

FRONT STREET

Tactical Equity Class

INTERIM FINANCIAL STATEMENTS

FRONT STREET TACTICAL EQUITY CLASS

FOR THE SIX MONTHS ENDED APRIL 30, 2013

NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS

The accompanying interim financial statements have not been reviewed by the external auditors of the Fund in accordance with standards established by the Canadian Institute of Chartered Accountants. The external auditors will be auditing the annual financial statements of the Fund in accordance with Canadian generally accepted auditing standards.

FRONT STREET TACTICAL EQUITY CLASS

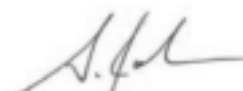
**STATEMENTS OF NET ASSETS
AS AT APRIL 30, 2013 (UNAUDITED) AND OCTOBER 31 2012 (AUDITED)**

	2013 (Unaudited)	2012 (Audited)
ASSETS		
Investments, at fair value (cost -\$59,657,583 \$; 2012-\$ 64,239,266)	\$ 58,059,130	\$ 64,415,604
Cash and cash equivalents	9,935,869	15,878,658
Accounts receivable relating to portfolio assets sold	1,056,245	1,781,345
Amounts receivable relating to accrued income	182,479	103,513
Accounts receivable relating to shares issued	1,650	15,828
	<u>\$ 69,235,373</u>	<u>\$ 82,194,948</u>
LIABILITIES		
Liabilities for portfolio assets purchased	\$ 3,501,517	\$ 1,201,278
Obligations from portfolio assets sold short, at fair value	1,189,621	2,057,858
Accounts payable relating to shares redeemed	309,352	295,296
Accrued expenses	291,169	374,650
	<u>5,291,659</u>	<u>3,929,082</u>
Net assets representing shareholders' equity	<u>\$ 63,943,714</u>	<u>\$ 78,265,866</u>
Net assets applicable to outstanding shares allocated as follows:		
Net assets, Series A	\$ 24,734,939	\$ 32,488,672
Shares outstanding, Series A, note 3	2,891,167	3,714,060
Net assets per share, Series A	<u>\$ 8.56</u>	<u>\$ 8.75</u>
Net assets, Series B	\$ 37,245,984	\$ 43,169,373
Shares outstanding, Series B, note 3	4,356,583	4,937,796
Net assets per share, Series B	<u>\$ 8.55</u>	<u>\$ 8.74</u>
Net assets, Series F	\$ 1,962,791	\$ 2,607,821
Shares outstanding, Series F, note 3	233,046	304,287
Net assets per share, Series F	<u>\$ 8.42</u>	<u>\$ 8.57</u>

On behalf of the Board of Front Street Mutual Funds Limited:



Gary P. Selke
Chief Executive Officer and Director



Susan Johnson
Chief Financial Officer

FRONT STREET TACTICAL EQUITY CLASS

**STATEMENTS OF OPERATIONS
FOR THE PERIODS ENDED APRIL 30, 2013 AND 2012
(UNAUDITED)**

	November 1, 2012 to April 30, 2013 (Unaudited)	November 1, 2011 to April 30, 2012 (Unaudited)
Investment income		
Dividends	\$ 426,412	\$ 289,990
Interest	228,435	232,139
Security lending revenue, note 8	14,578	29
	<u>669,425</u>	<u>522,158</u>
Expenses		
Management fees, notes 4 and 7	590,041	847,267
Servicing fees, notes 4 and 7	345,469	466,565
Administration fees	115,692	153,753
Custodial fees	40,371	8,933
Audit fees	29,753	24,863
Operating costs, notes 4 and 7	27,747	27,677
Legal fees	14,876	10,665
Compensatory dividends	11,942	13,920
Securityholder reporting costs	7,439	16,908
Independent review committee	1,984	1,989
	<u>1,185,314</u>	<u>1,572,540</u>
Net investment loss for the period	<u>(515,889)</u>	<u>(1,050,382)</u>
Net realized and unrealized gains (losses) on investments		
Net realized gain (loss) on sale of investments	1,212,228	(5,565,871)
Transaction costs, notes 6 and 7	(618,896)	(889,577)
Change in the unrealized (depreciation) appreciation of the value of investments	(1,641,264)	5,228,622
Net loss on investments for the period	<u>(1,047,932)</u>	<u>(1,226,826)</u>
Net decrease in net assets from operations for the period	<u>\$ (1,563,821)</u>	<u>\$ (2,277,208)</u>
Decrease in net assets from operations applicable to outstanding shares allocated as follows:		
Decrease in net assets from operations, Series A	\$ (645,169)	\$ (970,710)
Decrease in net assets from operations per share, Series A	<u>\$ (0.19)</u>	<u>\$ (0.21)</u>
Decrease in net assets from operations, Series B	\$ (881,159)	\$ (1,225,770)
Decrease in net assets from operations per share, Series B	<u>\$ (0.19)</u>	<u>\$ (0.21)</u>
Decrease in net assets from operations, Series F	\$ (36,678)	\$ (80,728)
Decrease in net assets from operations per share, Series F	<u>\$ (0.14)</u>	<u>\$ (0.13)</u>
Decrease in net assets from operations, Series X	\$ (815)	\$ —
Decrease in net assets from operations per share, Series X	<u>\$ —</u>	<u>\$ —</u>

See accompanying notes to the financial statements

FRONT STREET TACTICAL EQUITY CLASS

**STATEMENTS OF CHANGES IN NET ASSETS
FOR THE PERIODS ENDED APRIL 30, 2013 AND 2012
(UNAUDITED)**

	November 1,2012 to April 30,2013 (Unaudited)	November 1,2011 to April 30,2012 (Unaudited)
Series A		
Net assets, beginning of period	\$ 32,488,672	\$ 43,770,840
Net decrease in net assets from operations	(645,169)	(970,710)
Shareholder transactions		
Proceeds from the issuance of shares	172,428	1,635,440
Aggregate amounts paid on redemption of shares	(7,280,992)	(5,480,489)
	(7,108,564)	(3,845,049)
Net decrease in net assets for the period	(7,753,733)	(4,815,759)
Net assets, end of period	\$ 24,734,939	\$ 38,962,081
Series B		
Net assets, beginning of period	\$ 43,169,373	\$ 55,764,464
Net decrease in net assets from operations	(881,159)	(1,225,770)
Shareholder transactions		
Proceeds from the issuance of shares	248,608	617,380
Aggregate amounts paid on redemption of shares	(5,290,838)	(6,435,039)
	(5,042,230)	(5,817,659)
Net decrease in net assets for the period	(5,923,389)	(7,043,429)
Net assets, end of period	\$ 37,245,984	\$ 48,721,035

FRONT STREET TACTICAL EQUITY CLASS

**STATEMENTS OF CHANGES IN NET ASSETS
FOR THE PERIODS ENDED APRIL 30, 2013 AND 2012
(UNAUDITED)**

	November 1,2012 to April 30,2013 (Unaudited)	November 1,2011 to April 30,2012 (Unaudited)
Series F		
Net assets, beginning of period	\$ 2,607,821	\$ 6,495,107
Net decrease in net assets from operations	(36,678)	(80,728)
Shareholder transactions		
Proceeds from the issuance of shares	115,246	139,696
Aggregate amounts paid on redemption of shares	(723,598)	(3,801,721)
	(608,352)	(3,662,025)
Net decrease in net assets for the period	(645,030)	(3,742,753)
Net assets, end of period	\$ 1,962,791	\$ 2,752,354
Series X		
Net assets, beginning of period	\$ —	\$ —
Net decrease in net assets from operations	(815)	—
Shareholder transactions		
Proceeds from the issuance of shares	67,719	—
Aggregate amounts paid on redemption of shares	(66,904)	—
	815	—
Net increase (decrease) in net assets for the period	—	—
Net assets, end of period	\$ —	\$ —

See accompanying notes to the financial statements

FRONT STREET TACTICAL EQUITY CLASS

**STATEMENTS OF CHANGES IN NET ASSETS
FOR THE PERIODS ENDED APRIL 30, 2013 AND 2012
(UNAUDITED)**

	November 1,2012 to April 30,2013 (Unaudited)	November 1,2011 to April 30,2012 (Unaudited)
Total		
Net assets, beginning of period	\$ 78,265,866	\$ 106,037,411
Net decrease in net assets from operations	(1,563,821)	(2,277,208)
Shareholder transactions		
Proceeds from the issuance of shares	604,001	2,392,516
Aggregate amounts paid on redemption of shares	(13,362,332)	(15,717,249)
	(12,758,331)	(13,324,733)
Net decrease in net assets for the period	(14,322,152)	(15,601,941)
Net assets, end of period	\$ 63,943,714	\$ 90,435,470

FRONT STREET TACTICAL EQUITY CLASS

**STATEMENT OF INVESTMENT PORTFOLIO
AS AT APRIL 30, 2013 (UNAUDITED)**

	Number of Shares/Units Par Value/	Cost \$	Fair Value \$
Long Positions (90.8%)			
Consumer Discretionary (9.1%)			
Amaya Gaming Group Inc.	331,229	\$ 1,291,274	\$ 1,944,314
Amaya Gaming Group Inc. Warrants April 30, 2015	33,000	-	86,790
American Apparel Inc.	13,016	11,209	25,038
Bauer Performance Sports Limited	140,500	1,389,127	1,629,800
DHX Media Limited	192,000	300,888	524,160
Ford Motor Company	150	2,001	2,070
Linamar Corporation	700	16,886	16,681
Martinrea International Inc.	146,250	1,261,313	1,244,588
MEGA Brands Inc.	100	1,294	1,466
Mega Brands Inc. Warrants March 30, 2015	465,000	111,631	106,950
Virgin Gaming Limited Private Common	330,000	263,024	265,888
		<u>\$ 4,648,647</u>	<u>\$ 5,847,745</u>
Corporate Bonds (10.7%)			
Advantage Oil & Gas Limited 5.000% January 30, 2015	400,000	\$ 398,200	\$ 398,280
American Apparel Inc 13.000% April 15, 2020	500,000	493,172	502,316
Atlantic Power Corporation 5.600% June 30, 2017	450,000	392,383	393,795
Canam Group Inc. 6.250% October 31, 2015	300,000	307,500	306,150
Canwel Building Material 5.850% April 30, 2017	350,000	280,000	281,750
Delavaco Properties Inc. Secured Senior Note 7.500% June 30, 2016	500,000	512,973	503,575
Estrella International Energy Services Limited Convertible Debentures 12.000% December 31, 2015	1,100,000	1,100,000	1,100,000
Extencicare Real Estate Investment Trust 5.700% June 30, 2014	60,000	60,114	60,036
Gran Columbia Gold Corporation 5.000% August 11, 2018	1,042,000	868,656	629,671
IBI Group Inc. 7.000% December 31, 2014	400,000	390,500	388,160
Just Energy Exchange Corporation 6.000% Convertible Debentures September 30, 2014	550,000	522,500	534,820
Oak Point Energy Limited 15.000% Convertible Debentures September 30, 2013	156,000	156,000	156,000
P1 Energy Inc. 12.000% Convertible Debentures September 30, 2013	840,000	869,358	846,007
Royal Bank of Canada Floating Rate 1.362% April 10, 2014	500,000	500,000	500,185
Southern Pacific Resources Corporation 6.000% June 30, 2016	390,000	280,743	269,100
		<u>\$ 7,132,099</u>	<u>\$ 6,869,845</u>
Energy (15.0%)			
African Petroleum Corporation Limited	620,453	595,025	64,795
Aurora Oil & Gas Limited	229,300	849,139	758,983
Bellatrix Exploration Limited	64,064	349,357	401,681
Berkeley Resources Limited Option	43,934	-	46
Canadian Natural Resources Limited	30,664	932,163	906,116
Cenovus Energy Inc.	32,100	973,127	967,815
Coastal Energy Company Warrants January 23, 2014	4	-	1,365,075
Donnycreek Energy Inc.	145,100	235,314	262,631
Estrella International Energy Services Limited Warrants January 24, 2016	11	-	970
Gran Tierra Energy Inc.	3,600	21,326	20,088
Griffiths Energy International Inc. Units	13,621	27,242	79,002
Griffiths Energy International Inc. Restricted	11,700	70,200	67,860
Interex Oilfield Services Limited Special Warrants	203,500	-	-
Legacy Oil + Gas Inc.	14,920	82,941	79,225
Lipari Energy Inc. Warrants March 11, 2014	164,750	-	824
P1 Energy Corporation Private Placement	458,181	1,304,037	155,782
Parex Resources Inc.	234,230	1,194,182	1,051,693

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**STATEMENT OF INVESTMENT PORTFOLIO
AS AT APRIL 30, 2013 (UNAUDITED)**

	Number of Shares/Units Par Value/	Cost \$	Fair Value \$
Petroamerica Oil Corporation Warrants October 8, 2014	3,041,200	-	45,618
Precision Drilling Corporation	28,200	226,774	229,548
RMP Energy Inc.	52,460	185,829	200,922
Strad Energy Services Limited	188,529	598,442	603,293
Suncor Energy Inc.	45,450	1,405,289	1,426,162
Trinidad Drilling Limited	20,800	140,338	142,688
Weatherford International Limited	2	24	26
Whitecap Resources Inc.	50,941	422,960	525,202
Xtreme Drilling and Coil Services Corporation	108,543	427,504	263,759
		<u>\$ 10,041,213</u>	<u>\$ 9,619,804</u>
Financials (22.4%)			
Bank of America Corporation	72,700	\$ 909,353	\$ 899,140
Bank of Montreal	6,000	376,202	378,780
Canadian Imperial Bank of Commerce	13,900	1,092,220	1,119,784
Citigroup Inc.	34,479	1,620,098	1,620,294
Committed Capital Acquisition Corporation	88,000	446,338	376,674
Delavaco Properites Inc. Warrants June 3, 2017	77,000	-	-
JPMorgan Chase & Company	40	1,985	1,973
Manulife Financial Corporation	49,700	728,162	740,033
Royal Bank of Canada	51,300	3,135,654	3,118,014
Sun Life Financial Inc.	46,100	1,310,028	1,308,318
The Bank of Nova Scotia	32,000	1,850,024	1,858,880
The Toronto-Dominion Bank	31,500	2,577,360	2,601,585
Wells Fargo & Company	5,400	206,516	206,504
		<u>\$ 14,253,940</u>	<u>\$ 14,229,979</u>
Health Care (1.1%)			
IMRIS Inc.	189,321	\$ 1,056,710	\$ 588,788
Inviro Medical Inc. Private Placement	92,500	101,339	-
Oncolytics Biotech Inc.	43,300	176,144	133,364
		<u>\$ 1,334,193</u>	<u>\$ 722,152</u>
Industrials (10.9%)			
Bombardier Inc. 'B'	123,500	\$ 489,823	\$ 491,530
Boyd Group Income Fund	58,800	1,067,816	1,143,660
CAE Inc.	169,551	1,697,966	1,843,018
Canadian National Railway Company	2,800	286,141	276,164
Dirtt Environmental Solutions Limited	116,985	168,790	175,478
GENIVAR Inc.	35,700	807,170	890,715
New Flyer Industries Inc.	50,000	494,829	480,500
Superior Plus Corporation	60,000	666,000	775,200
Vicwest Inc.	83,064	1,094,899	914,535
		<u>\$ 6,773,434</u>	<u>\$ 6,990,800</u>

FRONT STREET TACTICAL EQUITY CLASS

**STATEMENT OF INVESTMENT PORTFOLIO
AS AT APRIL 30, 2013 (UNAUDITED)**

	Number of Shares/Units Par Value/	Cost \$	Fair Value \$
Information Technology (11.8%)			
Absolute Software Corporation	31,400	\$ 187,257	\$ 201,588
Avigilon Corporation	2	14	24
BSM Technologies Inc.	117,500	170,047	142,175
C.O.R.E. Holdings Inc. 'B' Private Placement	1,292	208,156	-
COM DEV International Limited	256,600	951,952	941,722
Embotics Corporation Preferred Class 'A'	56,874	244,292	244,558
Embotics Corporation Private Placement	100,224	1,046,893	430,963
Mobidia Technology Inc. 'A' Series 3 Preferred	301,946	332,141	377,433
Pure Technologies Limited	62,228	206,811	326,697
Qualcomm Inc.	1,000	65,888	62,051
Redknee Solutions Inc.	367,887	479,965	1,147,807
Research in Motion Limited	1,900	29,258	31,134
Sandvine Corporation	280,900	543,355	575,845
Sierra Wireless Inc.	58,800	647,787	654,444
Sphere 3D Corporation	71,400	60,332	37,842
Sphere 3D Corporation Warrants December 27, 2014	70,000	-	18,398
Symbility Solutions Inc.	60,000	30,150	24,000
The Descartes Systems Group Inc.	164,279	973,593	1,626,361
Wi-LAN Inc.	155,900	806,125	618,923
Wireless Matrix Corporation	1,075,516	59,511	26,888
		<u>\$ 7,043,527</u>	<u>\$ 7,488,853</u>
Materials (8.3%)			
Conifex Timber Inc.	3,200	\$ 25,353	\$ 30,784
EcoSynthetix Inc.	84,000	239,502	294,840
Govi Highpower Exploration Inc. Special Warrants Private Placement	561,880	1,223,847	492,331
Guatavita Gold Corporation Restricted	820,000	205,000	82,000
High Power Exploration Inc. Private Placement	196,880	-	-
International Forest Products Limited 'A'	100,631	668,946	1,046,562
Intertape Polymer Group Inc.	95,800	871,325	1,072,960
Kombat Copper Inc. Warrants March 1, 2015	330,000	-	15,665
Macarthur Minerals Limited	443,750	1,061,427	95,406
Mega Graphite Inc. Private Placement	555,182	527,997	116,588
NGEx Resources Inc. Restricted	76,000	258,400	186,945
Orefinders Resources Inc.	187,500	93,750	40,313
Portage Minerals Inc.	892,830	90,399	4,464
Potash Corporation of Saskatchewan Inc.	27,720	1,119,958	1,174,821
Potash Ridge Corporation	673,600	301,287	269,440
Solvista Gold Corporation Warrants April 27, 2014	333,500	-	5,567
Southeast Asia Mining Corporation Special Warrants Private Placement	32,725	12,411	-
The Mosaic Company	6,300	390,300	390,855
TiCan Titane Metals Company Inc. 'A'	842,167	137,639	8,422
Tolima Gold Inc. Warrants December 8, 2013	220,000	-	-
Unigold Inc. Warrants March 8, 2014	110,000	-	-
Zincore Metals Inc. Warrants June 15, 2014	154,600	-	4,128
		<u>\$ 7,227,541</u>	<u>\$ 5,332,091</u>
Telecommunication Services (0.7%)			
XMG Studio Inc. Restricted	463,160	\$ 440,002	\$ 440,002
QuStream Corporation	787,280	263,528	15,746
QuStream Corporation Warrants March 7, 2014	460,000	-	-
		<u>\$ 703,530</u>	<u>\$ 455,748</u>

FRONT STREET TACTICAL EQUITY CLASS

**STATEMENT OF INVESTMENT PORTFOLIO
AS AT APRIL 30, 2013 (UNAUDITED)**

	Number of Shares/Units Par Value/	Cost \$	Fair Value \$
Utilities (0.8%)			
Trilliant Inc. Restricted	833,056	\$ 499,459	\$ 499,834
U.S.Geothermal Inc.Warrants September 16, 2015	205,550	-	2,279
		<u>499,459</u>	<u>502,113</u>
Total Long Positions (90.8%)		<u>\$ 59,657,583</u>	<u>\$ 58,059,130</u>
Short Positions (-1.9%)			
Consumer Staples (-0.0%)			
Alliance Grain Traders Inc.	(2)	\$ (36)	\$ (24)
Energy (-0.0%)			
Ensign Energy Services Inc.	(230)	\$ (3,938)	\$ (3,908)
Platino Energy Corporation	(7,400)	(10,330)	(11,100)
		<u>\$ (14,268)</u>	<u>\$ (15,008)</u>
Industrial (-0.7%)			
Canadian Pacific Railway Limited	(3,325)	\$ (405,755)	\$ (418,119)
Materials (-0.6%)			
Alamos Gold Inc.	(24,300)	\$ (308,904)	\$ (342,387)
Detour Gold Corporation	(1,300)	(25,277)	(15,808)
Lundin Mining Corporation	(2,100)	(8,098)	(8,316)
NGEx Resources Inc.	(5,000)	(11,984)	(12,750)
		<u>\$ (354,263)</u>	<u>\$ (379,261)</u>
Telecommunication Services (-0.0%)			
TELUS Corporation	(600)	\$ (21,323)	\$ (21,768)
Written Options (-0.6%)			
Alamos Gold Inc. May/12 WPO	(150)	\$ (11,100)	\$ (2,250)
Alamos Gold Inc. May/13 WPO	(144)	(4,896)	(5,040)
Alamos Gold Inc. May/14 WPO	(90)	(6,750)	(6,300)
Bank of America Corp. May/11 WPO	(150)	(1,996)	(302)
Bank of America Corp. May/12 WPO	(144)	(4,284)	(2,320)
Bombardier Inc. 'B' May/4 WPO	(360)	(6,840)	(4,680)
Canadian Imperial Bank of Commerce May/78 WPO	(210)	(21,882)	(3,780)
Canadian Imperial Bank of Commerce May/80 WPO	(105)	(13,125)	(6,090)
Canadian National Railway May/100 WCO	(28)	(3,724)	(2,072)
Canadian Natural Resources May/29 WPO	(90)	(7,514)	(6,345)
Canadian Natural Resources May/30 WPO	(90)	(11,340)	(9,360)
Canadian Pacific Railway May/120 WPO	(33)	(8,415)	(3,663)
Cenovus Energy Inc. May/30 WCO	(54)	(2,430)	(3,672)
Cenovus Energy Inc. May/30 WPO	(198)	(34,650)	(10,692)
CGI Group Inc. 'A' May/26 WPO	(446)	(20,610)	(5,798)
CGI Group Inc. 'A' May/27 WPO	(160)	(6,240)	(1,920)
CGI Group Inc. 'A' May/28 WPO	(90)	(6,251)	(1,170)
Citigroup Inc. June/48 WCO	(36)	(4,965)	(3,735)
Citigroup Inc. May/40 WPO	(175)	(15,596)	(881)
Citigroup Inc. May/45 WPO	(234)	(19,889)	(8,484)
Citigroup Inc. May/48 WCO	(108)	(6,738)	(4,133)
Citigroup Inc. May/49 WCO	(333)	(50,615)	(5,701)
eBay Inc. May/50 WPO	(230)	(12,939)	(8,339)
Ford Motor Company June/14 WCO	(90)	(1,918)	(2,901)
Ford Motor Company May/13 WPO	(90)	(3,880)	(816)
JPMorgan Chase & Co. May/46 WPO	(88)	(8,376)	(1,064)
JPMorgan Chase & Co. May/47 WPO	(90)	(4,709)	(1,904)
Legacy Oil + Gas Inc May/6 WPO	(576)	(42,624)	(43,200)
Manulife Financial May/14 WPO	(70)	(4,340)	(910)
Manulife Financial May/15 WCO	(150)	(2,700)	(4,050)

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AS AT APRIL 30, 2013 (UNAUDITED)

	Number of Shares/Units Par Value/	Cost \$	Fair Value \$
Manulife Financial May/15 WPO	(252)	(33,768)	(12,600)
Morgan Stanley May/21 WPO	(72)	(2,512)	(1,233)
Potash Corporation May/38 WPO	(144)	(6,048)	(864)
Qualcomm Inc. May/60 WPO	(80)	(3,873)	(4,754)
Qualcomm Inc. May/62.5 WPO	(176)	(22,365)	(29,957)
Research in Motion May/14 WPO	(215)	(6,166)	(4,331)
Research in Motion May/15 WPO	(155)	(9,430)	(6,244)
Research in Motion May/16 WCO	(77)	(4,060)	(7,445)
Royal Bank of Canada May/60 WPO	(180)	(13,860)	(7,200)
Royal Bank of Canada May/62 WCO	(72)	(4,896)	(1,728)
Sun Life Financial May/26 WPO	(108)	(3,348)	(756)
Sun Life Financial May/28 WCO	(144)	(6,624)	(11,088)
Suncor Energy Inc. June/31 WCO	(180)	(16,492)	(19,940)
Suncor Energy Inc. May/27 WPO	(90)	(7,441)	(272)
Suncor Energy Inc. May/29 WPO	(250)	(19,778)	(2,518)
Suncor Energy Inc. May/30 WPO	(180)	(4,895)	(4,170)
Suncor Energy Inc. May/31 WPO	(180)	(11,602)	(9,608)
The Bank of Nova Scotia May/57.5 WPO	(126)	(17,640)	(4,914)
The Bank of Nova Scotia May/58 WPO	(52)	(9,048)	(3,016)
The Dow Chemical Co. May/30 WPO	(270)	(21,549)	(1,088)
The Dow Chemical Co. May/31 WPO	(105)	(9,803)	(846)
The Mosaic Company May/55 WPO	(108)	(9,416)	(761)
The Toronto-Dominion May/78 WPO	(180)	(8,280)	(1,980)
The Toronto-Dominion May/81 WPO	(90)	(5,670)	(3,240)
The Toronto-Dominion May/82 WPO	(175)	(33,425)	(11,025)
The Toronto-Dominion May/83 WCO	(90)	(2,790)	(5,040)
The Toronto-Dominion May/86 WCO	(88)	(4,312)	(528)
Westlake Chemical C May/80 WPO	(72)	(7,195)	(15,591)
Xerox Corporation May/9 WPO	(300)	(6,064)	(14,805)
Yamana Gold Inc. May/11 WPO	(198)	(7,277)	(2,792)
Yamana Gold Inc. May/12 WPO	(90)	(7,900)	(3,535)
		<u>\$ (678,863)</u>	<u>\$ (355,441)</u>
Total Short Positions (-1.9%)		<u>\$ (1,474,508)</u>	\$ (1,189,621)
Transaction costs, note 2		<u>\$ (141,268)</u>	
Total Investments (88.9%)		<u>\$ 58,041,807</u>	56,869,509
Cash and cash equivalents (15.5%)			9,935,869
Other assets less other liabilities (-4.5%)			<u>(2,861,664)</u>
Net assets (100.0%)			<u>\$ 63,943,714</u>

FRONT STREET TACTICAL EQUITY CLASS

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2013 AND 2012

(UNAUDITED)

1. THE FUND

Front Street Tactical Equity Class (formerly Front Street Canadian Equity Fund)(the "Fund") is a class of shares of Front Street Mutual Funds Limited (the "Corporation"), a mutual fund corporation incorporated under the Canada Business Corporations Act on April 11, 2006, and is authorized to issue an unlimited number of classes of shares in multiple series. Pursuant to the notice of change in legal structure, the name of the fund was changed to Front Street Tactical Equity Class on June 27, 2012. Reference is made to the Fund's Simplified Prospectus for additional information on the Fund's structure. Series A commenced operations on June 28, 2006. Series B commenced operations on June 22, 2006. Series F commenced operations on August 3, 2006.

The foregoing financial statements and accompanying notes to the financial statements presented herein are for the Fund. Separate financial statements of each of the other classes of shares of the Corporation have also been prepared as at April 30, 2013.

Front Street Capital 2004 is the manager of the Fund (the "Manager"). Front Street Investment Management Inc. (the "Investment Advisor") has been retained by the Manager, on behalf of the Fund, to provide investment advisory and portfolio management services to the Fund. NBCN Inc. is the custodian. Citigroup Fund Services Canada, Inc. provides fund accounting services and shareholder recordkeeping services.

The Fund's investment objective is to provide shareholders with long term capital growth through the selection, management and strategic trading of long and short positions in equity, debt and derivative securities. The Fund will invest primarily in Canadian equities and may focus its assets in specific industry sectors and asset classes based on analysis of business cycles, industry sectors and market outlook. The Fund may also invest in foreign equities.

FRONT STREET TACTICAL EQUITY CLASS

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2013 AND 2012

(UNAUDITED)

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The following is a summary of the significant accounting policies followed by the Fund:

a) Financial instruments

Investments, at fair value, and obligations from portfolio assets sold short, at fair value have been classified as held for trading. Accounts receivable relating to portfolio assets sold, accounts receivable relating to accrued income and amounts receivable relating to shares issued have been classified as loans and receivables. Liabilities for portfolio assets purchased, and accounts payable relating to shares redeemed and accrued expenses have been classified as other financial liabilities.

The Canadian Securities Administrators adopted changes to National Instrument 81-106 on Investment Fund Continuous Disclosure. The changes are essentially aimed at modifying the requirements pertaining to the calculation of the unit value due to the inclusion of Section 3855, Financial Instruments - Recognition and Measurement of the CICA Handbook. These changes allow the Fund to report two distinct net asset values: one for the financial statements, which is calculated in accordance with Canadian GAAP (called "net assets") and another for all other purposes, such as unit pricing (called "net asset value"). A reconciliation between the net assets per unit and the net asset value per unit is required (see note 9) as well as description of the differences between the valuation principles and practices used by the Manager to calculate the net asset value and those prescribed by Canadian GAAP.

b) Valuation of investments

i) Investments listed on an exchange are valued at the last bid price reported by the principal securities exchange on which the issue is traded on the financial statement date. The difference between this amount and cost is shown as the change in the unrealized appreciation (depreciation) of the value of investments. For investments that are not traded in an active market, Section 3855 requires the use of specific valuation techniques to be used in the determination of fair value. When current market prices or quotations are not readily available, valuations are established using specific procedures in order to estimate what the fair value would be, in an arms length transaction, motivated by normal business considerations. Valuation techniques principally include the use of the last publicly traded price, the issuance price of securities at the date of the most recent financing of the entity or a price established by the Manager in accordance with its fair value policy.

ii) Investments which are restricted as to transferability are valued at the fair value of the unrestricted investment as provided in paragraph (i) above less a discount of 2% per month up to four months.

The process of valuing investments for which no published market exists is inevitably based on inherent uncertainties and the resulting values may differ from values that would have been established had a ready market existed for these investments

FRONT STREET TACTICAL EQUITY CLASS

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2013 AND 2012

(UNAUDITED)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued...)

b) Valuation of investments (continued...)

- iii) Trust units are valued at the last bid price reported by the principal securities exchange on which the issue is traded on the financial statement date. The cost of the trust units is reduced on an annual basis by distributions from the trust and increased by the annual income allocated to the units by the trust.
- iv) Investments in mutual funds or pooled funds are valued based on the net asset value per unit at the close of trading on the financial statement date.
- v) The Fund values its investments in limited partnerships at the last bid price reported by the principal securities exchange on which the issue is traded on the financial statement date. The Fund calculates the cost value of its investment in limited partnerships using the equity method. Under this method, the limited partnership investments are recorded at cost plus the Fund's pro rata share in undistributed earnings since acquisition.
- vi) The Fund may make short sales whereby a security that it does not own is sold in anticipation of a decline in the fair value of the security. Securities which are sold short are valued at the last ask price reported by the principal securities exchange on which the issue is traded on the financial statement date. To enter a short sale, the Fund may need to borrow the security for delivery to the buyer.

While the transaction is open, the Fund will also incur a liability for any paid dividends or interest which are due to the lender of the security.

- vii) The Fund invests in derivative contracts which represent financial instruments which may require little or no initial investment and which are settled in the future. These investments are commonly referred to as futures, forwards or option contracts. Derivative contracts listed upon a principal exchange are valued at their last bid price (for long contracts) and last ask price (for short contracts) at the financial statement date. Contracts with no available bid and ask prices are valued at the fair value as determined by the Manager.

FRONT STREET TACTICAL EQUITY CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2013 AND 2012 (UNAUDITED)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued...)

c) Financial instruments disclosure and presentation and fair value measurements

The Fund adopted CICA Handbook Sections 3862, Financial Instruments - Disclosures and 3863, Financial Instruments - Presentation. These standards place increased emphasis on disclosures with respect to the nature and extent of risks arising from financial instruments and how the Fund has managed those risks. See note 9 for additional details.

The Fund adopted the amendments to CICA 3862, Financial Instruments - Disclosures. CICA 3862 establishes a three-tier hierarchy as a framework for disclosing fair value based on the inputs used to value the Fund's investments. The hierarchy of inputs is summarized below:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

See note 12 for additional details.

d) Transaction costs

Portfolio transaction costs are expensed and are included in "Transaction costs" in the Statement of Operations. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges. The individual security's cost shown on the Statement of Investment Portfolio includes only those transaction costs incurred on the acquisition of portfolio investments.

e) Cash and cash equivalents

Cash and cash equivalents consist of cash balances with banks and highly liquid short-term investments with original terms to maturity of less than three months.

f) Investment transactions and income recognition

Investment transactions are accounted for on a trade date basis. Gains and losses from such transactions are calculated using the weighted average cost of the securities on disposition.

Interest income is recorded on an accrual basis. Dividend income is recorded on the ex-dividend date.

FRONT STREET TACTICAL EQUITY CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2013 AND 2012 (UNAUDITED)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued...)

g) Securities lending, repurchase and reverse repurchase transactions

The Fund is permitted to enter into securities lending, repurchase and reverse repurchase transactions as set out in the Simplified Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date. The value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned, sold or purchased. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions is recognized on an accrual basis and included in the statements of operations – securities lending revenue.

h) Foreign currency translation

Income, expenses and investment transactions in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing on the dates of such transactions. Assets and liabilities in foreign currencies are translated into Canadian dollars at the closing exchange rates on each valuation day.

i) Net increase (decrease) in net assets from operations per share

Net increase (decrease) in net assets from operations per share are based on the increase (decrease) in net assets from operations attributable to each series of shares divided by the average number of shares outstanding of that series during the year.

j) Net assets per share

The net assets per share are calculated by dividing the net assets of a series of shares by the total number of shares of the series outstanding at the end of the year.

k) Capital disclosures

The Fund has adopted CICA Handbook Section 1535, Capital Disclosures, which requires disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance. See note 10 for additional details.

l) General standards on financial statement presentation

CICA Handbook Section 1400, General Standards on Financial Statement Presentation, has been amended to include requirements to assess and disclose an entity's ability to continue as a going concern. The Manager of the Fund has made this assessment and concluded that there are currently no material uncertainties that cast doubt on the Fund's ability to continue as a going concern.

FRONT STREET TACTICAL EQUITY CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2013 AND 2012 (UNAUDITED)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued...)

m) Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires the Manager to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting year. Significant estimates include the fair value of the Fund's investment in private companies and the fair value of the Fund's investment in corporate warrants which are not traded in active markets. Actual results may differ from those estimates.

n) Comparative Amounts

Certain prior period figures have been reclassified to conform with the current period's presentation.

o) Future accounting pronouncements

Recent accounting pronouncements that have been issued but are not yet effective, which have potential implications for the Fund, are as follows:

International financial reporting standards ("IFRS")

Effective for its fiscal period commencing November 1, 2014, the Fund must adopt IFRS. In preparation thereof, the Manager continues to monitor and implement the Fund's changeover plan and will continue to assess the impact on the implementation as new IFRS guidance become available from the International Accounting Standards Board ("IASB").

The Manager has reviewed the current IFRS against the Fund's current accounting policies and financial statement presentation under Canadian generally accepted accounting principles ("Canadian GAAP"), and the following areas of differences have been identified:

- (a) IAS 32, Financial Instruments: Disclosure and Presentation, requires shareholders' equity to be classified as liability unless certain criteria are met. The Fund's shareholders' equity meets the definition of a puttable instrument. The Manager has assessed the Fund's shareholder structure and has determined the liability treatment is the most appropriate classification.
- (b) IFRS 13, Fair Value Measurements, that was released in May 2011 provides guidance on the fair value measurements and allows for the possible use of closing prices to value investments. The Manager has assessed the guidance that will apply under IFRS and has determined that the use of closing market prices is appropriate in valuing investments.

The anticipated impact of IFRS on accounting policies and implementation decisions will predominantly be on the financial statement presentation and note disclosures in the Fund's financial statements. In particular, the Fund will be required to present a statement of cash flows, and will be required to include certain additional and enhanced disclosures.

FRONT STREET TACTICAL EQUITY CLASS

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2013 AND 2012

(UNAUDITED)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued...)

o) Future accounting pronouncements (Continued...)

The Fund's changeover plan includes key activities in (a) preparation of financial statements, (b) information processing and record-keeping, (c) business policy assessment and (d) systems and controls. Based on the Manager's current analysis, the Manager believes the changeover to IFRS will not materially affect the Fund's existing business arrangements.

3. SHARES ISSUED AND OUTSTANDING

The authorized capital of the Fund consists of an unlimited number of mutual fund shares, available in three series. Redemption and commission fees vary according to each series of shares as follows:

Series A shares

Redemption fees payable to the Manager may be applicable upon the sale of shares of this series based on the original cost amount and the time to disposition. A redemption fee of 3% applies to shares of this series sold within the first 18 months following acquisition. A redemption fee of 2% applies to shares of this series sold after the first 18 months and prior to 36 months following acquisition. No redemption fee applies to shares of this series sold after the first 36 months following acquisition.

Series B shares

Commission fees payable to brokers, dealers or advisors may be applicable upon the purchase of shares of this series up to 5% of the gross purchase amount, at the discretion of the broker, dealer or advisor.

Series F shares

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

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

The following share transactions took place during the period:

	November 1, 2012 to April 30, 2013	November 1, 2011 to April 30, 2012
Shares outstanding, beginning of the period:		
Series A	3,714,060	4,736,818
Series B	4,937,796	6,036,717
Series F	304,288	725,107
Series X	-	-
Shares issued during the period:		
Series A	19,776	177,023
Series B	28,677	66,629
Series F	13,424	15,638
Series X	7,647	-

FRONT STREET TACTICAL EQUITY CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2013 AND 2012 (UNAUDITED)

3. SHARES ISSUED AND OUTSTANDING (Continued...)

	November 1, 2012 to April 30, 2013	November 1, 2011 to April 30, 2012
Shares redeemed during the period:		
Series A	842,669	597,517
Series B	609,890	703,296
Series F	84,666	427,685
Series X	7,647	-
Shares outstanding, end of the period:		
Series A	2,891,167	4,316,324
Series B	4,356,583	5,400,050
Series F	233,046	313,060
Series X	-	-

4. FEES AND EXPENSES

The Fund pays a monthly management fee equal to 1/12 of 1.5% of the net asset value of the Fund calculated and paid at the end of each month in arrears from each Fund series.

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

The Fund is responsible for payment of all operating and administrative expenses of the Fund. The main components of these expenses are legal and accounting fees, printing expenses, reporting issuer filing and sustaining fees, custodial fees, fees payable to, and expenses incurred by, the Fund's Independent Review Committee and expenses of making distributions to shareholders. As the Fund has more than one series of shares, the shareholders of each series bear their pro rata share of those expenses which are common to the operation of all series, as well as those expenses which are attributable solely to that series.

The Manager may, at its discretion, add a service charge of up to 15% of the costs incurred for any operating and administrative costs charged to the Fund other than management services which are already included in the management fee rate which the Manager receives from the Fund.

The Fund pays a performance fee if the percentage gain in the net asset value of a series of the Fund (as adjusted for any prior return deficiencies) over the preceding fiscal quarter or quarters since a performance fee was last payable exceeds the percentage gain or loss of the S&P/TSX Composite Index (the "Benchmark") over the same period. The fee is equal to this excess return per share multiplied by the number of shares outstanding at the end of the quarter multiplied by 20%, provided that the net asset value per share of the Fund (including distributions) is greater than all previous values at the end of each previous fiscal quarter. The starting reference point for the next fiscal quarter's calculation is based on the higher of either the Benchmark performance adjusted net asset value per share or the adjusted actual net asset value per share, both with respect to the previous quarter in which a performance fee was payable.

FRONT STREET TACTICAL EQUITY CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2013 AND 2012 (UNAUDITED)

5. INCOME TAX AND DISTRIBUTION

The Fund qualifies as a mutual fund corporation under the Income Tax Act (Canada). The Corporation will earn three types of income, Canadian dividends, taxable capital gains and other net taxable income. The income of the Fund, including taxable capital gains, will be subject to income tax at applicable corporate tax rates, after claiming allowable deductions for expenses and applicable credits for foreign taxes paid on foreign-source income. Income tax on capital gains is refundable to the Fund to the extent that such gains are distributed to shareholders as capital gains dividends or the Fund's share are redeemed. Gains and losses realized by the Fund in relation to certain derivative transactions and short sale transactions may be taxed on account of income as opposed to on account of capital. Other income is subject to tax at normal corporate rates and is not subject to refundable tax treatment.

The Fund may elect in the prescribed manner and form in order to have the dividends it distributes treated as capital gains dividends to the extent that the dividends do not exceed the Fund's capital gains dividend account. The capital gains dividend account will be represented by the amount by which capital gains realized by the Fund while it was a mutual fund corporation exceed the aggregate of:

- (a) capital losses realized by the Fund while it was a mutual fund corporation;
- (b) certain capital gains dividends previously paid by it; and
- (c) amounts in respect of which the Fund received capital gains tax refunds.

The Fund anticipates that gains and losses realized on the disposition of investments will normally give rise to capital gains not ordinary income. The Fund intends to declare sufficient capital gains dividends so that it is entitled to a refund of the full amount of tax paid or payable on their capital gains. The suspended loss rules in the Income Tax Act (Canada) may prevent the Fund from recognizing capital losses on the disposition of securities in certain circumstances, which may increase the amount of capital gains dividends that the Fund must pay to Fund shareholders.

If allowable capital losses exceed taxable capital gains of the Fund in any taxation year, the excess cannot be allocated to shareholders, but may be carried back three years and carried forward indefinitely and be applied against taxable capital gains in such previous or subsequent years.

The Fund will allocate taxes payable and recoverable of the Fund to each of the classes. The Fund can pay ordinary taxable dividends or capital gains dividends to shareholders of any class in order to receive a refund of taxes on Canadian dividends or capital gains taxes. The Fund intends to pay out such dividends so as to maximize tax refunds and minimize taxes payable at the corporate level.

The Fund may be subject to provincial capital taxes.

The corporation's shares are qualified investments for registered plans.

6. TRANSACTION COSTS

The total brokerage commissions paid by the Fund with respect to security transactions for the period ended April 30, 2013 was \$618,896 (April 30, 2012 - \$889,577).

FRONT STREET TACTICAL EQUITY CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2013 AND 2012 (UNAUDITED)

7. RELATED PARTY TRANSACTIONS

During the period ended April 30, 2013 and 2012, fees paid to the Manager were as follows:

	2013	2012
Management fees (see note 4)	\$ 590,041	\$ 847,267
Servicing fees (see note 4)	345,469	466,565
Operating costs (see note 4)	<u>27,747</u>	<u>27,677</u>
	<u>\$ 963,257</u>	<u>\$ 1,341,509</u>

Included in accrued expenses payable to the Manager were as follows:

	April 30, 2013	October 31, 2012
Management fees payable	\$ 96,998	\$ 120,569
Servicing fees payable	56,643	69,550
Operating costs payable	<u>4,432</u>	<u>17,659</u>
	<u>\$ 158,073</u>	<u>\$ 207,778</u>

The following are ownership held by the related party of the Fund:

	2013	2012
Series B held by the Partners of the Manager	1,468,464.46	1,468,164.46
Percentage of Series B held by the Partners of the Manager	33.71%	29.73%
Series B held by the relatives of the Partners of the Manager	7,484.58	Nil
Percentage of Series B held by the relatives of the Partners of the Manager	Nil%	Nil%
Series F held by the Partners of the Manager	56,197.94	56,197.94
Percentage of Series F held by the Partners of the Manager	24.11%	18.47%
Series F held by the relatives of the Partners of the Manager	8,497.59	8,497.59
Percentage of Series F held by the relatives of the Partners of the Manager	3.65%	2.79%

The Fund may place a portion of its portfolio transactions with brokerage firms which are affiliates of the Manager provided it determines that these affiliates' trade execution abilities and costs are comparable to those non-affiliated, qualified brokerage firms, on an execution-only basis. During the period ended April 30, 2013, Tuscarora Capital Inc., a company under common control to the Manager, received \$319,483 (April 30, 2012 - \$537,467) in commissions on portfolio transactions for the Fund.

Management fees, servicing fees, operating costs and performance fees are measured at the exchange amount of consideration prescribed by the offering documents of the Fund. When related parties enter shareholder transactions with the Fund, the exchange amount of consideration is the transactional NAV available to all other shareholders on the trade date. In the case of brokerage commissions, the exchange amount of consideration is that which is negotiated by the related parties.

FRONT STREET TACTICAL EQUITY CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2013 AND 2012 (UNAUDITED)

8. SECURITIES LENDING

The Fund lends portfolio securities from time to time in order to earn additional income. The Fund has entered into a securities lending program with its custodian, NBCN Inc. The aggregate fair value of all securities loaned will not exceed 50% of the net assets of the Fund. The Fund receives collateral (in the form of obligations of, or guaranteed by, the Government of Canada, or a province thereof, or by the United States government or its agencies and/or cash) against the loaned securities. Collateral is maintained in an amount representing at least 102% of the fair value of the loaned securities during the period the loan is outstanding. The fair value of the loaned securities is determined daily at the close of business of the Fund and any additional collateral required is delivered to the Fund on the next business day. As at April 30, 2013 and October 31, 2012, the aggregate fair values of the Fund's securities loaned and the collateral received were as follows.

	2013	2012
Value of securities loaned	\$ 1,650,620	\$ 2,190,447
Value of collateral received	\$ 1,713,513	\$ 2,266,470

9. RECONCILIATION OF NET ASSET VALUE TO NET ASSETS FOR FINANCIAL STATEMENTS

In accordance with the decision made by the Canadian securities regulatory authorities, a reconciliation between the transactional net asset value ("NAV") and net assets calculated using generally accepted accounting principles ("GAAP NA") of an investment fund is required. For investments that are traded in an active market where quoted prices are readily and regularly available, Section 3855 requires bid prices (for investments held) and ask prices (for investments sold) to be used in the fair valuation of investments, rather than the use of closing trade prices currently used for the purpose of determining transactional NAV. For investments that are not traded in an active market, Section 3855 requires the use of specific valuation techniques (see note 2) rather than the use of valuation techniques in general practice in the investment funds industry.

These changes account for the difference between transactional NAV and GAAP NA. The impact of the adoption of Section 3855 on the net asset value of the Fund is as follows:

As at April 30, 2013

	Transactional NAV	Section 3855 Adjustment	GAAP NA	Transactional NAV per share	GAAP NA per share
Series A	\$ 24,804,816	\$ (69,877)	\$ 24,734,939	\$ 8.58	\$ 8.56
Series B	37,350,642	(104,658)	37,245,984	8.57	8.55
Series F	1,968,297	(5,506)	1,962,791	8.45	8.42
Total	\$ 64,123,755	\$ (180,041)	\$ 63,943,714		

FRONT STREET TACTICAL EQUITY CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2013 AND 2012 (UNAUDITED)

9. RECONCILIATION OF NET ASSET VALUE TO NET ASSETS FOR FINANCIAL STATEMENTS (Continued...)

As at October 30, 2012

	Transactional NAV	Section 3855 Adjustment	GAAP NA	Transactional NAV per share	GAAP NA per share
Series A	\$ 32,657,723	\$ (169,051)	\$ 32,488,672	\$ 8.79	\$ 8.75
Series B	43,394,031	(224,658)	43,169,373	8.79	8.74
Series F	2,621,351	(13,530)	2,607,821	8.61	8.57
Total	\$ 78,673,105	\$ (407,239)	\$ 78,265,866		

10. FINANCIAL INSTRUMENTS

The Fund's assets and liabilities classified in accordance with CICA Handbook Section 3855 are as follows:

	As at April 30, 2013	As at October 31, 2012
Assets		
Held for trading	\$ 58,059,130	\$ 64,415,604
Cash and cash equivalents	9,935,869	15,878,658
Loans and receivables	<u>1,240,374</u>	<u>1,900,686</u>
Total Assets	<u>69,235,373</u>	<u>82,194,948</u>
Liabilities		
Held for trading	1,189,621	2,057,858
Other financial liabilities at amortized cost	<u>4,102,038</u>	<u>1,871,224</u>
Total liabilities	<u>5,291,659</u>	<u>3,929,082</u>
Net Assets	<u>\$ 63,943,714</u>	<u>\$ 78,265,866</u>

The Fund's financial instruments consist of investments at fair value, cash and cash equivalent, accounts receivable relating to portfolio assets sold, accounts receivable relating to accrued income, accounts receivable relating to shares issued, obligations from portfolio assets sold short of fair value, liabilities for portfolio assets purchased, accounts payable relating to shares redeemed and accrued expenses. It is the Manager's opinion that due to the short term nature of these financial instruments, the Fund is not exposed to significant market price, currency, interest rate, liquidity, cash flow and credit risks arising from these financial instruments except as described below. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

FRONT STREET TACTICAL EQUITY CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2013 AND 2012 (UNAUDITED)

10. FINANCIAL INSTRUMENTS (Continued...)

Risk Management

The Investment Advisor seeks to minimize potential adverse effects of these risks on the Fund's performance by employing professional, experienced portfolio advisors, by daily monitoring of the Fund's positions and market events, and by diversifying the investment portfolio within the constraints of the investment objective. To assist in managing risk, the Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations.

The Fund's investment activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The Statement of Investment Portfolio presents the securities held by the Fund as at April 30, 2013, and groups the securities by asset type, sector and/or market segment. Significant risks that are relevant to the Fund are discussed below.

i) Market price risk

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

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

ii) Currency risk

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

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

Currency	Investments, at fair value	Cash	Total	Percentage of GAAP NA
Australian Dollar	\$ 64,841	\$ -	\$ 64,841	0.1%
United States Dollar	<u>10,875,068</u>	<u>6,702,173</u>	<u>17,577,241</u>	<u>27.5%</u>
	<u>\$ 10,939,909</u>	<u>\$ 6,702,173</u>	<u>\$ 17,642,082</u>	<u>27.6%</u>

FRONT STREET TACTICAL EQUITY CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2013 AND 2012 (UNAUDITED)

10. FINANCIAL INSTRUMENTS (Continued...)

iii) Interest rate risk

The Fund may invest in fixed and floating rate securities. The income of the Fund may be affected by changes to interest rates relevant to particular securities or as a result of management being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movement in the future. Interest payable on bank overdraft or broker margin account positions will be affected by fluctuations in interest rates. As at April 30, 2013, there were 10.7% (October 31, 2012 –5.0%) of investments owned which are held in bonds. There were short-term investments representing Nil% (October 31, 2012 – 5.1%) of the net asset value, all maturing in less than 30 days. The remaining portion of the Fund's investments are substantially non-interest bearing equity investments and its exposure to interest rate changes is minimal.

Financial assets	Floating Rate Financial Assets	Fixed Rate Financial Assets	Non-Interest Bearing	Total
Held for trading	\$ 500,185	\$ 6,369,660	\$ 51,189,285	\$ 58,059,130
Other receivables	1,240,374	-	-	1,240,374
Cash and cash equivalents	<u>9,935,869</u>	<u>-</u>	<u>-</u>	<u>9,935,869</u>
Total	<u>\$ 11,676,428</u>	<u>\$ 6,369,660</u>	<u>\$ 51,189,285</u>	<u>\$ 69,235,373</u>
Financial liabilities				
Held for trading	\$ -	\$ -	\$ 1,189,621	\$ 1,189,621
Other financial liabilities	<u>4,102,038</u>	<u>-</u>	<u>-</u>	<u>4,102,038</u>
Total	<u>\$ 4,102,038</u>	<u>\$ -</u>	<u>\$ 1,189,621</u>	<u>\$ 5,291,659</u>
GAAP NA				<u>\$ 63,943,714</u>

FRONT STREET TACTICAL EQUITY CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2013 AND 2012 (UNAUDITED)

10. FINANCIAL INSTRUMENTS (Continued...)

iv) Liquidity risk

Liquidity risk is the risk the Fund will encounter difficulty in meeting obligations associated with financial liabilities. Shareholder redemption requests are the main liquidity risk for the Fund.

The Fund maintains sufficient cash and marketable securities, and manages liquidity risk through its ability to close out market positions.

	0-12 months	1 - 3 years	3 - 5 years	Beyond 5 years	Non-interest Bearing	Total
Financial assets						
Held for trading	\$ 2,873,658	\$ 3,565,799	\$ 1,448,220	\$ 1,131,987	\$ 49,039,466	\$ 58,059,130
Other receivables	1,240,374	-	-	-	-	1,240,374
Cash and cash equivalents	<u>9,935,869</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,935,869</u>
Total	<u>\$ 14,049,901</u>	<u>\$ 3,565,799</u>	<u>\$ 1,448,220</u>	<u>\$ 1,131,987</u>	<u>\$ 49,039,466</u>	<u>\$ 69,235,373</u>
Financial liabilities						
Held for trading	\$ 355,441	\$ -	\$ -	\$ -	\$ 834,180	\$ 1,189,621
Other financial liabilities	<u>4,102,038</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,102,038</u>
Total	<u>\$ 4,457,479</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 834,180</u>	<u>\$ 5,291,659</u>
GAAP NA						<u>\$ 63,943,714</u>

Certain of the Fund's investments are in private securities which are thinly traded. As at April 30, 2013, the fair value of such assets was 9.4% (October 31, 2012 – 12.3%) of the total net assets.

v) Cash flow risk

The risk that future cash flows associated with a monetary financial instrument will fluctuate in amount. In the case of a floating rate debt instrument, for example, such fluctuations could result from a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value.

FRONT STREET TACTICAL EQUITY CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2013 AND 2012 (UNAUDITED)

10. FINANCIAL INSTRUMENTS (Continued...)

vi) Credit risk

The Fund is exposed to credit risk arising from its transactions with its counterparties and brokers, related to securities purchases and sales and Fund's securities lending activities. Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Financial assets which potentially expose the Fund to credit risk consist principally of investments in bonds, amounts due from brokers and derivatives. The Fund seeks to mitigate its exposure to credit risk by placing its cash, and transacting its securities activity with large financial institutions. The Fund may also invest in corporate bonds. Until the bonds are sold or mature, the Fund is exposed to credit risk relating to whether the bond issuer will meet its obligations when they come due. The extent of the Fund's exposure to credit risk in respect of these financial assets is reflected in their carrying value as recorded in the Fund's Statement of Net Assets.

To partially mitigate credit risk with respect to its securities lending the Fund receives collateral against the securities loaned (note 8). As at April 30, 2013, the Fund has loaned securities with an aggregate fair value of \$1,650,620 and received collateral with an aggregate fair value of \$1,713,513.

As at April 30, 2013, the Fund had 10.7% (October 31, 2012 – 5.0%) of holdings in long term debt instruments for which the following credit rating have been obtained from Standard and Poor's, Moody's or DBRS:

Debt Instruments by Credit Rating	Percentage of GAAP NA
AA-	0.8%
BB-	0.6%
B-	1.2%
Not available or not rated	8.1%

11. CAPITAL MANAGEMENT

The Manager considers the Fund's capital to consist of the issued ordinary share capital and the net assets attributable to participating shareholders.

The Manager manages the capital of the Fund in accordance with the Fund's investment objectives, policies and restrictions, as outlined in the Fund's prospectus, while maintaining sufficient liquidity to meet participating shareholder redemptions. The Fund's overall strategy for managing capital remains unchanged from 2012.

The Fund does not have any externally imposed capital requirements.

FRONT STREET TACTICAL EQUITY CLASS

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2013 AND 2012 (UNAUDITED)

12. FAIR VALUE HIERARCHY

The following is a summary of the inputs used as of April 30, 2013 in valuing the Fund's investments and derivatives at fair value as discussed in note 2(c):

Assets at fair value as at April 30, 2013	Quoted price in active market for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3	Total
Investments, at fair value	<u>\$ 45,760,830</u>	<u>\$ 6,256,579</u>	<u>\$ 6,041,721</u>	<u>\$ 58,059,130</u>
Liabilities at fair value as at April 30, 2013	Level 1	Level 2	Level 3	Total
Obligations from portfolio assets sold short, at fair value	<u>\$ 1,189,621</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,189,621</u>

During the period ended April 30, 2013 reconciliation of investments measured at fair value using unobservable inputs (Level 3) is presented as follows:

	Investments, at fair value Equities	Investments, at fair value Bonds
Beginning balance at November 1, 2012	\$ 7,029,938	\$ 2,595,599
Purchases	-	-
Sales	(2,248,128)	-
Transfers in (out)	(389,475)	-
Gain (losses)		
Realized	1,458,620	-
Unrealized	<u>(2,414,216)</u>	<u>9,983</u>
Balance at April 30, 2013	<u>\$ 3,436,139</u>	<u>\$ 2,605,582</u>

The transfers out of equities represents equities reallocated to level one as a result of having quoted prices in active markets for identical assets now available with respect to these holdings.

FRONT STREET TACTICAL EQUITY CLASS

NOTES TO THE FINANCIAL STATEMENTS

APRIL 30, 2013 AND 2012

(UNAUDITED)

13. SUBSEQUENT EVENT

On May 28, 2013, Front Street Mutual Funds Limited and its manager, Front Street Capital 2004, held the adjourned special meeting of holders of Series A, Series B, Series F and Series X Shares of each of Front Street Tactical Equity Class, Front Street Growth and Income Class and Front Street Value Class and Series A, Series B, Series F, Series X and Series L Shares of Front Street Resource Class to consider the proposed mergers of Front Street Tactical Equity Class and Front Street Value Class into Front Street Growth and Income Class and Front Street Resource Class (to be renamed Front Street Resource Growth and Income Class), respectively, as follows:

<u>Terminating Fund</u>		<u>Continuing Fund</u>
Front Street Tactical Equity Class	→	Front Street Growth and Income Class
Front Street Value Class	→	Front Street Resource Growth and Income Class

Shareholders of each of the Funds approved the special resolutions at the meeting to authorize the respective mergers. Shareholders of Front Street Resource Class and Front Street Growth and Income Class also approved special resolutions at the meeting to authorize changes to the fundamental investment objectives of each of those Funds. The mergers are expected to occur on or about June 27, 2013, subject to receipt of all necessary regulatory approval.

Interim Management Report of Fund Performance As at April 30, 2013 Front Street Tactical Equity Class

This Interim Management Report of Fund Performance contains financial highlights but does not contain the complete interim financial statements for Front Street Tactical Equity Class (the "Fund"), a class of shares of Front Street Mutual Funds Limited. The interim financials of the Fund are attached behind this report and you can also get a copy of the interim or annual financial statements at your request, and at no cost, by calling 1-800-513-2832, by writing to us at Front Street Capital 2004, 33 Yonge Street, Suite 600, Toronto, Ontario M5E 1G4 or by visiting our website at www.frontstreetcapital.com or SEDAR at www.sedar.com

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

Forward Looking Information

This Interim 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 Interim Management Report of Fund Performance, readers are cautioned not to place undue reliance on such forward-looking information. By its nature, the forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts and other forward-looking statements will not occur. These factors include, but are not limited to, those associated with the performance of the equity securities market, expectations about interest rates and factors incorporated by reference herein as risk factors.

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

Management Discussion of Fund Performance

Investment Objective and Strategies

The Fund's investment objective is to provide shareholders with long term capital growth through the selection, management and strategic trading of long and short positions in equity, debt and derivative securities. The Fund will invest primarily in Canadian equities and may focus its assets in specific industry sectors and asset classes based on analysis of business cycles, industry sectors and market outlook. The Fund may also invest in foreign equities.

The Fund's Investment Advisor, Front Street Investment Management Inc., may also consider non-investment factors such as cash flow and liquidity requirements hold periods and restrictions, risk factors, stop-loss containment and tax efficient distributions.

The Front Street Tactical Equity Class's portfolio will consist primarily of investments which generate capital gains, but will also include investments which generate income. In managing the portfolio, the Investment Advisor intends to use strategies including: investing in undervalued securities, short selling overvalued securities, managing long/short positions, pairs trading, trading in securities of distressed issuers, special warrant arbitrage, merger arbitrage, convertible arbitrage, and participation in restructurings.

From time to time the Fund may invest in other mutual funds and may purchase securities of, or enter into specified derivative transactions for which the underlying interest is based on the securities of other mutual funds. Such investments may be entered into in conjunction with other strategies and investments in a manner considered most appropriate to achieving the Fund's investment objectives stated above and enhancing returns as permitted by securities regulations.

Risk

Most of the Fund's assets will be invested in common shares and other equity securities. The Fund will therefore be subject to stock market risk. Since the Fund may also invest in foreign securities, this may expose the Fund, to a limited extent, to the risk of investments in foreign securities and foreign currency risk. The Fund invests in relatively illiquid securities that may expose the Fund to liquidity risk. The Fund may also be exposed to sector risk due to its investments being concentrated in a limited number of sectors. The Fund may also be exposed to the risks of short selling and investing in derivatives. The Fund will also be subject to Risks Associated with investing in Securities of Junior Industrial and Technology Companies, Series Risk and Securities Lending, Repurchase and Reverse Repurchase Risk.

Currency risk - had an effect on the fund as the Canadian dollar weakened by 2.5% compared to the US dollar during the period. Company's who have Canadian expenses and revenue in US dollars typically benefitted from the fall in the Canadian dollar. Volatility in currency markets continues to be high, suggesting uncertainty going forward on this front.

Equity Risk – Although the TSX was relatively flat from the start to end of the period, there was significant volatility in Canadian markets during the half year, affecting the fund. Fears of political and economic events around the world influenced stock market direction. The number of equity financings and IPOs fell dramatically during the period forcing many companies to delay growth plans.

Interest-rate risk was also a factor, as global central banks and bond and equity markets closely monitored the U.S. Federal Reserve's monetary policy activities and public communications for indications as to interest rate policy. Any major increase in interest rates could stifle economic growth.

Credit risk was another factor this past period. In the aftermath of the credit crisis banks are only now starting to lend, but with much higher fees attached. Many companies which are relying on debt to finance expansions have had to halt plans as the funds are not currently available.

The Fund has multiple risks associated with equity markets. Investors whose primary concern is preservation of capital should not be invested in this Fund. The Fund is suitable for investors seeking long-term growth with a tolerance for risk and volatility and a long-term investment horizon.

The risks of investing in the Fund are further discussed in the Fund's Annual Information Form.

Results of Operations

For the six-months ended April 30, 2013, the Front Street Tactical Equity Class returned -2.41% net of expenses while the benchmark, the S&P/TSX Composite Index returned 0.27% over the same period. The past six months has been challenging for resource markets, with the TSX Energy Index essentially flat (+0.2%) and the Materials Index down -28.71%. Small-cap names were the hardest hit, as investors fled to the perceived safety and liquidity of larger-cap issuers.

While we see the S&P 500 pushed to new highs, we are surprised by how narrow the rally has been. The real winners are the defensive sectors: healthcare, utilities, consumer staples, along with consumer discretionary, which is benefitting from the housing consumer recoveries.

In contrast, the commodity-heavy S&P/TSX has been flat. Given improving economic data in China, and the U.S., along with better performance of global equities, this has been somewhat puzzling. Considering that the Australian market has performed as well as the S&P 500 and its index is similar to ours, why are we so challenged?

There are concerns about the domestic economy and housing. Canadian residential investment will be a drag on the Canadian economy, as well as on general consumer spending. It is well documented how indebted Canadians are. After years of economic outperformance, Canada is now simply tweaking its good fortune, while the U.S. is rebounding.

While we see long-term value in the TSX as it tracks at a significant discount to the Canadian 10- year yield, we believe that for its relative performance to improve, domestic economic headwinds must abate. For this to take place, the dollar will likely need to fall, a development we think could happen over the next 18-24 months. A declining Canadian dollar favors all export companies (specifically those with Canadian costs and U.S. revenue), oil & gas producers (somewhat muted due to oil differentials), and companies that have the bulk of their revenues south of the border.

In the 1990's the TSX was hurt by its heavy commodity exposure. Between 1990 and 1998, the TSX underperformed the S&P by 306%. Now, given all the quantitative easing and turmoil in the world, we do not believe commodities are dead, but we do need to diversify given that China is no longer the key driver in start-up magnitude. A U.S. rebound is now a much more compelling story.

During the period ended April 30, 2013, the Fund earned investment income of \$669,425 from dividends, interest and securities lending revenue. There were net realized gains on the sale of investments of \$1.2 million and an unrealized depreciation on the value of investments of \$1.6 million.

Operating expenses, excluding management fees, servicing fees and compensatory dividends, totaled \$237,862 during the period ended April 30, 2013.

Recent Developments

In Front Street Tactical Equity Class, we lowered our weighting in the resource sector. Our gold weighting was less than 1.5%, consisting solely of a gold equity bond yielding over 9%. Our metals weighting was less than 2%, and our oil weighting was 10%, consisting of approximately 1/3 large cap names. The cash weighting was approximately 17%, as we added approximately 8% in convertible bonds to the portfolio. In the ensuing months we expect to move to a 20% convertible and fixed-income weighting.

On May 28, 2013, Front Street Mutual Funds Limited and its manager, Front Street Capital 2004, held the adjourned special meeting of holders of Series A, Series B, Series F and Series X Shares of each of Front Street Tactical Equity Class, Front Street Growth and Income Class and Front Street Value Class and Series A, Series B, Series F, Series X and Series L Shares of Front Street Resource Class to consider the proposed mergers of Front Street Tactical Equity Class and Front Street Value Class into Front Street Growth and Income Class and Front Street Resource Class (to be renamed Front Street Resource Growth and Income Class), respectively, as follows:

<u>Terminating Fund</u>		<u>Continuing Fund</u>
Front Street Tactical Equity Class	→	Front Street Growth and Income Class
Front Street Value Class	→	Front Street Resource Growth and Income Class

Shareholders of each of the Funds approved the special resolutions at the meeting to authorize the respective mergers. Shareholders of Front Street Resource Class and Front Street Growth and Income Class also approved special resolutions at the meeting to authorize changes to the fundamental investment objectives of each of those Funds. The mergers are expected to occur on or about June 27, 2013, subject to receipt of all necessary regulatory approval.

International Financial Reporting Standards (“IFRS”)

Effective for its fiscal year commencing November 1, 2014, the Fund must adopt IFRS. In preparation thereof, the Manager continues to monitor and implement the Fund’s changeover plan and will continue to assess the impact on the implementation as new IFRS guidance become available from the International Accounting Standards Board (“IASB”).

The Manager has reviewed the current IFRS against the Fund’s current accounting policies and financial statement presentation under Canadian generally accepted accounting principles (“Canadian GAAP”), and the following areas of differences have been identified:

- a) IAS 32, Financial Instruments: Disclosure and Presentation, requires shareholders’ equity to be classified as liability unless certain criteria are met. The Fund’s shareholders’ equity meets the definition of a puttable instrument. The Manager has assessed the Fund’s shareholder structure and has determined the liability treatment is the most appropriate classification.
- b) IFRS 13, Fair Value Measurements, that was released in May 2011 provides guidance on the fair value measurements and allows for the possible use of closing prices to value investments. The Manager has assessed the guidance that will apply under IFRS and has determined that the use of closing market prices is appropriate in valuing investments.

The anticipated impact of IFRS on accounting policies and implementation decisions will predominantly be on the financial statement presentation and note disclosures in the Fund’s financial statements. In particular, the Fund will be required to present a statement of cash flows, and will be required to include certain additional and enhanced disclosures.

The Fund’s changeover plan includes key activities in (a) preparation of financial statements, (b) information processing and record-keeping, (c) business policy assessment and (d) systems and controls. Based on the Manager’s current analysis, the Manager believes the changeover to IFRS will not materially affect the Fund’s existing business arrangements.

Related Party Transactions

During the period ended April 30, 2013 and 2012, fees paid to the Manager were as follows:

	2013	2012
Management fees	\$ 590,041	\$ 847,267
Servicing fees	345,469	466,565
Operating costs	<u>27,747</u>	<u>27,677</u>
	<u>\$ 963,257</u>	<u>\$ 1,341,509</u>

Included in accrued expenses payable to the Manager were as follows:

	April 30, 2013	October 31, 2012
Management fees payable	\$ 96,998	\$ 120,569
Servicing fees payable	56,643	69,550
Operating costs payable	<u>4,432</u>	<u>17,659</u>
	<u>\$ 158,073</u>	<u>\$ 207,778</u>

The following are ownership held by the related party of the Fund:

	2013	2012
Series B held by the Partners of the Manager	1,468,464.46	1,468,164.46
Percentage of Series B held by the Partners of the Manager	33.71%	29.73%
Series B held by the relatives of the Partners of the Manager	7,484.58	Nil
Percentage of Series B held by the relatives of the Partners of the Manager	Nil%	Nil%
Series F held by the Partners of the Manager	56,197.94	56,197.94
Percentage of Series F held by the Partners of the Manager	24.11%	18.47%
Series F held by the relatives of the Partners of the Manager	8,497.59	8,497.59
Percentage of Series F held by the relatives of the Partners of the Manager	3.65%	2.79%

The Fund may place a portion of its portfolio transactions with brokerage firms which are affiliates of the Manager provided it determines that these affiliates' trade execution abilities and costs are comparable to those non-affiliated, qualified brokerage firms, on an execution only basis. During the period ended April 30, 2013, Tuscarora Capital Inc., a company under common control to the Manager, received \$319,483 (October 31, 2012 - \$537,467) in commissions on portfolio transactions for the Fund.

Management fees, servicing fees, operating costs and performance fees are measured at the exchange amount of consideration prescribed by the offering documents of the Fund. When related parties enter shareholder transactions with the Fund, the exchange amount of consideration is the transactional NAV available to all other shareholders on the trade date. In the case of brokerage commissions, the exchange amount of consideration is that which is negotiated by the related parties.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five financial years. This information is derived from the Fund's audited annual and interim financial statements for the six months ended April 30, 2013.

Series A

The Fund's Net Assets per Share

	April 30 2013 \$	October 31 2012 ⁽¹⁾ \$	October 31 2011 ⁽¹⁾ \$	October 31 2010 ⁽¹⁾ \$	October 31 2009 ⁽¹⁾ \$	October 31 2008 ⁽¹⁾ \$
Net Assets, beginning of the period	8.75	9.24	10.79	8.95	7.12	12.63
Increase (decrease) from operations:						
Total revenue	0.08	0.10	0.08	0.05	0.09	0.10
Total expenses	(0.14)	(0.30)	(0.55)	(0.40)	(0.46)	(0.35)
Realized gains (losses) for the period	0.07	(0.93)	1.05	1.23	0.05	(2.23)
Unrealized gains (losses) for the period	(0.20)	0.60	(2.03)	0.82	2.18	(2.97)
Total increase (decrease) from operations⁽²⁾	(0.19)	(0.53)	(1.45)	1.70	1.86	(5.45)
Distributions to Shareholders:						
From income (excluding dividends)	—	—	—	—	—	—
From dividends	—	—	—	—	—	—
From capital gains	—	—	—	—	—	—
Return of capital	—	—	—	—	—	—
Total distributions to Shareholders⁽³⁾	—	—	—	—	—	—
Net Assets, end of the period	8.56	8.75	9.24	10.79	8.95	7.12

- (1) This information is derived from the Fund's audited annual financial statements. The net assets per share presented in the financial statements differ from the net asset value calculated for fund pricing purposes. [An explanation of these differences can be found in the notes to the financial statements].
- (2) Net assets and distributions are based on the actual number of shares outstanding at the relevant time. The increase/(decrease) from operations is based on the average number of shares outstanding over the financial period.
- (3) Distributions were paid in cash/reinvested in additional shares of the Fund or both.

Ratios and Supplemental Data

Total net asset value (\$000's) ⁽¹⁾	24,805	32,658	43,836	60,304	57,607	45,566
Number of shares outstanding ⁽¹⁾	2,891,167	3,714,060	4,736,818	5,598,733	6,444,974	6,357,986
Management expense ratio ⁽²⁾	3.32%	3.33%	4.89%	4.19%	6.02%	3.45%
Management expense ratio before waivers or absorptions	3.32%	3.33%	4.89%	4.19%	6.02%	3.45%
Trading expense ratio ⁽³⁾	1.74%	1.64%	1.46%	1.33%	1.49%	1.12%
Portfolio turnover rate ⁽⁴⁾	179.95%	386.98%	326.81%	393.47%	595.92%	471.10%
Net asset value per share (\$)	8.58	8.79	9.25	10.77	8.94	7.17

- (1) This information is provided as at end of the period shown.
- (2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as annualized percentage of daily average net asset value during the period.
- (3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.
- (4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessary a relationship between a high turnover rate and the performance of a fund.



FRONT STREET

Tactical Equity Class

Series B

The Fund's Net Assets per Share

	April 30 2013 \$	October 31 2012 ⁽¹⁾ \$	October 31 2011 ⁽¹⁾ \$	October 31 2010 ⁽¹⁾ \$	October 31 2009 ⁽¹⁾ \$	October 31 2008 ⁽¹⁾ \$
Net Assets, beginning of the period	8.74	9.24	10.78	8.96	7.13	12.64
Increase (decrease) from operations:						
Total revenue	0.08	0.10	0.08	0.05	0.07	0.10
Total expenses	(0.14)	(0.30)	(0.54)	(0.41)	(0.53)	(0.35)
Realized gains (losses) for the period	0.07	(0.93)	0.96	1.26	0.84	(2.24)
Unrealized gains (losses) for the period	(0.20)	0.62	(2.16)	0.78	2.50	(2.90)
Total increase (decrease) from operations⁽²⁾	(0.19)	(0.51)	(1.66)	1.68	2.88	(5.39)
Distributions to Shareholders:						
From income (excluding dividends)	—	—	—	—	—	—
From dividends	—	—	—	—	—	—
From capital gains	—	—	—	—	—	—
Return of capital	—	—	—	—	—	—
Total distributions to Shareholders⁽³⁾	—	—	—	—	—	—
Net Assets, end of the period	8.55	8.74	9.24	10.78	8.96	7.13

- (1) This information is derived from the Fund's audited annual financial statements. The net assets per share presented in the financial statements differ from the net asset value calculated for fund pricing purposes. [An explanation of these differences can be found in the notes to the financial statements].
- (2) Net assets and distributions are based on the actual number of shares outstanding at the relevant time. The increase/(decrease) from operations is based on the average number of shares outstanding over the financial period.
- (3) Distributions were paid in cash/reinvested in additional shares of the Fund or both.

Ratios and Supplemental Data

Total net asset value (\$000's) ⁽¹⁾	37,351	43,394	55,839	67,171	72,781	20,825
Number of shares outstanding ⁽¹⁾	4,356,583	4,937,796	6,036,717	6,239,097	8,138,118	2,903,300
Management expense ratio ⁽²⁾	3.35%	3.33%	4.82%	4.27%	6.64%	3.45%
Management expense ratio before waivers or absorptions	3.35%	3.33%	4.82%	4.27%	6.64%	3.45%
Trading expense ratio ⁽³⁾	1.74%	1.64%	1.46%	1.33%	1.49%	1.12%
Portfolio turnover rate ⁽⁴⁾	179.95%	386.98%	326.81%	393.47%	595.92%	471.10%
Net asset value per share (\$)	8.57	8.79	9.25	10.77	8.94	7.17

- (1) This information is provided as at end of the period shown.
- (2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as annualized percentage of daily average net asset value during the period.
- (3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.
- (4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessary a relationship between a high turnover rate and the performance of a fund.



FRONT STREET

Tactical Equity Class

Series F

The Fund's Net Assets per Share

	April 30 2013	October 31 2012 ⁽¹⁾	October 31 2011 ⁽¹⁾	October 31 2010 ⁽¹⁾	October 31 2009 ⁽¹⁾	October 31 2008 ⁽¹⁾
	\$	\$	\$	\$	\$	\$
Net Assets, beginning of the period	8.57	8.96	10.37	8.60	6.86	12.15
Increase (decrease) from operations:						
Total revenue	0.08	0.10	0.08	0.05	0.08	0.09
Total expenses	(0.10)	(0.20)	(0.40)	(0.27)	(0.37)	(0.33)
Realized gains (losses) for the period	0.06	(0.82)	0.48	1.10	0.18	(2.16)
Unrealized gains (losses) for the period	(0.18)	0.60	(2.18)	0.33	0.71	(2.81)
Total increase (decrease) from operations ⁽²⁾	(0.14)	(0.32)	(2.02)	1.21	0.60	(5.21)
Distributions to Shareholders:						
From income (excluding dividends)	—	—	—	—	—	—
From dividends	—	—	—	—	—	—
From capital gains	—	—	—	—	—	—
Return of capital	—	—	—	—	—	—
Total distributions to Shareholders ⁽³⁾	—	—	—	—	—	—
Net Assets, end of the period	8.42	8.57	8.96	10.37	8.60	6.86

- (1) This information is derived from the Fund's audited annual financial statements. The net assets per share presented in the financial statements differ from the net asset value calculated for fund pricing purposes. [An explanation of these differences can be found in the notes to the financial statements].
- (2) Net assets and distributions are based on the actual number of shares outstanding at the relevant time. The increase/(decrease) from operations is based on the average number of shares outstanding over the financial period.
- (3) Distributions were paid in cash/reinvested in additional shares of the Fund or both.

Ratios and Supplemental Data

Total net asset value (\$000's) ⁽¹⁾	1,968	2,621	6,504	4,841	3,640	2,166
Number of shares outstanding ⁽¹⁾	233,046	304,287	725,107	467,506	424,183	314,034
Management expense ratio ⁽²⁾	2.35%	2.25%	3.73%	2.92%	4.97%	3.44%
Management expense ratio before waivers or absorptions	2.35%	2.25%	3.73%	2.92%	4.97%	3.44%
Trading expense ratio ⁽³⁾	1.74%	1.64%	1.46%	1.33%	1.49%	112.00%
Portfolio turnover rate ⁽⁴⁾	179.95%	386.98%	326.81%	393.47%	595.92%	471.10%
Net asset value per share (\$)	8.45	8.61	8.97	10.35	8.58	6.90

- (1) This information is provided as at end of the period shown.
- (2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as annualized percentage of daily average net asset value during the period.
- (3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.
- (4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessary a relationship between a high turnover rate and the performance of a fund.

Management and Performance Fees

The Fund pays a monthly management fee equal to 1/12 of 1.5% of the net asset value of the Fund calculated and paid at the end of each month in arrears from each Fund series.

The Fund is responsible for payment of all operating and administrative expenses of the Fund. The main components of these expenses are legal and accounting fees, printing expenses, reporting issuer filing and sustaining fees, custodial fees, fees payable to, and expenses incurred by, the Fund's Independent Review Committee and expenses of making distributions to shareholders. As the Fund has more than one series of shares, the shareholders of each series bear their pro rata share of those expenses which are common to the operation of all series, as well as those expenses which are attributable solely to that series.

The Manager may, at its discretion, add a service charge of up to 15% of the costs incurred for any operating and administrative costs charged to the Fund other than management services which are already included in the management fee rate which the Manager receives from the Fund.

The Fund pays a performance fee if the percentage gain in the net asset value of a series of the Fund (as adjusted for any prior return deficiencies) over the preceding fiscal quarter or quarters since a performance fee was last payable exceeds the percentage gain or loss of the S&P/TSX Composite Index (the "Benchmark") over the same period. The fee is equal to this excess return per share multiplied by the number of shares outstanding at the end of the quarter multiplied by 20%, provided that the net asset value per share of the Fund (including distributions) is greater than all previous values at the end of each previous fiscal quarter. The starting reference point for the next fiscal quarter's calculation is based on the higher of either the Benchmark performance adjusted net asset value per share or the adjusted actual net asset value per share, both with respect to the previous quarter in which a performance fee was payable.

Dealer Compensation

Brokers, dealers and advisors may be paid a "trailer commission" for assets that their sales representatives place in the Series A, Series B and Series X Fund securities. The Fund may, at its discretion, negotiate, change the terms and conditions of, or discontinue the trailer commission with brokers, dealers and advisors.

The trailer commission is calculated as a percentage of assets each broker, dealer or advisor has placed in the Fund series. The trailer commission is calculated based on the closing balance of client accounts for each calendar month. The trailer commission will not be paid if the assets are removed from the Funds. Trailer commissions are paid quarterly at rates set within ranges according to the following table.

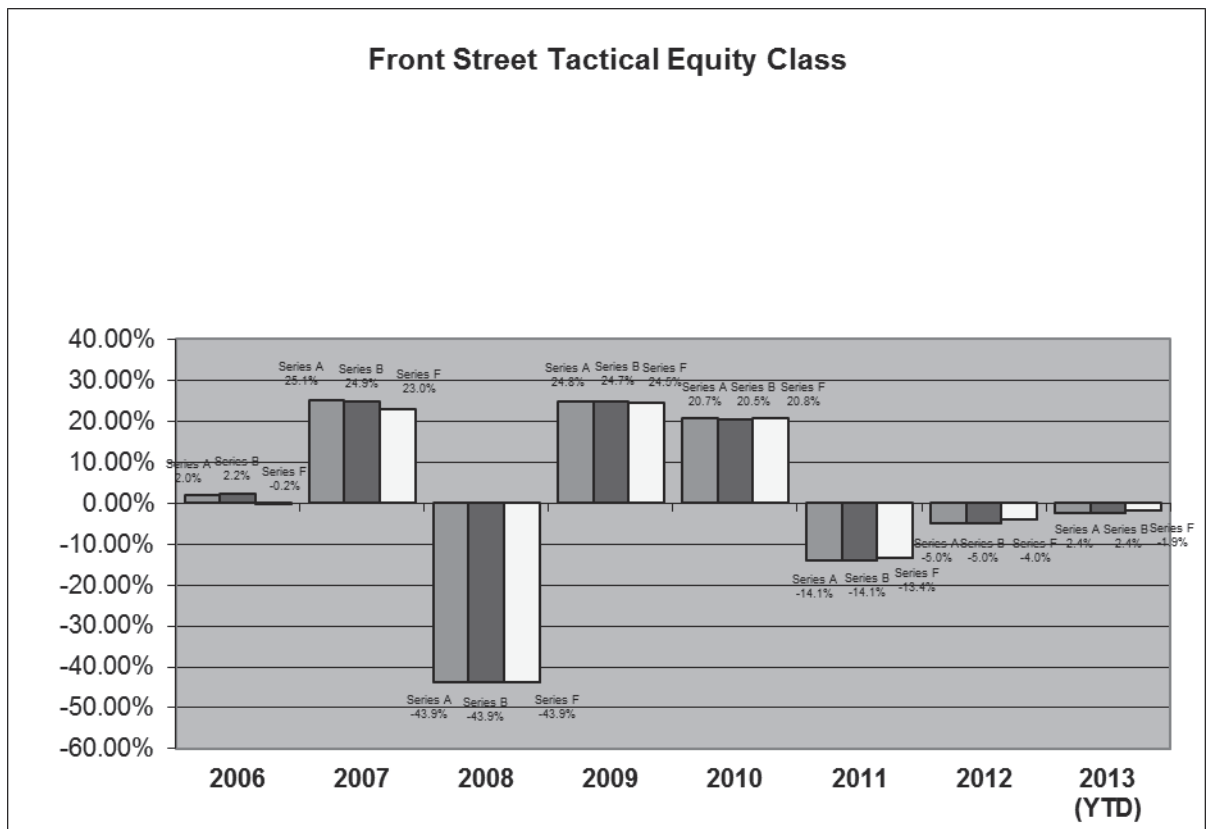
Series	Trailer Annual Rate	Annual Payment per \$1,000 of Fund securities held
A	1.00%	\$10.00
B	1.00%	\$10.00
F	0.00%	Nil
X	0.50%	\$5.00

Past Performance

The past performance of the Fund is set out below and includes year-by-year returns.

With respect to the charts displayed below, please note the following:

- the returns or performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional shares of the Fund;
- the return or performance information does not take into account sales, redemption, distribution or other optional charges or income taxes payable that would have reduced returns or performance; and
- how the Fund has performed in the past does not necessarily indicate how it will perform in the future.



The above chart is the year-by-year returns for Front Street Tactical Equity Class, a class of Front Street Mutual Funds Ltd. The Fund was merged with the discontinuing Front Street Equity Opportunities Fund on November 1, 2008 and fund performance for the discontinued fund has not been included in the chart above in the 2008 period.

Summary of Investment Portfolio as at April 30, 2013

Portfolio by Category

	Percentage of Transactional Net Asset Value
LONG POSITIONS	
Financials	22.2%
Cash & cash equivalents	15.5%
Energy	15.1%
Information Technology	11.7%
Industrials	10.9%
Corporate Bonds	10.7%
Consumer Discretionary	9.2%
Materials	8.3%
Health Care	1.1%
Utilities	0.8%
Telecommunication Services	0.7%
SHORT POSITIONS	
Industrials	-0.7%
Materials	-0.6%
Written Options	-0.5%
Telecommunication Services	-0.0%
Energy	-0.0%
Consumer Staples	-0.0%
Other assets less other liabilities	-4.4%
	100.0%

Top 25 Holdings

	Percentage of Transactional Net Asset Value
LONG POSITIONS	
Royal Bank of Canada	4.8%
The Toronto-Dominion Bank	4.0%
Amaya Gaming Group Inc.	3.2%
The Bank of Nova Scotia	2.9%
CAE Inc.	2.9%
The Descartes Systems Group Inc.	2.6%
Bauer Performance Sports Limited	2.5%
Citigroup Inc.	2.5%
Suncor Energy Inc.	2.2%
Coastal Energy Company	2.1%
Sun Life Financial Inc.	2.0%
Martinrea International Inc.	1.9%
Potash Corporation of Saskatchewan Inc.	1.8%
Redknee Solutions Inc.	1.8%
Boyd Group Income Fund	1.8%
Canadian Imperial Bank of Commerce	1.7%
Estrella International Energy Services Limited*	1.7%
Intertape Polymer Group Inc.	1.7%
Parex Resources Inc.	1.6%
International Forest Products Limited	1.6%
Cenovus Energy Inc.	1.5%
COM DEV International Limited	1.5%
Vicwest Inc.	1.4%
Bank of America Corporation	1.4%
GENIVAR Inc.	1.4%
	54.5%
TOTAL TRANSACTIONAL NET ASSET VALUE (000's)	\$64,124

* Debt instrument

The information contained in the foregoing list may change due to the ongoing portfolio transactions of the Fund.



FRONT STREET CAPITAL

33 Yonge Street, Suite 600
Toronto, ON M5E 1G4

Tel.: 1 (800) 513-2832

or (416) 364-1990

Fax: (416) 364-8893

www.FrontStreetCapital.com