



UNAUDITED SEMI-ANNUAL FINANCIAL STATEMENTS

JUNE 2015

EXEMPLAR CANADIAN FOCUS PORTFOLIO

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		\$ 75,340,870	\$ 64,937,024
Financial assets held for trading			
Warrants		42,033	-
Cash		17,752,141	14,777,266
Margin deposit		1,093,077	2,487,499
Accrued interest receivable		19,534	19,574
Accrued dividends receivable		75,175	72,447
Receivable for securities sold		-	328,458
Receivable for redeemable shares issued		225,067	106,604
		<u>94,547,897</u>	<u>82,728,872</u>
Liabilities			
Current liabilities			
Financial liabilities held for trading			
Investments sold short		856,564	2,111,734
Payable for securities purchased		-	15,237
Accrued dividends payable		4,103	5,395
Payable for redeemable shares redeemed		121,018	159,029
Other liabilities	9	1,446,002	151,571
		<u>2,427,687</u>	<u>2,442,966</u>
Net assets attributable to holders of redeemable shares		\$ 92,120,210	\$ 80,285,906
Net assets attributable to holders of redeemable shares			
Series A		\$ 46,002,495	\$ 43,776,926
Series F		\$ 38,381,844	\$ 30,891,999
Series L		\$ 7,735,871	\$ 5,616,981
Number of redeemable shares outstanding			
Series A	8	2,301,727	2,302,938
Series F		1,802,636	1,531,517
Series L		550,513	419,395
Net assets attributable to holders of redeemable shares per share			
Series A		\$ 19.99	\$ 19.01
Series F		\$ 21.29	\$ 20.17
Series L		\$ 14.05	\$ 13.39

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

"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 CANADIAN FOCUS PORTFOLIO

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

	Note	2015 \$	2014 \$
Income			
Net gains on investments and derivatives			
Interest for distribution purposes	5	45,851	71,378
Dividend income	5	442,293	547,515
Dividend expense on short sales	5	(10,187)	(4,616)
Net realized gain (loss) on investments and derivatives	5	3,263,643	2,969,567
Net change in unrealized appreciation (depreciation) in value of investments and derivatives	5	2,329,871	5,564,066
Net gains on investments and derivatives		6,071,471	9,147,910
Other Income Items:			
Interest on cash		13,067	25,321
Foreign exchange gain (loss)		578,928	(186,542)
Net change in unrealized foreign exchange gain (loss)		(177,095)	112,514
Total income (net)		6,486,371	9,099,203
Expenses			
Securityholder reporting fees		197,141	216,407
Management fees	9	545,676	521,106
Performance fees	9	1,178,960	1,428,851
Interest expense		1,640	12
Audit fees		10,167	8,086
Independent review committee fees		2,445	3,705
Legal fees		10,833	8,498
Custodial fees		7,832	4,500
Security borrowing expenses		3,466	5,588
Commissions and other portfolio transaction costs	9	11,477	26,087
Withholding tax expense		7,689	3,103
Harmonized sales tax		213,007	233,547
Income tax		3,698	22,008
Total expense before manager absorption		2,194,031	2,481,498
Less: expenses absorbed by manager	9	-	(14,371)
Total expenses after manager absorption		2,194,031	2,467,127
Increase (decrease) in net assets attributable to holders of redeemable shares		4,292,340	6,632,076
Increase (decrease) in net assets attributable to holders of redeemable shares			
Series A	11	2,203,467	4,238,590
Series F		1,802,928	1,998,277
Series L		285,945	395,209
Increase (decrease) in net assets attributable to holders of redeemable shares per share			
Series A	11	0.97	1.51
Series F		1.07	1.89
Series L		0.60	1.10

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

EXEMPLAR CANADIAN FOCUS PORTFOLIO

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

		2015	2014
		\$	\$
Net assets attributable to holders of redeemable shares at beginning of period	Series A	43,776,926	50,885,858
	Series F	30,891,999	16,981,360
	Series L	5,616,981	4,055,613
		80,285,906	71,922,831
Increase (decrease) in net assets attributable to holders of redeemable shares	Series A	2,203,467	4,238,590
	Series F	1,802,928	1,998,277
	Series L	285,945	395,209
		4,292,340	6,632,076
Redeemable share transactions			
Proceeds from redeemable shares issued	Series A	5,219,667	2,794,811
	Series F	7,295,075	9,717,241
	Series L	2,357,653	798,173
Redemption of redeemable shares	Series A	(5,197,565)	(12,212,168)
	Series F	(1,608,158)	(1,665,351)
	Series L	(524,708)	(129,633)
Net increase (decrease) from redeemable share transactions		7,541,964	(696,927)
Net increase (decrease) in net assets attributable to holders of redeemable shares		11,834,304	5,935,149
	Series A	46,002,495	45,707,091
	Series F	38,381,844	27,031,527
	Series L	7,735,871	5,119,362
Net assets attributable to holders of redeemable shares at end of period		92,120,210	77,857,980

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

EXEMPLAR CANADIAN FOCUS PORTFOLIO

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 shares	4,292,340	6,632,076
Adjustment for:		
Net change in unrealized foreign exchange (gain) loss on cash	5,540	(112,514)
Net realized (gain) loss on investments and derivatives	(3,263,643)	(2,969,567)
Net change in unrealized (appreciation) depreciation in value of investments and derivatives	(2,329,871)	(5,564,066)
Purchase of investments	(20,533,603)	(16,854,247)
Proceeds on sale of investments	14,739,288	18,975,555
Decrease (increase) in accrued interest receivable	40	2,805
Decrease (increase) in accrued dividends receivable	(2,728)	31,195
Decrease (increase) in accrued income tax receivable	-	21,162
Increase (decrease) in accrued dividends payable	(1,292)	(4,269)
Increase (decrease) in other liabilities	1,294,431	(1,862,903)
Decrease (increase) in margin deposit	1,394,422	(585,492)
Net cash from (used in) operating activities	(4,405,076)	(2,290,265)
Cash flows from (used in) financing activities		
Proceeds from redeemable shares issued	14,753,933	13,251,516
Redemption of redeemable shares	(7,368,442)	(13,936,114)
Distributions paid to holders of redeemable shares, net of reinvested distributions	-	(57,590)
Net cash from (used in) financing activities	7,385,491	(742,188)
Net Increase (decrease) in cash	2,980,415	(3,032,453)
Cash at beginning of the period	14,777,266	9,472,309
Net change in unrealized foreign exchange gain (loss) on cash	(5,540)	112,514
Cash at end of the period	17,752,141	6,552,370
Interest received*	58,958	96,699
Dividends received, net of withholding tax*	431,876	575,607
Income tax paid*	(3,698)	-
Interest paid*	(1,640)	12
Dividend paid*	(11,479)	(8,885)

*Included as part of cash flows from operating activities

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

EXEMPLAR CANADIAN FOCUS PORTFOLIO

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

Equity Positions - Long		80.1%			
Security Name	Currency		Quantity	Average Cost \$	Fair Value \$
Basic Materials		1.4%			
Agrium Inc.	CAD		5,100	670,456	675,087
AirBoss of America Corp.	CAD		4,300	85,996	95,890
Canam Group Inc.	CAD		40,200	556,787	559,182
				1,313,239	1,330,159
Communications		2.3%			
COM DEV International Ltd.	CAD		2,200	12,246	12,694
The Intertain Group Limited	CAD		85,600	626,552	1,474,888
Nielsen N.V.	USD		1,468	71,438	81,982
Telus Corporation	CAD		1,900	80,495	81,757
UrtheCast Corp.	CAD		75,750	162,536	298,455
The Walt Disney Company	USD		900	120,712	128,140
				1,073,979	2,077,916
Consumer, Cyclical		24.1%			
Alimentation Couche-Tard Inc.	CAD		86,000	1,418,267	4,594,980
Amaya Inc.	CAD		62,000	509,149	2,121,640
Canadian Tire Corporation, Limited	CAD		12,600	1,151,017	1,683,108
Cineplex Inc.	CAD		18,500	627,411	869,870
CVS Health Corporation	USD		2,600	234,501	340,151
DHX Media Ltd.	CAD		506,000	1,164,761	4,726,040
Dollarama Inc.	CAD		1,200	84,699	90,840
Foot Locker, Inc.	USD		1,600	118,358	133,741
Gildan Activewear Inc.	CAD		21,800	535,909	904,482
The Home Depot, Inc.	USD		800	102,256	110,899
Hudson's Bay Company	CAD		15,900	423,898	441,225
Lennar Corporation	USD		2,800	165,571	178,269
Linamar Corporation	CAD		16,200	894,709	1,314,144
The Madison Square Garden Company	USD		2,900	250,885	302,022
Magna International Inc.	CAD		14,200	486,768	995,420
Marriott International, Inc.	USD		600	51,473	55,676
MGM Resorts International	USD		900	23,045	20,489
Michael Kors Holdings Limited	USD		2,000	117,997	105,006
NIKE, Inc.	USD		6,000	680,575	808,465
NYX Gaming Group Limited	CAD		8,200	37,282	34,522
Office Depot, Inc.	USD		9,900	116,191	106,945
Performance Sports Group Ltd.	USD		1,500	37,190	33,680
Performance Sports Group Ltd.	CAD		28,200	349,114	633,936
Polaris Industries Inc.	USD		2,500	435,307	461,881
Restaurant Brands International Inc.	USD		4,600	219,335	219,251
Ross Stores, Inc.	USD		6,000	333,458	363,817
Uni-Select Inc.	CAD		12,000	451,574	564,960
				11,020,700	22,215,459

EXEMPLAR CANADIAN FOCUS PORTFOLIO

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

Equity Positions - Long		80.1%			
Security Name	Currency		Quantity	Average Cost \$	Fair Value \$
Consumer, Non-Cyclical		21.5%			
AGT Food and Ingredients Inc	CAD		20,200	539,620	640,340
Allergan Public Limited Company	USD		1,204	468,806	455,758
Anthem, Inc.	USD		1,870	218,407	382,879
Boyd Group Income Fund	CAD		121,400	1,651,657	6,400,208
Cimpress N.V.	USD		1,300	132,619	136,476
The Clorox Company	USD		1,800	175,756	233,558
Colliers International Group Inc.	CAD		5,200	229,026	248,560
Concordia Healthcare Corp.	CAD		22,300	1,812,352	2,012,575
Constellation Brands, Inc.	USD		2,100	222,613	303,919
DH Corporation	CAD		22,600	819,393	902,192
EnerCare Inc.	CAD		31,500	426,890	418,950
Energizer Holdings Inc.	USD		3,400	570,571	557,925
The Hain Celestial Group, Inc.	USD		3,000	184,948	246,461
High Liner Foods Incorporated	CAD		15,100	330,199	342,015
Humana Inc.	USD		1,800	439,890	429,485
K-Bro Linen Inc.	CAD		10,300	373,890	545,694
The Kroger Co.	USD		1,500	95,917	135,674
Loblaw Companies Limited	CAD		6,500	343,852	410,020
MacDonald, Dettwiler and Associates Ltd.	CAD		20,200	1,157,354	1,843,654
Merus Labs International Inc.	CAD		57,000	172,876	167,580
Mondelez International, Inc.	USD		8,600	233,944	441,335
Morneau Shepell Inc.	CAD		14,900	251,961	247,638
Nobilis Health Corp.	CAD		21,500	196,863	182,535
Patient Home Monitoring Corp.	CAD		270,000	404,730	370,899
Patient Home Monitoring Corp.	CAD		55,500	79,119	82,140
Pfizer Inc.	USD		200	8,682	8,365
UnitedHealth Group Incorporated	USD		1,100	163,377	167,401
Valeant Pharmaceuticals International, Inc.	USD		300	74,146	83,133
Valeant Pharmaceuticals International, Inc.	CAD		3,200	540,437	886,624
Vertex Pharmaceuticals Incorporated	USD		600	89,683	92,417
The WhiteWave Foods Company	USD		1,600	92,723	97,557
Whole Foods Market, Inc.	USD		2,100	134,764	103,315
Zoetis Inc.	USD		4,000	206,696	240,599
				12,843,761	19,817,881
Energy		1.2%			
Enbridge Inc.	CAD		7,000	422,161	408,870
Spartan Energy Corp.	CAD		53,300	192,221	164,164
Tourmaline Oil Corp.	CAD		15,000	638,728	562,800
				1,253,110	1,135,834
Financial		5.3%			
Blackhawk Network Holdings, Inc.	USD		3,300	125,714	169,597
The Blackstone Group L.P.	USD		1,700	84,343	86,668
Boston Private Financial Holdings, Inc.	USD		4,100	63,642	68,583
CI Financial Corp.	CAD		51,300	1,340,890	1,723,680
Element Financial Corporation	CAD		53,500	632,729	1,056,625
FirstService Corporation	CAD		5,200	137,849	180,544

EXEMPLAR CANADIAN FOCUS PORTFOLIO

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

Equity Positions - Long		80.1%			
Security Name	Currency		Quantity	Average Cost \$	Fair Value \$
Financial – Con't					
Manulife Financial Corporation	CAD		4,000	92,846	92,840
Mogo Finance Technology Inc.	CAD		44,000	440,000	393,360
Sun Life Financial Inc.	CAD		1,100	43,943	45,870
Tricon Capital Group Inc.	CAD		68,100	518,085	742,971
Visa Inc.	USD		4,000	324,456	335,052
				<u>3,804,497</u>	<u>4,895,790</u>
Funds					
		0.6%			
PureFunds ISE Cyber Security	USD		1,600	56,804	62,969
SPDR GOLD SHARES	USD		3,800	560,565	532,648
				<u>617,369</u>	<u>595,617</u>
Industrial					
		13.8%			
Avigilon Corporation	CAD		59,000	1,318,406	993,560
Badger Daylighting Ltd.	CAD		22,200	184,725	581,418
Bemis Company, Inc.	USD		2,100	102,172	117,906
CAE Inc.	CAD		10,400	161,678	154,648
Canadian National Railway Company	CAD		23,100	855,225	1,664,586
CCL Industries Inc.	CAD		15,500	1,324,680	2,374,600
DIRTT Environmental Solutions Ltd.	CAD		105,200	309,732	679,592
FedEx Corporation	USD		800	166,921	170,046
General Electric Company	USD		2,100	71,703	69,601
Honeywell International Inc.	USD		3,200	342,231	407,032
Stantec Inc.	CAD		23,000	404,341	839,500
Stella-Jones Inc.	CAD		62,400	782,138	2,590,848
Student Transportation Inc.	CAD		95,500	681,347	550,080
Textron Inc.	USD		2,800	80,833	155,880
TransForce Inc.	CAD		5,300	144,783	134,249
WSP Global Inc.	CAD		30,300	1,083,629	1,191,093
				<u>8,014,544</u>	<u>12,674,639</u>
Technology					
		7.6%			
Broadcom Corporation	USD		100	6,766	6,423
CGI Group Inc.	CAD		16,400	590,076	801,140
Computer Sciences Corporation	USD		9,800	840,804	802,418
Constellation Software Inc.	CAD		4,800	886,923	2,380,128
The Descartes Systems Group Inc.	CAD		80,000	492,675	1,604,000
Enghouse Systems Limited	CAD		1,400	72,691	68,166
Espial Group Inc.	CAD		56,500	222,480	171,195
Kinaxis Inc.	CAD		19,800	368,941	551,232
Open Text Corporation	CAD		8,000	267,340	405,840
salesforce.com, inc.	USD		2,000	179,293	173,713
				<u>3,927,989</u>	<u>6,964,255</u>
Utilities					
		2.2%			
Keyera Corp.	CAD		49,600	1,095,871	2,068,320
				<u>44,965,059</u>	<u>73,775,870</u>

EXEMPLAR CANADIAN FOCUS PORTFOLIO

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

Equity Positions - Short		(0.9%)	Quantity	Proceeds	Fair Value
Security Name				\$	\$
Energy		(0.0%)			
Cenovus Energy Inc.	USD		(500)	(10,203)	(9,985)
				(10,203)	(9,985)
Funds		(0.2%)			
iShares S&P/TSX 60 Index ETF	CAD		(6,500)	(143,046)	(138,515)
iShares S&P/TSX Capped Energy	CAD		(2,500)	(34,867)	(32,550)
				(177,913)	(171,065)
Industrial		(0.7%)			
Deere & Company	USD		(5,200)	(540,009)	(629,514)
HNZ Group Inc.	CAD		(2,300)	(45,780)	(46,000)
				(585,789)	(675,514)
				(773,905)	(856,564)

Fixed Income Positions - Long		1.7%	Coupon Rate	Maturity Date	Par Value	Average Cost	Fair Value
Security Name	Currency		%			\$	\$
Boyd Group Income Fund	CAD		5.75	12-31-17	250,000	250,000	575,000
Epsilon Energy Ltd.	CAD		7.75	03-31-17	1,000,000	1,000,000	990,000
						1,250,000	1,565,000

Warrant Positions - Long		0.0%	Strike Price	Maturity Date	Quantity	Average Cost	Fair Value
Security Name	Currency					\$	\$
Patient Home Monitoring Corp.	CAD		1.80	05-04-18	135,000	270	42,033
						270	42,033

Investment Portfolio Summary			Average Cost	Fair Value
	%		\$	\$
Equity Positions - Long	80.1		44,965,059	73,775,870
Equity Positions - Short	(0.9)		(773,905)	(856,564)
Fixed Income Positions - Long	1.7		1,250,000	1,565,000
Warrant Positions - Long	0.0		270	42,033
Total Investments	80.9		45,441,424	74,526,339
Total Other Net Assets	19.1		-	17,593,871
Total Net Assets	100.0		45,441,424	92,120,210

EXEMPLAR CANADIAN FOCUS PORTFOLIO
DISCUSSION OF NOTES 4 & 5: FINANCIAL INSTRUMENTS (UNAUDITED)
JUNE 30, 2015

The investment objective of the Exemplar Canadian Focus Portfolio (the "Portfolio") is to achieve superior capital appreciation over both short and long term horizons primarily through the selection and management of a concentrated group of long and short positions in Canadian equity securities and equity derivative securities.

RISK MANAGEMENT

The Portfolio's overall risk management program seeks to maximize the returns derived for the level of risk to which the Portfolio is exposed and seeks to minimize potential adverse effects on the Portfolio'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 and the maximum loss on forward currency contracts is the notional contract value of those positions.

The management of these risks is carried out by the Manager in accordance with Portfolio's prospectus.

The Portfolio's use of leverage and borrowings can increase the Portfolio's exposure to these risks, which in turn can also increase the potential returns the Portfolio can achieve. The Manager manages these exposures on a daily basis in accordance with investment restrictions that have been established by the Portfolio to manage the overall potential exposure. The Portfolio will generally not use leverage in excess of 20% of its Net Asset Value.

A general discussion of risks associated with financial instruments for the Exemplar Portfolios is contained in Note 4: FINANCIAL INSTRUMENTS – RISK MANAGEMENT.

Credit Risk

The analysis below summarizes the credit quality of the Portfolio'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
Not Rated	100.0%	100.0%
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 Portfolio is exposed to counterparty credit risk on cash, margin on deposit, receivable for securities sold and other receivable balances. The Portfolio's brokerage agreements require cash collateral in excess of 150% of the fair value of securities sold short. The Portfolio'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.

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 Portfolio. Therefore, the Portfolio 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 Portfolio may experience increased exposure to credit risk associated with the applicable custodians or brokers. The Portfolio'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 Portfolio 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).

Liquidity Risk

All of the Portfolio's liabilities are typically due in less than 3 months except for performance fees which are accrued daily and payable annually on December 31. Redeemable shares 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 shares 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 Portfolio'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 shares if the Canadian dollar had strengthened or weakened by 10% in relation to USD, with all other variables held constant. Non-monetary is comprised of equity positions and warrants. Monetary includes cash, fixed income securities and other current receivables and payables.

June 30, 2015	Exposure			Impact on net assets attributable to holders of redeemable shares		
	Currency	Monetary	Non-Monetary	Total	Monetary	Non-Monetary
United States Dollar - Long	\$453,491	\$10,732,736	\$11,186,227	\$45,349	\$1,073,274	\$1,118,623
United States Dollar - Short	-	(643,391)	(643,391)	-	(64,339)	(64,339)
Total	\$453,491	\$10,089,345	\$10,542,836	\$45,349	\$1,008,935	\$1,054,284
% of net assets attributable to holders of redeemable shares	0.5%	11.0%	11.4%	0.0%	1.1%	1.1%

December 31, 2014	Exposure			Impact on net assets attributable to holders of redeemable shares		
	Currency	Monetary	Non-Monetary	Total	Monetary	Non-Monetary
United States Dollar - Long	\$5,716,252	\$5,007,974	\$10,724,226	\$571,625	\$500,797	\$1,072,422
United States Dollar - Short	-	(2,111,734)	(2,111,734)	-	(211,173)	(211,173)
Total	\$5,716,252	\$2,896,240	\$8,612,492	\$571,625	\$289,624	\$861,249
% of net assets attributable to holders of redeemable shares	7.1%	3.6%	10.7%	0.7%	0.4%	1.1%

(b) Interest Rate Risk

The table below summarizes the Portfolio'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 shares 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	\$1,565,000	\$1,040,000
3-5 years	-	512,500
Greater than 5 years	-	-
Total	\$1,565,000	\$1,552,500
Sensitivity:		
Total \$ sensitivity	\$9,859	\$272
Total % sensitivity	0.0%	0.0%

(c) Price Risk

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

The Portfolio invests predominantly in large and mid capitalization companies. The Portfolio may also invest in bonds and other debt instruments if warranted by financial conditions. The Portfolio does 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 Portfolio may also invest in options, including put options or call options either in respect of a specific security or in respect of a stock exchange index as a means to reduce volatility.

The Portfolio may engage in short selling of securities which the Manager believes are overvalued, especially securities of issuers with deteriorating fundamentals and weak balance sheets. Short positions of index securities such as exchange traded funds may also be

employed for capital preservation and hedging purposes. Short selling positions will not in total exceed 40% of the Net Asset Value of the Portfolio.

The Portfolio holds cash and invests 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 Portfolio may also invest in foreign securities of the same type and characteristics as described above.

The Portfolio may use derivatives for hedging and non-hedging purposes as permitted by applicable securities laws. The Portfolio may enter into securities lending, repurchase and reverse repurchase transactions to generate additional income or as a short-term cash management tool.

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

Impact on net assets attributable to holders of redeemable shares		
	June 30, 2015	December 31, 2014
5% Increase	\$3,648,069	\$3,063,640
5% Decrease	\$(3,648,069)	\$(3,063,640)

The Portfolio engages in short selling activities, wherein it borrows securities and sells them to third parties. Until the Portfolio 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 Portfolio's concentration risk:

% of net assets attributable to holders of redeemable shares				
Market Segment	June 30, 2015		December 31, 2014	
	Long Positions (\$)	Short Positions (\$)	Long Positions (\$)	Short Positions (\$)
Basic Materials	1.4	-	0.7	-
Communications	2.3	-	2.2	-
Consumer, Cyclical	24.1	-	25.6	-
Consumer, Non-cyclical	22.2	-	17.9	-
Energy	2.3	(0.0)	3.8	-
Financial	5.3	-	6.0	-
Funds	0.6	(0.2)	0.3	(2.2)
Industrial	13.8	(0.7)	14.9	(0.4)
Technology	7.6	-	6.6	-
Utilities	2.2	-	2.9	-

FAIR VALUE MEASUREMENT

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

The following table illustrates the classification of the Portfolio'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 at FVTPL				
Equities	73,404,971	370,899	-	73,775,870
Bonds	-	1,565,000	-	1,565,000
Derivatives	-	42,033	-	42,033
Total	73,404,971	1,977,932	-	75,382,903
Financial liabilities at FVTPL				
Equities sold short	(856,564)	-	-	(856,564)
Total	(856,564)	-	-	(856,564)

As at December 31, 2014	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial assets at FVTPL				
Equities	63,384,524	-	-	63,384,524
Bonds	-	1,552,500	-	1,552,500
Total	63,384,524	1,552,500	-	64,937,024
Financial liabilities at FVTPL				
Equities sold short	(2,111,734)	-	-	(2,111,734)
Total	(2,111,734)	-	-	(2,111,734)

All fair value measurements above are recurring. The carrying values of all of the Portfolio'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 Portfolio, 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.

As at June 30, 2015, the Portfolio 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 and equities sold short

Most of the Portfolio'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.

b) Bonds

The Portfolio'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 Portfolio's bonds have been classified as Level 2.

c) Derivatives

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.

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 (\$)	Dividend Income (\$)	Dividend Expense (\$)	Total (\$)
Financial assets at FVTPL:						
Designated as FVTPL	3,596,316	2,177,307	45,851	442,293	-	6,261,767
HFT	-	41,763	-	-	-	41,763
	3,596,316	2,219,070	45,851	442,293	-	6,303,530
Financial liabilities at FVTPL:						
HFT	(332,673)	110,801	-	-	(10,187)	(232,059)
Total:	3,263,643	2,329,871	45,851	442,293	(10,187)	6,071,471

June 30, 2014	Net realized gains/(losses) (\$)	Net unrealized gains/(losses) (\$)	Interest Income (\$)	Dividend Income (\$)	Dividend Expense (\$)	Total (\$)
Financial assets at FVTPL:						
Designated as FVTPL	3,132,339	5,566,542	71,378	547,515	-	9,317,774
Financial liabilities at FVTPL:						
HFT	(162,772)	(2,476)	-	-	(4,616)	(169,864)
Total:	2,969,567	5,564,066	71,378	547,515	(4,616)	9,147,910

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

EXEMPLAR DIVERSIFIED PORTFOLIO

Statements of Financial Position (Unaudited)

	Note	As at June 30, 2015	As at December 31, 2014
Assets			
Current assets			
Financial assets held for trading			
Unrealized gain on futures - long		\$ 432,255	\$ 489,079
Unrealized gain on futures - short		960,722	1,887,618
Options at fair value		353,345	40,281
Cash		23,535,986	20,761,142
Margin deposit		25,129,103	20,897,100
Receivable for redeemable shares issued		82,482	145,430
		<u>50,493,893</u>	<u>44,220,650</u>
Liabilities			
Current liabilities			
Financial liabilities held for trading			
Unrealized loss on futures - long		380,470	206,816
Unrealized loss on futures - short		509,755	224,043
Options at fair value		117,674	100,855
Payable for redeemable shares redeemed		243,909	36,596
Other liabilities	9	711,841	208,666
		<u>1,963,649</u>	<u>776,976</u>
Net assets attributable to holders of redeemable shares		\$ 48,530,244	\$ 43,443,674
Net assets attributable to holders of redeemable shares			
Series A		\$ 5,869,826	\$ 7,245,031
Series F		\$ 31,728,711	\$ 26,578,556
Series I		\$ 8,840,604	\$ 7,836,247
Series L		\$ 2,091,103	\$ 1,783,840
Number of redeemable shares outstanding			
Series A	8	443,126	570,704
Series F		2,271,008	1,990,816
Series I		703,835	657,665
Series L		181,850	161,645
Net assets attributable to holders of redeemable shares per share			
Series A		\$ 13.25	\$ 12.69
Series F		\$ 13.97	\$ 13.35
Series I		\$ 12.56	\$ 11.92
Series L		\$ 11.50	\$ 11.04

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

"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 DIVERSIFIED PORTFOLIO

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

	Note	2015 \$	2014 \$
Income			
Net gains (losses) on investments and derivatives			
Net realized gain (loss) on futures	5	3,772,134	(1,156,950)
Net change in unrealized appreciation (depreciation) in value of futures	5	(1,443,085)	(59,810)
Net realized gain (loss) on investments and derivatives	5	(159,156)	(173,468)
Net change in unrealized appreciation (depreciation) in value of investments and derivatives	5	453,091	(208,962)
Net gains (losses) on investments and derivatives		2,622,984	(1,599,190)
Other Income Items:			
Interest on cash		110,289	98,850
Foreign exchange gain (loss)		461,772	(917)
Net change in unrealized foreign exchange gain (loss)		170,073	1,728
Total income (net)		3,365,118	(1,499,529)
Expenses			
Management fees	9	241,172	206,511
Performance fees	9	647,756	-
Securityholder reporting fees		94,589	102,256
Independent review committee fees		2,404	3,204
Audit fees		10,167	8,086
Custodial fees		-	2,499
Legal fees		10,833	9,393
Commissions and other portfolio transaction costs	9	218,107	181,989
Harmonized sales tax		130,551	38,507
Total expenses before manager absorption		1,355,579	552,445
Less: expenses absorbed by manager	9	-	(30,559)
Total expenses after manager absorption		1,355,579	521,886
Increase (decrease) in net assets attributable to holders of redeemable shares		2,009,539	(2,021,415)
Increase (decrease) in net assets attributable to holders of redeemable shares			
Series A	11	368,221	(756,851)
Series F		1,161,975	(944,568)
Series I		411,154	(239,404)
Series L		68,189	(80,592)
Increase (decrease) in net assets attributable to holders of redeemable shares per share			
Series A	11	0.72	(0.75)
Series F		0.55	(0.58)
Series I		0.59	(0.41)
Series L		0.39	(0.57)

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

EXEMPLAR DIVERSIFIED PORTFOLIO

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

		2015 \$	2014 \$
Net assets attributable to holders of redeemable shares at beginning of period			
	Series A	7,245,031	12,977,312
	Series F	26,578,556	15,529,710
	Series I	7,836,247	5,130,434
	Series L	1,783,840	1,330,034
		43,443,674	34,967,490
Increase (decrease) in net assets attributable to holders of redeemable shares			
	Series A	368,221	(756,851)
	Series F	1,161,975	(944,568)
	Series I	411,154	(239,404)
	Series L	68,189	(80,592)
		2,009,539	(2,021,415)
Redeemable share transactions			
Proceeds from redeemable shares issued	Series A	1,143,327	317,082
	Series F	7,602,627	7,400,943
	Series I	818,849	1,727,152
	Series L	407,500	103,500
Redemption of redeemable shares	Series A	(2,886,753)	(5,280,873)
	Series F	(3,614,446)	(3,853,498)
	Series I	(225,647)	(65,883)
	Series L	(168,426)	(56,819)
Net increase (decrease) from redeemable share transactions		3,077,031	291,604
Net increase (decrease) in net assets attributable to holders of redeemable shares		5,086,570	(1,729,811)
	Series A	5,869,826	7,256,670
	Series F	31,728,711	18,132,587
	Series I	8,840,604	6,552,299
	Series L	2,091,103	1,296,123
Net assets attributable to holders of redeemable shares at end of period		48,530,244	33,237,679

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

EXEMPLAR DIVERSIFIED PORTFOLIO

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 shares	2,009,539	(2,021,415)
Adjustment for:		
Net change in unrealized foreign exchange (gain) loss on cash	(170,073)	(1,728)
Net realized loss (gain) on investments and derivatives	159,156	173,468
Net change in unrealized depreciation (appreciation) in value of investments and derivatives	(453,091)	208,962
Net change in unrealized depreciation (appreciation) in value of futures	1,443,085	59,810
Purchase of investments and derivatives	(1,335,580)	(317,374)
Proceeds from sale of investments and derivatives	1,333,271	344,012
(Increase) decrease in margin deposit	(4,232,003)	1,580,256
(Decrease) increase in other liabilities	503,175	(11,400)
Net cash from (used in) operating activities	(742,521)	14,591
Cash flows from (used in) financing activities		
Proceeds from redeemable shares issued	10,035,251	9,157,434
Redemption of redeemable shares	(6,687,959)	(9,222,856)
Net cash from (used in) financing activities	3,347,292	(65,422)
Net Increase (decrease) in cash	2,604,771	(50,831)
Cash at beginning of the period	20,761,142	18,206,299
Net change in unrealized foreign exchange gain (loss) on cash	170,073	1,728
Cash at end of the period	23,535,986	18,157,196
Interest received*	110,289	98,850
Interest paid*	-	-
*Included as part of cash flows from operating activities		

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

EXEMPLAR DIVERSIFIED PORTFOLIO

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

Futures Contracts - Short		0.9%				
Security Name	Currency	Contracts	Contract Size	Expiry Date	Notional Value	Gain/(Loss) (\$)
Commodity Futures		0.7%				
Aluminum HG Futures	USD	(38)	25	09-14-15	(1,600,370)	56,794
Brent Crude Oil Futures	USD	(9)	1,000	08-14-15	(577,260)	(2,906)
Coffee 'C' Futures	USD	(9)	375	09-18-15	(446,850)	1,661
Coffee Robusta 10 tn. Futures	USD	(21)	10	09-30-15	(374,640)	(11,464)
Copper Futures	USD	(24)	250	09-28-15	(1,569,000)	8,825
Corn Futures	USD	(6)	50	09-14-15	(126,600)	(22,235)
Cotton No 2 Futures	USD	(6)	500	12-08-15	(203,730)	(12,892)
Crude Oil Futures	USD	(6)	1,000	07-21-15	(356,820)	(1,447)
Gas Oil Futures	USD	(6)	100	08-12-15	(345,600)	125
Gold 100 oz Futures	USD	(15)	100	08-27-15	(1,757,700)	7,859
Lean Hogs Futures	USD	(57)	400	08-14-15	(1,695,750)	35,963
Live Cattle Futures	USD	(15)	400	08-31-15	(888,450)	10,778
Natural Gas Futures	USD	(3)	10,000	02-25-16	95,910	(861)
Natural Gas Futures	USD	(6)	10,000	08-27-15	(170,520)	25
Nickel Futures	USD	(9)	6	09-14-15	(646,461)	23,475
NY Harb Ulsd Futures	USD	(6)	420	07-31-15	(476,255)	(1,399)
Palladium Futures	USD	(36)	100	09-28-15	(2,421,540)	350,688
Platinum Futures	USD	(44)	50	10-28-15	(2,374,900)	(23,326)
Rubber Futures	JPY	(6)	5,000	11-24-15	(6,447,000)	1,133
Silver Futures	USD	(18)	5,000	09-30-15	(1,402,290)	28,516
Soybean Futures	USD	(6)	50	11-13-15	(311,175)	(37,827)
Soybean Oil Futures	USD	(12)	600	12-14-15	(245,304)	(4,393)
Sugar #11 World Futures	USD	(147)	1,120	09-30-15	(2,053,061)	(123,181)
White Sugar Futures	USD	(75)	50	07-16-15	(1,367,250)	(101,066)
Zinc Futures	USD	(33)	25	09-14-15	(1,648,763)	140,192
						<u>323,037</u>
Currency Futures		0.2%				
Australian Dollar Currency Futures	USD	(57)	1,000	09-14-15	(4,380,450)	(22,229)
British Pound Currency Futures	USD	(3)	625	09-14-15	(294,844)	(8,490)
Canadian Dollar Currency Futures	USD	(33)	1,000	09-16-15	(2,639,340)	54,050
Euro FX Currency Futures	USD	(12)	125,000	09-14-15	(1,673,400)	19,148
Euro/GBP Futures	GBP	(36)	125,000	09-14-15	(3,192,525)	125,402
Japanese Yen CCY Futures	USD	(48)	1,250	09-14-15	(4,909,500)	(97,461)
Mexican Peso Futures	USD	(108)	5,000	09-14-15	(3,416,580)	36,770
						<u>107,190</u>
Index Futures		0.1%				
S&P/TSE 60 Index Futures	CAD	(18)	200	09-17-15	(3,038,040)	23,420
SPI 200 Index Futures	AUD	(27)	25	09-17-15	(3,642,975)	34,976
						<u>58,396</u>
Interest Rate Futures		(0.0%)				
3 Month Euro Euribor Futures	EUR	(48)	2,500	09-14-15	(11,998,200)	922
90 Day Sterling Libor Futures	GBP	(239)	1,250	12-16-15	(29,656,913)	(2,135)
						<u>(1,213)</u>
						<u>450,967</u>

EXEMPLAR DIVERSIFIED PORTFOLIO

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

Option Positions - Long		0.7%					
Security Name	Currency	Strike Price	Expiry Date	Contracts	Average Cost	Fair Value	
					\$	\$	
Copper Futures	USD	285	08-27-15	14	47,033	108,929	
Euro - Bund Futures	EUR	158	08-22-15	91	63,620	29,114	
S & P 500 E-Mini Index Futures	USD	1,950	07-18-15	94	56,046	43,971	
S & P 500 E-Mini Index Futures	USD	2,025	07-18-15	134	58,159	171,331	
					<u>224,858</u>	<u>353,345</u>	

Option Positions - Short		(0.2%)					
Security Name	Currency	Strike Price	Expiry Date	Contracts	Proceeds	Fair Value	
					\$	\$	
S & P 500 E-Mini Index Futures	USD	2,100	12-19-15	(12)	(79,853)	(44,158)	
S & P 500 E-Mini Index Futures	USD	2,120	07-18-15	(44)	(63,355)	(9,742)	
S & P 500 E-Mini Index Futures	USD	2,050	09-19-15	(6)	(36,022)	(23,389)	
S & P 500 E-Mini Index Futures	USD	1,970	09-19-15	(2)	(14,269)	(14,938)	
S & P 500 E-Mini Index Futures	USD	2,100	09-19-15	(12)	(65,174)	(25,447)	
					<u>(258,673)</u>	<u>(117,674)</u>	

Investment Portfolio Summary		Average Cost	Fair Value
	%	\$	\$
Futures Contracts - Long	0.1	-	51,785
Futures Contracts - Short	0.9	-	450,967
Option Positions - Long	0.7	224,859	353,345
Options Positions - Short	<u>(0.2)</u>	<u>(258,673)</u>	<u>(117,674)</u>
Total Investments	1.5	-	738,423
Total Other Net Assets	<u>98.5</u>	-	<u>47,791,821</u>
Total Net Assets	<u>100.0</u>	<u>(33,814)</u>	<u>48,530,244</u>

EXEMPLAR DIVERSIFIED PORTFOLIO
DISCUSSION OF NOTES 4 & 5: FINANCIAL INSTRUMENTS (UNAUDITED)
JUNE 30, 2015

The investment objective of the Exemplar Diversified Portfolio (the "Portfolio") is to seek superior long term absolute and risk-adjusted returns with the potential for low correlation to global equity and fixed-income market returns through the selection and management of long and short positions in a globally diversified portfolio of futures, options, forward contracts and other financial derivative instruments on agricultural and soft commodities, metals, energies, currencies, interest rates and equity indices.

RISK MANAGEMENT

The Portfolio's overall risk management program seeks to maximize the returns derived for the level of risk to which the Portfolio is exposed and seeks to minimize potential adverse effects on the Portfolio's financial performance. All investments present a risk of loss of capital. The maximum loss of capital on long equity, options 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 Portfolio's prospectus.

The Portfolio's use of leverage and borrowings can increase the Portfolio's exposure to these risks, which in turn can also increase the potential returns the Portfolio can achieve. The Portfolio Sub-Advisor manages these exposures on a daily basis in accordance with investment restrictions that have been established by the Portfolio to manage the overall potential exposure. Futures and forward contracts and investments to which the Portfolio may have exposure at any time may be substantially larger than the actual amount invested with the result that the Portfolio will be exposed to a form of notional leverage. The notional leverage of the Portfolio, excluding futures on government securities and Euro dollars, is generally between 0% and 300% and can never go above 500%. The notional leverage of the Portfolio, including futures on government securities and Euro dollars, is typically around 300% but from time to time may be as high as 1,000%. No form of cash leverage is permitted and in the case of government securities and Euro dollars, futures positions are restricted to those that are based on investment grade government securities and Euro dollars.

A general discussion of risks associated with financial instruments for the Exemplar Portfolios is contained in Note 4: FINANCIAL INSTRUMENTS – RISK MANAGEMENT.

Credit Risk

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

The Portfolio is exposed to credit risk on cash, margin deposits, derivatives, receivable for securities sold and other receivable balances. The Portfolio's brokerage agreements require cash collateral to be maintained in respect of futures transactions entered into. The brokers for the Portfolio are Societe Generale SA, Royal Bank and Bank of Montreal which have credit ratings as obtained from Moody's bond rating services of A2, Aa3 and Aa3, respectively (December 31, 2014: A2, Aa3 and Aa3, respectively).

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 Portfolio. Therefore, the Portfolio 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 investments of the Portfolio may experience increased exposure to credit risk associated with the applicable custodians or brokers.

The Portfolio'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 Portfolio 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).

Liquidity Risk

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

Market Risk

(a) Currency Risk

The table below indicates the foreign currencies to which the Portfolio had significant exposure 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 shares if the Canadian dollar had strengthened or weakened by 10% in relation to each of the other currencies, with all other variables held constant. Non-monetary is comprised of non-financial options. Monetary items include cash, margin deposits, futures, financial options, and other current receivables and payables.

June 30, 2015		Exposure			Impact on net assets attributable to holders of redeemable shares		
Currency	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total	
Australian Dollar	\$132,840	-	\$132,840	\$13,284	-	\$13,284	
British Pound Sterling	177,585	-	177,585	17,759	-	17,759	
Euro Currency	407,193	\$29,114	436,307	40,719	\$2,911	43,630	
Hong Kong Dollar	195,351	-	195,351	19,535	-	19,535	
Japanese Yen	229,031	-	229,031	22,903	-	22,903	
Malaysian Ringgit	78,861	-	78,861	7,886	-	7,886	
United States Dollar	6,660,035	97,627	6,757,662	666,004	9,763	675,767	
Total	\$7,880,896	\$126,741	\$8,007,637	\$788,090	\$12,674	\$800,764	
% of net assets attributable to holders of redeemable shares	16.2%	0.3%	16.5%	1.6%	0.0%	1.7%	

December 31, 2014		Exposure			Impact on net assets attributable to holders of redeemable shares		
Currency	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total	
Australian Dollar	\$137,434	-	\$137,434	\$13,743	-	\$13,743	
British Pound Sterling	224,729	-	224,729	22,473	-	22,473	
Euro Currency	(128,910)	-	(128,910)	(12,891)	-	(12,891)	
Hong Kong Dollar	(36,718)	-	(36,718)	(3,672)	-	(3,672)	
Japanese Yen	(256,565)	-	(256,565)	(25,657)	-	(25,657)	
Malaysian Ringgit	(94,514)	-	(94,514)	(9,451)	-	(9,451)	
Swiss Franc	(1,190)	-	(1,190)	(119)	-	(119)	
United States Dollar	9,157,172	-	9,157,172	915,717	-	915,717	
Total	\$9,001,438	-	\$9,001,438	\$900,143	-	\$900,143	
% of net assets attributable to holders of redeemable shares	20.7%	-	20.7%	2.1%	-	2.1%	

(b) Interest Rate Risk

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

(c) Price Risk

The Portfolio'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.

The core investment strategy of the Portfolio is based on a risk budgeting strategy of allocating capital to markets and utilizing that capital based on the amount of risk premium being priced into markets. As a result of this allocation methodology, generally 50% of the portfolio risk budget is allocated to globally-traded industrial and agricultural commodity futures markets, and 50% is allocated to global currency, treasury debt and equity index futures markets.

The Portfolio transacts on highly liquid exchanges globally that may include, but are not limited to, all futures exchanges in the United States and Canada, the London Metals Exchange (LME), Euronext-LIFFE (LIFFE), the Eurex Deutschland (EUREX), the International Petroleum Exchange of London Limited (IPE), the Singapore International Monetary Exchange (SIMEX), the Sydney Futures Exchange Ltd. (SFE) and the Tokyo Commodities Exchange (TCE).

The Portfolio also has the ability to take short positions, in total not exceeding 40% of the Net Asset Value of the Portfolio.

The Portfolio may hold cash or invest in short term securities for the purpose of preserving capital and/or maintaining liquidity, based upon the portfolio manager's ongoing evaluation of current and anticipated economic and market conditions.

As at June 30, 2015 and December 31, 2014, if the Portfolio's relevant benchmark index, New Edge Commodity Trading Index (CAD), had increased or decreased by 10%, with all other variables constant, the net assets attributable to holders of redeemable shares of the Portfolio would have increased or decreased as follows:

Impact on net assets attributable to holders of redeemable shares		
Benchmark	June 30, 2015	December 31, 2014
New Edge Commodity Trading Index	12.6%	12.4%

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 Portfolio's concentration risk:

Market Segment	% of net assets attributable to holders of redeemable shares			
	June 30, 2015		December 31, 2014	
	Long Positions	Short Positions	Long Positions	Short Positions
Options	0.7%	(0.2)%	0.1%	(0.2)%
Bond Futures	0.0%	(0.1)%	0.1%	(0.0)%
Commodity Futures	0.7%	0.7%	(0.1)%	3.0%
Currency Futures	0.0%	0.2%	0.5%	0.9%
Interest Rate Futures	0.1%	(0.0)%	-	-
Index Futures	(0.7)%	0.1%	0.1%	(0.0)%

FAIR VALUE MEASUREMENT

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

All fair value measurements are recurring. The carrying values of all of the Portfolio's financial instruments not carried at FVTLP 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 Portfolio Sub-Advisor is responsible for performing the fair value measurements included in the financial statements of the Portfolio, including Level 3 measurements if any. The Portfolio Sub-Advisor obtains pricing from a third party pricing vendor which is monitored and reviewed daily by the finance department.

As at June 30, 2015 and December 31, 2014, all of the Portfolio's financial assets and financial liabilities held for trading were classified as Level 1. There were no transfers between levels 1, 2 and 3 during the periods ending June 30, 2015 and 2014.

Derivative assets and liabilities consist of options and futures contracts which are exchange traded and therefore classified as level 1.

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) (\$)	Total (\$)
Financial assets at FVTPL:			
HFT	18,549,571	(674,774)	17,874,797
Financial liabilities at FVTPL:			
HFT	(14,936,593)	(315,220)	(15,251,813)
Total:	3,612,978	(989,994)	2,622,984

June 30, 2014	Net realized gains / (losses) (\$)	Net unrealized gains / (losses) (\$)	Total (\$)
Financial assets at FVTPL:			
HFT	(1,361,955)	498,481	(863,474)
Financial liabilities at FVTPL:			
HFT	31,537	(767,253)	(735,716)
Total:	(1,330,418)	(268,772)	(1,599,190)

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 (Unaudited)

1. THE PORTFOLIOS

Exemplar Portfolios Ltd. (the "Company") is a mutual fund corporation incorporated under the Business Corporations Act (Ontario). The Company was incorporated on March 18, 2008.

The address of the Portfolios' registered office is 36 Toronto Street, Suite 750, Toronto, Ontario, M5C 2C5.

These financial statements only present the financial information of the Exemplar Canadian Focus Portfolio class (the "Canadian Focus Portfolio") and the Exemplar Diversified Portfolio class (the "Diversified Portfolio"). If the Company cannot satisfy its obligations related to each legally distinct class, it may be required to satisfy such obligations using assets attributable to one or both the Canadian Focus Portfolio and Diversified Portfolio. The Manager believes that the risk of such cross-class liability is remote.

Arrow Capital Management Inc. is the manager ("Arrow" or the "Manager") of the Portfolios. Prior to December 2, 2013, the manager of the Portfolios 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 shareholders on November 27, 2013, the shareholders of the Portfolios approved a change of manager from BluMont to Arrow.

Integrated Managed Futures Corp. ("IMFC") is the portfolio sub-advisor "Portfolio Sub-Advisor" of the Diversified Portfolio.

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

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 Portfolios 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 Portfolios' long investment positions are designated at FVTPL. The Portfolios' short investment positions, futures contracts and options are classified as held for trading ("HFT") and are measured at FVTPL. The Portfolios' obligation for net assets attributable to holders of redeemable shares is presented at the redemption amount. All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate. The Portfolios' accounting policies for measuring the fair value of their investments and derivatives are the same as those used in measuring its net asset value ("NAV") for transactions with shareholders. There were no differences between the net assets attributable to holders of redeemable shares used for reporting purposes under IFRS and that used for transactions with shareholders 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 Portfolio accounted for on an accrual basis.

The Portfolios 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 Portfolios 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 Portfolios 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. The fair value of futures contracts is based on the settlement price assigned by the exchange. Gains and losses arising from changes in the fair value of financial assets or liabilities are presented in the statement of comprehensive income. The Portfolios' 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 Portfolios 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) Impairment of Financial Assets

At each reporting date, each Portfolio assesses whether there is objective evidence that a financial asset at amortized cost is impaired. If such evidence exists, the Portfolio 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 periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

e) Foreign Currency Translation

The Portfolios' 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 other 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.

f) Cash

Cash is comprised of deposits with financial institutions.

g) Margin Deposit

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

h) 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 Portfolio purchases an option, an amount equal to fair value which is

based on the premium paid is recorded as an asset. When a Portfolio writes an option, an amount equal to fair value which is based on the premium received by the Portfolio is recorded as a liability. Options held by a Portfolio 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'.

i) Forward Currency Contracts

Each Portfolio 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 Portfolio 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.

j) Futures Contracts

The Portfolios 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 'Net change in unrealized appreciation (depreciation) in value of futures' in the statement of comprehensive income. When futures contracts are closed out, the gain or loss is included in 'Net realized gain (loss) on futures' in the statement of comprehensive income.

k) 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.

l) Income and Expense Allocation

The net assets of each series of each Portfolio are computed by calculating the value of that series' proportionate share of that Portfolio's assets less that series' proportionate share of that Portfolio'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 Portfolios or the number of shareholders in the Portfolios or other methodology the Manager determines is fair.

m) Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares per Share

The increase (decrease) in net assets attributable to holders of redeemable shares per share is calculated by dividing the increase (decrease) in net assets attributable to the series divided by the weighted average number of redeemable shares outstanding in that series during the period. Refer to Note 11 for the calculation.

n) Classification of Redeemable Shares issued by the Portfolios

The features of each series of each Portfolio's redeemable shares are not identical and consequently the shares, do not meet the conditions to be classified as equity. As a result, the Portfolios obligations for net assets attributable to holders of redeemable shares are financial liabilities under IFRS, presented at the redemption amounts.

o) Investments in Structured Entities

The Portfolios 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 Underlying Fund's net assets. The Portfolios' 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 Portfolios' maximum exposure in these Underlying Funds. The Portfolios 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 period 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 Portfolios 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 Portfolio 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 Portfolios 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 5 for further information about the fair value measurement of the Portfolio'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 Portfolios, the Manager is required to make significant judgments about whether or not the business of the Portfolios 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.

Determination if Underlying Funds Meet the Structured Entity Definition

The Portfolios have concluded that their investments in the Underlying Funds are investments in unconsolidated structured entities. This represents a significant judgment by the Portfolios 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 Portfolios and other investors.

4. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

In the normal course of business, each Portfolio 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 Financial Instruments – Risk Management for each Portfolio's specific risk disclosure.

Credit Risk

The Portfolios 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 Portfolio invests in debt instruments and derivatives, this represents the main concentration of credit risk.

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 Portfolio's rights to its assets in the case of an insolvency of any such party. The Portfolios are also exposed to counterparty credit risk on cash, margin deposits and other receivable balances.

Liquidity Risk

Liquidity risk is the risk that a Portfolio will encounter difficulty in meeting obligations associated with financial liabilities. Each Portfolio is exposed to daily cash redemptions and as such, retains sufficient cash to fund anticipated redemptions. The Portfolios aim to retain sufficient cash to maintain adequate liquidity including coverage of obligations related to short sales and all current liabilities. In addition, each Portfolio 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 Portfolios' 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 Portfolios invest in financial instruments and enter into transactions that are denominated in currencies other than the Canadian dollar. Consequently, the Portfolios 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 Portfolios 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 Portfolio may hold securities with fixed interest rates that expose that Portfolio to fair value interest rate risk.

c) Price Risk

The Portfolios 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 Portfolios' 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

Shares issued and outstanding are considered to be the capital of the Portfolios. The Portfolios do not have any specific capital requirements on the subscription and redemption of shares, other than certain minimum subscription requirements. Shareholders are entitled to require payment of the net asset value per share of a Portfolio for all or any of the shares of such shareholder 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 shares are to be redeemed (a "Redemption Date"). The redeeming shareholder will receive payment in respect of any shares 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 Portfolio 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 Financial Instruments – Fair Value Measurement for each Portfolio'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 the 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. OFFSETTING OF FINANCIAL INSTRUMENTS

In the normal course of business, the Diversified Portfolio enters into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the Statement of Financial Position, but still allow for the related amounts to set off in certain circumstances, such as bankruptcy or termination of the contracts. The following table shows financial instruments that may be eligible for offset, if such conditions were to arise, as at June 30, 2015 and December 31, 2014. The "Net" column displays what the net impact would be on the Portfolio's Statement of Financial Position if all amounts were set off.

Diversified Portfolio – June 30, 2015

	Gross amounts (\$)	Financial instruments eligible for offset (\$)	Net amounts presented in the statement of financial position (\$)	Related amounts not offset in the statement of financial position		Net amount (\$)
				Financial instruments (\$)	Cash collateral (\$)	
Financial assets						
Counterparty 1	420,561	-	420,561	(240,648)	-	179,913
Financial liabilities						
Counterparty 1	(240,648)	-	(240,648)	240,648	-	-

Diversified Portfolio – December 31, 2014

	Gross amounts (\$)	Financial instruments eligible for offset (\$)	Net amounts presented in the statement of financial position (\$)	Related amounts not offset in the statement of financial position		Net amount (\$)
				Financial instruments (\$)	Cash collateral (\$)	
Financial assets						
Counterparty 1	702,164	-	702,164	(233,476)	-	468,688
Financial liabilities						
Counterparty 1	(233,476)	-	(233,476)	233,476	-	-

7. INVESTMENT IN UNDERLYING FUNDS

Information related to investments in Underlying Funds is as follows:

Canadian Focus Portfolio – June 30, 2015

Fund	Fair Value of Portfolio's Investment in Underlying Fund \$	Net Assets Attributable to Holders of Redeemable Shares %	Ownership of Underlying Fund %
Boyd Group Income Fund	6,400,208	7.0	0.7
iShares S&P/TSX 60 Index ETF	(138,515)	(0.2)	0.0
iShares S&P/TSX Capped Energy	(32,550)	(0.0)	0.0
PureFunds ISE Cyber Security	62,969	0.1	0.0
SPDR GOLD SHARES	532,648	0.6	0.0

Canadian Focus Portfolio - December 31, 2014

Fund	Fair Value of Portfolio's Investment in Underlying Fund \$	Net Assets Attributable to Holders of Redeemable Shares %	Ownership of Underlying Fund %
Boyd Group Income Fund	5,778,640	7.2	0.9
SPDR Gold Trust	52,706	0.1	0.0
Health Care Select Sector SPDR Fund	158,655	0.2	0.0

8. REDEEMABLE SHARES

During the periods ended June 30, 2015 and 2014, the number of shares issued, redeemed and outstanding was as follows:

Canadian Focus Portfolio – for the period ended June 30, 2015

	Redeemable shares outstanding at beginning of the period	Redeemable shares issued	Redeemable shares issued on reinvestment of distributions	Redeemable shares redeemed	Redeemable shares issued and outstanding at end of the period
Series A	2,302,938	263,363	-	(264,574)	2,301,727
Series F	1,531,517	348,369	-	(77,250)	1,802,636
Series L	419,395	168,956	-	(37,838)	550,513

Canadian Focus Portfolio – for the period ended June 30, 2014

	Redeemable shares outstanding at beginning of the period	Redeemable shares issued	Redeemable shares issued on reinvestment of distributions	Redeemable shares redeemed	Redeemable shares issued and outstanding at end of the period
Series A	2,946,850	156,598	-	(675,376)	2,428,072
Series F	937,084	511,449	-	(88,026)	1,360,507
Series L	333,295	63,079	-	(10,498)	385,876

Diversified Portfolio – for the period ended June 30, 2015

	Redeemable shares outstanding at beginning of the period	Redeemable shares issued	Redeemable shares redeemed	Redeemable shares issued and outstanding at end of the period
Series A	570,704	83,684	(211,262)	443,126
Series F	1,990,816	531,089	(250,897)	2,271,008
Series I	657,665	63,356	(17,186)	703,835
Series L	161,645	34,324	(14,119)	181,850

Diversified Portfolio – for the period ended June 30, 2014

	Redeemable shares outstanding at beginning of the period	Redeemable shares issued	Redeemable shares redeemed	Redeemable shares issued and outstanding at end of the period
Series A	1,196,227	31,052	(517,724)	709,555
Series F	1,362,244	674,573	(358,600)	1,678,217
Series I	498,211	174,720	(6,717)	666,214
Series L	138,538	11,078	(6,101)	143,515

9. RELATED PARTY TRANSACTIONS

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

The Arrow Diversified Fund invests in Series F Shares of the Diversified Portfolio. The number of shares owned by the Arrow Diversified Fund is summarized as follows:

	Number of shares	Amount (\$)	% of net assets attributable to holders of redeemable shares
June 30, 2015	52,367	731,567	1.5%
December 31, 2014	52,306	698,285	1.6%

As of June 30, 2015, the number of shares owned by Arrow for each Portfolio is summarized as follows:

Portfolio	Number of shares	Amount (\$)	% of net assets attributable to holders of redeemable shares
Canadian Focus Portfolio – Series A	535	10,695	0.01%
Canadian Focus Portfolio – Series F	4,821	102,639	0.11%
Diversified Portfolio – Series A	500	6,625	0.01%
Diversified Portfolio – Series F	4,500	62,865	0.13%

As of December 31, 2014, the number of shares owned by Arrow for each Portfolio is summarized as follows:

Portfolio	Number of shares	Amount (\$)	% of net assets attributable to holders of redeemable shares
Canadian Focus Portfolio – Series A	535	10,170	0.02%
Canadian Focus Portfolio – Series F	4,821	97,240	0.22%
Diversified Portfolio – Series A	500	6,345	0.01%
Diversified Portfolio – Series F	4,500	60,075	0.07%

In September 2014, the Manager identified that certain commission expenses on futures transactions, and foreign exchange gains and losses on related broker trust accounts, had not been accurately recorded in the accounting records of the Diversified Portfolio, such that net expenses of the Diversified Portfolio were understated. The Manager quantified the cumulative amount of the differences as well as their impact on previously paid Management Fees and Performance Fees. In November 2014, the Manager calculated the resulting shortfall in the underlying trust accounts, and settled the difference by contributing \$1,333,612 to the Diversified Portfolio. Such settlement did not impact the Net Asset Value Per Share of the Diversified Portfolio and the Diversified Portfolio did not bear any of the costs of the investigation or its resolution. The Manager did not benefit from the discrepancies and has reviewed the adjustment with the Independent Review Committee. Commissions and foreign exchange amounts have subsequently been appropriately recorded in the accounting records of the Diversified Portfolio.

Management Fee and Performance Bonus

The management fee paid to the Manager by the Canadian Focus Portfolio is 1.65% per annum on Series A, 0.65% per annum on Series F Shares and 1.95% on Series L Shares. The management fee paid to the Manager by the Diversified Portfolio is 2.00% per annum on Series A Shares, 1.00% per annum on Series F Shares and 2.30% on Series L Shares.

No portion of the management fee charged to a Portfolio is borne by Series I Shares of the Portfolios. A holder of Series I Shares of a Portfolio pays a negotiated management fee directly to the Manager.

Each Portfolio will pay to the Manager in respect of each fiscal year of the Portfolio ended December 31 a performance bonus per Share (the "Performance Bonus") equal to 20% of the amount by which the Adjusted Net Asset Value per Share at the end of the fiscal year exceeds the highest year end Adjusted Net Asset Value per Share previously achieved. For these purposes, "Adjusted Net Asset Value per Share" of any series of shares of a Portfolio means the Net Asset Value per share of that series at the end of a fiscal year without giving effect to the accrual of any Performance Bonus, plus the aggregate amount of all distributions previously declared on a per Share basis in respect of such series of Shares. The Performance Bonus for a Portfolio is calculated and accrued each day the Net Asset Value of the Portfolio is calculated, but is only payable at the end of the fiscal year of the Portfolio based on the actual annual performance of the Portfolio.

Notwithstanding the foregoing, no Performance Bonus is payable with respect to any fiscal year of a Portfolio unless the Adjusted Net Asset Value per Share at the end of such fiscal year exceeds the Net Asset Value per share at the end of the preceding year (or on the date the Shares are first issued), plus the aggregate amount of all distributions previously declared on a per share basis, by a minimum of 6%.

The Performance Bonus is estimated and accrued each Valuation Date, calculated as at the end of each fiscal year-end of the Portfolios and paid within 15 business days thereafter.

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

The Portfolio Sub-Advisor will be remunerated by the Manager out of the Management Fee and the Performance Bonus.

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

	June 30, 2015		December 31, 2014	
	Management Fees (\$)	Performance Fees (\$)	Management Fees (\$)	Performance Fees (\$)
Canadian Focus Portfolio	101,631	1,246,321	93,776	-
Diversified Portfolio	42,115	566,747	41,866	1,382

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
Canadian Focus Portfolio	\$11,477	\$26,087
Diversified Portfolio	\$218,107	\$181,989

For the period ended June 30, 2015, \$9,362 was used for market data services by the Canadian Focus Portfolio [2014 - \$nil].

10. TAXATION

Each Portfolio is a class of shares of the Corporation. Income, expenses and capital gains and losses of each Portfolio are consolidated, as a single entity, in determining the Corporation's taxable income and amount of taxes payable as a whole. Any taxes payable or recoverable by the Corporation are allocated to the Portfolios and their various series¹.

The Corporation qualifies as a mutual fund corporation under the Income Tax Act (Canada) (the "Tax Act"). The general income tax rules associated with a public corporation apply to a mutual fund corporation with the exception that taxes payable on net realized capital gains are refundable when its shares are redeemed or when it pays capital gains dividends out of its capital gains dividend account to its shareholders, such that in substance the Corporation is not taxable on capital gains. Similarly, the Corporation is subject to Part IV tax on dividends received from Canadian corporations, however, they are refundable once paid to shareholders. As a result, the Corporation does not record income taxes related to capital gains and dividends from Canadian corporations.

Interest and foreign income are taxed at normal corporate rates applicable to mutual fund corporations and can be reduced by permitted deductions for tax purposes. All of the Corporation's expenses including management fees and operating expenses will be taken into account in determining its overall tax liability, if any.

As of December 31, 2014, the Corporation has accumulated the following non-capital losses available for utilization against net income for tax purposes in future years and capital losses available for utilization against capital gains. The tax benefit of the non-capital losses has not been reflected in the financial statements.

Non-Capital Loss*	Capital Loss**
\$6,885,783	\$nil

* 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.

11. INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE

The increase (decrease) in net assets attributable to holders of redeemable shares per share 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 shares (\$)	Weighted average redeemable shares outstanding during the period	Increase (decrease) in net assets attributable to holders of redeemable shares per share (\$)
Canadian Focus Portfolio – Series A	2,203,467	2,282,093	0.97
Canadian Focus Portfolio – Series F	1,802,928	1,678,932	1.07
Canadian Focus Portfolio – Series L	285,945	477,305	0.60
Diversified Portfolio – Series A	368,221	509,251	0.72
Diversified Portfolio – Series F	1,161,974	2,118,236	0.55
Diversified Portfolio – Series I	411,155	695,715	0.59
Diversified Portfolio – Series L	68,189	175,436	0.39

June 30, 2014	Increase (decrease) in net assets attributable to holders of redeemable shares (\$)	Weighted average redeemable shares outstanding during the period	Increase (decrease) in net assets attributable to holders of redeemable shares per share (\$)
Canadian Focus Portfolio – Series A	4,238,590	2,810,306	1.51
Canadian Focus Portfolio – Series F	1,998,277	1,059,579	1.89
Canadian Focus Portfolio – Series L	395,209	357,685	1.10
Diversified Portfolio – Series A	(756,851)	1,012,482	(0.75)
Diversified Portfolio – Series F	(944,568)	1,635,878	(0.58)
Diversified Portfolio – Series I	(239,404)	588,431	(0.41)
Diversified Portfolio – Series L	(80,592)	142,345	(0.57)

12. 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 Portfolios 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 SHAREHOLDERS OF EXEMPLAR CANADIAN FOCUS PORTFOLIO AND EXEMPLAR DIVERSIFIED PORTFOLIO (COLLECTIVELY THE "PORTFOLIOS")

The accompanying unaudited financial statements have been prepared by Arrow Capital Management Inc. ("Arrow" or the "Manager" of the Portfolios), 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 Portfolios are described in Note 2 to the financial statements.

Prior to December 2, 2013, the manager of the Portfolios 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 shareholders on November 27, 2013, the shareholders of the Portfolios 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 SHAREHOLDERS**The auditor of the Portfolios has not reviewed these interim financial statements.**

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

PORTFOLIO INFORMATION

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