk

The table below summarizes the Fund's exposure to interest rate risk as at June 30, 2015 and December 31, 2014. The table also illustrates the potential impact, or sensitivity, on the net assets attributable to holders of redeemable units if the prevailing levels of market interest rates changed by 1.0%, assuming a parallel shift in the yield curve with all other variables held constant.

Term to Maturity	Total Exposure	
	June 30, 2015	December 31, 2014
1-3 years	-	-
3-5 years	-	-
Greater than 5 years	\$65,700	-
Total	\$65,700	-
Sensitivity:		
Total \$ sensitivity	\$2,976	-
Total % sensitivity	0.0%	-

(c) Price Risk

The Fund's policy is to manage price risk through diversification and selection of investments within specified limits established by the investment restrictions within the prospectus, as summarized below.

To achieve the investment objective, the Fund will invest predominantly in large and mid capitalization Canadian companies. Generally, no more than 20% of the Fund is expected to be invested outside of this investment focus. The Fund may also invest in bonds and other debt instruments if warranted by financial conditions. The Fund will not specialize in any one industry other than to concentrate investments in those industries that offer the best opportunities for exceptional returns at each stage of the economic and market cycle.

The Fund may follow a more concentrated investment approach and, from time to time, over weight certain geographic regions and industry sectors when deemed appropriate by the Manager. This may result in the Fund's portfolio weightings being substantially different from the weightings of the S&P/TSX Composite Total Return Index (or its successor index).

The Fund may hold cash or invest in short term securities for the purpose of preserving capital and/or maintaining liquidity, based upon the Manager's ongoing evaluation of current and anticipated economic and market conditions. The Fund may also invest in foreign securities of the same type and characteristics as described above.

The Fund engages in short selling activities, wherein it borrows securities and sells them to third parties. Until the Fund covers its short sales, it is exposed to market risk to the extent that subsequent market fluctuations may require purchasing securities sold short at prices which may be significantly higher than the fair value reflected on the financial statements.

The impact on net assets of the Fund due to a 5% change in market prices of equity securities is \$458,610 (all other variables held constant) (December 31, 2014: \$254,980).

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 following is a summary of the Fund's concentration risk as of June 30, 2015 and December 31, 2014:

Market Segment	% of net assets attributable to holders of redeemable units			
	June 30, 2015		December 31, 2014	
	Long Positions (%)	Short Positions (%)	Long Positions (%)	Short Positions (%)
Basic Materials	1.9	(0.1)	3.2	-
Communications	4.2	-	4.5	-
Consumer, Cyclical	16.6	(0.1)	16.9	-
Consumer, Non-Cyclical	17.5	-	14.5	-
Energy	2.2	-	3.1	(0.3)
Financial	7.1	-	6.2	(0.7)
Funds	1.8	(1.7)	1.6	(0.6)
Industrial	8.5	-	12.0	-
Technology	5.9	-	5.2	-
Utilities	1.2	-	2.2	-

FAIR VALUE MEASUREMENT

A general discussion of fair value measurement for the Exemplar Funds appears as Note 5: FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENT.

The following table illustrates the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2015 and December 31, 2014:

June 30, 2015	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial assets				
Equities	9,431,947	-	-	9,431,947
Fixed Income	-	65,700	-	65,700
Total	9,431,947	65,700	-	9,497,647
Financial liabilities				
Equities sold short	(259,744)	-	-	(259,744)
Total	(259,744)	-	-	(259,744)

December 31, 2014	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial assets				
Equities	5,224,552	-	-	5,224,552
Total	5,224,552	-	-	5,224,552
Financial liabilities				
Equities sold short	(124,959)	-	-	124,959
Total	(124,959)	-	-	(124,959)

All fair value measurements above are recurring. The carrying values of all of the Fund's financial instruments not carried at FVTPL approximate their fair values due to their short-term nature. Fair values are classified as Level 1 when the related security or derivative is

actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it would be classified as Level 3.

The Manager is responsible for performing the fair value measurements included in the financial statements of the Fund, including Level 3 measurements if any. The Manager obtains pricing from a third party pricing vendor which is monitored and reviewed daily by the finance department. In addition, at each financial reporting date, the Manager reviews and approves all Level 3 fair value measurements, if applicable.

The Fund's equity positions (long and short) are all classified as Level 1 as each security is actively traded on a recognized exchange and a quoted price is available.

The Fund's bond holdings are comprised of Canadian corporate bonds. Bond pricing is obtained from bid and ask prices provided by independent security pricing services or recognized investment dealers. Bond prices may be derived by using models which include inputs such as interest rate curves, credit spreads and volatilities. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds have been classified as Level 2.

As at June 30, 2015 and December 31, 2014, the Fund did not hold any Level 3 financial instruments. There were no transfers between levels 1, 2 and 3 during the periods ending June 30, 2015 and 2014.

Financial Instruments By Category

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the period ended June 30, 2015 and 2014.

June 30, 2015	Net realized gains /(losses) (\$)	Net unrealized gains /(losses) (\$)	Interest Income (\$)	Interest Expense (\$)	Dividend Income (\$)	Dividend Expense (\$)	Total (\$)
Financial assets at FVTPL:							
Designated as FVTPL	24,454	854,993	-	-	50,355	-	929,802
Financial liabilities at FVTPL:							
HFT	(6,026)	267	-	-	-	(3,827)	(9,586)
Total:	18,428	855,260	-	-	50,355	(3,827)	920,216

June 30, 2014	Net realized gains /(losses) (\$)	Net unrealized gains /(losses) (\$)	Interest Income (\$)	Interest Expense (\$)	Dividend Income (\$)	Dividend Expense (\$)	Total (\$)
Financial assets at FVTPL:							
Designated as FVTPL	8,836	99,579	-	-	2,033	-	110,448
Financial liabilities at FVTPL:							
HFT	-	(412)	-	-	-	(8)	(420)
Total:	8,836	99,167	-	-	2,033	(8)	110,028

The accompanying notes are an integral part of these financial statements.

EXEMPLAR INVESTMENT GRADE FUND

Statements of Financial Position (Unaudited)

	Note	As at June 30, 2015	As at December 31, 2014
Assets			
Current assets			
Financial assets designated at fair value through profit and loss		\$ 58,699,693	\$ 35,806,314
Financial assets held for trading			
Unrealized gain on options - long		76,807	1,430
Unrealized gain on swaps contracts		1,609,215	522,799
Cash		3,209,653	3,668,409
Margin deposit		2,021,450	655,250
Accrued interest receivable		506,906	330,827
Receivable for securities sold		-	2,889,584
Receivable for redeemable units issued		516,069	322,924
		66,639,793	44,197,537
Liabilities			
Current liabilities			
Financial liabilities held for trading			
Unrealized loss on options - short		16,880	-
Unrealized loss on swaps contracts		281,724	53,737
Unrealized loss on futures contracts - long		39,667	2,738
Unrealized loss on futures contracts - short		84,418	66,633
Margin loan		-	92,251
Payable for securities purchased		-	5,985,514
Payable for redeemable units redeemed		46,903	7,317
Other liabilities	8	69,555	45,461
		539,147	6,253,651
Net assets attributable to holders of redeemable units		\$ 66,100,646	\$ 37,943,886
Net assets attributable to holders of redeemable units			
Series A		\$ 14,717,579	\$ 13,673,397
Series AI		\$ 2,282,353	\$ 1,935,980
Series AN		\$ 1,508,549	\$ -
Series F		\$ 44,440,416	\$ 20,079,021
Series FI		\$ 2,257,002	\$ 2,115,804
Series FN		\$ 894,747	\$ 139,684
Number of redeemable units outstanding			
Series A	7	1,500,369	1,380,046
Series AI		236,607	196,748
Series AN		149,711	-
Series F		4,506,735	2,021,822
Series FI		232,780	214,531
Series FN		88,981	14,000
Net assets attributable to holders of redeemable units per unit			
Series A		\$ 9.81	\$ 9.91
Series AI		\$ 9.65	\$ 9.84
Series AN		\$ 10.08	\$ -
Series F		\$ 9.86	\$ 9.93
Series FI		\$ 9.70	\$ 9.86
Series FN		\$ 10.06	\$ 9.98

Approved on behalf of the Board of Directors of Arrow Capital Management Inc., the Manager of the Fund:

"James L. McGovern"

James L. McGovern, Director

"Robert W. Maxwell"

Robert W. Maxwell, Director

EXEMPLAR INVESTMENT GRADE FUND

Statement of Comprehensive Income (Unaudited) For the period ended June 30,

	Note	2015 \$
Income		
Net gains (losses) on investments and derivatives		
Interest for distribution purposes	5	768,744
Net realized gain (loss) on investments and derivatives	5	425,234
Net change in unrealized appreciation (depreciation) in value of investments and derivatives	5	(528,600)
Net gains (losses) on investments and derivatives		665,378
Other Income Items:		
Interest on cash		1,373
Foreign exchange gain (loss)		18,179
Net change in unrealized foreign exchange gain (loss)		29,116
Total income (net)		714,046
Expenses		
Securityholder reporting fees		62,874
Management fees	8	261,772
Interest expense		4,616
Audit fees		9,000
Legal fees		14,447
Independent review committee fees		2,367
Custodial fees		6,417
Commissions and other portfolio transaction costs	8	5,275
Harmonized sales tax		27,796
Total expense before manager absorption		394,564
Less: expenses absorbed by manager	8	(40,050)
Total expenses after manager absorption		354,514
Increase (decrease) in net assets attributable to holders of redeemable units		359,532
Increase (decrease) in net assets attributable to holders of redeemable units		
Series A	10	70,638
Series AI		9,599
Series AN		(3,716)
Series F		267,582
Series FI		16,339
Series FN		(910)
Increase (decrease) in net assets attributable to holders of redeemable units per unit		
Series A	10	0.05
Series AI		0.05
Series AN		(0.06)
Series F		0.07
Series FI		0.08
Series FN		(0.03)

The accompanying notes are an integral part of these financial statements.

EXEMPLAR INVESTMENT GRADE FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited) For the period ended June 30,

		2015
		\$
Net assets attributable to holders of redeemable units at beginning of period		
	Series A	13,673,397
	Series AI	1,935,980
	Series AN	-
	Series F	20,079,021
	Series FI	2,115,804
	Series FN	139,684
		<u>37,943,886</u>
Increase (decrease) in net assets attributable to holders of redeemable units		
	Series A	70,638
	Series AI	9,599
	Series AN	(3,716)
	Series F	267,582
	Series FI	16,339
	Series FN	(910)
		<u>359,532</u>
Distributions to holders of redeemable units		
From net investment income	Series A	(214,807)
	Series AI	(51,122)
	Series AN	-
	Series F	(553,996)
	Series FI	(52,617)
	Series FN	-
		<u>(872,542)</u>
Redeemable unit transactions		
Proceeds from redeemable units issued	Series A	4,247,945
	Series AI	810,131
	Series AN	1,512,265
	Series F	28,646,629
	Series FI	645,445
	Series FN	755,973
Reinvestments of distributions to holders of redeemable units	Series A	156,033
	Series AI	21,855
	Series AN	-
	Series F	289,054
	Series FI	28,621
	Series FN	-
Redemption of redeemable units	Series A	(3,215,627)
	Series AI	(444,090)
	Series AN	-
	Series F	(4,287,874)
	Series FI	(496,590)
	Series FN	-
Net increase (decrease) from redeemable unit transactions		<u>28,669,770</u>
Net increase (decrease) in net assets attributable to holders of redeemable units		<u>28,156,760</u>
	Series A	14,717,579
	Series AI	2,282,353
	Series AN	1,508,549
	Series F	44,440,416
	Series FI	2,257,002
	Series FN	894,747
Net assets attributable to holders of redeemable units at end of period		<u>66,100,646</u>

The accompanying notes are an integral part of these financial statements.

EXEMPLAR INVESTMENT GRADE FUND

Statement of Cash Flows For the period ended June 30,

	2015 \$
Cash flows from (used in) operating activities	
Increase (decrease) in net assets attributable to holders of redeemable units	359,532
Adjustment for:	
Net change in unrealized foreign exchange (gain) loss on cash	(31,066)
Net realized (gain) loss on investments and derivatives	(425,234)
Net change in unrealized (appreciation) depreciation in value of investments and derivatives	528,600
Purchase of investments	(130,197,186)
Proceeds on sale of investments	103,242,299
Decrease (increase) in accrued interest receivable	(176,079)
Increase (decrease) in other liabilities	24,094
Decrease (increase) in margin deposit	(1,366,200)
Net cash from (used in) operating activities	(28,041,240)
Cash flows from (used in) financing activities	
Proceeds from redeemable units issued	36,425,243
Redemption of redeemable units	(8,404,595)
Distributions paid to holders of redeemable units, net of reinvested distributions	(376,979)
Increase (decrease) in margin loan	(92,251)
Net cash from (used in) financing activities	27,551,418
Net Increase (decrease) in cash	(489,822)
Cash at beginning of the period	3,668,409
Net change in unrealized foreign exchange gain (loss) on cash	31,066
Cash at end of the period	3,209,653
Interest received*	594,038
Interest paid*	(4,616)
*Included as part of cash flows from operating activities	

The accompanying notes are an integral part of these financial statements.

EXEMPLAR INVESTMENT GRADE FUND

Schedule of Investment Portfolio – As at June 30, 2015 (Unaudited)

Fixed Income Positions - Long	88.8%					
Security Name	Currency	Coupon Rate	Maturity Date	Par Value	Average Cost	Fair Value
		%			\$	\$
Algonquin Power Co.	CAD	5.50	07-25-18	201,000	219,582	220,169
Aon Finance N.S. 1, ULC	CAD	4.76	03-08-18	1,800,000	1,930,212	1,940,310
Apple Inc.	USD	3.45	02-09-45	284,000	297,356	301,029
Apple Inc.	USD	4.38	05-13-45	437,000	522,878	538,511
Bank of America Corporation	CAD	3.23	06-22-22	3,369,000	3,369,000	3,399,456
The Bank of Nova Scotia	CAD	1.80	05-09-16	5,000,000	5,031,050	5,031,750
Bell Canada	CAD	4.88	04-26-18	420,000	455,234	457,304
Bell Canada	CAD	4.40	03-16-18	841,000	899,483	904,210
Bell Canada	CAD	4.70	09-11-23	1,124,000	1,268,444	1,249,674
Brookfield Renewable Energy Partners ULC	CAD	6.13	11-30-16	489,000	528,604	519,235
Canadian Imperial Bank of Commerce	CAD	1.75	06-01-16	3,000,000	3,018,390	3,019,920
Choice Properties Real Estate Investment Trust	CAD	3.55	07-05-18	1,145,000	1,183,946	1,203,074
Citigroup Inc.	CAD	3.39	11-18-21	1,481,000	1,501,388	1,535,753
Cominar Real Estate Investment Trust	CAD	4.16	06-01-22	755,000	755,000	756,835
Cominar Real Estate Investment Trust	CAD	4.27	06-15-17	1,098,000	1,140,860	1,141,810
Cominar Real Estate Investment Trust	CAD	2.08	09-22-16	139,000	139,000	138,893
CT Real Estate Investment Trust	CAD	3.53	06-09-25	615,000	615,000	613,395
CT Real Estate Investment Trust	CAD	2.85	06-09-22	305,000	305,000	305,939
ENMAX Corporation	CAD	3.81	12-05-24	1,000,000	1,000,000	1,029,110
The Export-Import Bank of Korea	CAD	2.71	12-05-19	241,000	241,000	250,681
The Goldman Sachs Group, Inc.	CAD	5.00	05-03-18	1,111,000	1,200,946	1,211,457
Government of Canada	CAD	1.50	03-01-17	950,000	964,250	966,426
Government of Canada	CAD	1.50	03-01-20	1,000	1,020	1,031
H&R Real Estate Investment Trust	CAD	5.90	02-03-17	493,000	532,161	525,045
Home Trust Company	CAD	2.35	05-24-17	420,000	418,908	421,869
KRC North Holdings III, Inc.	CAD	5.99	04-13-18	1,232,000	1,387,338	1,368,690
KRC North Holdings III, Inc.	CAD	3.86	08-04-20	886,000	944,131	939,444
Leisureworld Senior Care LP	CAD	3.47	02-03-21	478,000	486,835	506,663
Lloyds Bank plc	USD	3.50	05-14-25	295,000	356,140	362,045
Loblaw Companies Limited	CAD	4.86	09-12-23	2,000,000	2,221,260	2,245,100
Manitoba Telecom Services Inc.	CAD	4.59	10-01-18	2,366,000	2,567,531	2,566,211
Morgan Stanley	CAD	3.13	08-05-21	2,166,000	2,209,375	2,226,778
Navient Corporation	USD	5.63	08-01-33	390,000	366,804	396,486
Penske Truck Leasing Canada Inc	CAD	3.65	02-01-18	1,000,000	1,038,100	1,043,920
RioCan Real Estate Investment Trust	CAD	2.87	03-05-18	873,000	882,825	895,541
Rogers Communications Inc.	CAD	4.00	03-13-24	96,000	99,122	100,127
Royal Bank of Canada	CAD	3.36	01-11-16	3,000,000	3,049,800	3,037,320
Shaw Communications Inc.	CAD	4.35	01-31-24	1,500,000	1,585,247	1,593,750
TELUS Corporation	CAD	3.75	01-17-25	1,000,000	997,916	1,027,190
Telus Corporation	CAD	4.40	01-29-46	1,536,000	1,535,570	1,434,639
Thomson Reuters Corporation	CAD	3.31	11-12-21	1,542,000	1,568,373	1,598,931
Thomson Reuters Corporation	CAD	4.35	09-30-20	800,000	861,808	879,472
TransCanada PipeLines Ltd	CAD	9.45	03-20-18	1,467,000	1,799,598	1,764,566
Ventas Canada Finance Limited	CAD	3.00	09-30-19	552,000	550,416	570,028
Ventas Canada Finance Limited	CAD	4.13	09-30-24	487,000	485,062	507,956
Videotron Ltd.	CAD	7.13	01-15-20	600,000	629,250	624,450
Videotron Ltd.	CAD	6.88	07-15-21	170,000	183,388	182,538
Videotron Ltd.	CAD	5.63	06-15-25	500,000	506,250	516,875
Wells Fargo & Company	CAD	3.87	05-21-25	1,471,000	1,471,000	1,494,624

EXEMPLAR INVESTMENT GRADE FUND

Schedule of Investment Portfolio – As at June 30, 2015 (Unaudited)

Fixed Income Positions - Long		88.8%				
Security Name	Currency	Coupon Rate %	Maturity Date	Par Value	Average Cost \$	Fair Value \$
Westcoast Energy Inc.	CAD	3.43	09-12-24	156,000	155,934	158,633
WTH Car Rental, ULC	CAD	1.91	07-20-20	3,000,000	3,000,000	2,974,830
					<u>58,477,785</u>	<u>58,699,693</u>

Option Positions - Long		0.1%				
Security Name	Currency	Strike Price	Expiry Date	Contracts	Average Cost \$	Fair Value \$
Euro FX Currency Future SEP 15	USD	1.10	09-05-15	6	18,964	16,091
PUT SWAPTION CDX NA HY S23 1.03	USD	60.00	08-20-15	14,286,000	13,194	5,132
PUT SWAPTION CDX NA HY S23 1.03	USD	160.00	08-20-15	14,286,000	1,759	454
PUT SWAPTION CDX NA HY S24 1.60	USD	160.00	08-20-15	48,185,000	5,931	1,531
PUT SWAPTION CDX NA IG S24 1.60	USD	160.00	07-16-15	12,500,000	2,286	23
S & P 500 Emini Index Future SEP 15	USD	1,950.00	08-22-15	12	7,860	16,279
S & P 500 Emini Index Future (CME)	USD	1,900.00	09-19-15	26	20,661	37,297
					<u>70,655</u>	<u>76,807</u>

Option Positions - Short		(0.0%)				
Security Name	Currency	Strike Price	Expiry Date	Contracts	Proceeds \$	Fair Value \$
PUT SWAPTION CDX NA HY S23 1.03	USD	90.00	08-20-15	(14,286,000)	(13,194)	(16,880)
					<u>(13,194)</u>	<u>(16,880)</u>

Swap Positions - Long		2.4%				
Security Name	Currency			Notional Value	Cost \$	Fair Value \$
CDS SP GM Motors	USD			2,427,000	539,517	531,290
CDX SP NA IG S24 5Y	USD			60,685,000	1,406,538	1,077,796
IRS R CDOR03 P 0.975	CAD			917,000	-	129
					<u>1,946,055</u>	<u>1,609,215</u>

Swap Positions - Short		(0.4%)				
Security Name	Currency			Notional Value	Cost \$	Fair Value \$
CDS SP NY Times Company	USD			330,000	(5,341)	(7,912)
IRS R CDOR03 P 1.585	CAD			1,800,000	-	(28,749)
IRS R CDOR03 P 1.657	CAD			3,300,000	-	(59,027)
IRS R CDOR03 P1.5925	CAD			8,800,000	-	(134,439)
IRS R CDOR3M P 2.117	CAD			735,000	-	(27,723)
IRS R CDOR3M P 2.1465	CAD			610,000	-	(23,874)
					<u>(5,341)</u>	<u>(281,724)</u>

EXEMPLAR INVESTMENT GRADE FUND

Schedule of Investment Portfolio – As at June 30, 2015 (Unaudited)

Futures Contracts - Long						
Security Name	Currency	(0.1%) Contracts	Contract Size	Expiry Date	Notional Value	Gain / (Loss) \$
Canadian Currency						
Canadian Dollar Currency Future (CME)	USD	24	1,000	09-16-15	1,919,520	(39,667)
						<u>(39,667)</u>

Futures Contracts - Short						
Security Name	Currency	(0.1%) Contracts	Contract Size	Expiry Date	Notional Value	Gain / (Loss) \$
Canadian Bond						
Canada 10YR Bond Future (MSE)	CAD	(135)	1,000	09-21-15	(18,900,000)	(11,122)
Canada 5YR Bond Future (MSE)	CAD	(90)	1,000	09-21-15	(11,219,400)	(70,910)
International Currency						
Euro FX Currency Future (CME)	USD	(16)	125,000	09-14-15	(2,231,200)	7,672
US Bond						
US 10YR Treasury Notes FUTURE (CBT)	USD	(3)	1,000	09-21-15	(378,516)	(702)
US Treasury Bond Future (CBT)	USD	(6)	1,000	09-21-15	(905,063)	(9,356)
						<u>(84,418)</u>

Investment Portfolio Summary		Average Cost	Fair Value
	%	\$	\$
Fixed Income Positions - Long	88.8	58,477,785	58,699,693
Option Positions - Long	0.1	70,655	76,807
Options Positions - Short	(0.0)	(13,194)	(16,880)
Swap Positions - Long	2.4	1,946,055	1,609,215
Swap Positions - Short	(0.4)	(5,341)	(281,724)
Futures Contracts - Long	(0.1)	-	(39,667)
Futures Contracts - Short	(0.1)	-	(84,418)
Total Investments	90.7	60,475,960	59,963,026
Total Other Net Assets	9.3	-	6,137,620
Total Net Assets	100.0	60,475,960	66,100,646

EXEMPLAR INVESTMENT GRADE FUND
DISCUSSION OF NOTES 4 & 5: FINANCIAL INSTRUMENTS (UNAUDITED)
June 30, 2015

The investment objective of the Exemplar Investment Grade Fund is to generate income and capital preservation by investing in a diversified portfolio of primarily North American investment grade corporate bonds.

RISK MANAGEMENT

The Fund's overall risk management program seeks to maximize the returns derived for the level of risk to which the Fund is exposed and seeks to minimize potential adverse effects on the Fund's financial performance. All investments present a risk of loss of capital. The maximum loss of capital on long equity, options, interest rate swaps, credit default swaps and debt securities is limited to the fair value of those positions. The maximum loss on equities, options and debt sold short can be unlimited and the maximum loss on futures contracts is the notional contract value of those positions.

The management of these risks is carried out by the Manager and Portfolio Sub-Advisor in accordance with the Fund's Declaration of Trust.

The Fund's use of leverage and borrowings can increase the Fund's exposure to these risks, which in turn can also increase the potential returns the Fund can achieve. The Portfolio Sub-Advisor uses leverage against assets with satisfactory liquidity characteristics in order to increase return on capital subject to market conditions.

A general discussion of financial risk management for the Exemplar Funds appears as Note 4: FINANCIAL INSTRUMENTS – RISK MANAGEMENT.

Credit Risk

The analysis below summarizes the credit quality of the Fund's debt portfolio at June 30, 2015 and December 31, 2014.

Credit Rating*	Percentage of total debt securities	
	As at June 30, 2015	As at December 31, 2014
AAA	1.6%	0.0%
AA	20.7%	4.0%
A	14.6%	10.6%
BBB	49.7%	81.1%
Below B	2.9%	4.3%
Not Rated	10.5%	-
Total	100.0%	100.0%

* Credit ratings are obtained from Standard & Poor's, Moody's and/or Dominion Bond Rating Service. Where multiple ratings were obtained for a security, the lowest rating has been used.

The Fund is exposed to credit risk on swaps and futures contracts. The counterparties to the Fund's swaps are Bank of America and JP Morgan Chase & Co. which have credit ratings as rated by Moody's bond rating services of Baa2 and A3, respectively (December 31, 2014: Baa2 and A3, respectively). Futures contracts are exchange traded. Cash collateral has been provided to JP Morgan Chase & Co. in accordance with terms of derivative transaction agreements.

The Fund is exposed to counterparty credit risk on cash, margin deposits and other receivable balances. The Fund's broker and custodial services are provided by CIBC Mellon Trust Company which has a credit rating as rated by Moody's bond rating services of A1 (December 31, 2014: A1).

The Fund is exposed to credit risk on cash deposits held at TD Canada Trust which has a credit rating as rated by Moody's bond rating services of Aa1 (December 31, 2014: Aa1).

There are risks involved in dealing with custodians or brokers who settle trades with regard to the segregation of assets. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of the Fund. Therefore, the Fund should not be exposed to credit risk with respect to such parties. However, it may not always be possible to achieve this segregation, so the portfolio of the Fund may experience increased exposure to credit risk associated with the applicable custodians or brokers.

Liquidity Risk

All of the Fund's liabilities are typically due in less than 3 months. Redeemable units are redeemable on demand at the holder's option. However, holders of these instruments typically retain them for a longer period.

From time to time, the Fund may use margin borrowings in one or more of its brokerage accounts. For the period ending June 30, 2015, the minimum margin borrowings used was \$405,217 and the maximum margin borrowings used was \$743,184. (December 31, 2014: min: \$0, max: \$478,093).

Market Risk

The following include sensitivity analyses that show how the net assets attributable to holders of redeemable units would have been affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ and the differences could be material.

(a) Currency Risk

The table below indicates the Fund's exposure to USD as at June 30, 2015 and December 31, 2014 in Canadian dollar terms. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to USD, with all other variables held constant. Non-monetary items include non-financial options. Monetary items include futures, bonds, cash, swaps, financial options and other current receivables and payables.

June 30, 2015	Exposure			Impact on net assets attributable to holders of redeemable units		
	Currency	Monetary	Non-Monetary	Total	Monetary	Non-Monetary
United States Dollar - Long	\$5,074,204	-	\$5,074,204	\$507,420	-	\$507,420
United States Dollar - Short	(523,786)	-	(523,786)	(52,378)	-	(52,378)
Total	\$4,550,418	-	\$4,550,418	\$455,042	-	\$455,042
% of net assets attributable to holders of redeemable units	6.9%	-	6.9%	0.7%	-	0.7%

December 31, 2014	Exposure			Impact on net assets attributable to holders of redeemable units		
	Currency	Monetary	Non-Monetary	Total	Monetary	Non-Monetary
United States Dollar - Long	\$924,908	-	\$924,908	\$92,490	-	\$92,490
United States Dollar - Short	(43,489)	-	(43,489)	(4,349)	-	(4,349)
Total	\$881,419	-	\$881,419	\$88,141	-	\$88,141
% of net assets attributable to holders of redeemable units	2.3%	-	2.3%	0.2%	-	0.2%

(b) Interest Rate Risk

The table below summarizes the Fund's exposure to interest rate risk as at June 30, 2015 and December 31, 2014. The table also illustrates the potential impact, or sensitivity, on the net assets attributable to holders of redeemable units if the prevailing levels of market interest rates changed by 1.0%, assuming a parallel shift in the yield curve with all other variables held constant.

Term to Maturity	Total exposure	
	June 30, 2015	December 31, 2014
Less than 1 year	\$3,019,920	\$500,070
1-3 years	23,197,321	8,927,904
3-5 years	4,546,113	12,942,717
Greater than 5 years	27,936,339	13,435,623
Total	\$58,699,693	\$35,806,314
Sensitivity:		
Total \$ sensitivity	\$2,486,592	\$1,487,539
Total % sensitivity	3.8%	3.9%

(c) Price Risk

The Fund's policy is to manage price risk through pursuit of a diversified investment program that focuses on investment-grade fixed income securities while utilizing other assets such as options and credit default swaps, to extract relative value and to manage credit exposure.

The Fund engages in short selling activities, wherein it borrows securities and sells them to third parties. Until the Fund covers its short sales, it is exposed to market risk to the extent that subsequent market fluctuations may require purchasing securities sold, not yet purchased, at prices which may be significantly higher than the fair value reflected on the financial statements.

As at June 30, 2015, if the Fund's relevant benchmark index, FTSE TMX Canada Universe Bond Index, had increased or decreased by 5%, with all other variables held constant, the net assets attributable to holders of redeemable units of the Fund would have increased or decreased by \$165,251 (December 31, 2014: \$117,161).

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 following is a summary of the Fund's concentration risk as of June 30, 2015 and December 31, 2014:

Market Segment	% of net assets attributable to holders of redeemable units	
	June 30, 2015 (%)	December 30, 2014 (%)
Communications	19.9	24.0
Consumer, Cyclical	-	2.9
Consumer, Non-cyclical	5.7	12.1
Energy	2.7	9.3
Diversified	0.3	-
Financials	54.5	31.6
Government	1.8	0.6
Technology	1.3	-
Utilities	2.6	13.9

FAIR VALUE MEASUREMENT

A general discussion of fair value measurement for the Exemplar Funds appears as Note 5: FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENT.

The following table illustrates the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2015 and December 31, 2014:

As at June 30, 2015	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial assets				
Bonds	-	58,699,693	-	58,699,693
Derivatives	76,807	1,609,215	-	1,686,022
Total	76,807	60,308,908	-	60,385,715
Financial liabilities				
Derivatives	(140,965)	(281,724)	-	(422,689)
Total	(140,965)	(281,724)	-	(422,689)

As at December 31, 2014	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial assets				
Bonds	-	35,806,314	-	35,806,314
Derivatives	1,430	522,799	-	524,229
Total	1,430	36,329,113	-	36,330,543
Financial liabilities				
Derivatives	(69,371)	(53,737)	-	(123,108)
Total	(69,371)	(53,737)	-	(123,108)

All fair value measurements above are recurring. The carrying values of all of the Fund's financial instruments not carried at FVTPL approximate their fair values due to their short-term nature. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it would be classified as Level 3.

The Manager is responsible for performing the fair value measurements included in the financial statements of the Fund, including Level 3 measurements if any. The Manager obtains pricing from a third party pricing vendor which is monitored and reviewed daily by the finance department. In addition, at each financial reporting date, the Manager reviews and approves all Level 3 fair value measurements, if applicable.

As at June 30, 2015 and December 31, 2014, the Fund did not hold any Level 3 financial instruments. There were no transfers between levels 1, 2 and 3 during the period ending June 30, 2015.

a) Bonds

The Fund's bond holdings are comprised of Canadian and US bonds. Bond pricing is obtained from bid and ask prices provided by independent security pricing services or recognized investment dealers. Bond prices may be derived by using models which include inputs such as interest rate curves, credit spreads and volatilities. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds have been classified as Level 2.

b) Derivatives

Derivative assets and liabilities consist of futures contracts, options and interest rate swaps. Long and short futures contracts and options are exchange traded and are classified as Level 1 as they are actively traded on a recognized exchange and a quoted price is available. Interest rate swaps are valued using indicative bid/ask prices from third party broker dealers. The inputs that are significant to valuation are generally observable and therefore interest rate swaps have been classified as Level 2.

Financial Instruments By Category

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the period ended June 30, 2015.

June 30, 2015	Net realized gains/(losses)	Net unrealized gains/(losses)	Interest income	Interest expense	Dividend income	Dividend expense	Total
Financial assets at FVTPL:							
Designated as FVTPL	\$122,191	\$90,173	\$768,744	-	-	-	\$981,108
HFT	514,153	(564,059)	-	-	-	-	(49,906)
	636,344	(473,886)	768,744	-	-	-	931,202
Financial liabilities at FVTPL:							
HFT	(211,110)	(54,714)	-	-	-	-	(265,824)
Total:	\$425,234	\$(528,600)	\$768,744	-	-	-	\$665,378

The accompanying notes are an integral part of these financial statements.

EXEMPLAR TACTICAL CORPORATE BOND FUND

Statements of Financial Position (Unaudited)

	Note	As at June 30, 2015	As at December 31, 2014
Assets			
Current assets			
Financial assets designated at fair value through profit and loss		\$ 24,961,331	\$ 20,307,526
Financial assets held for trading			
Unrealized gain on futures contracts - short		-	363
Cash		4,324,156	3,693,981
Margin deposit		460,374	142,623
Accrued interest receivable		210,599	185,395
Receivable for redeemable units issued		348,056	17,081
		30,304,516	24,346,969
Liabilities			
Current liabilities			
Financial liabilities held for trading			
Unrealized loss on swap contracts		-	23,379
Unrealized loss on futures contracts - long		46,279	-
Unrealized loss on futures contracts - short		68,824	28,672
Payable for securities purchased		-	2,110,340
Payable for redeemable units redeemed		52,300	78,959
Other liabilities	8	38,055	32,956
		205,458	2,274,306
Net assets attributable to holders of redeemable units		\$ 30,099,058	\$ 22,072,663
Net assets attributable to holders of redeemable units			
Series A		\$ 4,559,092	\$ 3,448,110
Series AI		\$ 293,720	\$ 265,651
Series AN		\$ 6,386,362	\$ 5,346,433
Series F		\$ 11,463,936	\$ 9,797,932
Series FI		\$ 1,333,189	\$ 1,730,145
Series FN		\$ 4,657,696	\$ 1,100,299
Series I		\$ 452,247	\$ -
Series L		\$ 942,830	\$ 384,093
Series LI		\$ 9,986	\$ -
Number of redeemable units outstanding	7		
Series A		470,763	353,365
Series AI		30,862	27,429
Series AN		629,122	535,963
Series F		1,174,223	1,000,466
Series FI		139,172	178,174
Series FN		457,658	110,483
Series I		45,089	-
Series L		97,036	39,212
Series LI		1,000	-
Net assets attributable to holders of redeemable units per unit			
Series A		\$ 9.68	\$ 9.76
Series AI		\$ 9.52	\$ 9.69
Series AN		\$ 10.15	\$ 9.98
Series F		\$ 9.76	\$ 9.79
Series FI		\$ 9.58	\$ 9.71
Series FN		\$ 10.18	\$ 9.96
Series I		\$ 10.03	\$ -
Series L		\$ 9.72	\$ 9.80
Series LI		\$ 9.99	\$ -

Approved on behalf of the Board of Directors of Arrow Capital Management Inc., the Manager of the Fund:

"James L. McGovern"

James L. McGovern, Director

"James L. McGovern"

James L. McGovern, Director

EXEMPLAR TACTICAL CORPORATE BOND FUND

Statement of Comprehensive Income (Unaudited) From the period ended June 30,

	Note	2015 \$
Income		
Net gains (losses) on investments and derivatives		
Interest for distribution purposes	5	510,952
Net realized gain (loss) on investments and derivatives	5	39,828
Net change in unrealized appreciation (depreciation) in value of investments and derivatives	5	82,499
Net gains (losses) on investments and derivatives		633,279
Other Income Items:		
Interest on cash		855
Foreign exchange gain (loss)		9,360
Net change in unrealized foreign exchange gain (loss)		1,011
Total income (net)		644,505
Expenses		
Securityholder reporting fees		32,707
Management fees	8	150,359
Interest expense		10,108
Audit fees		9,000
Legal fees		14,447
Independent review committee fees		2,367
Custodial fees		2,668
Commissions and other portfolio transaction costs		320
Commissions on Futures	8	2,102
Harmonized sales tax		18,838
Total expense before manager absorption		242,916
Less: expenses absorbed by manager	8	(38,516)
Total expenses after manager absorption		204,400
Increase (decrease) in net assets attributable to holders of redeemable units		440,105
Increase (decrease) in net assets attributable to holders of redeemable units	10	
Series A		55,173
Series AI		5,957
Series AN		96,659
Series F		192,300
Series FI		43,162
Series FN		37,053
Series I		1,117
Series L		8,698
Series LI		(14)
Increase (decrease) in net assets attributable to holders of redeemable units per unit	10	
Series A		0.17
Series AI		0.17
Series AN		0.17
Series F		0.22
Series FI		0.22
Series FN		0.16
Series I		0.05
Series L		0.12
Series LI		(0.01)

The accompanying notes are an integral part of these financial statements.

EXEMPLAR TACTICAL CORPORATE BOND FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)
From the period ended June 30,

		2015 \$
Net assets attributable to holders of redeemable units at beginning of period		
	Series A	3,448,110
	Series AI	265,651
	Series AN	5,346,433
	Series F	9,797,932
	Series FI	1,730,145
	Series FN	1,100,299
	Series I	-
	Series L	384,093
	Series LI	-
		22,072,663
Increase (decrease) in net assets attributable to holders of redeemable units		
	Series A	55,173
	Series AI	5,957
	Series AN	96,659
	Series F	192,300
	Series FI	43,162
	Series FN	37,053
	Series I	1,117
	Series L	8,698
	Series LI	(14)
		440,105
Distributions to holders of redeemable units		
From net investment income		
	Series A	(75,816)
	Series AI	(11,955)
	Series AN	-
	Series F	(212,817)
	Series FI	(65,267)
	Series FN	-
	Series I	(546)
	Series L	(17,461)
	Series LI	-
		(383,862)
Total distributions to holders of redeemable units		(383,862)
Redeemable unit transactions		
Proceeds from redeemable units issued		
	Series A	2,186,486
	Series AI	73,000
	Series AN	1,258,124
	Series F	4,314,653
	Series FI	371,000
	Series FN	3,579,328
	Series I	451,130
	Series L	552,622
	Series LI	10,000
Reinvestments of distributions to holders of redeemable units		
	Series A	59,810
	Series AI	11,955
	Series AN	-
	Series F	168,698
	Series FI	64,344
	Series FN	-
	Series I	546
	Series L	14,878
	Series LI	-
Redemption of redeemable units		
	Series A	(1,114,671)
	Series AI	(50,888)
	Series AN	(314,854)
	Series F	(2,796,830)
	Series FI	(810,195)
	Series FN	(58,984)
	Series I	-
	Series L	-
	Series LI	-
Net increase (decrease) from redeemable unit transactions		7,970,152
Net increase (decrease) in net assets attributable to holders of redeemable units		8,026,395
	Series A	4,559,092
	Series AI	293,720
	Series AN	6,386,362
	Series F	11,463,936
	Series FI	1,333,189
	Series FN	4,657,696
	Series I	452,247
	Series L	942,830
	Series LI	9,986
Net assets attributable to holders of redeemable units at end of period		30,099,058

The accompanying notes are an integral part of these financial statements.

EXEMPLAR TACTICAL CORPORATE BOND FUND

Statement of Cash Flows (Unaudited) From the period ended June 30,

	2015 \$
Cash flows from (used in) operating activities	
Increase (decrease) in net assets attributable to holders of redeemable units	440,105
Adjustment for:	
Net change in unrealized foreign exchange (gain) loss on cash	(1,055)
Net realized (gain) loss on investments and derivatives	(39,828)
Net change in unrealized (appreciation) depreciation in value of investments and derivatives	(82,499)
Purchase of investments	(26,754,622)
Proceeds on sale of investments	20,176,219
Decrease (increase) in accrued interest receivable	(25,204)
Increase (decrease) in other liabilities	5,099
Decrease (increase) in margin deposit	(317,751)
Net cash from (used in) operating activities	(6,599,536)
Cash flows from (used in) financing activities	
Proceeds from redeemable units issued	12,465,368
Redemption of redeemable units	(5,173,081)
Distributions paid to holders of redeemable units, net of reinvested distributions	(63,631)
Net cash from (used in) financing activities	7,228,656
Net increase (decrease) in cash	629,120
Cash at beginning of the period	3,693,981
Net change in unrealized foreign exchange gain (loss) on cash	1,055
Cash at end of the period	4,324,156
Interest received*	486,603
Interest paid*	(10,108)
*Included as part of cash flows from operating activities	

The accompanying notes are an integral part of these financial statements.

EXEMPLAR TACTICAL CORPORATE BOND FUND

Schedule of Investment Portfolio – As at June 30, 2015 (Unaudited)

Fixed Income Positions - Long							82.9%
Security Name	Currency	Coupon Rate %	Maturity Date	Par Value	Average Cost \$	Fair Value \$	
Ag Growth International Inc.	CAD	5.25	12-31-19	256,000	270,400	266,906	
Aon Finance N.S. 1, ULC	CAD	4.76	03-08-18	500,000	537,008	538,975	
Apple Inc.	USD	3.45	02-09-45	796,000	833,435	843,729	
Bank of America Corporation	CAD	3.23	06-22-22	690,000	690,000	696,238	
Bank of Montreal	CAD	2.84	06-04-20	1,000,000	1,060,340	1,047,590	
The Bank of Nova Scotia	CAD	2.27	01-13-20	1,000,000	1,030,900	1,022,790	
Bombardier Inc.	USD	6.00	10-15-22	508,000	608,055	565,559	
Bombardier Inc.	USD	7.50	03-15-25	252,000	315,202	286,840	
Enbridge Inc.	CAD	3.94	06-30-23	1,170,000	1,206,211	1,217,654	
GFL Environmental Inc	CAD	7.50	06-18-18	422,516	427,066	426,213	
The Goldman Sachs Group, Inc.	CAD	5.00	05-03-18	1,000,000	1,082,780	1,090,420	
Government of Canada	CAD	2.75	09-01-16	331,000	339,275	339,474	
Loblaw Companies Limited	CAD	3.75	03-12-19	500,000	522,095	535,145	
Loblaw Companies Limited	CAD	4.86	09-12-23	275,000	302,132	308,701	
Medavie Inc.	CAD	6.00	05-21-24	220,000	221,122	231,044	
Metropolitan Life Global Funding I	CAD	2.68	04-16-19	1,000,000	1,009,200	1,041,400	
Morgan Stanley	USD	1.28	06-16-20	690,000	849,666	860,495	
Morgan Stanley	CAD	4.90	02-23-17	680,000	724,080	718,175	
Navient Corporation	USD	5.63	08-01-33	1,400,000	1,340,454	1,423,284	
NHA MBS MCAP Service Corp.	CAD	1.20	02-01-20	986,578	982,325	989,518	
Postmedia Network Inc.	CAD	8.25	08-16-17	283,712	292,932	294,706	
Rogers Communications Inc.	CAD	5.80	05-26-16	500,000	526,950	519,125	
Royal Bank of Canada	CAD	2.98	05-07-19	1,000,000	1,028,580	1,054,260	
The Royal Bank of Scotland plc	CAD	5.37	11-29-49	40,000	39,700	39,700	
The Royal Bank of Scotland Group Public Ltd. Co.	CAD	6.67	12-31-49	640,000	714,689	731,200	
The Royal Bank of Scotland plc	CAD	10.50	03-16-22	480,000	552,288	540,048	
Shaw Communications Inc.	CAD	6.15	05-09-16	300,000	316,306	311,757	
The Toronto-Dominion Bank	CAD	3.23	07-24-24	1,000,000	1,005,830	1,040,080	
The Toronto-Dominion Bank	CAD	2.56	06-24-20	1,000,000	1,027,110	1,035,130	
Videotron Ltd.	CAD	7.13	01-15-20	560,000	586,116	582,820	
Videotron Ltd.	CAD	6.88	07-15-21	600,000	647,250	644,250	
Wells Fargo & Company	CAD	3.87	05-21-25	952,000	952,000	967,289	
WTH Car Rental, ULC	CAD	1.91	07-20-20	1,000,000	1,000,000	991,610	
Xplornet Communications Inc.	CAD	13.00	05-15-17	433,281	452,779	452,779	
Yellow Pages Digital & Media Solutions Limited	CAD	9.25	11-30-18	1,232,476	1,300,930	1,306,427	
					24,795,206	24,961,331	

Warrant Positions - Long							0.0%
Security Name	Currency	Strike Price \$	Maturity Date	Quantity	Average Cost \$	Fair Value \$	
Xplornet Communications Inc.	CAD	0.01		370	-	-	
					-	-	

EXEMPLAR TACTICAL CORPORATE BOND FUND

Schedule of Investment Portfolio – As at June 30, 2015 (Unaudited)

Futures Contracts - Long		(0.2%)				
Security Name	Currency	Contracts	Contract Size	Expiry Date	Notional Value	Gain / (Loss) \$
Canadian Currency		(0.2%)				
Canadian Dollar Currency Future (CME)	USD	28	1,000	09-16-15	2,239,440	(46,279)
						<u>(46,279)</u>

Futures Contracts - Short		(0.2%)				
Security Name	Currency	Contracts	Contract Size	Expiry Date	Notional Value	Gain / (Loss) \$
Canadian Bond		(0.1%)				
Canada 10YR Bond Future (MSE)	CAD	(23)	1,000	09-21-15	(3,220,000)	(20,969)
Canada 5YR Bond Future (MSE)	CAD	(36)	1,000	09-21-15	(4,487,760)	(27,000)
						<u>47,969</u>
US Bond		(0.1%)				
US 10YR Treasury Notes Future (CBT)	USD	(5)	1,000	09-21-15	(630,859)	(6,822)
US Treasury Bond Future (CBT)	USD	(9)	1,000	09-21-15	(1,357,594)	(14,033)
						<u>(20,855)</u>

Investment Portfolio Summary		Average Cost	Fair Value
	%	\$	\$
Fixed Income Positions - Long	82.9	24,795,206	24,961,331
Futures Contracts - Long	(0.2)	-	(46,279)
Futures Contracts - Short	(0.2)	-	(68,824)
Warrant Positions - Long	-	-	-
Total Investments	<u>82.5</u>	<u>24,795,206</u>	<u>24,846,228</u>
Total Other Net Assets	<u>17.5</u>	<u>-</u>	<u>5,252,830</u>
Total Net Assets	<u>100.0</u>	<u>24,795,206</u>	<u>30,099,058</u>

EXEMPLAR TACTICAL CORPORATE BOND FUND
DISCUSSION OF NOTES 4 & 5: FINANCIAL INSTRUMENTS (UNAUDITED)
June 30, 2015

The investment objective of the Exemplar Tactical Corporate Bond Fund is to generate income and capital appreciation by primarily investing in a diversified portfolio of corporate bonds.

RISK MANAGEMENT

The Fund's overall risk management program seeks to maximize the returns derived for the level of risk to which the Fund is exposed and seeks to minimize potential adverse effects on the Fund's financial performance. All investments present a risk of loss of capital. The maximum loss of capital on long equity, options, interest rate swaps, credit default swaps and debt securities is limited to the fair value of those positions. The maximum loss on equities, options and debt sold short can be unlimited and the maximum loss on futures contracts is the notional contract value of those positions.

The management of these risks is carried out by the Manager and Portfolio Sub-Advisor in accordance with the Fund's Declaration of Trust.

The Fund's use of leverage and borrowings can increase the Fund's exposure to these risks, which in turn can also increase the potential returns the Fund can achieve. The Portfolio Sub-Advisor uses leverage against assets with satisfactory liquidity characteristics in order to increase return on capital subject to market conditions.

A general discussion of financial risk management for the Exemplar Funds appears as Note 4: FINANCIAL INSTRUMENTS – RISK MANAGEMENT.

Credit Risk

The analysis below summarizes the credit quality of the Fund's debt portfolio at June 30, 2015 and December 31, 2014.

Credit Rating*	Percentage of total debt securities	
	As at June 30, 2015	As at December 31, 2014
AAA	1.4%	1.5%
AA	28.4%	18.4%
A	14.6%	5.1%
BBB	16.5%	42.9%
Below BBB	27.4%	24.1%
Not Rated	11.7%	8.0%
Total	100.0%	100.0%

* Credit ratings are obtained from Standard & Poor's, Moody's and/or Dominion Bond Rating Service. Where multiple ratings were obtained for a security, the lowest rating has been used.

The Fund is exposed to credit risk on swaps and futures contracts. The counterparties to the Fund's swaps are Bank of America and JP Morgan Chase & Co. which have credit ratings as rated by Moody's bond rating services of Baa2 and A3, respectively (December 31, 2014: Baa2 and A3, respectively). Futures contracts are exchange traded. Cash collateral has been provided to Bank of America in accordance with terms of derivative transaction agreements.

The Fund is exposed to counterparty credit risk on cash and other receivable balances. The Fund's broker and custodial services are provided by CIBC Mellon Trust Company which has a credit rating as rated by Moody's bond rating services of A1 (December 31, 2014: A1).

The Fund is also exposed to credit risk on cash deposits held at TD Canada Trust which has a credit rating as rated by Moody's bond rating services of Aa1 (December 31, 2014: Aa1).

There are risks involved in dealing with custodians or brokers who settle trades with regard to the segregation of assets. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of the Fund. Therefore, the Fund should not be exposed to credit risk with respect to such parties. However, it may not always be possible to achieve this segregation, so the portfolio of the Fund may experience increased exposure to credit risk associated with the applicable custodians or brokers.

Liquidity Risk

All of the Fund's liabilities are typically due in less than 3 months. Redeemable units are redeemable on demand at the holder's option. However, holders of these instruments typically retain them for a longer period.

From time to time, the Fund may use margin borrowings in one or more of its brokerage accounts. For the period ending June 30, 2015, the minimum margin borrowings used was \$0 and the maximum margin borrowings used was \$9,869. (December 31, 2014: min: \$0, max: \$0).

Market Risk

The following include sensitivity analyses that show how the net assets attributable to holders of redeemable units would have been affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ and the differences could be material.

(a) Currency Risk

The table below indicates the Fund's exposure to USD as at June 30, 2015 and December 31, 2014 in Canadian dollar terms. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to USD, with all other variables held constant. Monetary items include bonds, futures, swaps, cash and other current receivables and payables.

June 30, 2015	Exposure			Impact on net assets attributable to holders of redeemable units		
	Currency	Monetary	Non-Monetary	Total	Monetary	Non-Monetary
United States Dollar - Long	\$4,208,571	-	\$4,208,571	\$420,857	-	\$420,857
United States Dollar - Short	(68,236)	-	(68,236)	(6,824)	-	(6,824)
Total	\$4,140,335	-	\$4,140,335	\$414,033	-	\$414,033
% of net assets attributable to holders of redeemable units	13.8%	-	13.8%	1.4%	-	1.4%

December 31, 2014	Exposure			Impact on net assets attributable to holders of redeemable units		
	Currency	Monetary	Non-Monetary	Total	Monetary	Non-Monetary
United States Dollar - Long	\$1,831,988	-	\$1,831,988	\$183,199	-	\$183,199
United States Dollar - Short	(32,246)	-	(32,246)	(3,225)	-	(3,225)
Total	\$1,799,742	-	\$1,799,742	\$179,974	-	\$179,974
% of net assets attributable to holders of redeemable units	8.2%	-	8.2%	0.8%	-	0.8%

(b) Interest Rate Risk

The table below summarizes the Fund's exposure to interest rate risk as at June 30, 2015 and December 31, 2014. The table also illustrates the potential impact, or sensitivity, on the net assets attributable to holders of redeemable units if the prevailing levels of market interest rates changed by 1.0%, assuming a parallel shift in the yield curve with all other variables held constant.

Term to Maturity	Total exposure	
	June 30, 2015	December 31, 2014
Less than 1 year	\$858,599	\$350,049
1-3 years	3,294,050	7,050,320
3-5 years	10,281,454	6,696,801
Greater than 5 years	10,527,228	6,210,356
Total	\$24,961,331	\$20,307,526
Sensitivity:		
Total \$ sensitivity	\$1,139,848	\$650,077
Total % sensitivity	3.8%	2.9%

(c) Price Risk

The Fund's policy is to manage price risk through pursuit of a diversified investment program that focuses on fixed income securities while utilizing other assets such as options and credit default swaps, to extract relative value and to manage credit exposure.

The Fund engages in short selling activities, wherein it borrows securities and sells them to third parties. Until the Fund covers its short sales, it is exposed to market risk to the extent that subsequent market fluctuations may require purchasing securities sold, not yet purchased, at prices which may be significantly higher than the fair value reflected on the financial statements.

As at June 30, 2015, if the Fund's relevant benchmark index, FTSE TMX Canada All Corporate Bond Index, had increased or decreased by 5%, with all other variables held constant, the net assets attributable to holders of redeemable units of the Fund would have increased or decreased by \$225,743 (December 31, 2014: \$14,262).

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 following is a summary of the Fund's concentration risk as of June 30, 2015 and December 31, 2014:

Market Segment	% of net assets attributable to holders of redeemable units	
	June 30, 2015 (%)	December 31, 2014 (%)
Communications	13.7	22.5
Consumer, Cyclical	-	0.1
Consumer, Non-cyclical	3.6	8.0
Energy	4.0	2.0
Financial	52.6	51.2
Government	1.1	-
Industrials	5.1	2.3
Technology	2.8	-
Utilities	-	5.9

FAIR VALUE MEASUREMENT

A general discussion of fair value measurement for the Exemplar Funds appears as Note 5: FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENT.

The following table illustrates the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2015 and December 31, 2014:

As at June 30, 2015	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial assets				
Fixed Income	-	24,961,331	-	24,961,331
Derivatives	-	-	-	-
Total	-	24,961,331	-	24,961,331
Financial liabilities				
Derivatives	(115,103)	-	-	(115,103)
Total	(115,103)	-	-	(115,103)

As at December 31, 2014	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial assets				
Fixed Income	-	20,307,526	-	20,307,526
Derivatives	363	-	-	363
Total	363	20,307,526	-	20,307,889
Financial liabilities				
Derivatives	(28,672)	(23,379)	-	(52,051)
Total	(28,672)	(23,379)	-	(52,051)

All fair value measurements above are recurring. The carrying values of all of the Fund's financial instruments not carried at FVTPL approximate their fair values due to their short-term nature. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is

transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it would be classified as Level 3.

The Manager is responsible for performing the fair value measurements included in the financial statements of the Fund, including Level 3 measurements if any. The Manager obtains pricing from a third party pricing vendor which is monitored and reviewed daily by the finance department. In addition, at each financial reporting date, the Manager reviews and approves all Level 3 fair value measurements, if applicable.

As at June 30, 2015 and December 31, 2014, the Fund did not hold any Level 3 financial instruments. There were no transfers between levels 1, 2 and 3 during the period ending June 30, 2015.

a) Bonds

The Fund's bond holdings are comprised of Canadian and US corporate bonds. Bond pricing is obtained from bid and ask prices provided by independent security pricing services or recognized investment dealers. Bond prices may be derived by using models which include inputs such as interest rate curves, credit spreads and volatilities. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds have been classified as Level 2.

b) Derivatives

Derivative assets and liabilities consist of futures contracts and interest rate swaps. Futures contracts are exchange traded and are classified as Level 1 as they are actively traded on a recognized exchange and a quoted price is available. Interest rate swaps are valued using indicative bid/ask prices from third party broker dealers. The inputs that are significant to valuation are generally observable and therefore interest rate swaps have been classified as Level 2.

c) Warrants

Warrants are valued using models and valuation techniques commonly used in the industry, including inputs such as underlying stock price, restrictions on exercise and days to expiry. When the inputs that are significant to valuation are generally observable, the warrant is classified as Level 2. Warrants that have significant unobservable inputs are classified as Level 3.

Financial Instruments By Category

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the period ended June 30, 2015 .

June 30, 2015	Net realized gains/(losses)	Net unrealized gains/(losses)	Interest income	Interest expense	Dividend income	Dividend expense	Total
Financial assets at FVTPL:							
Designated as FVTPL	\$170,724	\$169,293	\$510,952	-	-	-	\$850,969
Financial liabilities at FVTPL:							
HFT	(130,896)	(86,794)	-	-	-	-	(217,690)
Total:	\$39,828	\$82,499	\$510,952	-	-	-	\$633,279

The accompanying notes are an integral part of these financial statements.

EXEMPLAR GROWTH AND INCOME FUND

Statement of Financial Position (Unaudited)

	Note	As at June 30, 2015
Assets		
Current assets		
Financial assets designated at fair value through profit and loss		\$ 2,132,196
Financial assets held for trading		
Warrants		7,696
Cash		90,764
Accrued dividends receivable		400
Receivable for securities sold		86,573
		2,317,629
Liabilities		
Current liabilities		
Payable for securities purchased		27,096
Other liabilities	8	3,178
		30,274
Net assets attributable to holders of redeemable units		\$ 2,287,355
Net assets attributable to holders of redeemable units		
Series A		\$ 268,993
Series AN		\$ 227,315
Series F		\$ 699,596
Series FN		\$ 1,017,853
Series L		\$ 63,432
Series LN		\$ 10,166
Number of redeemable units outstanding		
Series A	7	26,400
Series AN		22,427
Series F		68,477
Series FN		99,171
Series L		6,354
Series LN		1,000
Net assets per units attributable to holders of redeemable units		
Series A		\$ 10.19
Series AN		\$ 10.14
Series F		\$ 10.22
Series FN		\$ 10.26
Series L		\$ 9.98
Series LN		\$ 10.17

Approved on behalf of the Board of Directors of Arrow Capital Management Inc., the Manager of the Fund:

"James L. McGovern"

James L. McGovern, Director

"Robert W. Maxwell"

Robert W. Maxwell, Director

The accompanying notes are an integral part of these financial statements.

EXEMPLAR GROWTH AND INCOME FUND

Statement of Comprehensive Income (Unaudited)
For the period from March 24, 2015 (date of commencement of operations) to June 30, 2015

	Note	2015 \$
Income		
Net gains (losses) on investments and derivatives		
Interest for distribution purposes	5	25
Dividend income	5	1,093
Net realized gain (loss) on investments and derivatives	5	18,564
Net change in unrealized appreciation (depreciation) in value of investments and derivatives	5	5,725
Net gains (losses) on investments and derivatives		25,407
Other Income Items:		
Interest on cash		556
Foreign exchange gain (loss)		(219)
Net change in unrealized foreign exchange gain (loss)		180
Total income (net)		25,924
Expenses		
Securityholder reporting fees		23,344
Management fees	8	3,739
Audit fees		5,667
Legal fees		8,991
Custodial fees		1,500
Commissions and other portfolio transaction costs	8	1,809
Withholding tax expense		40
Harmonized sales tax		613
Total expenses before manager absorption		45,703
Less: expenses absorbed by manager	8	(38,527)
Total expenses after manager absorption		7,176
Increase (decrease) in net assets attributable to holders of redeemable units		18,748
Increase (decrease) in net assets attributable to holders of redeemable units	10	
Series A		1,268
Series AN		478
Series F		19,207
Series FN		(2,528)
Series L		157
Series LN		166
Increase (decrease) in net assets attributable to holders of redeemable units per unit	10	
Series A		0.12
Series AN		0.05
Series F		0.29
Series FN		(0.07)
Series L		0.04
Series LN		0.17

The accompanying notes are an integral part of these financial statements.

EXEMPLAR GROWTH AND INCOME FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited)
For the period from March 24, 2015 (date of commencement of operations) to June 30, 2015

		2015 \$
Net assets attributable to holders of redeemable units at beginning of period		
	Series A	-
	Series AN	-
	Series F	-
	Series FN	-
	Series L	-
	Series LN	-
-		
Increase (decrease) in net assets attributable to holders of redeemable units		
	Series A	1,268
	Series AN	478
	Series F	19,207
	Series FN	(2,528)
	Series L	157
	Series LN	166
18,748		
Distributions to holders of redeemable units		
From net investment income		
	Series A	(1,899)
	Series AN	-
	Series F	(5,099)
	Series FN	-
	Series L	(336)
	Series LN	-
(7,334)		
Total distributions to holders of redeemable units		
(7,334)		
Redeemable unit transactions		
Proceeds from redeemable units issued		
	Series A	268,636
	Series AN	229,337
	Series F	680,500
	Series FN	1,020,381
	Series L	63,500
	Series LN	10,000
Reinvestments of distributions to holders of redeemable units		
	Series A	988
	Series AN	-
	Series F	4,988
	Series FN	-
	Series L	111
	Series LN	-
Redemption of redeemable units		
	Series A	-
	Series AN	(2,500)
	Series F	-
	Series FN	-
	Series L	-
	Series LN	-
Net increase (decrease) from redeemable unit transactions		
2,275,941		
Net increase (decrease) in net assets attributable to holders of redeemable units		
2,287,355		
Net assets attributable to holders of redeemable units at end of period		
	Series A	268,993
	Series AN	227,315
	Series F	699,596
	Series FN	1,017,853
	Series L	63,432
	Series LN	10,166
2,287,355		

The accompanying notes are an integral part of these financial statements.

EXEMPLAR GROWTH AND INCOME FUND

Statement of Cash Flows (Unaudited)

For the period from March 24, 2015 (date of commencement of operations) to June 30, 2015

	2015 \$
Cash flows from (used in) operating activities	
Increase (decrease) in net assets attributable to holders of redeemable units	18,748
Adjustment for:	
Net change in unrealized foreign exchange (gain) loss on cash	17
Net realized (gain) loss on investments and derivatives	(18,564)
Net change in unrealized (appreciation) depreciation in value of investments and derivatives	(5,725)
Purchase of investments	(3,471,950)
Proceeds on sale of investments	1,296,870
Decrease (increase) in accrued dividends receivable	(400)
Increase (decrease) in other liabilities	3,178
Net cash from (used in) operating activities	(2,177,826)
Cash flows from (used in) financing activities	
Proceeds from redeemable units issued	2,272,354
Redemption of redeemable units	(2,500)
Distributions paid to holders of redeemable units, net of reinvested distributions	(1,247)
Net cash from (used in) financing activities	2,268,607
Net Increase (decrease) in cash	90,781
Cash at beginning of the period	-
Net change in unrealized foreign exchange gain (loss) on cash	(17)
Cash at end of the period	90,764
Interest received*	581
Dividends received, net of withholding tax*	653
*Included as part of cash flows from operating activities	

The accompanying notes are an integral part of these financial statements.

EXEMPLAR GROWTH AND INCOME FUND

Schedule of Investment Portfolio – As at June 30, 2015 (Unaudited)

Equity Positions - Long Security Name	Currency	93.2%	Quantity	Average Cost \$	Fair Value \$
Basic Materials		0.9%			
AirBoss of America Corp.	CAD		200	3,547	4,460
Lundin Mining Corporation	CAD		1,000	5,428	5,130
Mandalay Resources Corporation	CAD		4,000	3,762	3,840
Tahoe Resources Inc.	CAD		400	6,727	6,056
				19,464	19,486
Communications		0.3%			
Verizon Communications Inc.	USD		100	5,908	5,814
				5,908	5,814
Consumer, Cyclical		2.0%			
Air Canada	CAD		400	5,494	5,284
Chorus Aviation Inc.	CAD		1,200	8,032	7,932
Cineplex Inc.	CAD		200	9,514	9,404
Hudson's Bay Company	CAD		400	10,758	11,100
Restaurant Brands International Inc.	CAD		100	4,804	4,787
Starbucks Corporation	USD		100	6,759	6,688
				45,361	45,195
Consumer, Non-Cyclical		1.6%			
Colliers International Group Inc.	CAD		100	4,901	4,780
Corby Spirit and Wine Limited	CAD		300	6,735	6,399
CRH Medical Corporation	CAD		1,000	4,656	4,740
EnerCare Inc.	CAD		400	5,487	5,320
Maple Leaf Foods Inc.	CAD		400	9,206	9,476
The WhiteWave Foods Company	USD		100	6,084	6,097
				37,069	36,812
Financial		6.4%			
Accord Financial Corp.	CAD		500	5,930	5,335
AGF Management Limited	CAD		1,000	6,153	5,860
Allied Properties Real Estate Investment Trust	CAD		200	7,276	7,088
American Hotel Income Properties REIT LP	CAD		1,000	10,668	10,310
The Bank of New York Mellon Corporation	USD		200	10,644	10,471
The Blackstone Group L.P.	USD		200	10,336	10,196
Brookfield Asset Management Inc.	CAD		100	4,513	4,364
Callidus Capital Corporation	CAD		500	7,231	6,975
Smart Real Estate Investment Trust	CAD		200	5,927	5,784
CI Financial Corp.	CAD		200	6,984	6,720
Citigroup Inc.	USD		100	7,070	6,891
Crown Castle International Corp.	USD		100	10,167	10,017
Element Financial Corporation	CAD		1,000	18,142	19,590
Gluskin Sheff + Associates Inc.	CAD		300	8,263	7,530
Manulife Financial Corporation	CAD		500	11,441	11,605
Royal Bank of Canada	CAD		100	7,971	7,638
Tricon Capital Group Inc.	CAD		400	4,409	4,364
WP GLIMCHER, Inc.	USD		300	5,110	5,063
				148,235	145,801

EXEMPLAR GROWTH AND INCOME FUND

Schedule of Investment Portfolio – As at June 30, 2015 (Unaudited)

Equity Positions - Long		93.2%			
Security Name	Currency		Quantity	Average Cost \$	Fair Value \$
Funds		79.3%			
Exemplar Performance Fund - Class I	CAD		133,219	1,353,390	1,360,636
Exemplar Tactical Corporate Bond Fund - Class I	CAD		45,089	451,676	452,247
				<u>1,805,066</u>	<u>1,812,883</u>
Industrial		1.6%			
Cargojet Inc.	CAD		300	7,545	8,340
Celestica Inc.	CAD		300	4,567	4,362
Diversified Royalty Corp.	CAD		3,300	9,489	9,735
General Electric Company	USD		200	6,726	6,629
Martinrea International Inc.	CAD		500	7,165	6,675
				<u>35,492</u>	<u>35,741</u>
Technology		1.1%			
Apple Inc.	USD		100	15,794	15,646
Citrix Systems, Inc.	USD		100	8,562	8,752
				<u>24,356</u>	<u>24,398</u>
Utilities		0.3%			
American Water Works Company, Inc.	USD		100	6,455	6,066
				<u>6,455</u>	<u>6,066</u>
				<u>2,127,406</u>	<u>2,132,196</u>

Warrant Positions - Long		0.3%					
Security Name	Currency		Strike Price	Maturity Date	Quantity	Average Cost \$	Fair Value \$
Bank of America Corp.	USD		13.2	01-16-19	1,000	7,557	7,696
						<u>7,557</u>	<u>7,696</u>

Investment Portfolio Summary			Average Cost \$	Fair Value \$
	%			
Equity Positions - Long	93.2		2,127,406	2,132,196
Warrant Positions - Long	0.3		7,557	7,696
Total Investments	<u>93.5</u>		<u>2,134,963</u>	<u>2,139,892</u>
Total Other Net Assets	6.5		-	147,463
Total Net Assets	<u>100.0</u>		<u>2,134,963</u>	<u>2,287,355</u>

EXEMPLAR GROWTH AND INCOME FUND
DISCUSSION OF NOTES 4 & 5: FINANCIAL INSTRUMENTS (UNAUDITED)
June 30, 2015

The investment objective of the Exemplar Growth and Income Fund is to achieve long term growth and preservation of capital. The Fund will invest up to all of its assets in a diversified mix of other mutual funds (in order to gain indirect exposure to securities that the Fund would otherwise directly invest in), and may also invest in common shares, preferred shares, treasury bills, short-term notes, debentures, and bonds. The Fund invests primarily in Canadian securities.

RISK MANAGEMENT

The Fund's overall risk management program seeks to maximize the returns derived for the level of risk to which the Fund is exposed and seeks to minimize potential adverse effects on the Fund's financial performance. All investments present a risk of loss of capital. The maximum loss of capital on long equity and bond investments is limited to the fair value of those positions. The maximum loss on equities and debt sold short can be unlimited.

The management of these risks is carried out by the Manager in accordance with the Fund's Declaration of Trust.

A general discussion of financial risk management for the Exemplar Funds appears as Note 4: FINANCIAL INSTRUMENTS – RISK MANAGEMENT.

Credit Risk

As at June 30, 2015 the Fund had no investments in debt instruments and therefore was not subject to related credit risk.

There are risks involved in dealing with custodians or brokers who settle trades with regard to the segregation of assets. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of the Fund. Therefore, the Fund should not be exposed to credit risk with respect to such parties. However, it may not always be possible to achieve this segregation, so the portfolio of the Fund may experience increased exposure to credit risk associated with the applicable custodians or brokers.

The Fund is exposed to counterparty credit risk on cash and other receivable balances. The Fund's broker and custodial services are provided by CIBC Mellon Trust Company which has a credit rating as rated by Moody's bond rating services of A1.

The Fund is also exposed to credit risk on cash deposits held at TD Canada Trust which has a credit rating as rated by Moody's bond rating services of Aa1.

Liquidity Risk

All of the Fund's liabilities are typically due in less than 3 months. Redeemable units are redeemable on demand at the holder's option. However, holders of these instruments typically retain them for a longer period.

Market Risk

The following include sensitivity analyses that show how the net assets attributable to holders of redeemable units would have been affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ and the differences could be material.

(a) Currency Risk

The table below indicates the Fund's exposure to USD as at June 30, 2015 in Canadian dollar terms. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 10% in relation to USD, with all other variables held constant. Non-monetary items include equities and warrants. Monetary items include cash and other current receivables and payables.

Currency	Exposure			Impact on net assets attributable to holders of redeemable units		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
United States Dollar - Long	-	\$106,122	\$106,122	-	\$10,612	\$10,612
United States Dollar - Short	\$(5,714)	-	(5,714)	\$(571)	-	(571)
Total	\$(5,714)	\$106,122	\$100,408	\$(571)	\$10,612	\$10,041
% of net assets attributable to holders of redeemable units	(0.2)%	4.6%	4.4%	(0.0)%	0.5%	0.4%

(b) Interest Rate Risk

As at June 30, 2015 the Fund did not hold any interest-bearing securities, and therefore was not subject to significant interest rate risk.

(c) Price Risk

The Fund's policy is to manage price risk through diversification and selection of investments within specified limits established by the investment restrictions within the prospectus, as summarized below.

To achieve the investment objective, the Manager utilizes the following allocation guidelines: 30-90% equity securities, 10-50% fixed income securities and 0-50% money market instruments. Fixed income securities may include investment grade, non-investment grade and distressed fixed income securities, issued by Canadian or non-Canadian corporations, trusts and international agencies and governments. The Fund is also permitted to invest in convertible bonds and debentures, loans, preferred shares, exchange traded funds and equities. The Fund may also hold cash. To achieve these target ranges, the Fund may invest in either individual securities or the Manager may invest up to 100% of the assets of the Fund in underlying funds.

The Fund may invest in foreign securities to an extent that will vary from time to time but is not typically expected to exceed 30% of its assets at the time that foreign securities are purchased, however, as the Fund intends to invest certain of its assets in securities of other investments funds that may themselves invest in foreign securities, the actual exposure of the Fund to investments in foreign securities may exceed this amount.

The impact on net assets of the Fund due to a 5% change in market prices of equity securities is \$106,995 (all other variables held constant).

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 following is a summary of the Fund's concentration risk as of June 30, 2015:

Market Segment	% of net assets attributable to holders of redeemable units
Basic Materials	0.9
Communications	0.3
Consumer, Cyclical	2.0
Consumer, Non-Cyclical	1.6
Financial	6.4
Funds	79.3
Industrial	1.6
Technology	1.1
Utilities	0.3
Warrants	0.3

FAIR VALUE MEASUREMENT

A general discussion of fair value measurement for the Exemplar Funds appears as Note 5: FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENT.

The following table illustrates the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2015:

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial assets				
Equities	2,132,196	-	-	2,132,196
Derivatives	-	7,696	-	7,696
Total	2,132,196	7,696	-	2,139,892

All fair value measurements above are recurring. The carrying values of all of the Fund's financial instruments not carried at FVTPL approximate their fair values due to their short-term nature. Fair values are classified as Level 1 when the related security or derivative is

actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it would be classified as Level 3.

The Manager is responsible for performing the fair value measurements included in the financial statements of the Fund, including Level 3 measurements if any. The Manager obtains pricing from a third party pricing vendor which is monitored and reviewed daily by the finance department. In addition, at each financial reporting date, the Manager reviews and approves all Level 3 fair value measurements, if applicable.

The Fund's equity positions are classified as Level 1 as the securities are actively traded on a recognized exchange and a quoted price is available.

Warrants are valued using models and valuation techniques commonly used in the industry, including inputs such as underlying stock price, restrictions on exercise and days to expiry. When the inputs that are significant to valuation are generally observable, the warrant is classified as Level 2.

As at June 30, 2015, the Fund did not hold any Level 3 financial instruments. There were no transfers between levels 1, 2 and 3 during the period ending June 30, 2015.

Financial Instruments By Category

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the period ended June 30, 2015.

	Net realized gains/(losses) (\$)	Net unrealized gains/(losses) (\$)	Interest Income (\$)	Interest Expense (\$)	Dividend Income (\$)	Dividend Expense (\$)	Total (\$)
Financial assets at FVTPL:							
Designated as FVTPL	18,564	5,586	25	-	1,093	-	25,268
HFT	-	139	-	-	-	-	139
Total	18,564	5,725	25	-	1,093	-	25,407

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2015 (Unaudited)

1. THE FUNDS

Exemplar Leaders Fund, Exemplar Yield Fund, Exemplar Performance Fund, Exemplar Investment Grade Fund, Exemplar Tactical Corporate Bond Fund and Exemplar Growth and Income Fund (the "Funds") are unincorporated open-ended mutual fund trusts created under the laws of the Province of Ontario pursuant to a declaration of trust dated August 27, 2007, as amended from time to time (the "Declaration of Trust").

Arrow Capital Management Inc. ("Arrow") is the manager ("Manager") of the Funds. The address of the Funds' registered office is 36 Toronto Street, Suite 750, Toronto, Ontario, M5C 2C5.

East Coast Fund Management Inc. is the portfolio sub-advisor "Portfolio Sub-advisor" of the Exemplar Investment Grade Fund and Exemplar Tactical Corporate Bond Fund.

Prior to December 2, 2013, the manager of Exemplar Leaders Fund and Exemplar Yield Fund was BluMont Capital Corporation ("BluMont").

On December 2, 2013, Arrow acquired all the outstanding shares of BluMont, resulting in a change of control of BluMont. On April 1, 2014, Arrow and BluMont amalgamated, continuing under the name "Arrow Capital Management Inc.". At a special meeting of unitholders on November 27, 2013, the unitholders of the Funds approved a change of manager from BluMont to Arrow.

The financial statements for Exemplar Leaders Fund and Exemplar Yield Fund are as at June 30, 2015 and December 31, 2014 and for the periods ending June 30 2015 and 2014.

On March 6, 2014, Arrow launched the Exemplar Performance Fund which commenced operations on March 24, 2014. The financial statements are as at June 30, 2015 and December 31, 2014 and for the period ending June 30, 2015 and since commencement of operations to June 30, 2014.

On June 27, 2014, Arrow launched the Exemplar Investment Grade Fund and Exemplar Tactical Corporate Bond Fund which commenced operations July 28, 2014. The financial statements are as at June 30, 2015 and December 31, 2014 and for the six month period ending June 30, 2015.

On March 16, 2015, Arrow launched the Exemplar Growth and Income Fund which commenced operations March 24, 2015. The financial statements are as at June 30, 2015 and for the period since commencement of operations to June 30, 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

These financial statements were authorized for issue by the Manager on August 28, 2015.

b) Financial Instruments

The Funds recognize financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments not measured at fair value through profit and loss ("FVTPL"). Regular way purchases and sales of financial assets are recognized at their trade date. The Funds' long equity positions are designated at FVTPL. The Funds' short investment positions, warrants, futures, swaps and options, if applicable, are classified as held for trading ("HFT") and are measured at FVTPL. The Funds' obligation for net assets attributable to holders of redeemable units is presented at the redemption amount. All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate. The Funds' accounting policies for measuring the fair value of its investments and derivatives are the same as those used in measuring its net asset value ("NAV") for transactions with unitholders. There were no differences between the net assets attributable to holders of redeemable units used for reporting purposes under IFRS and that used for transactions with unitholders as at June 30, 2015 or December 31, 2014.

Realized gains and losses on sale of investments and unrealized appreciation or depreciation in investments are determined on an average cost basis. Realized gains and losses on securities sold short and unrealized appreciation or depreciation on securities sold short are calculated with reference to the average proceeds of the related securities. Average cost does not include amortization of premiums or discounts on fixed income securities.

Interest for distribution purposes shown on the statements of comprehensive income represents the coupon interest received by a Fund accounted for on an accrual basis.

The Funds do not amortize premiums or discounts received on the purchase of fixed income securities.

Dividend income and expense is recognized in the statement of comprehensive income on the ex-dividend date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable 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. In the normal course of business, the Funds enter into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the statement of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts.

c) Financial Instruments - Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for securities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The fair value of bonds is determined using mid-market pricing derived from bid and ask prices provided by independent security pricing services or recognized investment dealers. Gains and losses arising from changes in the fair value of financial assets or liabilities are presented in the statement of comprehensive income. The Funds' policy is to recognize transfers into and out of the fair value hierarchy levels at the beginning of each period.

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Funds may use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same and other commonly used methods by market participants which make the maximum use of observable inputs.

d) Investment in Underlying Fund

Exemplar Growth and Income Fund's investments in the Class I shares of Exemplar Performance Fund and Exemplar Tactical Corporate Bond Fund (the "Underlying Funds") are subject to the terms and conditions of the Underlying Funds' simplified prospectus. The investments in the Underlying Funds are valued based on the latest available redemption prices as determined by the Underlying Funds' respective administrators. Exemplar Growth and Income Fund reviews the details of the reported information and considers the liquidity of the Underlying Funds and their underlying investments, the value date of the net asset values provided, any restrictions on redemptions and the basis of accounting to determine whether any adjustment to the net asset values are necessary in determining fair values. Gains and losses arising from changes in fair value of the Underlying Funds are presented in the statement of comprehensive income.

e) Impairment of Financial Assets

At each reporting date, each Fund assesses whether there is objective evidence that a financial asset at amortized cost is impaired. If such evidence exists, the Fund recognizes an impairment loss as the difference between the amortized cost of the financial asset and the present value of future cash flows discounted using the asset's original effective interest rate. Impairment losses on financial assets at amortized cost are reversed in subsequent years if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

f) Foreign Currency Translation

The Funds' functional and presentation currency is the Canadian dollar.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates that transactions occur. Foreign currency assets and liabilities denominated in a foreign currency are translated into the functional currency using the exchange rate prevailing at the measurement date. Foreign exchange gains and losses relating to cash are presented as 'Foreign exchange gain (loss)' and those relating to investments and derivatives are presented within 'Net realized gain (loss) on investments and derivatives' and 'Net change in unrealized appreciation (depreciation) in value of investments and derivatives' in the statement of comprehensive income.

g) Cash

Cash is comprised of deposits with financial institutions.

h) Margin Deposit

Cash collateral provided by each Fund to brokers for securities sold short and counterparties to derivative transactions is identified in that Fund's statement of financial position as 'Margin deposit'.

i) Margin Loan

Margin loan represents cash amounts borrowed under a margin agreement with a Fund's broker and is payable upon demand (if applicable).

j) Forward Currency Contracts

The Funds may enter into forward currency contracts for purposes of minimizing currency exposure or to establish an exposure to a particular currency. The value of forward currency contracts entered into by a Fund is recorded as the difference between the contract rate and the current forward rates at the measurement date, applied to the contract's notional amount and adjusted for counterparty risk. The change in the fair value of forward currency contracts is included in 'Net change in unrealized appreciation (depreciation) in value of investments and derivatives' in the statement of comprehensive income. Upon closing of a contract, the gain or loss is included in 'Net realized gain (loss) on investments and derivatives' in the statement of comprehensive income.

k) Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. When a Fund purchases an option, an amount equal to fair value which is based on the premium paid is recorded as an asset. When a Fund writes an option, an amount equal to fair value which is based on the premium received by the Fund is recorded as a liability. Options held by a Fund are exchange-traded. Subsequent to initial recognition, changes in fair value, the difference between the premium paid or received, and fair value, are presented in 'Change in unrealized appreciation (depreciation) in value of investments and derivatives' in the statement of comprehensive income. When options are closed, the difference between the premium and the amount paid or received, net of brokerage commissions, or the full amount of the premium if the option expires worthless, is recognized as a gain or loss and is presented in the statement of comprehensive income within 'Net realized gain (loss) on investments and derivatives'.

l) Futures Contracts

The Funds may purchase or sell exchange traded futures contracts. Futures contracts are contractual obligations to buy or sell financial instruments or commodities on a future date at a specified price established in an organized market. Subsequent to initial recognition, changes in fair value are presented in 'Change in unrealized appreciation (depreciation) in value of investments and derivatives' in the statement of comprehensive income. When futures contracts are closed out, the gain or loss is presented in the statement of comprehensive income within 'Net realized gain (loss) on investments and derivatives'.

m) Credit Default Swap Contracts

A credit default swap contract is an agreement to transfer credit risk from one party, a buyer of protection, to another party, a seller of protection. The Fund as a seller of protection would be required to pay a notional or other agreed upon value to the buyer of protection in the event of a default by a third party. In return, the Fund would receive from the counterparty a periodic stream of payments over the term of the contract provided that no event of default occurs. If no default occurs, the Fund would keep the stream of payments and would have no payment obligations.

The Fund as a buyer of protection would receive a notional or other agreed upon value from the seller of protection in the event of a default by a third party. In return, the Fund would be required to pay to the counterparty a periodic stream of payments over the term of the contract provided that no event of default occurs.

Premiums received or paid for entering into a credit default swap are included in the statement of financial position as either an asset or liability. Credit default swap contracts are fair valued on each valuation day based upon quotations from independent security pricing sources. The change in the difference between the premium and the fair value is included in 'Net change in unrealized appreciation (depreciation) in value of investments and derivatives' in the statement of comprehensive income. Upon closing or expiry of a contract, the gain or loss is included in 'Net realized gain (loss) on investments and derivatives' in the statement of comprehensive income.

n) Interest Rate Swap Contracts

An interest swap contract is a contractual agreement entered into between the Fund and a counterparty under which each party agrees to exchange periodic fixed or variable payments, based upon a stated notional amount, over the stated life of the agreement. The net differential paid or received is recognized over the life of the agreement as a realized gain or loss on investments. Interest rate swap contracts are fair valued on each valuation day using indicative bid/ask prices from third party broker dealers. The change in fair value is included in 'Net change in unrealized appreciation (depreciation) in value of investments and derivatives' in the statement of comprehensive income. Upon closing or expiry of a contract, the gain or loss is included in 'Net realized gain (loss) on investments and derivatives' in the statement of comprehensive income.

o) Commissions and Other Portfolio Transaction Costs

Commissions and other portfolio transaction costs are incremental costs that are directly attributable to the acquisition or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers. Such costs are expensed when incurred.

p) Income and Expense Allocation

The net assets of each series of each Fund are computed by calculating the value of that series' proportionate share of that Fund's assets less that series' proportionate share of that Fund's common liabilities less series specific liabilities, if any. Expenses directly attributable to a series are charged to that series. Other income, expenses and gains/losses are allocated based on a reasonable allocation methodology which will include allocations based on the assets of the Funds or the number of unitholders in the Funds or other methodology the Manager determines is fair.

q) Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit

The increase (decrease) in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in net assets attributable to the series divided by the weighted average number of redeemable units outstanding in that series during the period. Refer to Note 10 for the calculation.

r) Classification of Redeemable Units

The Funds' redeemable units contain multiple contractual obligations and multiple series of units have been issued which do not have identical features. Consequently, the units do not meet the conditions in IAS 32 to be classified as equity. As a result, the Funds' obligations for net assets attributable to holders of redeemable units are presented at the redemption amounts.

s) Investments in Structured Entities

The Funds may invest in underlying funds ("Underlying Funds") that are managed by their respective Investment Advisors and whose investment objectives may range from achieving short-term to long-term income and capital growth. Underlying Funds may use leverage in a manner consistent with their respective objectives and as permitted by their respective governing regulatory authorities. Underlying Funds finance their operations by issuing redeemable units which are puttable at the holder's option and entitles the holder to a proportionate stake in the respective fund's net assets. The Funds' interest in Underlying Funds as at June 30, 2015 and December 31, 2014, held the form of redeemable units, which are included at their fair value in the Statements of Financial Position which represents the Funds' maximum exposure in these Underlying Funds. The Funds do not provide, and have not committed to provide, any additional significant financial or other support to the Underlying Funds. The change in fair value of each of the Underlying Funds during the periods is included in 'Change in unrealized appreciation

(depreciation) of value of investments and derivatives' and 'Net gains (losses) on investments and derivatives' in the Statements of Comprehensive Income.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Manager has made in preparing the financial statements:

Use of Estimates

Fair Value measurement of derivatives and securities not quoted in an active market

The Funds may hold financial instruments that are not quoted in active markets, including derivatives. Fair value of such instruments is determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Where no market data is available, a Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager, independent of the party that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Funds consider observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to Note 4 for further information about the fair value measurement of the Fund's financial instruments.

As at June 30, 2015, the investments in the Underlying Funds represented 79.3% (59.5% Exemplar Performance Fund – Class I, 19.8% Exemplar Tactical Corporate Bond Fund – Class I) of financial assets at fair value through profit or loss of Exemplar Growth and Income Fund. The fair values of the Underlying Funds are determined primarily by reference to the latest available net asset value per unit of the Underlying Funds' units as reported by the respective administrators of the Underlying Funds. The Fund may make adjustments to the values based on considerations such as; liquidity of the Underlying Funds or their underlying investments, the value date of the net asset values provided, any restrictions on redemptions and the basis of accounting. Redemptions can only be made on the redemption dates and subject to the required notice periods specified in the respective offering documents. As a result, the carrying values of the Underlying Funds may not be indicative of the values ultimately realized on redemption. Class I shareholders of the Underlying Funds have the right to redeem any or all of their Class I shares effective each business day of each month.

Refer to Note 5 for further information about the fair value measurement of the Fund's financial instruments.

Use of Judgments

Classification and Measurement of Investments and Application of the Fair Value Option

In classifying and measuring financial instruments held by the Funds, the Manager is required to make significant judgments about whether or not the business of the Funds is to invest on a total return basis for the purpose of applying the fair value option for financial assets under IAS 39, *Financial Instruments - Recognition and Measurement* (IAS 39). The most significant judgments made include the determination that certain investments are held-for-trading and that the fair value option can be applied to those which are not.

Assessment as Investment Entity

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them. Each Fund meets the definition of investment entity as it obtains funds from one or more investors for the purpose of providing those investors with professional investment management services and commit to their investors that their business purpose is to invest funds solely for returns from capital appreciation, investment income or both. Each Fund measures and evaluates the performance of substantially all of its investments on a fair value basis.

Determination if Underlying Funds Meet the Structured Entity Definition

The Funds have concluded that their investments in the Underlying Funds are investments in unconsolidated structured entities. This represents a significant judgment by the Funds that is based generally on the fact that the decision making about the Underlying Funds investing activities is not governed by voting rights held by the Funds and other investors.

4. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

In the normal course of business, each Fund is exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, other price risk and currency risk). Please refer to Discussion of Note 4: Financial Instruments – Risk Management for each Fund's specific risk disclosure.

Credit Risk

The Funds may be exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Where a Fund invests in debt instruments and derivatives, this represents the main concentration of credit risk. The Funds are also exposed to counterparty credit risk on cash, margin deposits and other receivable balances.

All transactions in listed securities are settled or paid for upon delivery using approved brokers. The credit risk related to the associated receivables is considered limited, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. However, there are risks involved in dealing with custodians or prime brokers who settle trades and in rare circumstances, the securities and other assets deposited with the custodian or broker may be exposed to credit risk with regard to such parties. In addition, there may be practical problems or time delays associated with enforcing a Fund's rights to its assets in the case of an insolvency of any such party.

Liquidity Risk

Liquidity risk is the risk that a Fund will encounter difficulty in meeting obligations associated with financial liabilities. Each Fund is exposed to daily cash redemptions and as such, retains sufficient cash to fund anticipated redemptions. Each Fund aims to retain sufficient cash to maintain adequate liquidity including coverage of obligations related to short sales (if applicable) and all current liabilities. In addition, each Fund generally invests in securities that are highly liquid and where there is an observable market price that is quoted by multiple dealers.

Market Risk

The Funds' investments are subject to market risk which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

a) Currency Risk

The Funds invest in financial instruments and enter into transactions that are denominated in currencies other than the Canadian dollar. Consequently, the Funds are exposed to currency risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Funds may enter into foreign exchange currency contracts to reduce their foreign currency exposure.

b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. A Fund may hold securities with fixed interest rates that expose that Fund to fair value interest rate risk.

c) Price Risk

The Funds are exposed to price risk, which 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). The Funds' investments are subject to the risk of changes in the prices of equity securities, bonds and derivatives.

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.

Capital Risk Management

Units issued and outstanding are considered to be the capital of the Funds. The Funds do not have any specific capital requirements on the subscription and redemption of units, other than certain minimum subscription requirements. Unitholders are entitled to require payment of the net asset value per unit of a Fund for all or any of the units of such unitholder by giving written notice to the Manager.

The written notice is irrevocable and must be received no later than 4:00 p.m., EST, on the valuation day upon which the units are to be redeemed (a "Redemption Date"). The redeeming unitholder will receive payment in respect of any units surrendered for redemption on or before the 3rd business day immediately following a Redemption Date, subject to the Manager's right to suspend redemptions in certain circumstances.

5. FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENT

Each Fund classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Please refer to Discussion of Note 5: Financial Instruments – Fair Value Measurement for each Fund's specific risk disclosure.

The three levels of the fair value hierarchy are:

- Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities that a Fund can access at the measurement date,
- Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly; and
- Level 3:** Inputs that are unobservable for the asset or liability.

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

6. INVESTMENT IN UNDERLYING FUNDS

Information related to investments in Underlying Funds is as follows:

Exemplar Leaders Fund - June 30, 2015

	Fair Value of Fund's Investment in Underlying Fund \$	Net Assets Attributable to Holders of Redeemable Units %	Ownership of Underlying Fund %
Boyd Group Income Fund	537,744	1.4	0.1
Noranda Income Fund	380,567	1.0	0.4
NorthWest Healthcare Properties REIT	172,407	0.4	0.0
Inovalis Real Estate Investment Trust	813,595	2.1	0.6
American Hotel Income Properties REIT LP	134,030	0.3	0.1
Slate Retail REIT	104,320	0.3	0.1
Pure Multi-Family REIT LP	196,863	0.5	0.1

Exemplar Leaders Fund - December 31, 2014

	Fair Value of Fund's Investment in Underlying Fund \$	Net Assets Attributable to Holders of Redeemable Units %	Ownership of Underlying Fund %
Boyd Group Income Fund	452,200	1.3	0.1
Noranda Income Fund	479,915	1.3	0.7
Inovalis REIT	798,312	2.2	0.6
Northwest International Healthcare Properties REIT	184,000	0.5	0.1

Exemplar Yield Fund - June 30, 2015

	Fair Value of Fund's Investment in Underlying Fund \$	Net Assets Attributable to Holders of Redeemable Units %	Ownership of Underlying Fund %
Pure Industrial Real Estate Trust	241,152	3.3	0.0
Noranda Income Fund	59,653	0.8	0.1
NorthWest Healthcare Properties REIT	51,964	0.7	0.0
Inovalis Real Estate Investment Trust	415,395	5.7	0.3
BTB Real Estate Investment Trust	32,234	0.4	0.0
American Hotel Income Properties REIT LP	202,076	2.8	0.1
Slate Retail REIT	255,584	3.5	0.1
Pure Multi-Family REIT LP	56,337	0.8	0.0
Education Realty Trust, Inc.	312,948	4.3	0.0
MarkWest Energy Partners, L.P.	267,248	3.7	0.0
Tesoro Logistics LP	142,503	2.0	0.0
WPT Industrial Real Estate Investment Trust	45,842	0.6	0.0

Exemplar Yield Fund - December 31, 2014

	Fair Value of Fund's Investment in Underlying Fund \$	Net Assets Attributable to Holders of Redeemable Units %	Ownership of Underlying Fund %
Noranda Income Fund	116,335	1.4	0.2
Retrocom Real Estate Investment Trust	64,288	0.8	0.0
Pure Industrial Real Estate Trust	302,808	3.6	0.0
Inovalis Real Estate Investment Trust	602,064	7.1	0.4
Northwest International Healthcare Property REIT	250,000	3.0	0.2
American Hotel Income Properties REIT LP	36,108	0.4	0.0
Education Realty Trust Inc.	339,584	4.0	0.0
MarkWest Energy Partners LP	296,199	3.5	0.0
Slate Retail Real Estate Investment Trust	140,584	1.7	0.1

Exemplar Performance Fund - June 30, 2015

	Fair Value of Fund's Investment in Underlying Fund \$	Net Assets Attributable to Holders of Redeemable Units %	Ownership of Underlying Fund %
Boyd Group Income Fund	326,864	2.3	0.0
Health Care Select Sector SPDR	111,353	0.8	0.0
Enbridge Income Fund Holdings Inc.	89,778	0.6	0.0
iShares Russell 2000 ETF	6,230	0.0	0.0
PureFunds ISE Cyber Security	31,484	0.2	0.0
SPDR Gold Shares	112,136	0.8	0.0

Exemplar Performance Fund - December 31, 2014

	Fair Value of Fund's Investment in Underlying Fund \$	Net Assets Attributable to Holders of Redeemable Units %	Ownership of Underlying Fund %
Boyd Group Income Fund	266,560	3.5	0.0
Health Care Select Sector SPDR Fund	111,058	1.5	0.0

Exemplar Growth and Income Fund - June 30, 2015

	Fair Value of Fund's Investment in Underlying Fund \$	Net Assets Attributable to Holders of Redeemable Units %	Ownership of Underlying Fund %
Smart Real Estate Investment Trust	5,784	0.3	0.0
Allied Properties Real Estate Investment Trust	7,088	0.3	0.0
Exemplar Tactical Corporate Bond Fund - Class I	452,247	19.8	1.5
Exemplar Performance Fund - Class I	1,360,636	59.5	9.6
American Hotel Income Properties REIT LP	10,310	0.5	0.0

7. REDEEMABLE UNITS

The number of units issued and redeemed at the Net Asset Value is summarized as follows:

Exemplar Leaders Fund – for the period ended June 30, 2015

	Redeemable units outstanding at beginning of the period	Redeemable units issued	Redeemable units redeemed	Redeemable units issued and outstanding at end of the period
Series A	694,810	34,299	(31,507)	697,601
Series F	195,600	16,105	(4,683)	207,022

Exemplar Leaders Fund – for the period ended June 30, 2014

	Redeemable units outstanding at beginning of the period	Redeemable units issued	Redeemable units redeemed	Redeemable units issued and outstanding at end of the period
Series A	648,874	92,404	(43,527)	697,751
Series F	181,509	17,889	(4,600)	194,798

Exemplar Yield Fund – for the period ended June 30, 2015

	Redeemable units outstanding at beginning of the period	Redeemable units issued	Redeemable units issued on reinvestment of distributions	Redeemable units redeemed	Redeemable units issued and outstanding at end of the period
Series A	523,553	149,785	9,907	(130,811)	552,434
Series F	177,161	12,402	2,313	(136,391)	55,485
Series I	75,922	-	1,513	(340)	77,094
Series L	34,658	-	595	(4,767)	30,485

Exemplar Yield Fund – for the period ended June 30, 2014

	Redeemable units outstanding at beginning of the period	Redeemable units issued	Redeemable units issued on reinvestment of distributions	Redeemable units redeemed	Redeemable units issued and outstanding at end of the period
Series A	533,469	78,138	9,505	(70,833)	550,279
Series F	187,233	441	3,547	(25,284)	165,937
Series I	220,993	-	3,905	(149,066)	74,832
Series L	22,998	18,450	449	(1,223)	40,674

Exemplar Performance Fund – for the period ended June 30, 2015

	Redeemable units outstanding at beginning of the period	Redeemable units issued	Redeemable units issued on reinvestment of distributions	Redeemable units redeemed	Redeemable units issued and outstanding at end of the period
Series A	216,367	214,086	-	(55,749)	374,704
Series AD	-	5,721	11	-	5,732
Series F	453,629	224,141	-	(28,874)	648,896
Series FD	-	6,893	22	-	6,915
Series I	-	133,219	-	-	133,219
Series L	20,124	40,243	-	(13)	60,354
Series LD	-	5,084	25	-	5,109

Exemplar Performance Fund – for the period ended June 30, 2014

	Redeemable units outstanding at beginning of the period	Redeemable units issued	Redeemable units redeemed	Redeemable units issued and outstanding at end of the period
Series A	-	96,728	-	96,728
Series F	-	314,439	(28,539)	285,900

Exemplar Investment Grade Fund – for the period ended June 30, 2015

	Redeemable units outstanding at beginning of the period	Redeemable units issued	Units issued on reinvestment of distributions	Redeemable units redeemed	Redeemable units issued and outstanding at end of the period
Series A	1,380,046	429,566	15,807	(325,050)	1,500,369
Series AI	196,748	82,995	2,242	(45,378)	236,607
Series AN	-	149,711	-	-	149,711
Series F	2,021,822	2,887,651	29,172	(431,910)	4,506,735
Series FI	214,531	65,996	2,925	(50,672)	232,780
Series FN	14,000	74,981	-	-	88,981

Exemplar Tactical Corporate Bond Fund – for the period ended June 30, 2015

	Redeemable units outstanding at beginning of the period	Redeemable units issued	Units issued on reinvestment of distributions	Redeemable units redeemed	Redeemable units issued and outstanding at end of the period
Series A	353,365	225,240	6,134	(113,976)	470,763
Series AI	27,429	7,541	1,243	(5,351)	30,862
Series AN	535,963	124,126	-	(30,967)	629,122
Series F	1,000,466	440,931	17,205	(284,379)	1,174,223
Series FI	178,174	38,251	6,655	(83,908)	139,172
Series FN	110,483	352,970	-	(5,795)	457,658
Series I	-	45,034	55	-	45,089
Series L	39,212	56,302	1,522	-	97,036
Series LI	-	1,000	-	-	1,000

Exemplar Growth and Income Fund – for the period ended June 30, 2015

	Redeemable units outstanding at beginning of the period	Redeemable units issued	Units issued on reinvestment of distributions	Redeemable units redeemed	Redeemable units issued and outstanding at end of the period
Series A	-	26,303	97	-	26,400
Series AN	-	22,673	-	(246)	22,427
Series F	-	67,987	490	-	68,477
Series FN	-	99,171	-	-	99,171
Series L	-	6,343	11	-	6,354
Series LN	-	1,000	-	-	1,000

8. RELATED PARTY TRANSACTIONS

The Manager is responsible for making decisions relating to the investment of the Funds' assets and providing key management personnel.

The Exemplar Growth and Income Fund invests in units of Exemplar Performance Fund and Exemplar Tactical Corporate Bond Fund. The number of units owned by Exemplar Growth and Income Fund as of June 30, 2015 is summarized as follows:

Fund	Number of units	Amount (\$)	% of net assets attributable to holders of redeemable units
Exemplar Performance Fund – Series I	133,219	1,360,636	59.5
Exemplar Tactical Corporate Bond Fund – Series I	45,089	452,247	19.8

As of June 30, 2015, the number of units owned by the Manager of each Fund is summarized as follows:

Fund	Number of units	Amount (\$)	% of net assets attributable to holders of redeemable units
Exemplar Yield Fund – Series A	5,102	51,224	0.7
Exemplar Yield Fund – Series F	512	5,391	0.1
Exemplar Performance Fund – Series A	1,005	11,718	0.1
Exemplar Performance Fund – Series F	1,692	19,881	0.1
Exemplar Performance Fund – Series L	1,005	10,843	0.1
Exemplar Investment Grade Fund – Series A	514	5,042	0.0
Exemplar Tactical Corporate Bond Fund – Series AI	534	5,084	0.0
Exemplar Tactical Corporate Bond Fund – Series LI	1,000	9,990	0.0
Exemplar Growth and Income Fund – A	504	5,136	0.2
Exemplar Growth and Income Fund – F	64,975	664,045	29.0
Exemplar Growth and Income Fund – FN	80,864	829,665	36.3
Exemplar Growth and Income Fund – LN	1,000	10,170	0.4

As of December 31, 2014, the number of units owned by the Manager of each Fund is summarized as follows:

Fund	Number of units	Amount (\$)	% of net assets attributable to holders of redeemable units
Exemplar Yield Fund – Series A	4,524	46,416	0.6
Exemplar Yield Fund – Series F	501	5,366	0.0
Exemplar Performance Fund – Series A	500	5,450	0.0
Exemplar Performance Fund – Series F	16,192	176,984	2.3
Exemplar Investment Grade Fund – Series A	505	5,005	0.0
Exemplar Tactical Corporate Bond Fund – Series AI	512	4,961	0.0
Exemplar Tactical Corporate Bond Fund – Series FI	66,164	642,452	2.9

Management and Performance Fees

Management fees are calculated and accrued daily and paid monthly and are subject to HST (and any other applicable taxes). The management fee rates are as follows:

Fund	Series											
	A	AD	AI	AN	F	FD	FI	FN	L	LD	LI	LN
Exemplar Leaders Fund	1.80%	n/a	n/a	n/a	0.80%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Exemplar Yield Fund	2.00%	n/a	n/a	n/a	1.00%	n/a	n/a	n/a	2.25%	n/a	n/a	n/a
Exemplar Performance Fund	2.00%	2.00%	n/a	n/a	1.00%	1.00%	n/a	n/a	2.30%	2.30%	n/a	n/a
Exemplar Investment Grade Fund	1.30%	n/a	1.30%	1.30%	0.80%	n/a	0.80%	0.80%	n/a	n/a	n/a	n/a
Exemplar Tactical Corporate Bond Fund	1.75%	n/a	1.75%	1.75%	1.00%	n/a	1.00%	1.00%	2.00%	n/a	2.00%	n/a
Exemplar Growth and Income Fund	2.00%	n/a	n/a	2.00%	1.00%	n/a	n/a	1.00%	2.30%	n/a	n/a	2.30%

A holder of Series I units of a Fund, if applicable, pays a negotiated management fee directly to Arrow. The management fee in respect of Series I units will be different for each investor, and will not exceed 2.50% per year.

In addition, Exemplar Leaders Fund and Exemplar Performance Fund pay the Manager an annual performance fee (the “Performance Fee”), equal to 20% of the amount by which the Funds outperform their respective indices. The Performance Fee is calculated and accrued daily and paid annually on a calendar year basis and is subject to HST (and any other applicable taxes). If the performance of a series of a Fund in any year is less than the performance of the indices described below (the “Return Deficiency”), then no Performance Fee will be payable in any subsequent year until the performance of the applicable series, on a cumulative basis calculated from the first of such subsequent years, has exceeded the amount of the Return Deficiency.

Exemplar Leaders Fund

The Exemplar Leaders Fund will pay Arrow an annual Performance Fee equal to a percentage of the average net asset value of Series A units and Series F units of the Fund. Such percentage will be equal to 20% of the difference by which the return in the net asset value per unit of the applicable series from January 1 to December 31 exceeds the greater of: (i) 0%; and (ii) the percentage return of the S&P/TSX Composite Total Return Index for the same period.

Exemplar Performance Fund

A Performance Fee will be payable in all circumstances where the performance of the Fund exceeds that of the S&P TSX Composite Total Return Index, even in circumstances where the overall performance of the Fund has declined in a particular year, but as long as the performance of the Fund is positive since the last date that a performance fee was paid by the Fund. The S&P TSX Composite Total Return Index is comprised of most of the largest companies on the Toronto Stock Exchange as measured by market capitalization with any distributions reinvested.

Exemplar Growth and Income Fund does not charge a performance fee directly, although funds it invests in may be charged a performance fee.

Each Fund is responsible for all operating expenses incurred by or on behalf of that Fund.

Accrued management fees and performance fees (excluding HST) included in other liabilities on the statements of financial position are as follows:

	June 30, 2015		December 31, 2014	
	Management Fees (\$)	Performance Fees (\$)	Management Fees (\$)	Performance Fees (\$)
Exemplar Leaders Fund	54,503	-	50,662	-
Exemplar Yield Fund	11,215	n/a	12,185	n/a
Exemplar Performance Fund	14,992	206,019	8,101	-
Exemplar Investment Grade Fund	53,066	n/a	33,567	n/a
Exemplar Tactical Corporate Bond Fund	29,784	n/a	25,136	n/a
Exemplar Growth and Income Fund	2,261	n/a	n/a	n/a

Brokerage Commissions

Total commissions paid to dealers for the periods ended June 30, 2015 and 2014 in connection with portfolio transactions are as follows:

	June 30, 2015 (\$)	June 30, 2014 (\$)
Exemplar Leaders Fund	14,314	16,375
Exemplar Yield Fund	14,383	2,255
Exemplar Performance Fund	3,273	676
Exemplar Investment Grade Fund	5,275	-
Exemplar Tactical Corporate Bond Fund	2,422	-
Exemplar Growth and Income Fund	1,809	-

Total commissions used to purchase market data services by the Funds for the periods ended June 30, 2015 and 2014 are as follows:

	June 30, 2015 (\$)	June 30, 2014 (\$)
Exemplar Leaders Fund	3,987	-
Exemplar Yield Fund	737	-
Exemplar Performance Fund	1,442	-
Exemplar Investment Grade Fund	-	-
Exemplar Tactical Corporate Bond Fund	-	-
Exemplar Growth and Income Fund	-	-

9. TAXATION

The Funds qualify as mutual fund trusts under the Income Tax Act (Canada) ("Tax Act"). All of the Funds' net income for tax purposes and sufficient net capital gains realized in any year are required to be distributed to unitholders such that no income tax is payable by the

Funds. As a result, the Funds do not record income taxes. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses would not be reflected in the statements of financial position as a deferred income tax asset.

	Non-Capital Loss* (\$)	Capital Loss** (\$)
Exemplar Leaders Fund	94,035	-
Exemplar Yield Fund	-	54,049
Exemplar Performance Fund	130,577	9,124
Exemplar Investment Grade Fund	23,569	6,910
Exemplar Tactical Corporate Bond Fund	74,207	-

* Non-capital losses can be offset against income in future years for up to 20 years.

** Net Capital losses can be carried forward indefinitely for offset against gains in future periods.

10. INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT

The increase (decrease) in net assets attributable to holders of redeemable units per unit for the periods ended June 30, 2015 and 2014 is calculated as follows:

June 30, 2015	Increase (decrease) in net assets attributable to holders of redeemable units (\$)	Weighted average redeemable units outstanding during the period	Increase (decrease) in net assets attributable to holders of redeemable units per unit (\$)
Exemplar Leaders Fund – Series A	1,857,367	697,197	2.66
Exemplar Leaders Fund – Series F	582,922	200,538	2.91
Exemplar Yield Fund – Series A	(28,208)	548,128	(0.05)
Exemplar Yield Fund – Series F	60,000	117,060	0.51
Exemplar Yield Fund – Series I	8,280	76,472	0.11
Exemplar Yield Fund – Series L	79	33,119	0.00
Exemplar Performance Fund – Series A	181,992	280,635	0.65
Exemplar Performance Fund – Series AD	48	3,416	0.01
Exemplar Performance Fund – Series F	408,156	547,721	0.75
Exemplar Performance Fund – Series FD	687	4,289	0.16
Exemplar Performance Fund – Series I	7,117	71,862	0.10
Exemplar Performance Fund – Series L	8,034	24,470	0.33
Exemplar Performance Fund – Series LD	100	1,769	0.06
Exemplar Investment Grade Fund – Series A	70,638	1,438,075	0.05
Exemplar Investment Grade Fund – Series AI	9,599	211,052	0.05
Exemplar Investment Grade Fund – Series AN	(3,716)	58,457	(0.06)
Exemplar Investment Grade Fund – Series F	267,582	3,679,875	0.07
Exemplar Investment Grade Fund – Series FI	16,339	216,675	0.08
Exemplar Investment Grade Fund – Series FN	(910)	28,378	(0.03)
Exemplar Tactical Corporate Bond Fund – Series A	55,173	316,653	0.17
Exemplar Tactical Corporate Bond Fund – Series AI	5,957	34,702	0.17
Exemplar Tactical Corporate Bond Fund – Series AN	96,659	571,052	0.17
Exemplar Tactical Corporate Bond Fund – Series F	192,300	879,619	0.22
Exemplar Tactical Corporate Bond Fund – Series FI	43,162	192,610	0.22
Exemplar Tactical Corporate Bond Fund – Series FN	37,053	233,819	0.16
Exemplar Tactical Corporate Bond Fund – Series I	1,117	24,227	0.05
Exemplar Tactical Corporate Bond Fund – Series L	8,698	70,839	0.12
Exemplar Tactical Corporate Bond Fund – Series LI	(14)	1,000	(0.01)
Exemplar Growth & Income Fund – Series A	1,268	10,601	0.12
Exemplar Growth & Income Fund – Series AN	478	8,925	0.05
Exemplar Growth & Income Fund – Series F	19,207	65,917	0.29
Exemplar Growth & Income Fund – Series FN	(2,528)	35,543	(0.07)
Exemplar Growth & Income Fund – Series L	157	3,820	0.04
Exemplar Growth & Income Fund – Series LN	166	1,000	0.17

June 30, 2014	Increase (decrease) in net assets attributable to holders of redeemable units (\$)	Weighted average redeemable units outstanding during the period	Increase (decrease) in net assets attributable to holders of redeemable units per unit (\$)
Exemplar Leaders Fund – Series A	1,190,596	676,818	1.76
Exemplar Leaders Fund – Series F	387,082	188,568	2.05
Exemplar Yield Fund – Series A	326,908	527,604	0.62
Exemplar Yield Fund – Series F	125,630	183,723	0.68
Exemplar Yield Fund – Series I	88,106	153,176	0.58
Exemplar Yield Fund – Series L	20,206	30,899	0.65
Exemplar Performance Fund – Series A	24,105	32,220	0.75
Exemplar Performance Fund – Series F	76,320	87,806	0.87

11. FUTURE ACCOUNTING CHANGES

IFRS 9, Financial Instruments

The final version of IFRS 9, Financial Instruments, was issued by the International Accounting Standards Board (“IASB”) in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking ‘expected loss’ impairment model and a substantially reformed approach to hedge accounting. The new single, principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity’s own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however is available for early adoption. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Funds are in the process of assessing the impact of IFRS 9 and have not yet determined when they will adopt the new standard.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

August 28, 2015

TO THE UNITHOLDERS AND TRUSTEE OF EXEMPLAR LEADERS FUND, EXEMPLAR YIELD FUND, EXEMPLAR PERFORMANCE FUND, EXEMPLAR INVESTMENT GRADE FUND, EXEMPLAR TACTICAL CORPORATE BOND FUND AND EXEMPLAR GROWTH AND INCOME FUND (COLLECTIVELY THE "FUNDS")

The accompanying unaudited financial statements have been prepared by Arrow Capital Management Inc. ("Arrow" or the "Manager" of the Funds), and approved by the Board of Directors of the Manager. The Manager is responsible for the information and representations contained in these financial statements.

The Manager maintains appropriate processes to ensure that reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and include certain amounts that are based on estimates and judgments. The significant accounting policies which management believes are appropriate for the Funds are described in Note 2 to the financial statements.

Prior to December 2, 2013, the manager of the Funds was BluMont Capital Corporation ("BluMont"). On December 2, 2013, Arrow acquired all the outstanding shares of BluMont, resulting in a change of control of BluMont. On April 1, 2014, Arrow and BluMont amalgamated, continuing under the name "Arrow Capital Management Inc.". At a special meeting of unitholders on November 27, 2013, the unitholders of the Funds approved a change of manager from BluMont to Arrow.

"James L. McGovern"

JAMES L. MCGOVERN
Managing Director & CEO

"Robert W. Maxwell"

ROBERT W. MAXWELL
Managing Director & CFO

NOTICE TO UNITHOLDERS

The auditor of the Funds has not reviewed these interim financial statements.

The Manager of the Funds appoints an independent auditor to audit the Funds' annual financial statements. Applicable securities laws require that if an auditor has not reviewed the Funds' interim financial statements, this must be disclosed in an accompanying notice.

FUND INFORMATION

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