

**EXEMPLAR LEADERS FUND
(FORMERLY NORTHERN RIVERS CONSERVATIVE GROWTH FUND)
ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE**

For the year ended December 31, 2013

This annual Management Report of Fund Performance contains financial highlights but does not contain the complete annual financial statements for Exemplar Leaders Fund (the "Fund"). If you have not received a copy of the annual financial statements with the Management Report of Fund Performance, you may obtain a copy of the annual financial statements, at no cost, by calling 877.327.6048, by writing to us at BluMont Capital Corporation, 36 Toronto Street, Suite 750, Toronto, Ontario M5C 2C5 or by visiting our website at www.blumontcapital.com or SEDAR at www.sedar.com.

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

Forward-Looking Information

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

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

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

Management Discussion on Fund Performance

Investment Objective and Strategies

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

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

In selecting investments for the Fund, the Manager primarily focuses on the securities (equity and equity derivatives) of companies which the Manager believes trade at a discount to their intrinsic value. The Fund is invested according to the following guidelines: the assets of the Fund are allocated at the discretion of the Manager to those investment strategies that balance risk, return and liquidity. The portfolio will be positioned in accordance with the Manager's market view. Geographic and sector allocations will vary significantly over time.

The Fund may follow a more concentrated investment approach and, from time to time, over weight certain geographic regions, including North America, and industry sectors such as energy or financial sectors when deemed appropriate by the Manager. This may result in the Fund's portfolio weightings being substantially different from the weightings of the S&P/TSX Composite Total Return Index (or its successor index). The Fund may use specified derivatives, such as calls and puts, warrants, index futures and exchange traded funds.

The Fund may also engage in short selling as a result of relief it obtained from the Canadian securities regulatory authorities. The Fund will engage in short selling only within certain limits and conditions including: (i) the Fund will short sell only liquid securities that are traded on a stock exchange or certain government bonds, (ii) the Fund will limit its short sale exposure to any single issuer to 5% of the Fund's net assets and its aggregate short exposure to 20% of its net assets, (iii) the Fund will hold cash cover in an amount (including the Fund's assets deposited with lenders) that is at least 150% of the aggregate market value of all securities sold short, and (iv) the Fund will deposit collateral only with lenders which are regulated financial institutions or registered dealers in Canada.

The Fund may hold all or a portion of its assets in cash or money market securities while seeking investment opportunities or for defensive purposes.

Investment Risk

The risks of investing in the Fund remain as stated in the Fund's simplified prospectus. There were no material changes to the Fund over the period that affected the overall level of risk.

The Fund is suitable for clients seeking long-term growth (through capital appreciation) who have a medium to high risk tolerance level.

Results of Operations

For the year ending December 31, 2013, Series A units of the Fund returned 28.9% (net of expenses) while the S&P/TSX Composite Total Return Index posted a gain of 13.0%. Please refer to "Past Performance" section for performance information of the other series. The performance of the other series of the Fund differs from Series A units due largely to a varying level of expenses charged to each series, as explained in the management fees section.

The excellent performance for 2013 overall was the result of strong gains from the majority of our key holdings and on the back of a continuation of takeovers of many of our undervalued holdings. We managed to outperform the broader market by focusing on individual situations that the market had overlooked.

Stock markets in general had a fairly solid year. We saw 3 positive quarters during the year, offset by a negative 2nd quarter, but still ended the year in solid positive territory with the TSX finishing the year up 13%. The general upward move in the market did mask substantial divergence by both sectors and individual stocks during the year. 2013 saw very strong years from the Health Care, Industrial, Technology, and Consumer sectors, but it was a very tough year for most stocks in the Mining and Gold sectors.

The largest gains during the year came from our large holdings in Magna, Wellpoint, Sierra Wireless, Horizon North, Neptune, Gilead, Alaris, Westjet, and Lyondell. Magna, the world's 4th largest auto parts company, had another excellent, if unspectacular year, with revenues and earnings continuing to rise faster than those not paying attention had expected. This continued solid growth in fundamentals allowed the stock to rise 75% from a very depressed valuation at the beginning of the year. 2014 looks to be another good year for the stock as growth continues in both their North American and emerging markets businesses, and now their European business has resumed its contribution to the business.

Wellpoint, like Magna, saw another solid year of exceeding expectations from the analytical community. The USA's largest provider of health insurance continued to grow their business by simply doing a very good job of serving their clientele and helping the US control its ever growing healthcare bills. The company continued to grow revenues, earnings, cash flow, rise dividends and buyback stock while maintaining a stellar balance sheet. The continued execution allowed the stock to rise 51% in 2013, but end the year trading at a still compelling 10 times earnings multiple.

Finally, as in prior years, we had a number of takeovers in the Fund. This year's highlight was the takeover of Softchoice, a Canadian vendor of information technology. Private equity firm, Birch Hill, saw what we saw in this gem of a company; an excellent business, generating a solid and growing stream of free cash flows, while trading at a steep discount to the company's intrinsic value. So Birch Hill stepped in and bought the whole company for \$20 per share, giving us a 67% gain from the beginning of the year, and more than a double from where we bought the stock at a couple years ago. Don't be surprised to see more takeovers in the portfolio during the coming years.

The second half of 2013 was the stronger of the two halves of the year for the Fund, rising 13.2%. The S&P/TSX Composite Total Return Index rose 14.0% during this period. The second half of the year saw equity markets rise on the realization that the global economy is continuing to grow and if anything, the economy in 2014 looks at least as strong as 2013.

The overall stock market saw a strong second half, with a continuation of many of the same trends we had seen in the first half of the year. Health Care, Industrials, Technology, and Financials sectors all performed well in the second half of the year, while Mining and Gold stocks continued to lag.

The Fund saw the majority of holdings appreciate in the second half, driving the portfolio higher. The largest contributors to Fund performance in the second half were Sierra Wireless, Horizon North Logistics, and Gilead Sciences, all of which rose over 40% in the second half of the year on continued growth coming from all three companies.

Performance was only moderately held up by a few falling stocks in the second half of the year. The largest detractors of value in the second half were drops in value from our long positions in Neptune and Acasti, as well as a loss on our short on Splunk. In the case of Splunk we covered our short and took our losses as the stock broke out to new highs, despite extreme overvaluation in the stock. We will be watching this stock for a better point to re-enter with a short position in 2014.

Acasti Pharmaceuticals was the worst performer in the second half, falling by 54% in what we view as a superb buying opportunity for the stock. The fall in the stock really had nothing to do with the fundamentals of Acasti, but was primarily due to a disappointment from another company, Amarin, developing a drug in the treatment of hypertriglyceridemia. Amarin received negative news from the FDA (US Food & Drug Administration) on one of their drug filings, causing a massive selloff in its stock and all the stocks in this treatment area (including Acasti and Neptune).

We have used the second half weakness in Acasti and Neptune stock to add to our positions in those holdings, as we view them as massively undervalued. 2014 should see Acasti report critical phase 2 clinical trial results on their emerging potential blockbuster drug, CaPre, for the treatment of hypertriglyceridemia and cholesterol. We believe the impending report of the closed label, phase 2 clinical test results will attract substantial attention and result in a substantial revaluation in the shares of both Acasti, and majority owner, Neptune. Look for these stocks to be substantial contributors to performance in 2014.

During 2013, we took advantage of volatility in the markets to increase our holdings in several core positions as well as to add several new positions to the portfolio. The most important new positions are LyondellBasell, Kapstone Paper & Packaging, Innovalis REIT, National Fuel Gas, Netapp Inc., Plum Creek, OneRoof, Element Financial, and Hexcel. We are very confident about the prospects for these holdings in the Fund, all of which are trading at discounted valuations.

Several holdings were sold during 2013 as the stocks either reached our target prices or fundamentals changed. The most notable sales from the portfolio were Western Union, Kirkland Lake, Niko Resources, and Just Energy.

Portfolio structure changed modestly during the year, while maintaining a very balanced portfolio. The biggest change was the reduction in our weighting in Energy during 2013, where we harvested a number of gains and reinvested them in other sectors. The Energy weighting fell from over 10% of the fund to under 5%. The largest sector weighting is now Health Care at roughly 15% of the portfolio.

2013 turned out to be another decent economic year. The US economy continued to strengthen during the year, while Europe showed signs of revival from its downturn. The emerging world continued to grow solidly, if not as strong as we have seen in prior years. This backdrop set the stage for a positive year in the equity markets.

As we head into 2014, we have the backdrop of a US economy that looks to be at its strongest since 2008, a rebound in Europe gathering steam, and continued growth in the developing world. Consequently, the economy looks to be extremely supportive for corporate profit growth in 2014. This combined with continuing supportive monetary policies from central banks provides the backdrop for a rising stock market.

While we expect the overall market to be up in 2014, we think it will be a year of divergent performance from individual companies, that will strongly reward superior security selection. Additionally, do not expect the relatively low volatility we saw in 2013 to continue through all of 2014. There was no significant market correction in 2013 and it is highly unusual for the market to go for two consecutive years without at least one significant pullback. The Fund is very well positioned to prosper from the opportunities facing us in 2014. The Fund is invested in leading businesses with superior balance sheets, trading at substantial discounts to their intrinsic values.

Recent Developments

On December 2, 2013, Arrow Capital Management Inc. ("Arrow") acquired all the outstanding shares of BluMont Capital Corporation ("BluMont Capital" or the "Manager"), resulting in a change of control of BluMont Capital. As Arrow intends to amalgamate with BluMont Capital on or about April 1, 2014, continuing under the name "Arrow Capital Management Inc.", at a special meeting of unitholders on November 27, 2013, the unitholders of the Fund approved a change of manager.

Related Party Transactions

There are no related party transactions to report for the year ended December 31, 2013 other than the management and related fees as discussed below.

Management Fees

BluMont Capital receives a monthly management fee (the "Management Fee"), calculated as a percentage of the Fund's net asset value as of the close of business on each business day. The Management Fee rate applicable to the Fund is 1.80% per annum for Series A units and 0.80% per annum for Series F units. For the year ended December 31, 2013, Management Fees charged to the Fund equaled \$496,907 (2012 - \$427,436). The Management Fee is paid in consideration of investment management and administration services. No breakdown of such services was specified in the management

agreement. From this Management Fee, the Manager pays fees to the investment advisor (BluMont Capital, in its capacity as such) who provides portfolio management services to the Fund. A portion of the Management Fee paid by the Fund is for trailer fees paid to dealers whose clients hold units of the Fund. The trailer fees are a percentage of the net asset value of the Fund, calculated and payable monthly. The table below outlines the Fund's annual Management Fees and trailer fees.

ANNUAL RATE (%)	Series A	Series F
Management Fees <i>(Annual Rate)</i>	1.80%	0.80%
Trailer Fees <i>(as a % of Management Fees)</i>	44.4%	-%

In addition, the Fund will pay the Manager annually a performance fee (the "Performance Fee"), subject to HST (and any other applicable sales taxes), equal to a percentage of the average net asset value of Series A units and Series F units of the Fund. Such percentage will be equal to 20% of the difference by which the return in the net asset value per unit of the applicable Series of the Fund from January 1 to December 31 exceeds the greater of: i) 0% and ii) the percentage return of the S&P/TSX Composite Total Return Index for the same period. If the performance of a Series of the Fund in any year is less than the performance of the applicable index described above (the "Deficiency"), then no Performance Fee will be payable in any subsequent year until the performance of the applicable Series of the Fund, on a cumulative basis calculated from the first of such subsequent years has exceeded the amount of the Deficiency. For the year ended December 31, 2013, the accrued Performance Fee equaled \$663,461 (2012 – \$7,117).

The Manager incurs operating expenses on behalf of the Fund and charges these expenses to the Fund. For the year ended December 31, 2013, the Manager has, in its discretion, agreed to absorb \$21,530 (2012 – \$59,804) of operating expenses associated with the Fund.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help the reader understand the Fund's financial performance for the past five years. This information is derived from the Fund's financial statements, and is represented net of expenses which have been charged to the Fund.

SERIES A - NET ASSETS PER UNIT						
For the years ended December 31,						
	2013	2012	2011	2010	2009	
Net Assets, beginning of year¹	\$ 30.43	\$ 27.85	\$ 27.95	\$ 25.09	\$ 19.73	
Increase from operations:						
Total revenue	0.88	0.88	0.61	0.92	0.67	
Total expenses	(1.84)	(0.91)	(0.86)	(0.86)	(0.78)	
Realized gains (losses) for the year	1.88	(0.07)	0.29	3.97	0.11	
Unrealized gains (losses) for the year	7.86	2.52	(0.09)	5.59	6.43	
Total increase (decrease) from operations¹:	\$ 8.78	\$ 2.42	\$ (0.05)	\$ 9.62	\$ 6.43	
Distributions²:						
From income (excluding dividends)	-	-	-	-	-	
From dividends	-	-	-	-	-	
From capital gains	-	-	-	1.94	-	
Total distributions	-	-	-	1.94	-	
Net Assets, end of year¹	\$ 39.20	\$ 30.43	\$ 27.85	\$ 27.95	\$ 25.09	

SERIES A - RATIOS AND SUPPLEMENTAL DATA⁷

For the years ended December 31,

	2013	2012	2011	2010	2009
Net Asset Value ("NAV") (000s) ¹	\$25,525	\$19,605	\$16,990	\$17,928	\$1,727
Number of units outstanding	648,874	640,599	608,002	641,742	68,818
Management expense ratio ³	5.21%	2.95%	2.97%	3.22%	3.53%
Management expense ratio before waivers or absorptions ⁴	5.29%	3.20%	3.74%	5.24%	6.22%
Portfolio turnover rate ⁵	46.04%	54.93%	73.67%	73.34%	73.60%
Trading expense ratio ⁶	0.08%	0.14%	0.21%	0.12%	0.37%

SERIES F - NET ASSETS PER UNIT

For the years ended December 31,

	2013	2012	2011	2010	2009
Net Assets, beginning of year¹	\$ 31.04	\$ 28.15	\$ 27.96	\$ 25.28	\$ 19.69
Increase from operations:					
Total revenue	0.90	0.89	0.63	0.69	0.67
Total expenses	(1.75)	(0.60)	(0.55)	(0.66)	(0.55)
Realized gains (losses) for the year	1.92	(0.11)	0.25	1.98	(0.04)
Unrealized gains (losses) for the year	7.91	2.71	(0.20)	2.79	6.43
Total increase from operations¹:	\$ 8.98	\$ 2.89	\$ 0.13	\$ 4.80	\$ 6.51
Distributions²:					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	2.43	-
Total distributions	-	-	-	2.43	-
Net Assets, end of year¹	\$ 40.08	\$ 31.04	\$ 28.15	\$ 27.96	\$ 25.28

SERIES F - RATIOS AND SUPPLEMENTAL DATA⁷

For the years ended December 31,

	2013	2012	2011	2010	2009
Net Asset Value ("NAV") (000s) ¹	\$7,300	\$5,133	\$4,380	\$3,628	\$3,096
Number of units outstanding	181,509	164,685	155,153	129,977	122,467
Management expense ratio ³	4.87%	1.92%	1.89%	2.54%	2.48%
Management expense ratio before waivers or absorptions ⁴	4.95%	2.17%	2.66%	4.13%	5.16%
Portfolio turnover rate ⁵	46.04%	54.93%	73.67%	73.34%	73.60%
Trading expense ratio ⁶	0.08%	0.14%	0.21%	0.12%	0.37%

1. The net assets per unit shown are referenced to Net Assets determined in accordance with Canadian generally accepted accounting principles ("GAAP") and are derived from the Fund's financial statements. The Net Assets presented in the financial statements may differ from the NAV calculated for fund pricing purposes. NAV is calculated using fair value measures as defined by National Instrument 81-106 ("NI 81-106"), where as Net Assets are calculated in accordance with Canadian GAAP. An explanation of these differences can be found in the notes to the financial statements. Net Assets are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial year. This table is not intended to be a reconciliation of beginning to ending net assets per unit.
2. Distributions were reinvested in additional units of the Fund.
3. Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated year and is expressed as an annualized percentage of daily average net asset value during

the year. The management expense ratio is calculated in accordance with Part 15 of NI 81-106 and therefore includes performance fees, which were previously reported separately as dollar amounts.

4. The Manager has absorbed certain expenses or waived certain fees otherwise payable by the Fund. The amount of expenses absorbed or waived is determined annually at the discretion of the Manager and the Manager can terminate the absorption or waiver at any time.
5. The Fund's portfolio turnover rate can indicate how actively the investment advisor manages the portfolio of investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of its securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.
6. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
7. Ratios and supplemental data, where applicable, are computed using the net asset value of the Fund.

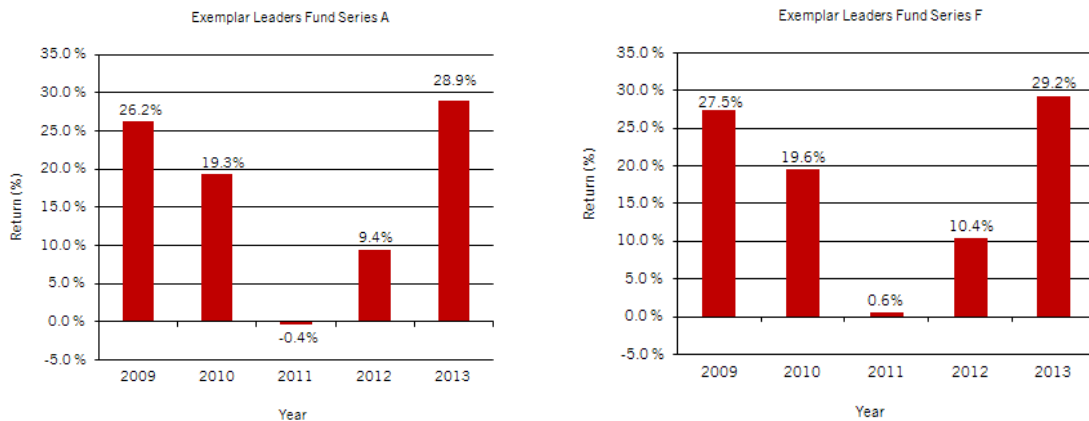
Past Performance

The performance information shown below assumes that all distributions, if any, made by the Fund in the periods shown were reinvested in additional units of the Fund. If you hold the Fund outside a registered plan, you will be taxed on distributions. Distributions of income the Fund earns and capital gains it realizes are taxable in the year received whether received in cash or reinvested in additional units. No adjustment for potential tax consequences to an investor has been made to the performance information.

The indicated rates of return are historical annual compounded total returns including changes in unit value and do not take into account sale, redemption, distribution or other optional charges, that, if applicable, would have reduced returns or performance. An investment in the Fund is not guaranteed. Its value changes frequently and how the Fund has performed in the past does not necessarily indicate how it will perform in the future.

Year-By-Year Returns

The bar chart below illustrates the Fund's annual performance for each of the years shown, and indicates how the Fund's performance has changed from year to year. It shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of the financial year.



Annual Compound Returns (Compound Performance)

The following table shows the annual compound total returns of the Fund, and for the S&P/TSX Composite Total Return Index (a price weighted index of 300 of the largest, most widely-held stocks traded on the Toronto Stock Exchange) for the periods shown ended December 31, 2013. The Relative Performance returns show the performance of the Fund as compared to the benchmark S&P/TSX Composite Total Return Index.

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Annualized Since Inception	Cumulative Total Return
Series A	1.5%	6.4%	13.2%	28.9%	12.0%	16.3%	8.7%	70.6%
Series F	1.6%	6.7%	13.7%	29.2%	12.8%	17.3%	9.4%	78.1%
S&P/TSX Composite TR Index	2.0%	7.3%	14.0%	13.0%	3.4%	11.9%	3.0%	20.2%

Summary of Investment Portfolio as at December 31, 2013

The summary of investment portfolio below includes information regarding the Fund as a whole. This summary may change due to ongoing portfolio transactions of the Fund and a quarterly update is available by contacting BluMont Capital at 877.327.6048 or by visiting BluMont Capital's website at www.blumontcapital.com.

Top 25 Holdings	% of Net Assets	Regional Weightings	% of Net Assets
Long Positions		Long Positions	
WellPoint Inc.	8.5%	Canada	63.8%
Magna International Inc.	7.1%	U.S.	27.6%
Alaris Royalty Corporation	6.1%	Global	6.1%
LyondellBasell Industries NV 'A'	5.2%	Other Assets, Net of Liabilities	6.3%
Neptune Technologies & Bioresources Inc.	4.5%		
Horizon North Logistics Inc.	4.0%	Short Positions	
Philip Morris International Inc.	3.8%	Canada	(1.6)%
Sierra Wireless Inc.	3.7%	U.S.	(2.2)%
WestJet Airlines Limited	3.7%		
BCE Inc.	3.5%		
Gilead Sciences Inc.	2.7%	Sector Weightings	% of Net Assets
Flyht Aerospace Solutions Limited	2.4%	Long Positions	
KapStone Paper and Packaging Corporation	2.3%	Energy	5.9%
Norfolk Southern Corporation	2.2%	Basic Materials	6.1%
Noranda Income Fund	2.2%	Industrials	22.7%
Microsoft Corporation	1.9%	Consumer Discretionary	8.4%
Inovalis Real Estate Investment Trust	1.8%	Consumer Staples	8.8%
Acasti Pharma Inc.	1.6%	Health Care	14.7%
WebTech Wireless Inc.	1.6%	Financials	10.1%
Wi-LAN Inc.	1.5%	Information Technology	13.3%
Capital Power Corporation	1.5%	Telecommunication Services	4.4%
RMP Energy Inc.	1.4%	Utilities	3.1%
National Fuel Gas Company	1.3%	Other Assets, Net of Liabilities	6.3%
NetApp Inc.	1.3%		
		Short Positions	
Short Positions		Basic Materials	(0.6)%
Tesla Motors, Inc.	(2.2)%	Energy	(1.0)%
Total	73.6%	Consumer Discretionary	(2.2)%
Total Net Assets	\$32,708,573		