



Annual Information Form dated June 28, 2016

Series A, Series B, Series F, Series I, Series X, Series UB, Series UF and Series UI shares of:

FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS;

AND

Series A, Series B, Series F and Series X shares of:

FRONT STREET RESOURCE GROWTH AND INCOME CLASS

FRONT STREET BALANCED MONTHLY INCOME CLASS

FRONT STREET GROWTH CLASS

FRONT STREET SPECIAL OPPORTUNITIES CLASS

FRONT STREET GLOBAL OPPORTUNITIES CLASS

FRONT STREET GROWTH AND INCOME CLASS

FRONT STREET TACTICAL EQUITY CLASS

FRONT STREET MONEY MARKET CLASS

AND

Series A, Series B, Series F, Series I and Series X shares of:

FRONT STREET TACTICAL BOND CLASS

FRONT STREET GLOBAL BALANCED INCOME CLASS;

EACH A FUND OF

FRONT STREET MUTUAL FUNDS LIMITED

AND

Series C units of:

FRONT STREET TACTICAL BOND FUND

No securities regulatory authority has expressed an opinion about these shares and it is an offence to claim otherwise

TABLE OF CONTENTS

<p>GLOSSARY 1</p> <p>1. NAME, FORMATION AND HISTORY OF THE FUNDS 3</p> <p style="padding-left: 20px;">History of the Funds 4</p> <p>2. RESPONSIBILITY FOR FUND OPERATIONS 6</p> <p style="padding-left: 20px;">Directors and Executive Officers of Front Street Mutual Funds Limited 6</p> <p style="padding-left: 20px;">Manager of the Funds 7</p> <p style="padding-left: 20px;">Executive Officers of the Manager 9</p> <p style="padding-left: 20px;">Brokerage Arrangements 10</p> <p style="padding-left: 20px;">The Investment Advisor 10</p> <p style="padding-left: 20px;">The MLP Advisor 11</p> <p style="padding-left: 20px;">Details of the MLP Advisor Agreement 11</p> <p style="padding-left: 20px;">Prime Broker/Custodial Services 12</p> <p style="padding-left: 20px;">Trustee 12</p> <p style="padding-left: 20px;">Registrar and Administrator 12</p> <p style="padding-left: 20px;">Securities Lending 12</p> <p style="padding-left: 20px;">Auditors 12</p> <p style="padding-left: 20px;">Independent Review Committee 12</p> <p>3. CONFLICTS OF INTEREST AND AFFILIATED ENTITIES 13</p> <p style="padding-left: 20px;">Dealer Managed Mutual Funds 14</p> <p>4. INVESTMENT RESTRICTIONS 14</p> <p>5. DESCRIPTION OF SECURITIES 15</p> <p style="padding-left: 20px;">The Fund Securities 15</p> <p style="padding-left: 20px;">The Series A, B, F, I, L, X, UB, UF, UI, and Y Shares 16</p> <p style="padding-left: 20px;">Securityholder Approval 16</p> <p>6. NET ASSET VALUE CALCULATION 17</p> <p>7. PORTFOLIO VALUATION 18</p> <p>8. PURCHASES, SWITCHES AND CONVERSIONS 20</p> <p style="padding-left: 20px;">Excessive Short-Term Trading 23</p> <p style="padding-left: 20px;">Limits on “In and Out” Trading and Switching 23</p> <p style="padding-left: 20px;">Short-Term Trading Fees 23</p>	<p>9. REDEMPTIONS 23</p> <p style="padding-left: 20px;">Suspension of Redemptions 24</p> <p>10. FUND GOVERNANCE 24</p> <p style="padding-left: 20px;">Policies Regarding Derivatives 24</p> <p style="padding-left: 20px;">Policies Regarding Short Selling 24</p> <p style="padding-left: 20px;">Proxy Voting Policies and Procedures 25</p> <p style="padding-left: 20px;">Independent Review Committee 25</p> <p>11. FEES AND EXPENSES 26</p> <p>12. INCOME TAX CONSIDERATIONS FOR INVESTORS IN THE CORPORATION 27</p> <p style="padding-left: 20px;">Tax Treatment of the Corporation 28</p> <p style="padding-left: 20px;">Tax Treatment of Shareholders 31</p> <p>13. INCOME TAX CONSIDERATIONS FOR INVESTORS IN THE FRONT STREET TACTICAL BOND FUND 33</p> <p>14. REMUNERATION OF DIRECTORS, OFFICERS AND TRUSTEES 34</p> <p>15. MATERIAL CONTRACTS 34</p> <p>16. EXEMPTIONS AND APPROVALS 35</p> <p>CERTIFICATE 1</p>
---	---

GLOSSARY

Set forth below are the definitions of certain terms used in this Annual Information Form.

“**Administrator**” or “**Registrar**” means CIBC Mellon Global Securities Services Company, the registrar/administrator of the Funds.

“**Budget 2016 NOWMM**” means the Notice of Ways and Means Motion to Amend the Income Tax Act and Other Tax Legislation, tabled in the House of Commons on March 22, 2016.

“**Business Day**” means a day on which the TSX is open for trading.

“**Front Street Balanced Monthly Income Class**” means the Front Street Balanced Monthly Income Class, which constitutes a class of shares and a separate mutual fund of Front Street Mutual Funds Limited.

“**Front Street Global Balanced Income Class**” means the Front Street Global Balanced Income Class (formerly Front Street Diversified Income Class), which constitutes a class of shares and a separate mutual fund of Front Street Mutual Funds Limited.

“**Front Street Global Opportunities Class**” means Front Street Global Opportunities Class, which constitutes a class of shares and a separate mutual fund of Front Street Mutual Funds Limited.

“**Front Street Growth and Income Class**” means the Front Street Growth and Income Class, which constitutes a class of shares and a separate mutual fund of Front Street Mutual Funds Limited.

“**Front Street Growth Class**” means the Front Street Growth Class, which constitutes a class of shares and a separate mutual fund of Front Street Mutual Funds Limited.

“**Front Street MLP and Infrastructure Income Class**” means Front Street MLP and Infrastructure Income Class, which constitutes a class of shares of and a separate mutual fund of Front Street Mutual Funds Limited.

“**Front Street Money Market Class**” means the Front Street Money Market Class, which constitutes a class of shares and a separate mutual fund of Front Street Mutual Funds Limited.

“**Front Street Mutual Funds Limited**” or the “**Corporation**” means Front Street Mutual Funds Limited, which was formed by the filing of articles of amalgamation under the *Canada Business Corporations Act* effective January 26, 2016 and is the “umbrella” corporation for the Funds.

“**Front Street Resource Growth and Income Class**” means the Front Street Resource Growth and Income Class, which constitutes a class of shares of and a separate mutual fund of Front Street Mutual Funds Limited.

“**Front Street Special Opportunities Class**” means the Front Street Special Opportunities Class, which constitutes a class of shares and a separate mutual fund of Front Street Mutual Funds Limited.

“**Front Street Tactical Bond Class**” means the Front Street Tactical Bond Class, which constitutes a class of shares and a separate mutual fund of Front Street Mutual Funds Limited.

“**Front Street Tactical Bond Fund**” means the Front Street Tactical Bond Fund, an unincorporated open-ended trust created under the laws of Ontario by a trust agreement dated July 23, 2015.

“**Front Street Tactical Equity Class**” means the Front Street Tactical Equity Class, which constitutes a class of shares and a separate mutual fund of Front Street Mutual Funds Limited.

“**Fund Securities**” means the mutual fund shares of any Series of the Front Street Resource Growth and Income Class, Front Street Balanced Monthly Income Class, Front Street Growth Class, Front Street Special Opportunities Class, Front

Street Growth and Income Class, Front Street Global Opportunities Class, Front Street Money Market Class, Front Street Tactical Equity Class, Front Street Global Balanced Income Class, Front Street Tactical Bond Class or Front Street MLP and Infrastructure Income Class and the Units of Front Street Tactical Bond Fund, as applicable.

“**Fund(s)**” means Front Street Resource Growth and Income Class, Front Street Balanced Monthly Income Class, Front Street Growth Class, Front Street Special Opportunities Class, Front Street Growth and Income Class, Front Street Global Opportunities Class, Front Street Money Market Class, Class Front Street Tactical Equity Class, Front Street Global Balanced Income Class, Front Street Tactical Bond Class, Front Street MLP and Infrastructure Income Class or Front Street Tactical Bond Fund, individually or together.

“**Hedge**” (“**Hedged**” or “**Hedging**”) means to enter into an offsetting transaction intended to reduce the risk of loss of an investment, including loss due to fluctuations in interest rates, currency exchange rates, credit risks, commodity prices or securities prices.

“**Income Trust**” means a fund, trust, limited partnership, corporation or other entity, the securities of which are listed on a stock exchange or traded on a stock market, structured to own debt and/or equity of an underlying company or partnership, or a royalty in revenues generated by the assets thereof, which carries on an active business including royalty trusts, income funds, REITs, certain limited partnerships, certain corporations and other income vehicles including, without limitation, issuers of Income Participating Securities and Income Deposit Securities, provided that the determination by a Fund that an issuer of securities is an Income Trust shall be conclusive for all purposes relating to the Funds.

“**Income Participating Securities**” or “**Income Deposit Securities**” means the securities of one or more issuers that are typically issued as a unit comprised of dividend-bearing common shares and a promissory note, the two components of which, after a specified period following the issuance thereof, may be separated.

“**Investment Advisor**” means Front Street Capital 2004, in its capacity as the Funds’ investment advisor.

“**IRC**” means the independent review committee for the Funds.

“**Long Assets**” means the total value of all Long Positions.

“**Long Position**” means ownership of a security that gives the owner the right to any income paid by the security and the right to any profits and the obligation to take any losses generated as the security’s value changes.

“**Management Expense Ratio**”, or “**MER**”, means the ratio which measures the cost of operating a Fund over a fiscal year. It is based on the total expenses incurred by the Fund for the year divided by the average daily Net Asset Value of the Fund during the year. The MER is shown at an annualized rate if the financial year is less than 12 months. The calculation of the MER is made by following standard rules under NI 81-106.

“**Management Agreement**” means the agreement dated as of December 1, 2009, as may be amended from time to time, between Front Street Mutual Funds Limited and the Manager.

“**Manager**” means Front Street Capital 2004, in its capacity as the manager of the Funds.

“**MLP Advisor**” means OFI Steelpath, Inc., in its capacity as advisor under the MLP Advisor Agreement.

“**MLP Advisor Agreement**” means the advisor agreement dated November 3, 2014 between the Manager and the MLP Advisor.

“**Net Asset Value**” means the net asset value of a Series of Fund Securities or the net asset value of a Fund, as the case may be, calculated as set out under “*Portfolio Valuation*” and “*Net Asset Value Calculation*”.

“**Net Market Exposure**” means (Long Assets minus Short Assets) / Net Assets.

“**NI 81-102**” means National Instrument 81-102 *Investment Funds* of the Securities Regulators.

“**NI 81-106**” means National Instrument 81-106 *Investment Fund Continuous Disclosure* of the Securities Regulators.

“**NI 81-107**” means National Instrument 81-107 *Independent Review Committee for Investment Funds* of the Securities Regulators.

“**Prime Broker/Custodian**” means the prime broker/custodian of each Fund, as specifically set out under “*Responsibility for Fund Operations – Prime Broker/Custodian Services*”.

“**Resource Issuer**” means (i) a corporation that is a “principal business corporation” as defined in subsection 66(15) of the Tax Act or (ii) a partnership or other entity that (a) carries on as its principal business the business of oil and gas exploration and development, mining exploration and development, generation of energy through alternative means or the development of projects for alternative energy generation, energy production or related businesses such as pipeline or service companies and utilities, pulp and paper or forestry industries or (b) invests in equity securities of any such entity.

“**Regulations**” means the regulations to the Tax Act as promulgated from time to time.

“**Securities Regulators**” means the securities commissions or other securities regulators of all provinces and territories of Canada.

“**Series**” means a series of Fund Securities.

“**Securityholders**” means, collectively, the holders of Fund Securities, and, each individually, a “**Securityholder**”.

“**Shareholders**” means holders of Mutual Fund Shares.

“**Short Assets**” means the total value of all Short Positions.

“**Short Position**” means a sale of a security, which the seller does not own, or which is consummated by the delivery of a security borrowed by or for the account of the seller.

“**Tax Act**” means the *Income Tax Act* (Canada) and the Regulations promulgated thereunder, as amended from time to time.

“**Total Assets**” means the total value of all Long Assets and Short Assets.

“**Unitholders**” means holders of Units.

“**Units**” means trust units of Front Street Tactical Bond Fund.

“**TSX**” means Toronto Stock Exchange.

“**Valuation Day**” means each Business Day, and, in any event, October 31 of each year, or any such other day as determined by the Manager.

“**we**”, “**us**”, or “**our**” means the Manager, Front Street Mutual Funds Limited or the relevant Funds or Fund, as the context requires.

1. NAME, FORMATION AND HISTORY OF THE FUNDS

This annual information form contains information about: (i) Front Street Mutual Funds Limited and its funds, which have been set up as different classes of shares, being the Front Street Resource Growth and Income Class, Front Street Balanced Monthly Income Class, Front Street Growth Class, Front Street Special Opportunities Class, Front Street Growth and Income Class, Front Street Global Opportunities Class, Front Street Money Market Class, Front Street

Tactical Equity Class, Front Street Global Balanced Income Class, Front Street Tactical Bond Class and Front Street MLP and Infrastructure Income Class; and (ii) Front Street Tactical Bond Fund, an open-ended trust.

The address of the principal office of Front Street Mutual Funds Limited and each of the Funds is Suite 600, 33 Yonge Street, Toronto, Ontario, M5E 1G4. The telephone number is (416) 364-1990 or toll free at 1(800) 513-2832. The e-mail address is advisorservice@frontstreetcapital.com.

The Funds are in continuous distribution, with the price of a Fund Security at any time being based upon the applicable Net Asset Value per Series of that Fund Security.

History of the Funds

Front Street Mutual Funds Limited is an open-ended mutual fund corporation currently governed by articles of amalgamation filed under the laws of Canada effective January 26, 2016.

Front Street Mutual Funds Limited was initially incorporated under the laws of Canada on April 11, 2006. Three funds were initially created: Front Street Resource Fund, Front Street Canadian Equity Fund and Front Street Diversified Income Fund, each offering series A, B and F shares under a simplified prospectus dated June 9, 2006 for which a receipt dated June 19, 2006 was issued. In 2007, a further fund, Front Street Money Market Fund Class was added and such Fund commenced offering Series A, B and F shares under a simplified prospectus dated June 13, 2007 for which a receipt dated June 21, 2007 was issued. Each of the other funds changed their names to Front Street Resource Fund Class, Front Street Canadian Equity Fund Class and Front Street Diversified Fund Class, respectively.

Pursuant to articles of amalgamation with an effective date of November 1, 2008 filed under the laws of Canada, an additional fund was created, being the Front Street Small Cap Canadian Fund Class. These articles of amalgamation also reflected the amalgamation of Front Street Mutual Funds Limited and Front Street Opportunities Fund Ltd. to form Front Street Mutual Funds Limited. Front Street Small Cap Opportunities Fund, a fund within Front Street Opportunities Fund Ltd., was merged into the newly created Front Street Small Cap Canadian Fund Class to form Front Street Small Cap Fund, which commenced offering Series A, B and F Shares pursuant to a simplified prospectus dated December 3, 2008 for which a receipt dated December 4, 2008 was issued. Other funds within Front Street Opportunities Fund Ltd. merged into funds within Front Street Mutual Funds Limited as follows: Front Street Resource Opportunities Fund merged with Front Street Resource Fund Class to form Front Street Resource Fund; Front Street Yield Opportunities Fund merged with Front Street Diversified Income Fund Class to form Front Street Diversified Income Fund; Front Street Equity Opportunities Fund merged with Front Street Canadian Equity Fund Class to form Front Street Canadian Equity Fund; and Front Street Cash Fund merged with Front Street Money Market Fund Class to form Front Street Money Market Fund.

Pursuant to articles of amalgamation with an effective date of December 1, 2009 filed under the laws of Canada, an additional fund was created, being the Front Street Special Opportunities Canadian Fund. These articles of amalgamation also reflected the amalgamation of Front Street Mutual Funds Limited and Front Street Special Opportunities Canadian Fund Ltd. (“SOCF”) to form Front Street Mutual Funds Limited. SOCF merged with Front Street Special Opportunities Canadian Fund to form Front Street Special Opportunities Canadian Fund, which commenced offering Series A, B, F and X Shares pursuant to a simplified prospectus dated December 1, 2009 for which a receipt dated December 3, 2009 was issued. Each of the other five funds also commenced offering Series X shares pursuant to such simplified prospectus.

Additional information about SOCF, which was merged into Front Street Special Opportunities Canadian Fund of Front Street Mutual Funds Limited to form the Front Street Special Opportunities Canadian Fund on December 1, 2009, is available in its audited financial statements for the year ended October 31, 2009, and in its annual management report of fund performance for the same period.

See “*Exemptions and Approvals*” below for a discussion of certain relief obtained in connection with this amalgamation and the previous amalgamation involving Front Street Mutual Funds Limited that occurred effective November 1, 2008.

At special meetings held February 10, 2011 and February 23, 2011, the applicable securityholders approved special resolutions authorizing the amalgamation of Front Street Mutual Funds Limited and Front Street Resource Performance Fund Ltd. (“**FSRPF**”) to form Front Street Mutual Funds Limited pursuant to an amalgamation agreement entered into as of February 28, 2011 and the filing of such articles of amalgamation with an effective date of March 1, 2011.

Additional information about FSRPF, which was merged into Front Street Resource Fund of Front Street Mutual Funds Limited is available in its audited financial statements for the year ended October 31, 2010, and in its annual management report of fund performance for the same period.

The articles of amalgamation dated March 1, 2011 were amended effective June 27, 2011 to create the Front Street Growth and Income Fund, the Front Street Global Opportunities Fund and the Front Street Value Fund. Such additional funds commenced offering Series A, B, F and X shares under a simplified prospectus dated June 30, 2011, for which a receipt dated July 6, 2011 was issued.

The articles of amalgamation were further amended effective June 27, 2012 to reflect new names of the Funds (Front Street Resource Fund became Front Street Resource Class, Front Street Canadian Equity Fund became Front Street Tactical Equity Class, Front Street Diversified Income Fund became Front Street Balanced Monthly Income Class, Front Street Small Cap Fund became Front Street Growth Class, Front Street Special Opportunities Canadian Fund became Front Street Special Opportunities Class, Front Street Global Opportunities Fund became Front Street Global Opportunities Class, Front Street Growth and Income Fund became Front Street Growth and Income Class, Front Street Value Fund became Front Street Value Class and Front Street Money Market Fund became Front Street Money Market Fund Class) and to adopt French versions of such names and were further amended effective August 28, 2012 and September 4, 2012 to create the Front Street DCA Special Opportunities Class, which commenced offering Series A, B and F shares under a simplified prospectus dated September 21, 2012 for which a receipt dated September 25, 2012 was issued.

At a special meeting held on May 28, 2013, the applicable shareholders approved changes to the investment objectives of Front Street Resource Class and Front Street Growth and Income Class. In connection with this change, on July 8, 2013 the name of Front Street Resource Class was changed to Front Street Resource Growth and Income Class.

The articles of amalgamation dated March 1, 2011 were amended effective September 26, 2013, to create the Front Street Global Balanced Income Class and Front Street Tactical Bond Class which commenced offering Series A, B, F and X shares (in the case of Front Street Global Balanced Income Class) and Series A, B, F, I and X shares (in the case of Front Street Tactical Bond Class) pursuant to a simplified prospectus dated December 10, 2013, for which a receipt dated December 18, 2013 was issued.

At a special meeting held on July 16, 2014, the applicable shareholders approved changes to the investment objectives of Front Street Value Class. In connection with this change, on June 17, 2014, articles of amendment were filed to change the name of Front Street Value Class to Front Street U.S. Equity Class.

The articles of amalgamation dated March 1, 2011 were further amended effective October 29, 2014 to create the Front Street MLP and Infrastructure Income Class.

Effective July 17, 2015, the Front Street DCA Special Opportunities Class was wound up.

Effective July 17, 2015, the articles of amalgamation dated March 1, 2011 were further amended to create the Front Street MLP Balanced Income Class, create the Front Street Global Balanced Income Class Series I shares, delete references to the Front Street DCA Special Opportunities Class, change the name of Front Street Diversified Income Class to Front Street Balanced Monthly Income Class and remove the Front Street Tactical Bond Class Series H shares.

Front Street Tactical Bond Fund was established by a trust agreement governed by the laws of Ontario dated July 23, 2015.

On October 9, 2015, the Manager announced that it had entered into an agreement under which a group of strategic investors would acquire a controlling ownership interest in Front Street Capital 2004. The transaction closed effective

February 22, 2016 and FS Group Holdings Ltd., a new company the principals of which are Gordon McMillan, Mark Barr and Andy McKay, acquired a majority of the partnership interests of Front Street Capital 2004. All of the individual portfolio managers at the Investment Advisor remained with the Investment Advisor following completion of the transaction. There have been no changes to the current services provided to clients of the Manager or Investment Advisor as a result of the transaction.

On October 16, 2015, Front Street Capital 2004 announced it had completed the transfer of portfolio management and investment advisory services for its funds from its affiliate, Front Street Investment Management Inc. (“**FSIMI**”). The change consolidated both investment fund manager and portfolio manager roles under one legal entity. All of the individual portfolio managers at FSIMI continued their existing roles at Front Street Capital 2004 following the transfer, and there were no changes to the individual portfolio managers advising the Funds.

At special meetings held December 21, 2015 and January 6, 2016, the applicable securityholders approved special resolutions authorizing the amalgamation of Front Street Mutual Funds Limited and Front Street U.S. MLP Income Fund Ltd. (“**FSUSMLP**”) to form Front Street Mutual Funds Limited pursuant to an amalgamation agreement entered into as of January 15, 2016 and the filing of such articles of amalgamation with an effective date of January 26, 2016. Front Street MLP and Infrastructure Income Class issued Series MC and Series MU shares on such amalgamation.

Additional information about FSUSMLP, which was merged into Front Street MLP and Infrastructure Class of Front Street Mutual Funds Limited is available in its audited financial statements for the year ended December 31, 2015, and in its annual management report of fund performance for the same period.

2. RESPONSIBILITY FOR FUND OPERATIONS

Directors and Executive Officers of Front Street Mutual Funds Limited

The name, municipality of residence, position with Front Street Mutual Funds Limited and principal occupation of each of the directors and executive officers of Front Street Mutual Funds Limited are as follows:

<u>Name and Municipality of Residence</u>	<u>Position with Front Street Mutual Funds Limited</u>	<u>Principal Occupation</u>
FRANK L. MERSCH ⁽¹⁾ Toronto, Ontario	Director	Chief Investment Officer, Vice President and Senior Portfolio Manager of Front Street Capital
NORMAND G. LAMARCHE Toronto, Ontario	Director, Vice-President	Vice President and Senior Portfolio Manager of Front Street Capital
LINDA D. HRYMA ⁽¹⁾ Oakville, Ontario	Director, Treasurer and Assistant Secretary	Vice President and Office Manager of Front Street Capital
SUSAN S.F. JOHNSON Oakville, Ontario	Chief Financial Officer	Chief Financial Officer of Front Street Capital
TERENCE K. LUI Toronto, Ontario	President, Chief Executive Officer and Corporate Secretary	Vice President, General Counsel and Chief Compliance Officer of Front Street Capital

Note:

⁽¹⁾Member of the Audit Committee.

Frank L. Mersch is the Chairman, Chief Investment Officer, Senior Portfolio Manager and a Vice President of Front Street Capital since 2004, as well as a member of its Governance and Management Committees. He holds a Chartered Financial Analyst designation and has over 30 years of experience in the investment industry, including 11 years as an investment manager with Altamira Management Ltd. (“**Altamira**”), during which time he was instrumental in building an organization which had over 300 employees and approximately \$17 billion of assets under management. At Altamira

Mr. Mersch managed and marketed private wealth, mutual funds and pension funds, and earned a reputation as one of the most highly regarded investment managers in Canada, frequently making appearances on “Wall Street Week” and other investment programs. Mr. Mersch received a Bachelor of Arts from the University of Toronto.

Normand G. Lamarche is a Vice President and Senior Portfolio Manager of Front Street Capital as well as member of its Governance Committee. Mr. Lamarche has acted as the co-primary portfolio manager for Front Street flow-through limited partnerships distributed by prospectus in 2006 through 2014, and as the primary portfolio manager for such partnerships distributed in 2004 and 2005 and prior to that time for the Canada Dominion Resources Limited Partnerships I through XI. Mr. Lamarche is a senior portfolio manager of the Manager and has been a Vice-President since October 2001 and a director of FSIMI since July 2002. Mr. Lamarche was the Chief Financial Officer of FSIMI from February 2002 to March 2010. Mr. Lamarche holds a Chartered Financial Analyst designation and has been engaged in the business of providing portfolio advisory services and portfolio management since 1987. Mr. Lamarche was a Portfolio Manager with Altamira from August 1987 to March 1995 during which time he managed resource and balanced funds. In 1996, Mr. Lamarche established Tuscarora Capital Inc., an affiliated dealer of the Manager, with Gary P. Selke. Mr. Lamarche received a Bachelor of Arts degree in economics from Carleton University.

Linda D. Hryma is a Vice President for Front Street Capital and has been the Office Manager for Front Street Capital since 2001. Ms. Hryma joined Tuscarora Capital Inc. in 1996, where she was responsible for the day-to-day administration of its mutual fund and private client accounts, systems and internal controls. Prior to joining Tuscarora Capital Inc., Ms. Hryma was employed by what was then the Nesbitt Burns Institutional Fixed Income Department where she worked as a Sales and Trading Assistant.

Susan S.F. Johnson is the Chief Financial Officer of Front Street Capital, joining the Front Street Capital group in January 2010 with over 20 years of experience in the financial services industry, focusing on the wealth management sector. Prior to joining the Front Street Capital group, Ms. Johnson held various executive positions including, most recently, as Vice-President Finance at Mackenzie Financial Corp. (“MFC”) from July 2007 to October 2009 while concurrently serving as Chief Financial Officer of MRS Securities Services Inc. (a subsidiary of MFC) from January 2009 to October 2009. Prior to that, Ms. Johnson held a number of positions with CIBC and its subsidiaries starting in May 1998, including the position of Vice-President Finance at CIBC Asset Management Inc. from March 2005 to April 2007. Ms. Johnson holds a Bachelor of Commerce Honours degree from Queen’s University and is a Chartered Professional Accountant.

Terence K. Lui is a Vice President, General Counsel and Chief Compliance Officer of Front Street Capital, having joined in May 2012. Prior to joining Front Street Capital, Mr. Lui was at Borden Ladner Gervais LLP from September 2004 to April 2012, being a partner specializing in corporate and securities law in his last role. He was also an adjunct professor at Osgoode Hall Law School. Mr. Lui holds a Juris Doctor from the University of Toronto Faculty of Law and a Bachelor of Commerce (with High Distinction) from the Rotman School of Management at the University of Toronto. Mr. Lui also holds the Chartered Financial Analyst designation.

As a trust, the Front Street Tactical Bond Fund does not have directors or officers, its trustee is Equity Financial Trust Company at its head office in Toronto, Ontario.

Manager of the Funds

Pursuant to a management agreement dated as of December 1, 2009 between Front Street Mutual Funds Limited and Front Street Capital 2004 (the “**Management Agreement**”), Front Street Capital 2004 has been appointed the manager of the Funds (other than Front Street Tactical Bond Fund). Front Street Capital 2004 has been appointed the manager of Front Street Tactical Bond Fund pursuant to Trust Agreement. Front Street Capital 2004’s address is Suite 600, 33 Yonge Street, Toronto, Ontario, M5E 1G4. Its telephone number is 1(800) 513-2832, its e-mail address is advisorservice@frontstreetcapital.com and its website address is www.frontstreetcapital.com.

The Manager is a partnership that was established under the laws of Ontario on September 23, 2004 and is registered as an investment fund manager in Ontario, Quebec and Newfoundland and Labrador. The partners of the Manager are currently six corporations, each of which is controlled, directly or indirectly, by one or more of Gordon McMillan, Mark Barr and Andy McKay, Gerard Ferguson, Normand G. Lamarche, Frank L. Mersch, Linda D. Hryma and a trust established for the benefit of David A. Conway and his family.

The Manager provides management and administrative services to a wide variety of investment funds, mutual funds and alternative class funds.

The Management Agreement

The Management Agreement provide that the Manager assumes no responsibility to the Fund other than to render the services called for under the agreement honestly and in good faith and to exercise the degree of care, diligence and skill in rendering those services that a reasonably prudent person would exercise in comparable circumstances. The Management Agreement may be terminated at any time by the Manager on 90 days written notice to the Funds and the shareholders. The Management Agreement may be terminated by the Funds:

1. on 90 days' written notice to the Manager in certain circumstances with the approval of a majority of the votes cast at a meeting of shareholders; or
2. with the approval of not less than two-thirds of the votes cast at a meeting of the shareholders at which not less than 30% of the shares entitled to vote at such meeting are represented in person or by proxy.

Any change of manager of the Funds or change to the Management Agreement requires the prior approval of the Funds and the Manager. A change in the manager of the Funds (other than to an affiliate of the Manager) will also require the prior approval of the securities regulatory authorities.

The Manager will be indemnified by the Funds in respect of certain liabilities and costs incurred in respect of any claim or action arising against it in respect of the execution of its duties as Manager. If, however, the Manager is found to be in breach of its obligation to act honestly, in good faith and in the best interests of the Funds, it shall not be entitled to this indemnification.

Manager of Front Street Tactical Bond Fund

The Trust Agreement provides that the Manager has full authority and responsibility to manage the business and affairs of the Fund, including coordinating the activities of the Fund's trustee, custodian and other persons engaged on behalf of the Fund and providing administrative services and facilities to the Fund. The Manager also has oversight responsibility for the Fund's IRC.

The Manager assumes no responsibility under the Trust Agreement other than to render its services in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances. The Manager's term under the Trust Agreement is indefinite and will end only on its resignation, its assignment of its rights, or on its bankruptcy, insolvency, or liquidation.

Under the Trust Agreement, the Manager may resign by giving 90 days' written notice to the trustee and the unitholders. Upon the Manager's resignation, the Manager shall appoint a successor manager of the Fund, and unless the successor manager is an affiliate of the Manager, such appointment must be approved by the unitholders of the Fund. If they do not do so before the end of the ninety-day notice period, then the Fund will terminate.

The Manager may also assign its rights and most of its obligations under the Trust Agreement. A change in the manager of the Fund, other than to an affiliate of the Manager, will require the approval of the applicable securities regulatory authorities. As a condition of that approval, the regulatory authorities will require the approval of the unitholders.

The Manager and every other person who acts on behalf of the Fund will be indemnified by the Fund in respect of all liabilities and costs incurred in respect of any proceeding that is proposed or commenced against it in respect of the execution of its office or incurred in respect of the affairs of the Fund (other than expenses which the Manager is obliged to pay on behalf of the Fund), provided the Manager or such other person is not adjudged to have failed to exercise the standard of care applicable under the Trust Agreement.

Executive Officers of the Manager

The name, municipality of residence, position with the Manager and principal occupation of each of the executive officers of the Manager are as follows:

<u>Name and Municipality of Residence</u>	<u>Position with the Manager</u>	<u>Principal Occupation⁽¹⁾</u>
GERARD FERGUSON Toronto, Ontario	President and Chief Executive Officer	President and Chief Executive Officer and Senior Portfolio Manager of Front Street Capital
FRANK L. MERSCH ⁽¹⁾ Toronto, Ontario	Chairman, Chief Investment Officer, Senior Portfolio Manager and Vice President; member of the Governance Committee	Chief Investment Officer, Vice President and Senior Portfolio Manager of Front Street Capital
NORMAND G. LAMARCHE ⁽¹⁾ Toronto, Ontario	Vice President and Senior Portfolio Manager; member of the Governance Committee	Vice President and Senior Portfolio Manager of Front Street Capital
GORDON A. MCMILLAN ⁽¹⁾ Toronto, Ontario	Member of the Governance Committee	Co-founder and Managing Partner of the Inflexionpoint group of companies, and a co-founder and Director of Pivot Technology Solutions, Inc., a technology solutions provider
ANDREW MCKAY ⁽¹⁾ Toronto, Ontario	Member of the Governance Committee	President of Marquest Asset Management Inc., a diversified investment management firm
MARK BARR ⁽¹⁾ Toronto, Ontario	Member of the Governance Committee	Director of Cathmark Investments Inc., a family holding corporation
LINDA D. HRYMA Oakville, Ontario	Vice President	Vice President and Office Manager of Front Street Capital
SUSAN S.F. JOHNSON Oakville, Ontario	Chief Financial Officer	Chief Financial Officer of Front Street Capital
TERENCE K. LUI Toronto, Ontario	Vice President, General Counsel and Chief Compliance Officer	Vice President, General Counsel and Chief Compliance Officer of Front Street Capital

Notes:

⁽¹⁾ Member of the Manager's governance committee. The Manager's governance committee has complete and exclusive power and authority to generally administer the business of the Manager and Investment Advisor.

Gerard Ferguson, the President and Chief Executive Officer of Front Street Capital, is also a Senior Portfolio Manager. He was the co-founder of Jemekk Capital Management, which Front Street Capital acquired in 2013. Prior to founding Jemekk Capital Management, Mr. Ferguson spent 11 years at AGF, where he was a vice president and portfolio manager.

Gordon McMillan has been an entrepreneur in the Canadian financial services industry since 1994. Prior to his roles as a co-founder and managing partner of the Inflexionpoint group of companies, and a co-founder and director of Pivot Technology Solutions, Inc., Mr. McMillan was the co-founder, chief executive officer and a director of Triax Capital Corp. and Skylon Capital Corp., and a shareholder and director of Fairway Management Inc., Impax Funds Management Ltd. and i3 Advisors Inc.

Andrew McKay is currently the president of Marquest Asset Management Inc., where he has been since late 2010. Prior to joining Marquest Asset Management Inc., Mr. McKay was the Chief Executive Officer of Tailwind Financial Inc., a

U.S.-based special purpose acquisition company; Chief Executive Officer of Legend Investment Partners Inc., the Chief Executive Officer of Fairway Capital Corp., a Canadian asset management firm; the Chief Operating Officer, a director and co-founder with Mr. McMillan of Skylon Capital Corp.; and a director of Altamira International Bank (Barbados) Inc., the offshore asset management subsidiary of Altamira Management Ltd.; and an officer of Ivory & Sime plc, a leading UK investment management firm.

Mark Barr is a director of Cathmark Investments Inc., a family holding corporation controlled by Mr. Barr's father Edward Barr. He is also a director of Bull Capital Management Inc., an exempt market dealer.

For biographical information about Frank Mersch, Normand Lamarche, Linda Hryma, Susan Johnson and Terence Lui and a description of their respective principal occupations within the five preceding years, see “– *Directors and Officers of Front Street Mutual Funds Limited*”.

Brokerage Arrangements

The purchase and sale of portfolio securities will be arranged through registered brokers or dealers selected on the basis of the Funds' assessment of the ability of the broker or dealer to execute transactions promptly and on favourable terms, and the quality and value of services provided to the Funds by the broker or dealer, such as research, statistical and other services used in assessing potential investments. Brokerage fees will be paid at the most favourable rates available to the Funds as permitted by the rules of the appropriate stock exchange. Subject to the foregoing, the Investment Advisor may in its discretion choose to effect portfolio transactions with brokers who place orders for mutual fund shares.

The Investment Advisor may also choose to effect up to 20% of the respective Funds' portfolio transactions with Tuscarora Capital Inc. (an investment dealer controlled by members of the same group that controls the Investment Advisor) on terms as favourable or more favourable to the Funds as those effected through other brokers or dealers. Tuscarora Capital Inc. may also receive referral fees or commissions in respect of portfolio transactions. Such transactions are made on the same basis as those made by other dealers, with no preferential compensation.

The Investment Advisor

The Investment Advisor, Front Street Capital 2004, of Toronto, Ontario, provides investment analysis and recommendations, decides which securities to buy and sell and executes portfolio transactions.

The agreement between Front Street Mutual Funds Limited, Front Street Tactical Bond Fund and the Front Street Investment Management Inc. (as assumed by the Manager) dated as of July 23, 2015 (the “**Investment Management Agreement**”) provides that the Investment Advisor will manage the Funds' investments in accordance with the fundamental investment objectives and investment strategies applicable to the Funds. The Investment Management Agreement may be terminated by the Investment Advisor upon 60 days' written notice and by the manager at its discretion. Securityholders may remove the Investment Advisor with or without cause by a resolution passed by not less than two-thirds of the votes cast by Securityholders voting thereon at a meeting duly convened for the consideration of such matter and Securityholders may remove the Investment Advisor by a majority vote at a meeting duly convened if the Investment Advisor is in material default of the terms of the agreement following 60 days' notice of such default and in the event of insolvency, or similar acts, of the Investment Advisor.

The Funds will reimburse, indemnify and hold harmless the Investment Advisor, its officers, directors, employees and agents (collectively, the “**Indemnified Parties**”) out of the portfolios of the Funds from all claims whatsoever (including costs, charges, expense and liabilities) commenced or prosecuted against the Indemnified Parties for or in respect of any act, deed matter or things, done acquiesced to or omitted in the execution of the Investment Advisor's duties as provided for in the Investment Management Agreement and all other reasonable costs and liabilities that the Investment Advisor incurs in respect of the affairs of the Funds and Front Street Mutual Funds Limited other than any claims, costs, charges, expenses, liabilities resulting from the wilful misconduct, bad faith, negligence or reckless disregard of its duties, a breach of the Investment Advisor's obligations or standard of care under the Investment Management Agreement.

Potential investment decisions relating to a Fund are identified by the portfolio manager or associate portfolio manager of each respective Fund. Investment decisions made by the portfolio manager of a Fund are not subject to oversight approval or ratification of a committee.

Directors, Officers and Portfolio Managers of the Investment Advisor

For the name, municipality of residence, position with the Investment Advisor and principal occupation of each of the directors, officers and associate portfolio managers of the Investment Advisor, see “– *Directors and Officers of Front Street Mutual Funds Limited*”.

The MLP Advisor

OFI SteelPath, Inc. (the “**MLP Advisor**”), the specialist MLP portfolio advisor to the Front Street MLP and Infrastructure Income Class, was founded to focus exclusively on investing in energy infrastructure through the emerging midstream energy MLP asset class. The MLP Advisor is a wholly-owned subsidiary of OppenheimerFunds, Inc., and is headquartered in Dallas, Texas. With key investment professionals having well over 50 years combined MLP industry experience in the rapidly growing US\$627 billion energy infrastructure asset class, the MLP Advisor currently manages approximately US\$11 billion invested in this asset class, through both the private and public debt and equity markets, and in both fund and managed account products.

Stuart Cartner (Senior Portfolio Manager): Mr. Cartner is a former Vice President in the Private Wealth Management Division of Goldman, Sachs & Co. A Private Wealth Advisor for 19 years at Goldman, he was responsible for managing a US\$200 million portfolio of midstream MLPs and part of an investment team with \$3 billion under management for over a decade, garnering a deep understanding of both the individual companies and the macro fundamentals and investor psychology which drive the space. He has diverse investing and risk management experience across the public and private equity and derivatives spaces. Prior to his time at Goldman, Mr. Cartner worked at Trammell Crow Company and General Electric. Mr. Cartner received a B.S in Finance and Management from Indiana University and an MBA in Finance and Marketing with Distinction from the Kellogg Graduate School of Management, Northwestern University.

Brian Watson, CFA (Senior Portfolio Manager and Director of Research): Mr. Watson was previously a portfolio manager and led the MLP research effort at Swank Capital LLC, a Dallas, Texas, based MLP specialist. Previous to this, he covered the MLPs and diversified energy sector for RBC Capital Markets in the firm’s Equity Research Division from 2002 to 2005. Prior to this, Mr. Watson worked for Prudential Capital Group helping to analyze, structure, and invest in debt private placements issued primarily by companies involved in the energy industry including those involved in oil field services, midstream services, and oil and gas exploration and production. Mr. Watson earned his MBA from the McCombs School of Business at the University of Texas at Austin in 2002 and earned his BBA from the University of Texas at Austin in 1996. Mr. Watson has been a CFA charter holder since 2000.

In providing portfolio management services to the Front Street MLP and Infrastructure Income Class, the MLP Advisor will be relying on the “international adviser” exemption provided by section 8.26 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

Details of the MLP Advisor Agreement

On November 3, 2014 and the Manager and the MLP Advisor entered into an agreement (as amended, the “**MLP Advisor Agreement**”), whereby the MLP Advisor has agreed to provide management of the notional MLP portfolios pursuant to the terms of the swaps to be entered into by Front Street MLP and Infrastructure Income Class.

The MLP Advisor Agreement, unless terminated as described below, will continue in effect until the Fund is terminated. The Manager may terminate the MLP Advisor Agreement upon providing the MLP Advisor 60 Business Days’ prior written notice. The Manager may terminate the MLP Advisor Agreement immediately in certain additional circumstances, including upon termination of the Management Agreement, or if the MLP Advisor becomes bankrupt or insolvent or is in material breach or default of any provision of the MLP Advisor Agreement and, if capable of being cured, the breach or default has not been cured within 20 Business Days of written notice of such breach or default given by the Manager to the MLP Advisor.

The MLP Advisor may terminate the MLP Advisor Agreement upon providing the Manager 60 Business Days' prior written notice. The MLP Advisor may terminate the MLP Advisor Agreement immediately in certain additional circumstances, including if the Manager becomes bankrupt or insolvent or if the Manager is in material breach or default of any provision of the MLP Advisor Agreement and, if capable of being cured, the breach or default has not been cured within 20 business days of written notice of such breach or default given by the MLP Advisor to the Manager.

Prime Broker/Custodial Services

The Funds have entered into custodian and settlement services agreements listed below to obtain prime brokerage and custodial services:

Under a custodial services agreement dated as of September 22, 2015, CIBC Mellon Trust Company in Toronto, Ontario provides custodial services to Front Street Growth Class, Front Street MLP & Infrastructure Income Class, Front Street Money Market Class, Front Street Resource Growth and Income Class, Front Street Special Opportunities Class, and Front Street Tactical Bond Class. This custodial services agreement may be terminated by either party upon 90 days' written notice and may be terminated immediately upon the bankruptcy or insolvency of either party.

Under a custodial services agreement dated as of December 9, 2015, CIBC Mellon Trust Company in Toronto, Ontario provides custodial services to Front Street Tactical Bond Fund. This custodial services agreement may be terminated by either party upon 90 days' written notice and may be terminated immediately upon the bankruptcy or insolvency of either party.

Under a prime brokerage service agreement and a custodial services agreement, each dated November 11, 2015, CIBC Capital Markets Inc. in Toronto, Ontario is the custodian and prime broker of the securities in the Front Street Balanced Monthly Income Class, Front Street Global Opportunities Class, Front Street Growth and Income Class, Front Street Global Balanced Income Class, and Front Street Tactical Equity Class. This agreement may be terminated by either party upon 30 days' written notice and may be terminated immediately upon the bankruptcy or insolvency of either party.

Trustee

Under the Trust Agreement dated July 23, 2015, Equity Financial Trust Company at its head office in Toronto, Ontario (the "Trustee"), is the trustee of Front Street Tactical Bond Fund. The Trustee may resign, or be removed by the Manager, upon 90 days' written notice.

Registrar and Administrator

Under an administrative services agreement dated as of December 9, 2015 (the "Admin Agreement"), CIBC Mellon Global Securities Services Company in Mississauga, Ontario is the Funds' registrar and administrative services provider.

Securities Lending

The Manager will be responsible for setting and reviewing any securities lending agreements. If a securities lending agent is appointed for the Funds, such agent will be responsible for the ongoing administration of the securities loans, including the obligation to mark-to-market collateral on a daily basis. The Funds may engage in securities lending, repurchase or reverse purchase transactions in accordance with the Manager's written policies and procedures that prescribe the risk management procedures applicable to securities lending.

Auditors

The auditors of the Funds are Segal LLP, Chartered Professional Accountants, of Toronto, Ontario.

Independent Review Committee

The mandate of the Independent Review Committee is to review, and to provide input on, the Manager's written policies and procedures that deal with conflict of interest matters in respect of the Funds and to review and, in some cases,

approve conflict of interest matters referred to it by the Manager. The Independent Review Committee operates in accordance with NI 81-107, which requires all publicly offered investment funds to be overseen by an independent review committee. See “Fund Governance – Independent Review Committee”.

3. CONFLICTS OF INTEREST AND AFFILIATED ENTITIES

As of the date of this Annual Information Form, the Manager owns 3 common shares of Front Street Mutual Funds Limited, and 3 common shares of Front Street Mutual Funds Limited are held in a trust established for the benefit of certain Front Street Mutual Funds Limited Shareholders, of which FS Group Holdings Ltd., Lamarche Partner Corporation and Mersch (AFAB) Partner Corporation are trustees. The effective ownership interests in the common shares of Front Street Mutual Funds held by the Manager are as follows:

<u>Name</u>	<u>Front Street Mutual Funds Limited</u> (effective percentage ownership)
FS Group Holdings Ltd.	74.075%
Lamarche Partner Corporation ⁽¹⁾	9.075%
Mersch (AFAB) Partner Corporation ⁽²⁾	9.075%
2505024 Ontario Inc. ⁽³⁾	5.000%
Mistere Partner Corporation ⁽⁴⁾	1.500%
Hryma Partner Corporation ⁽⁵⁾	1.275%
Total	100% ⁽⁶⁾

Notes:

- ⁽¹⁾ All of the voting securities of this corporation are directly owned by 1582568 Ontario Inc., a company controlled by Normand Lamarche.
- ⁽²⁾ All of the voting securities of this corporation are directly owned by Milisenic Limited, a company controlled by Frank Mersch.
- ⁽³⁾ All of the voting securities of this corporation are directly owned by Gerard Ferguson.
- ⁽⁴⁾ All of the voting securities of this corporation are directly owned by Mistere Holdings Ltd., a company controlled by the Conway Family Trust.
- ⁽⁵⁾ All of the voting securities of this corporation are directly owned by 2190621 Ontario Inc., a company controlled by Linda Hryma.
- ⁽⁶⁾ Represents 50% of the outstanding common shares of Front Street Mutual Funds Limited.

As of the date of this Annual Information Form, the directors and officers of Front Street Mutual Funds Limited indirectly owned a 9.71% interest in the common shares of Front Street Mutual Funds Limited.

The partners of the Manager are FS Group Holdings Ltd., with a 74.075% interest, Lamarche Partner Corporation and Mersch (AFAB) Partner Corporation, each with a 9.075% interest, 2505024 Ontario Inc. with a 5.00% interest, Mistere Partner Corporation, with a 1.5% interest, and Hryma Partner Corporation, with a 1.275% interest.

As of the date of this Annual Information Form, 200 non-voting, non-participating Class A shares of Front Street Mutual Funds Limited are held in a trust established of the benefit of certain Front Street Mutual Funds Limited shareholders of which Gary P. Selke, Lamarche Partner Corporation and Mersch (AFAB) Partner Corporation are trustees.

Members of the ownership group also own all of the shares of Tuscarora Capital Inc., which may sell Fund Securities (as defined below) to its clients. Fees payable by the Funds to the Investment Advisor and Tuscarora Capital Inc. are disclosed in the Fund’s annual financial statements.

As at June 27, 2016, the directors and senior officers of Front Street Mutual Funds Limited as a group and the members of the IRC as a group did not hold, directly or indirectly, more than 10% of any of the Funds’ outstanding Fund Securities.

As at May 19, 2016, the directors and senior officers of the Manager as a group did not hold, directly or indirectly, more than 10% of any of the Funds’ outstanding Fund Securities, including for certain Funds, the seed capital, other than (i)

Front Street Money Market Class in which they held, in the aggregate, 96.19% of the Series F Fund Securities (78.53% of the outstanding Fund Securities of all Series of the Front Street Money Market Class), (ii) Front Street Special Opportunities Class in which they held, in the aggregate, 14.19% of the Series F Fund Securities and 38.48% of the Series Y Fund Securities (12.79% of the outstanding Fund Securities of all Series of the Front Street Special Opportunities Class) and (iii) Front Street Tactical Bond Class in which they held, in the aggregate, 33.66% of the Series F Fund Securities and 83.86% of the Series I Fund Securities (19.95% of the outstanding Fund Securities of all Series of the Front Street Tactical Bond Class).

As at June 27, 2016, except for the holdings of Front Street Mutual Funds Limited common shares by Front Street Capital set out above, no person or company owned more than 10% of issued and outstanding voting securities of Front Street Mutual Funds Limited. None of the Fund Securities are voting securities.

Dealer Managed Mutual Funds

Each of the Funds is a “dealer managed mutual fund” because Front Street Mutual Funds Limited and the Manager have an ownership group that, in the aggregate, owns or controls more than 10% of the securities of a registered securities dealer, Tuscarora Capital Inc. Applicable securities laws impose restrictions on investments made by dealer managed mutual funds. In accordance with the “dealer managed mutual fund” rules applicable to the Funds, the Funds may not knowingly make an investment in any class of securities of any issuer (other than those issued or guaranteed by the Government of Canada, the government of a province, of Canada or any agency of the foregoing) (i) for which the Tuscarora Capital Inc. or any of its associates or affiliates has acted as underwriter (except small selling group participation) during the preceding 60 days or (ii) of which any director, officer or employee of Front Street Mutual Funds Limited or its associates or affiliates is a partner, director, officer or employee, if such person participates in the formation of, influences or has access prior to the implementation of, investment decisions made on behalf of the Funds.

A Fund may invest in securities where Tuscarora Capital Inc. or any of its associates or affiliates has acted as underwriter during the preceding 60 days provided that: (a) the Independent Review Committee has approved the transaction; and (b) other criteria as set out in NI 81-102 relating to the securities have been met.

4. INVESTMENT RESTRICTIONS

The Funds are subject to certain restrictions and practices contained in securities legislation, including NI 81-102, which are designed in part to ensure that the investments of the Funds are diversified and relatively liquid and to ensure the proper administration of the Funds. These restrictions and practices may only be varied with the prior consent of the Canadian Securities Administrators.

Front Street Mutual Funds Limited is expected to qualify as a mutual fund corporation under the Tax Act. None of the Funds that are a class of Mutual Fund Shares will therefore engage in any undertaking other than the investment of the Funds’ property for the purposes of the Tax Act. Each Fund that is a class of Mutual Fund Shares will manage its assets so as to ensure that, in relation to the Fund’s assets, Front Street Mutual Funds Limited qualifies at all times as a “mutual fund corporation” within the meaning of the Tax Act or is deemed to so qualify.

Fund Securities (other than Units of Front Street Tactical Bond Fund) will be qualified investments for trusts governed by registered plans (i.e., registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts) under the Tax Act.

In the last fiscal year, three conflict of interest matters were brought to the attention of the IRC respecting the Funds. These matters were approved as achieving a fair and reasonable result for the subject funds.

On March 30, 2015, the IRC reviewed and approved again the Manager’s policy and procedures on conflicts of interest and provided standing instructions to the Manager on conflicts of interest routinely encountered by the Manager in the daily operations of the Funds.

On September 4, 2015, a conflict of interest matter was brought to the attention of the IRC respecting the transfer of assets from Front Street Tactical Bond Class to Front Street Tactical Bond Fund, which was unanimously approved by the members of the IRC.

On October 8, 2015, another conflict of interest matter was brought to the attention of the IRC, being the proposed merger of Front Street U.S. MLP Income Fund Ltd. into Front Street MLP and Infrastructure Class. The IRC concluded that the merger of Front Street U.S. MLP Income Fund Ltd. into Front Street MLP and Infrastructure Class would achieve a fair and reasonable result for each fund and, hence, approved the merger.

While the Manager did not raise any other conflict of interest matters with the IRC in the last fiscal year of the Funds, the Manager acted in the following conflicts of interest matters where the IRC had previously provided Standing Instructions in accordance with the Manager's Conflict of Interest Policies:

- (a) Execution of Fund Trades through Tuscarora (including the receipt by Tuscarora of associated commissions);
- (b) Inter-Fund Trading by the Funds;
- (c) Allocation of Trades amongst Funds at the Discretion of the Manager; and
- (d) Funds investing in other funds managed by the Manager and/or for which Front Street Investment Management Inc. was the investment advisor prior to October 16, 2015 and Front Street Capital 2004 was the investment advisor from October 16, 2015 onward.

Any change in the fundamental investment objectives of the Funds may only be made with the consent of the majority of the Securityholders at a meeting called to consider such a matter.

5. DESCRIPTION OF SECURITIES

The Fund Securities

The authorized capital of Front Street Mutual Funds Limited consists of an unlimited number of shares designated as common shares (the "**Common Shares**"), 200 non-voting non-participating Class A shares and 1,000 classes of shares each issuable in Series and consisting of an unlimited number of shares (the "**Mutual Fund Shares**"), which classes shall either be sequentially numbered and designated or labelled with such other name as determined by the board of directors of Front Street Mutual Funds Limited. The articles of Front Street Mutual Funds Limited have authorized the issue of the thirteen classes of Mutual Fund Shares that are currently being distributed, designated as the "Front Street Resource Growth and Income Class", the "Front Street Balanced Monthly Income Class", the "Front Street Growth Class", the "Front Street Special Opportunities Class", the "Front Street Growth and Income Class", the "Front Street Global Opportunities Class", the "Front Street Money Market Class", the "Front Street Tactical Equity Class", the "Front Street Global Balanced Income Class", the "Front Street Tactical Bond Class" and the "Front Street MLP and Infrastructure Income Class", each being a separate class of shares and mutual fund of Front Street Mutual Funds Limited (collectively and together with the Units of Front Street Tactical Bond Fund, the "**Fund Securities**") and the "Front Street U.S. Equity Class" and "Front Street MLP Balanced Income Class" each also being a separate class of shares and mutual fund of Front Street Mutual Funds Limited. The board of directors of Front Street Mutual Funds Limited, may at any time and from time to time authorize the issue of any additional classes of Mutual Fund Shares in one or more Series of Front Street Mutual Funds Limited.

The Common Shares and the Mutual Fund Shares may be issued in fractions.

Front Street Mutual Funds Limited may issue an unlimited number of Mutual Fund Shares. The Mutual Fund Shares are non-voting unless otherwise required by the *Canada Business Corporations Act* or by applicable securities laws. Shareholders are entitled to receive on a *pro rata* basis such dividends as may be declared from time to time by the board of directors of Front Street Mutual Funds Limited. Each Mutual Fund Share of a Series is redeemable upon demand of the Shareholder or by Front Street Mutual Funds Limited for an amount equal to the Net Asset Value per Share of that

Series. In the event of a liquidation, dissolution or winding up of the Funds, Shareholders shall be entitled to receive the relevant Net Asset Value per Mutual Fund Share of that Series. A fractional Mutual Fund Share will carry the rights and privileges and be subject to the restrictions and conditions applicable to whole Mutual Fund Share of the same Series.

The Mutual Fund Shares will be fully paid and non-assessable when issued. Shareholders are entitled to require the Funds that are a class of Mutual Fund Shares to redeem all or any of their shares. The rights which attach to the shares may only be altered by articles of amendment. Articles of amendment must be authorized by a special resolution passed at a meeting of shareholders by the holders of at least two-thirds of all the shares represented and voted at the meeting, in addition to any other vote which may be required by the *Canada Business Corporations Act*.

The capital of Front Street Tactical Bond Fund consists of an unlimited number of Units, available in one series, Series C. Each Unit is entitled to one vote at all meetings of unitholders. Each Unit is entitled to receive an equal portion of all payments made to Unitholders of the relevant series in the form of income or capital distributions and participate equally with all other Units of the same series in the net assets of the Fund remaining after satisfaction of outstanding liabilities if the Fund is liquidated. Units will be fully paid and non-assessable when issued. Unitholders are entitled to redeem Units. The Units are not transferable except on the death or bankruptcy of a Unitholder or in certain other circumstances. The rights which attach to the Units may only be changed by amending the Trust Agreement. Units of Front Street Tactical Bond Fund are currently only available for purchase by Front Street Mutual Funds Limited.

The Series A, B, F, I, L, X, UB, UF, UI, and Y Shares

Front Street Mutual Funds Limited may issue an unlimited number of Series A, B, F and X shares in respect of each of the Classes of Mutual Fund Shares, an unlimited number of Series Y shares in respect of Front Street Special Opportunities Class, an unlimited number of Series L Shares in respect of Front Street Resource Growth and Income Class, an unlimited number of Series I shares in respect of Front Street Tactical Bond Class and Front Street Global Balanced Income Class, an unlimited number of Series I shares, Series UB, Series UF and Series UI shares in respect of Front Street MLP and Infrastructure Income Class. The Series A, B, F and X shares of each Fund, the Series I shares of Front Street Tactical Bond Class and the Series I, UB, UF and UI shares of the Front Street MLP and Infrastructure Income Class are currently being issued to investors. However, Front Street Mutual Funds Limited may determine to issue additional Series without Securityholder approval. The rights which attach to the Mutual Fund Shares may only be changed by amending the articles. See also “*Purchases, Switches and Conversions*” in this Annual Information Form for a description of each Series of Fund Securities.

Securityholder Approval

NI 81-102 stipulates that the following changes to the Funds may only be made with the consent of the majority of the Securityholders at a meeting called to consider the matter:

- (a) any change in the basis of calculating the fees or other expenses that are charged to the Funds which could result in an increase in charges to the Funds unless the Funds are at arm’s length to the person or company charging the fee or expense, the Simplified Prospectus discloses that the fee or expense may be changed on 60 days’ prior notice and Securityholders are provided at least 60 days’ prior notice of the change of fee or expense;
- (b) the introduction of a fee or expense, to be charged to the Funds or directly to the Securityholders by the Funds in connection with the holding of Fund Securities of the Funds that could result in an increase in charges to the Funds or to the Securityholders;
- (c) any change in the Funds’ fundamental investment objectives;
- (d) any change in the Funds’ manager, unless the new manager is an affiliate of the current manager;
- (e) any decrease in the frequency of calculating the Net Asset Value per Fund Security;

- (f) the Funds undertaking a reorganization with, or transferring assets to, another mutual fund, if (i) the relevant Fund ceases to continue after the reorganization- or asset transfer, and (ii) the transaction results in the Funds' Securityholders becoming securityholders in the other mutual fund;
- (g) the Funds undertaking a reorganization with or acquiring assets from, another mutual fund, if (i) the relevant Fund continues after the reorganization or asset acquisition, (ii) the transaction results in the securityholders of the other mutual fund becoming Fund Securityholders, and (iii) the transaction would be a significant change to the relevant Fund; or
- (h) any restructuring of a fund into a non-redeemable investment fund or into an issuer which is not an investment fund.

Securityholder approval is not required for a change of auditors or reorganization with, or transfers of assets to, another mutual fund managed by Front Street Mutual Funds Limited or an affiliate provided that: (a) the Independent Review Committee has approved such changes; (b) Securityholders have been provided with at least 60 days' written notice of the changes; and (c) in the case of a reorganization with, or transfer of assets to another mutual fund managed by the Manager or an affiliate, certain other criteria set out in NI 81-102 are complied with.

The Trust Agreement may be amended by the Manager to (i) comply with applicable laws affecting the Fund, (ii) provide additional protection to unitholders, (iii) correct any ambiguity, error or omission so long as the rights of unitholders are not prejudiced, (iv) add additional Series of Units, or (v) maintain the status of the Fund as a "unit trust" for purposes of the Tax Act. The Manager, with the consent of the Trustee and without the approval of unitholders, may make certain amendments to the Trust Agreement upon 60 days written notice to unitholders, so long as such amendment does not reduce the amount payable upon liquidation of the Fund or reduce the voting rights of unitholders. Amendments to the Trust Agreement, other than those above, may be made with the consent of unitholders given by those unitholders at a meeting duly called to consider the change.

6. NET ASSET VALUE CALCULATION

The Series Net Asset Value of a particular Series on a Valuation Day shall be equal to:

- (i) the Series Net Asset Value of such Series last calculated; plus
- (ii) the increase in the assets attributable to that Series as a result of the issue of Fund Securities of that Series or the exchange of Fund Securities of another Fund or Series into Fund Securities of that Series since the previous calculation of Series Net Asset Value; minus
- (iii) the decrease in the assets attributable to that Series as a result of the redemption of Fund Securities of that Series (including on the exchange of Fund Securities out of that Series) since the previous calculation of Series Net Asset Value; plus or minus
- (iv) the portion of the Net Change in Non-Portfolio Assets attributable to such Series since the previous calculation of Series Net Asset Value; plus or minus
- (v) the portion of the Net Portfolio Transactions attributable to such Series since the previous calculation of Series Net Asset Value; plus or minus
- (vi) the portion of market appreciation or depreciation of the Net Assets attributable to such Series since the previous calculation of Series Net Asset Value to the extent not reflected in (v) above; minus
- (vii) any Series Expenses attributable to that Series since that previous calculation of Series Net Asset Value; plus or minus
- (viii) any other items which are determined by the governance committee of the Manager to be relevant in the circumstances in fairly determining Series Net Asset Value.

The Series Net Asset Value for each Series shall be determined in accordance with such valuation rules and procedures as may from time to time be required by applicable securities laws or be approved by the board of directors of the Manager, and in all cases will be determined in accordance with Canadian generally accepted accounting principles (except to the extent deviations therefrom are permitted by NI 81-106 or by exemptive relief from that Instrument provided by the Canadian securities regulatory authorities). Series Net Asset Value shall be determined in Canadian currency or may be determined in any other currency at the discretion of the board of directors of the Manager.

The Series Net Asset Value established at any time and from time to time by or under the authority of the board of directors of Front Street Mutual Funds Limited in accordance with the articles of amalgamation of Front Street Mutual Funds Limited shall be conclusive and binding upon all Securityholders of each Series.

The Series Net Asset Value per Fund Security shall be computed by the Manager each Valuation Day by dividing the applicable Series Net Asset Value by the total number of Fund Securities of such Series then outstanding as at the Valuation Day, prior to any issuance or redemption (including an exchange) of Fund Securities of such Series to be processed by the Corporation on that Valuation Day. On any Valuation Day that a dividend or other distribution is declared payable to Securityholders of a Series, a second Series Net Asset Value shall be calculated for that Series, which shall be equal to the first Series Net Asset Value calculated on that Valuation Day minus the aggregate amount of the dividend or other distribution and such second Series Net Asset Value per Fund Security shall be used for the purpose of any reinvestment of such dividend or other distribution in additional Fund Securities of the Series. Any Series Net Asset Value per Fund Security so determined shall remain in effect until the next time the applicable Series Net Asset Value per Fund Security is determined.

The Manager shall not be required to determine the Series Net Asset Value or Series Net Asset Value per Fund Security for a Series during any period in which the right of redemption of Fund Securities of the relevant Series has been suspended and the Manager shall not accept any subscriptions for Fund Securities of that Series during such period.

The redemption or purchase price of Fund Securities of a Series is based on the relevant Fund's Series Net Asset Value next determined after receipt of the written redemption or purchase order.

The Front Street Money Market Class will not generally maintain a constant Net Asset Value per Fund Security.

Financial statements of the Funds will contain a reconciliation of the Net Assets that is reported in such financial statements in accordance with International Financial Reporting Standards (“IFRS”) to the Net Assets used by the Fund for all other purposes. On September 8, 2008, amendments to NI 81-106 came into effect with respect to allowing the calculation of Net Asset Value to be made on the basis of “fair value”. Fair value is defined in NI 81-106 as the market value based on reported prices and quotations in an active market or, if the market value is unavailable or the fund manager believes that it is unreliable, a value that is fair and reasonable in all the relevant circumstances.

The Net Asset Value of a Fund and each Series Net Asset Value will be made available on the Manager's website at www.frontstreetcapital.com and will be available at no cost to the public.

7. PORTFOLIO VALUATION

In computing the Funds' Net Asset Value or a Series' Net Asset Value, the aggregate amount of the liabilities of each Fund or Series will be subtracted from the aggregate amount of the assets of that Fund or Series, considering the following:

- (a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash received (or declared to Securityholders of record on or before the date of valuation and to be received) and interest accrued and not yet received, shall be deemed to be the full amount thereof, provided that (i) the value of any security which is a debt obligation which, at the time of acquisition, had a remaining term to maturity of 90 days or less shall be the amount paid to acquire the obligation plus the amount of any interest accrued on such obligation since the time of acquisition (for the purposes of the foregoing, interest accrued will include amortization over the remaining term to maturity of any discount or premium from the face value of an obligation at the time of its acquisition); and (ii) if the Fund has

- determined that any deposit, bill, demand note or account receivable is not worth the full amount thereof, the value thereof shall be deemed to be such value as the Fund determines to be the fair value thereof;
- (b) the value of treasury bills shall be the amount paid to acquire the obligation plus the amount of any interest accrued, on such obligation since the time of acquisition;
 - (c) the value of any security which is a debt obligation which, at the time of acquisition, had a remaining term to maturity of more than 90 days shall be marked to market;
 - (d) the value of any security or commodity which is listed or dealt in upon a stock or commodities exchange shall be the closing price of the security on such date or, if there is no sale reported to have taken place on that day, the simple average of the closing bid and ask prices on that day, all as reported by any report in common use or authorized by such stock or commodities exchange;
 - (e) the value of any securities traded over-the-counter will be the closing sale price on such date or, if there is no sale, the average between the closing bid and closing ask prices on such date, all as reported by the financial press or an independent reporting organization;
 - (f) the value of any other security or commodity which is not listed or dealt in upon any exchange shall be determined on the basis of such price or yield equivalent quotations (which may be obtained from major market makers) as the Fund determines best reflects its fair value;
 - (g) the value of any security, the resale of which is restricted or limited by reason of a representation, undertaking or agreement by the Fund or by the Fund's predecessor in title, shall be based on the value otherwise determined based on the valuation principles set forth herein, less a discount of 2% per month for each month during the term of the restricted period, to a maximum of four months;
 - (h) the value of any clearing corporation option shall be its current market value, determined in accordance with the principles herein set out; provided that (A) where a covered clearing corporation option is written, the premium received shall be offset by a deferred credit which shall be valued at an amount equal to the current market value of an option that would have the effect of closing the position; (B) any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment; (C) the deferred credit shall be deducted in arriving at the Net Asset Value of the Fund or Series; and (D) the securities which are the subject of a clearing corporation option shall be valued as provided above;
 - (i) the value of a futures or a forward contract shall be the gain or loss with respect thereto that would be realized if, on the Valuation Day, the position in the futures contract or the forward contract, as the case may be, were closed out unless "daily limits" are in effect, in which case fair value shall be based on the current market value of the underlying interest;
 - (j) the value of any security or property to which, in the opinion of the Fund, the above principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair value thereof determined in such manner as the Fund from time to time provides;
 - (k) the liabilities of the Fund or Series shall be deemed to include:
 - (i) all bills, notes and accounts payable;
 - (ii) all administrative expenses payable or accrued, or both (including management fees);
 - (iii) all contractual obligations for the payment of money or property, including any amount of cumulative net income or cumulative net capital gains to become payable at the valuation time as of which the Net Asset Value of the Fund or Series is being determined to Securityholders at the record time on the immediately preceding valuation day;

- (iv) all allowances authorized or approved by the Fund for taxes (if any) or contingencies; and
 - (v) all other liabilities of the Fund or Series of whatsoever kind and nature, except liabilities represented by outstanding securities of the Fund or Series;
- (l) Fund transactions, being transactions of purchase and sale of an investment effected by the Fund, shall be reflected in the computation of the Net Asset Value of the Fund or Series not later than the first such computation made after the date on which any transaction becomes binding;
 - (m) where a subscription for securities has been accepted by the Fund, the securities so subscribed for shall be deemed to become outstanding immediately after the valuation time as at which the Net Asset Value which was the offering price of the securities was determined and as at the same time as such securities are so deemed to become outstanding, the subscription price shall be deemed to be an asset of the Fund or Series;
 - (n) where a notice, of redemption of securities has been received by the Fund, such securities shall be deemed to have been redeemed and ceased to be outstanding immediately after the valuation time as at which the Net Asset Value is computed for purposes of the redemption of the securities and thereafter, until paid, the redemption price shall be deemed to be a liability of the Fund or Series;
 - (o) all liquid assets and securities of the Fund valued in terms of currency other than Canadian dollars and contractual obligations payable to the Fund in currency other than Canadian dollars and all obligations payable by the Fund in currency other than Canadian dollars shall be translated into Canadian dollars at the applicable rate of exchange prevailing at the valuation time, as determined by the Fund; and
 - (p) management fee distributions shall not be included in the assets of the Fund for purposes of determining the Net Asset Value of the Fund or Series at any valuation time after the declaration of such a distribution.

8. PURCHASES, SWITCHES AND CONVERSIONS

The Fund Securities (except as otherwise outlined herein) will be offered for sale to residents of Canada over the age of majority on a continuous basis, which means you can purchase, convert (as explained below), switch or redeem any number of Fund Securities on any Valuation Day. You may buy Fund Securities (except as otherwise outlined herein) by contacting your broker, dealer or adviser. We believe there is a limit (capacity) to the amount of money we can manage, while preserving the integrity of our investment process. Therefore, as a commitment to our existing clients, we may close one or more of the Funds to new clients or new purchases, on a Fund-by-Fund basis, in advance of any potential capacity constraints. Please note that individual Series within a Fund may be assigned different closure dates. We may re-open any previously closed Fund or Series at any time, at our discretion.

Fund Securities are categorized into Series, each of which is targeted at a specific type of investor. Series F and I and UF and UI Fund Securities are available to investors who participate in a Series F or I and UF and UI fee-based program through their broker, dealer or adviser, or are members of specific groups. These investors pay an annual fee for ongoing financial planning advice. We reduce or eliminate the commissions or service fees paid to their broker, dealer or adviser.

We charge a lower fee on Series F and I and UF and UI Fund Securities because our distribution and servicing costs are reduced. You can only buy Series F and I and UF and UI Fund Securities if we and your broker, dealer or adviser approve it first. Your broker, dealer or adviser's participation in a Series F or I or UF or UI program is subject to our terms and conditions.

If we become aware that you no longer qualify to hold Series F or I or UF or UI Fund Securities, we may exchange your securities to Series A or Series B Fund Securities of the same Fund after we give you 10 days' notice.

Series A, Series B and Series UB Fund Securities are also available. You will pay a deferred sales charge if you purchase Series A Fund Securities and redeem your securities within a 36 month time period. The charge is based on the original cost of your securities and how long you held them. When you purchase Series B or Series UB Fund Securities, your broker, dealer or advisor may charge you a commission fee of up to 5% at the time of purchase which will reduce

the amount of money you invest in the Funds. 5% of the purchase price represents 5.26% of the net amount you invest. The choice of different purchase options affects the amount of compensation paid to the dealer.

Series I Fund Securities of Front Street Tactical Bond Class and Front Street Global Balanced Income Class and Series I and Series UI of Front Street MLP and Infrastructure Income Class are not sold to the general public and are only available to institutional clients and investors who have been approved by us and have entered into a Series I or Series UI account agreement with us. The criteria for approval may include the size of the investment, the expected level of account activity and the investor's total investment with us. The minimum initial investment for the Series I Fund Securities of Front Street Tactical Bond Class, Front Street Global Balanced Income Class and Front Street MLP and Infrastructure Income Class is \$100,000 and for the Series UI Fund Securities of Front Street MLP and Infrastructure Income Class is US\$100,000 (each on a per order basis).

Series A, Series B, Series F, and Series X shares of Front Street U.S. Equity Class and Series A, Series B, Series F, Series I and Series X shares of Front Street MLP Balanced Income Class are no longer being offered. Series C Units of Front Street Tactical Bond Fund are not sold to the general public and are only available for purchase by Front Street Mutual Funds Limited.

Holders of Series X Fund Securities of a Fund will only be permitted to exchange those Shares for Series X Fund Securities of the other Funds; and the Series X Fund Securities of the Funds will not be issued for cash but will be issued only in connection with exchanges of Series X Fund Securities from one Fund to another. Holders of Series X Fund Securities of a Fund wishing to make a further investment in the Fund should purchase Series A or Series B Fund Securities (or, if eligible, Series F Fund Securities).

Holders of Series Y Fund Securities of the Front Street Special Opportunities Class will only be permitted to exchange these Fund Securities for Series B Fund Securities of the other Funds and Series Y Fund Securities will not be issued for cash. Holders of Series Y Fund Securities wishing to make a further investment in the Fund should purchase Series A or Series B Fund Securities (or if eligible, Series F or I Fund Securities).

Holders of Series L Fund Securities of the Front Street Resource Growth and Income Class will only be permitted to exchange these Fund Securities for Series B Fund Securities of the other Funds and Series L Fund Securities will not be issued for cash. Holders of Series L Fund Securities wishing to make a further investment in the Fund should purchase Series A or Series B Fund Securities (or if eligible, Series F or I Fund Securities).

Holders of Series MC Fund Securities and MU Fund Securities of the Front Street MLP and Infrastructure Class will only be permitted to exchange these Fund Securities for Series B and Series UB Fund Securities of the other Funds and Series MC Fund Securities and MU Fund Securities will not be issued for cash. Holders of Series MC Fund Securities and MU Fund Securities wishing to make a further investment in the Fund should purchase Series B or Series UB Fund Securities (or if eligible, Series F or I or UF or UI Fund Securities).

The Series UB, UF and UI Fund Securities of Front Street MLP and Infrastructure Income Class are denominated in U.S. dollars, and the returns of this Series are not hedged back to the Canadian dollar. Holders of Series UB, UF and UI Fund Securities of Front Street MLP and Infrastructure Income Class who exchange those Fund Securities for Fund Securities of another Series will do so at the prevailing Canadian/U.S dollar exchange rate.

Your purchase order should be sent to your broker, dealer or adviser. Cheques should be made payable to "Front Street Resource Growth and Income Class", "Front Street Balanced Monthly Income Class", "Front Street Growth Class", "Front Street Special Opportunities Class", "Front Street Global Opportunities Class", "Front Street Growth and Income Class", "Front Street Money Market Class", "Front Street Tactical Equity Class", "Front Street Global Balanced Income Class", "Front Street Tactical Bond Class" and "Front Street MLP and Infrastructure Income Class", as applicable. We will not issue certificates for Fund Securities, but we will send you a confirmation statement relating to all purchases and redemptions of securities within 15 days of the transaction.

If your cheque is returned or we do not otherwise receive payment within three business days (not including the day the Net Asset Value of the relevant Fund is determined), we will cancel your order and redeem the Fund Securities. If we redeem the Fund Securities for more than you paid, the difference will go to the relevant Fund. If we redeem the Fund

Securities for less than you paid, your broker, dealer or adviser will be required to reimburse the relevant Fund for the difference, including any additional costs, expenses and lost interest. You may then be responsible to your broker, dealer or adviser depending upon your arrangements with your broker, dealer or adviser.

On one week's notice and subject to restrictions set out below, you may switch Mutual Fund Shares of a particular Series in one of the Funds for Mutual Fund Shares of the same Series in one or more of the other Funds if those Mutual Fund Shares are qualified for sale in the province or territory where you reside and if you meet the minimum initial investment and minimum account balance requirements, as the case may be. We will only switch your Mutual Fund Shares if you complete the necessary documents and client consent and send them to us, and if the minimum subscription requirements of the other mutual fund are met. You can switch through your broker, dealer or advisor. Your broker, dealer or advisor may charge you a switch fee.

Under the current provisions of the Tax Act, switching of Mutual Fund Shares is not considered a disposition for income tax purposes, and so no gain or loss will arise as a result of a switch. On March 22, 2016, the Budget 2016 NOWMM was tabled in the House of Commons and, if enacted as currently proposed, would result in a switch being considered a disposition of the switched Shares at fair market value for purposes of the Tax Act, for switches which occur after September, 2016. See *"Income Tax Considerations for Investors in the Corporation"*. For greater certainty, except in the case of Series Y Shares of Front Street Special Opportunities Class, Series L Shares of Front Street Resource Growth and Income Class and Series MC and MU Shares of Front Street MLP and Infrastructure Class, you may not switch directly from one Series of a Fund to a different Series of one or more of the other Funds.

On one week's notice, you can convert from one Series of Mutual Fund Shares (other than Series L, X, Y, MC or MU Shares) to another Series of Mutual Fund Shares of the same Fund, as long as you meet the minimum initial investment and minimum account balance requirements, as the case may be and you can only convert Series A Fund Securities that have been held for a minimum of three years, such that the deferred sales charge period has expired. This is called a "conversion". You can convert through your broker, dealer or advisor, by having them complete a buy/sell transaction for which no documents are required to be filed with the Fund. Your broker, dealer or advisor may charge you a conversion fee. Under the current provisions of the Tax Act, a conversion does not result in a disposition for tax purposes and consequently does not result in a capital gain or capital loss to a converting Securityholder. Pursuant to the Budget 2016 NOWMM, if enacted as proposed, a conversion generally should not result in a disposition for tax purposes and consequently generally should not result in a capital gain or capital loss to a converting Shareholder; however, pursuant to the Budget 2016 NOWMM, if enacted as proposed, a conversion of Series UB, UF or UI Shares into a Series of Mutual Fund Shares that is currency hedged occurring after September, 2016 will likely result in a disposition for tax purposes and consequently may result in a capital gain or capital loss to a converting Shareholder. See *"Income Tax Considerations for Investors in the Corporation"*. Please note that converting the Front Street Balanced Monthly Income Class, Series A Fund Securities to Series B Fund Securities will result in a higher trailing commission being charged due to differences in characteristics between those Series.

Existing Shareholders may wish to speak with their financial advisor about their investment options in light of the Budget 2016 NOWMM discussed above in advance of the proposed effective date of the Budget 2016 NOWMM.

Your initial investment in Series A, B and F Fund Securities must be at least \$500. Your investment in Series I Fund Securities of Front Street Tactical Bond Class, Front Street MLP and Infrastructure Income Class and Front Street Global Balanced Income Class must be at least \$100,000, in Series UI Fund Securities of Front Street MLP and Infrastructure Income Class be at least US\$100,000 (each on a per order basis) and the Manager reserves the right to switch your Series I Shares or Series UI Shares to Series F Shares or Series UF Shares, as applicable, if your investment in Series I Shares or Series UI Shares declines below this level. Subsequent investments in Series A, B, F and I Fund Securities must be at least \$100. Purchases under a pre-authorized automatic purchase plan may be in minimum amounts of \$50. Your initial investment in Series UB or UF Fund Securities must be at least US\$500.

We may reject a purchase order within two days of receiving it. If we reject your order, we will refund your money without interest immediately.

Excessive Short-Term Trading

The Funds are generally designed as long-term investments. Some investors may seek to trade or switch Fund Securities frequently to try to take advantage of the difference between the Fund's Net Asset Value and the value of a Fund's portfolio holdings. This activity is sometimes referred to as "market timing". Frequent trading or switching in order to time the market can hurt a Fund's performance affecting all the investors in the Fund, by forcing the Fund to keep cash or sell investments to meet redemptions. Front Street Mutual Funds Limited does not have written policies and procedures relating to excessive short-term trading; however it does use a combination of measures to detect and deter market timing activity, including:

- Monitoring trading activity in client accounts and, through this monitoring, declining certain trades (see "*Limits on "In and Out" Trading and Switching*" below); and
- Imposing short-term trading fees (see "*Short-Term Trading Fees*" below).

Limits on "In and Out" Trading and Switching

The Funds may reserve the right to limit the number of times an investor may trade in and out of the Front Street Money Market Class to three times per year. The Funds also reserve the right to limit switches to three times per year. Investors who exceed these trading parameters may be redeemed by Front Street Mutual Funds Limited.

Short-Term Trading Fees

If an investor redeems or switches Fund Securities within 90 days of purchase, Front Street Mutual Funds Limited may charge a short-term trading fee on behalf of the Funds, other than the Front Street Money Market Class. This is in addition to any redemption or switch fees that the investor may pay. Each additional switch counts as a new purchase for this purpose. No short-term trading fees are charged on redemptions that occur when an investor fails to meet the minimum amount for the Funds.

9. REDEMPTIONS

You may redeem Fund Securities by providing us with a written request. Your signature must be guaranteed by a Canadian chartered bank, a trust company, or an investment dealer acceptable to us. When redeeming Fund Securities you must indicate the number of Fund Securities you wish to redeem. This number may include fractional securities. The redemption or purchase price of a Series of Fund Securities is based on the Net Asset Value per Series next determined after receipt of the written redemption or purchase order.

As a security measure, telephone or electronically transmitted redemption requests will normally not be accepted. When you redeem Fund Securities, we will send you the proceeds within three business days after the date of calculation of the Net Asset Value per Series used in establishing the redemption price.

If we have not received all documentation needed to settle your redemption request within 10 business days, we are required under securities legislation to repurchase your Fund Securities. If the redemption proceeds are less than the repurchase amount, we will pay the Fund the difference and may seek reimbursement from your broker, dealer or adviser, together with any banking costs charged to the Fund. Your broker, dealer or adviser may be entitled to recover any losses from you. If the redemption proceeds are greater than the repurchase amount, the Fund will keep the difference.

Securityholders who hold Fund Securities with a minimum Net Asset Value per Series of at least \$10,000, or another amount Front Street Mutual Funds Limited may in its sole discretion determine, may also be given the opportunity to request automatic monthly redemption of Fund Securities.

Suspension of Redemptions

As permitted by the NI 81-102, we may suspend your right to redeem Fund Securities if normal trading is suspended on any stock exchanges, options exchange or futures exchange within or outside Canada on which securities are listed and posted for trading or on which specified derivatives are traded, if those securities or derivatives represent more than 50% by value, or underlying market exposure, of the total assets of the relevant Fund without allowance for liabilities and if these securities or derivatives are not traded on any other exchange that represents a reasonably practical alternative for the Fund.

If a Fund suspends your right to redeem Fund Securities, it will also suspend the right to purchase Fund Securities.

The suspension may, at the discretion of the relevant Fund, apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. If you make a request for redemption during a suspension (unless the suspension lasts for less than 48 hours), you will be advised by the Fund of the suspension and that the redemption will be in effect on the basis of the Net Asset Value per Series determined on the first Valuation Day following the termination of the suspension. You will have and will (unless the suspension lasts for less than 48 hours) be advised that you have the right to withdraw your request for redemption. The suspension will terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent that it is not inconsistent with rules and regulations promulgated by any government body having jurisdiction over a Fund, any declaration of suspension made by the Fund shall be conclusive.

10. FUND GOVERNANCE

The Funds have adopted no formal policies, practices or guidelines relating to business practices, sales practices, or risk management controls. The Funds strive at all times to ensure that the Funds' business and sales practices are of the highest standard, and that risk is controlled in accordance with the investment objectives of the Funds.

The Funds have an established Conflicts of Interest Policy that it must follow before proceeding with a conflict of interest matter or any other matter that securities legislation requires the Funds to refer to the Independent Review Committee. In accordance with NI 81-107, the Independent Review Committee has reviewed and provided input on the Conflicts of Interest Policy. The Funds may revise their Conflicts of Interest Policy if it provides the Independent Review Committee with a written description of any significant changes for the Independent Review Committee's review and input before implementing the revisions.

Policies Regarding Derivatives

The Funds, other than Front Street Money Market Class, may use derivatives for hedging and non-hedging purposes. The Front Street Tactical Bond Class and Front Street Tactical Bond Fund may short-sell bonds with a view to lowering the level of interest rate risk.

The Funds have adopted no formal policies or procedures setting out the objectives and goals for derivatives trading by the Funds, or any formal risk management procedures. The Funds will strive at all times to minimize the risk inherent in their derivatives trading.

Policies Regarding Short Selling

Prior to engaging in short selling on behalf of a Fund, the Funds will adopt written policies and procedures which set out the objectives and goals for short selling and the risk management procedures applicable to short selling consistent with requirements on short selling imposed by NI 81-102. The Manager is responsible for setting and reviewing these policies and procedures, which will be reviewed on an annual basis.

Front Street Capital's Governance Committee will be responsible for authorizing the trading and placing of limits or such other controls on the trading. No individuals or groups will monitor the risks independently of those who trade and no risk measurement procedures or simulations will be used to test the portfolio under stress conditions.

Proxy Voting Policies and Procedures

The proxies associated with securities held by the Funds will be voted in accordance with the best interests of the Fund determined at the time the vote is cast. The Investment Advisor maintains policies and procedures that are designed to be guidelines for the voting of proxies; however, each vote is ultimately cast on a case-by-case basis, taking into consideration the relevant facts and circumstances at the time of the vote. Any conflict of interest must be resolved in a way that most benefits the relevant Fund. The Investment Advisor's proxy voting policies and procedures set out various considerations that the Investment Advisor will address when voting, or refraining from voting, proxies, including the following:

- (a) **Routine Matters** – The Investment Advisor will generally vote with management on routine matters such as voting on the size and composition of the board of directors, appointing external auditors and adopting or amending management compensation plans unless it is determined that supporting management's position would not be in the best interests of the Fund.
- (b) **Non-Routine Matters** – The Investment Advisor will address, on a case-by-case basis, non-routine matters, including those business issues specific to the issuer such as shareholder rights plans, corporate restructuring plans and takeover bids, or proposals made by shareholders, with a focus on the potential impact of the vote on the relevant Fund's value.
- (c) **Procedures** – The Investment Advisor will log proxies received and ensure they are dealt with and that a voting record is maintained. The Investment Advisor will, prior to voting, review and analyze the content of the circular, management performance, corporate governance and any other factors considered relevant by the Investment Advisor. The Investment Advisor has the discretion whether or not to vote on routine or non-routine matters. In cases where the Investment Advisor determines that it is not in the best interests of the Fund, Securityholders to cast a vote, or in cases where no value is added by voting, there is no requirement to vote. Decisions on voting that deviate from standing policy will be approved by the Investment Advisor's Chief Compliance Officer.

If there is a conflict of interest, the Investment Advisor will vote in the best interests of the Funds on a matter.

The proxy voting policies and procedures followed by the Funds when voting proxies relating to portfolio securities are available on request, at no cost, by calling 1-800-513-2832 or by writing to us at 33 Yonge Street, Suite 600, Toronto, Ontario, M5E 1G4. The Funds' proxy voting record for the most recent period ended June 30 of each year will be available free of charge to any Securityholder upon request at any time after August 31 of that year. The proxy voting record is also available at www.frontstreetcapital.com.

Independent Review Committee

NI 81-107 requires all publicly offered investment funds, including Front Street Mutual Funds Limited, and Front Street Tactical Bond Fund, to establish an independent review committee to whom the Manager must refer all conflict of interest matters for review or approval. NI 81-107 also requires Front Street Mutual Funds Limited, and Front Street Tactical Bond Fund, to establish written policies and procedures for dealing with conflict of interest matters, maintaining records in respect of these matters and providing assistance to the independent review committee in carrying out its functions. The independent review committee is required to be comprised of a minimum of three independent members and will be subject to requirements to conduct regular assessments and provide reports to the Manager and to Securityholders in respect of its functions.

The members of the Independent Review Committee are as follows: John Clarke (Chairman), Frank Cooper and Gary Huggins. Each member is independent as that term is defined under NI 81-107. Each Fund will pay the fees and expenses of the Independent Review Committee relating to that Fund.

John. N. Clarke is an experienced director of an investment fund management company and has considerable management and committee experience in large public companies and industry associations. He also has considerable human resources management and corporate governance experience. Prior to being appointed to the Front Street Capital

2004 Independent Review Committee, Mr. Clarke served as Vice President and General Manager, North America Chlorate Operations for ERCO Worldwide, a division of Superior Plus Inc. From 1974 to 2005, Mr. Clarke held a number of positions at BASF Canada, the Cdn\$1 billion Canadian subsidiary of one of the world's largest integrated chemical companies, including Vice President, Consumer Products, Life Sciences, Coatings & Colourants, from 1991-1999, and President from 1999-2005. Mr. Clarke has also served as a member of the Compliance Committee for a number of Front Street Capital funds that are listed on the TSX.

Frank B. Cooper is the principal of Cooper Estate & Trust Services, a firm providing family office services to high net-worth families and accounting services to the Canadian trust industry. Mr. Cooper has over 40 years experience in the trust industry, including 18 years with a major Toronto law firm and five years as a Vice President and Fiduciary Services Director at the Bank of Bermuda. Mr. Cooper is an associate member of the UK Institute of Bankers (Trustee Diploma) and a member of the Trust Companies Institute in Canada.

Gary W. Huggins is the Executive Vice President and Managing Director for the Toronto office of DHR International, North America's 5th largest executive search firm, specializing in senior-level executive searches in all key functional areas, including Board level and C-suite. Mr. Huggins was a founder and Managing Partner with a Toronto-based boutique search firm that was merged in 2007 into the Toronto office of Boyden Global Executive Search, which was acquired by DHR International in early 2010. Previously, Mr. Huggins was a Managing Director in Korn/Ferry International's Toronto office and head of their Advanced Technology practice for Canada. Prior to joining Korn/Ferry, Mr. Huggins was Founder, Chairman and Chief Executive Officer of Nuvo Network Management Inc., a publicly traded company focused on delivering comprehensive telecommunications network operations solutions to companies. He previously held the position of Vice Chairman and Chief Executive Officer for SoftKey Software Products Inc., a publicly traded consumer software package distributor, which ultimately became The Learning Company. Mr. Huggins also has considerable community involvement and leadership experience. With this extensive and diverse background, Mr. Huggins has gained significant experience and expertise with human resources and strategic planning issues. Mr. Huggins has a Bachelor of Arts Degree in Economics from the University of Waterloo.

For their services as members of the IRC, the IRC members are paid an annual fee (as set out in the table below) and are reimbursed for their expenses. The Fund shares its IRC with other investment funds managed and/or administered by the Manager or its affiliates, and the costs and expenses associated with the IRC are shared on a pro rata basis among those investment funds.

For the most recently completed financial year, the IRC members received the following amounts in fees and in reimbursement of expenses, in aggregate for all of the investment funds managed or administered by the Manager or its affiliates:

<i>MEMBERS</i>	Annual Fees	Total 2015 fees and expenses paid to IRC members
John Clarke (Chair)	\$30,000	\$31,000
Frank Cooper	\$25,000	\$26,000
Gary Huggins	\$25,000	\$26,000
Total	\$80,000	\$83,000

11. FEES AND EXPENSES

Investors pay the management fees associated with the Series of Fund Securities for a particular Fund that they purchase, as more particularly described in the simplified prospectus for the Funds. The Funds do not make discretionary or negotiated arrangements that would result in one Securityholder in a Fund paying as a percentage of the Securityholder's investment in the mutual fund a management fee that differs from that payable by another Securityholder of the same Series of Fund Securities of the same Fund.

12. INCOME TAX CONSIDERATIONS FOR INVESTORS IN THE CORPORATION

The following is a summary of the principal Canadian federal income tax considerations that are generally applicable to a Shareholder who, for purposes of the Tax Act, is an individual (other than a trust), is resident in Canada, deals at arm's length with the Corporation, is not affiliated with the Corporation and holds Mutual Fund Shares as capital property. Generally, Mutual Fund Shares will be considered to be capital property to a purchaser of Mutual Fund Shares provided that such purchaser does not hold the Mutual Fund Shares in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain Shareholders to whom Mutual Fund Shares might not otherwise qualify as capital property may be entitled to make the irrevocable election in the circumstances permitted by subsection 39(4) of the Tax Act to deem such shares (and all other "Canadian securities", as defined in the Tax Act, owned by the Shareholder) to be capital property. This summary does not apply to a Shareholder who has entered or will enter into a "derivative forward agreement" as that term is defined in the Tax Act with respect to the Mutual Fund Shares.

This summary is based on the current provisions of the Tax Act, all specific proposals to amend the Tax Act that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and the current administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**") made publicly available prior to the date hereof. There can be no assurance that the Tax Proposals will be implemented in their current form, or at all.

This summary assumes that:

- (a) the Corporation was not established and will not be maintained primarily for the benefit of non-residents of Canada and at no time will the total fair market value of the shares of the Corporation held by persons who are non-residents of Canada and/or partnerships (other than Canadian partnerships within the meaning of the Tax Act) exceed 50% of the fair market value of all of the outstanding shares of the Corporation;
- (b) the issuers of securities held by the Corporation currently are not and will not be foreign affiliates of the Corporation or any Shareholder;
- (c) the Corporation will at all times comply with its investment objectives and investment restrictions, which include the requirement that it not take any action that would cause it to cease to be a mutual fund corporation for purposes of the Tax Act;
- (d) the securities held by the Corporation will not be: (i) securities of or an interest in any non-resident entity, an interest in or a right or option to acquire such property, or an interest in a partnership which holds any such property if the Corporation (or the partnership) would be required to include any significant amounts in income pursuant to section 94.1 of the Tax Act, (ii) an interest in a trust (or a partnership which holds such an interest) which would require the Corporation (or the partnership) to report income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act, or (iii) any interest in a non-resident trust (or a partnership which holds such an interest) other than an "exempt foreign trust" for the purposes of section 94 of the Tax Act;
- (e) none of the securities held by the Corporation will be tax shelter investments (for purposes of the Tax Act); and
- (f) the Corporation will be a mutual fund corporation for purposes of the Tax Act at all relevant times.

This summary is not exhaustive of all possible Canadian federal income tax considerations and does not take into account or anticipate any changes in law or in the administrative policies and assessing practices of the CRA, whether by legislative, governmental or judicial action, other than the Tax Proposals. This summary does not address foreign, provincial or territorial income tax considerations, which may differ from the Canadian federal income tax considerations. This summary is of a general nature only and is not intended to be, nor should it be treated as, legal or tax advice to any particular shareholder. Shareholders should consult their own tax advisors for advice

having regard to their specific circumstances and in particular the deductibility of interest on money borrowed to acquire Mutual Fund Shares.

The Corporation qualifies, and the Manager expects that the Corporation will continue to qualify, as a “mutual fund corporation” for the purposes of the Tax Act. To qualify as a mutual fund corporation, (i) the Corporation must be a “Canadian corporation” that is a “public corporation” for purposes of the Tax Act; (ii) the only undertaking of the Corporation must be the investing of its funds in property (other than real property or interests in real property or immovables or real rights in immovables); and (iii) at least 95% of the fair market value of all of the issued shares of the capital stock of the Corporation must be redeemable at the demand of the holders of those shares. The Corporation has filed the necessary election under the Tax Act so that it is deemed to be a “public corporation” and, therefore, can qualify as a mutual fund corporation. If at any time the Corporation does not qualify as a “mutual fund corporation”, the income tax considerations described below would, in some respects, be materially different.

Tax Treatment of the Corporation

Income of the Corporation, including taxable capital gains, will be subject to tax at corporate tax rates applicable to mutual funds corporations, subject to permitted deductions for its expenses and to applicable credits for foreign taxes paid on foreign-source income. As a mutual fund corporation, the Corporation is entitled in certain circumstances to a refund of tax paid by it in respect of its net realized capital gains. The Corporation maintains a capital gains dividend account in respect of capital gains realized by the Corporation and from which it may elect to pay dividends (“**capital gains dividends**”) which are treated as capital gains in the hands of the Shareholders (see “ — *Tax Treatment of Shareholders*” below). In certain circumstances where the Corporation has recognized a capital gain in a taxation year, it may elect not to pay capital gains dividends in that taxation year in respect thereof and instead pay refundable capital gains tax, which may in the future be fully or partially refundable upon the payment of sufficient capital gains dividends and/or capital gains redemptions.

With respect to indebtedness, the Corporation will be required to include in its income for a taxation year all interest thereon that accrues (or is deemed to accrue) to it to the end of that year (or until the disposition of the indebtedness in the year) or that has become receivable or is received by Corporation before the end of that year, including on a redemption or repayment on maturity, except to the extent that such interest was included in computing the Corporation’s income for a preceding taxation year and excluding any interest that accrued prior to the time of the acquisition of the indebtedness by the Corporation.

The Corporation anticipates that gains and losses realized on the disposition or deemed disposition of its investments will normally give rise to capital gains and not ordinary income. Generally, the Corporation will be considered to hold its securities on capital account unless the Corporation is considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Corporation has acquired the securities in a transaction or transactions considered to be an adventure in the nature of trade. The Corporation has elected in accordance with the Tax Act to have each of its properties which are “Canadian securities” within the meaning of the Tax Act treated as capital property, and this summary assumes that such election has been made. Such an election will ensure that Canadian securities held by the Corporation, including Canadian securities acquired in connection with a short sale of such Canadian securities, are deemed to be capital property to the Corporation. Gains and losses in respect of certain derivatives, including certain other short sales of securities, may be treated as being on income account except where such derivatives are used to hedge securities in the Corporation’s portfolio held on capital account provided there is sufficient linkage and subject to the DFA Rules discussed below or the short sale is a short sale of “Canadian securities” within the meaning of the Tax Act. Payments received and made under the swaps entered into by the Front Street MLP and Infrastructure Income Class will be on income account and such Fund will recognize such net income or loss when monthly payments are received and made under the swaps and upon partial settlements or upon maturity of the swaps. Gains or losses in respect of currency hedges entered into in respect of amounts received under the swaps will be on income account.

Premiums received on call options written by the Corporation (to the extent such call options relate to securities actually owned by the Corporation at the time the option is written and such securities are held on capital account) and cash covered put options written by the Corporation will constitute capital gains of the Corporation in the year received, unless such premiums are received by the Corporation as income from a business of buying and selling securities or the Corporation has engaged in a transaction or transactions considered to be an adventure in the nature of trade. The

Corporation will purchase securities with the objective of earning dividends thereon over the life of the Corporation, will write covered call options with the objective of increasing the yield on its other securities beyond the dividends and other distributions received on such securities and will write cash covered put options to increase returns and to reduce the net cost of purchasing securities upon the exercise of put options. Thus, having regard to the foregoing and in accordance with the CRA's published administrative practices, transactions undertaken by the Corporation in respect of covered call options and cash covered put options will be treated and reported by the Corporation as arising on capital account.

Premiums received by the Corporation on covered call (or cash covered put) options that are subsequently exercised will be added in computing the proceeds of disposition (or deducted in computing the adjusted cost base) to the Corporation of the securities disposed of (or acquired) by the Corporation upon the exercise of such call (or put) options. In addition, where the premium was in respect of an option granted in a previous year so that it constituted a capital gain of the Corporation in the previous year, such capital gain will be reversed.

The Tax Act contains certain rules (the “**DFA Rules**”) that target certain financial arrangements (described in the DFA Rules as “derivative forward agreements”) that seek to reduce tax by converting, through the use of derivative contracts, the return on an investment that would have the character of ordinary income to capital gains. The DFA Rules are broad in scope and could apply to other agreements or transactions (including certain options and forward currency contracts). If the DFA Rules were to apply in respect of derivatives utilized by the Corporation, gains realized in respect of the property underlying such derivatives could be treated as ordinary income rather than capital gains. In general, the writing of a covered call option or put option by the Corporation in the manner described in Part B of the Simplified Prospectus is not expected to be subject to the DFA Rules. It is not clear whether the writing of a covered call option or put option, if coupled with certain other transactions, could be subject to the DFA Rules. The Manager intends that the Corporation will not write an option that would be subject to the DFA Rules.

In computing the adjusted cost base of any particular security, the Corporation will generally be required to average the cost of that security with the adjusted cost base of all other identical securities owned by the Corporation at the time of acquisition, regardless of whether such identical securities are tracked separately or together. As a result, despite the fact that the Corporation notionally keeps a separate portfolio relating to each Fund, the Tax Act provides that the adjusted cost base of securities held in more than one such notional portfolio is subject to averaging, which may have a material impact on the after-tax return realized by Shareholders.

The Corporation will be required to take into account for tax purposes the revenues, deductible expenses, capital gains and capital losses of all of its investment portfolios. The Manager will allocate the taxes payable and recoverable of the Corporation to each of the Funds that is a class of Mutual Fund Shares on a discretionary basis.

While the Corporation will generally endeavour to otherwise calculate income or loss and net realized capital gains separately for each Fund that is a class of Mutual Fund Shares, this may not be permitted in all cases under the Tax Act or be in the best interests of the Corporation, and accordingly the tax consequences to an investor of holding an investment in a single entity such as the Corporation, which notionally holds a separate portfolio for each Fund that is a class of Mutual Fund Shares, may differ from the tax consequences that would have arisen had the investor invested in a single entity which holds a single portfolio. For example, if a particular Fund that is a class of Mutual Fund Shares had a net loss in a particular year that loss may be applied to reduce the net income of the Corporation as a whole in that year, or, if that net loss generated a non-capital loss carry-forward of the Corporation, that loss carry-forward may be applied to reduce the taxable income of the Corporation as a whole in a future year. This will generally benefit investors in the other Funds that are other classes of Mutual Fund Shares to the extent that it reduces the amount of taxes allocated to such other Funds.

The “suspended loss” rules in the Tax Act may prevent the Corporation from recognizing capital losses on the disposition of securities in certain circumstances, which may increase the amount of capital gains dividends that the Corporation must pay to Shareholders.

If allowable capital losses exceed taxable capital gains of the Corporation in any taxation year, the excess cannot be allocated to Shareholders, but may be carried back three years or carried forward indefinitely and applied against taxable capital gains in such previous or subsequent years subject to detailed rules in the Tax Act (as discussed below under “*Taxation of Capital Gains*”). Any capital loss arising on the disposition of securities by the Corporation that is a share may in certain circumstances be reduced by the amount of dividends received by the Corporation on such share.

The Corporation will be required to include in computing its income all dividends received. In computing its taxable income, the Corporation will generally be entitled to deduct all taxable dividends received on shares of taxable Canadian corporations. Dividends received by the Corporation on other shares will, however, be included in computing the income of the Corporation and will not be deductible in computing its taxable income.

The Corporation is a “financial intermediary corporation” (as defined in the Tax Act) and, as such, is not subject to tax under Part IV.1 of the Tax Act on dividends received by the Corporation nor is it generally liable to tax under Part VI.1 of the Tax Act on dividends paid by the Corporation on “taxable preferred shares” (as defined in the Tax Act). Generally, dividends received by the Corporation from taxable Canadian corporations, to the extent that such dividends are deductible in computing its taxable income, will be subject to refundable tax under Part IV of the Tax Act equal to 33 1/3% of such income. This rate is proposed to be increased to 38 1/3% for dividends received after 2015. Such tax is refunded to the Corporation when such income is distributed by the Corporation as taxable dividends, other than capital gains dividends (“**Ordinary Dividends**”), to Shareholders. The Corporation’s practice is to declare sufficient Ordinary Dividends and capital gains dividends so that it is entitled to a refund of the full amount of tax paid or payable on its capital gains to the extent not recovered through capital gains redemptions as discussed above and any Part IV tax realized.

To the extent that the Corporation earns income (other than dividends from taxable Canadian corporations and taxable capital gains), including interest, option premiums on income account, gains on the swaps entered into by Front Street MLP and Infrastructure Income Class and dividends from corporations other than taxable Canadian corporations, the Corporation may be subject to non-refundable income tax on such income. The Corporation’s liability for tax on such amounts will be subject to the Corporation’s ability to deduct expenses in computing its income or non-capital loss carry forwards in computing its taxable income, and, in respect of foreign source income, subject to the Corporation’s ability to claim a tax credit or deduction for any foreign tax considered to have been paid by the Corporation.

The Corporation’s portfolio securities may include securities denominated in currencies other than Canadian dollars. The cost and proceeds of disposition of securities, dividends, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars in accordance with the detailed rules in that regard. The Corporation may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars.

The Corporation may derive income or gains from investments in countries other than Canada and, as a result, may be liable to pay income or profits tax to such countries. Generally, in computing the amount of its Canadian income taxes, the Corporation will be entitled to claim credits in respect of foreign taxes paid by the Corporation and foreign taxes withheld at source to the extent permitted by the detailed rules in the Tax Act. To the extent that a tax credit is not claimed, the Corporation will generally be able to deduct any foreign withholding taxes paid in computing its income.

To the extent the Corporation holds units of an Income Trust issued by a trust resident in Canada that is not at any time in the relevant taxation year a “SIFT trust” for purposes of the Tax Act and with respect to the Units of Front Street Tactical Bond Fund held by the Corporation, the Corporation will be required to include in the calculation of its income the net income, including net realized taxable capital gains, paid or payable to the Corporation by such trust in the year, notwithstanding that certain of such amounts may be reinvested in additional units of the trust. Provided that appropriate designations are made by such trust, foreign source income, net realized taxable capital gains realized by the trust and taxable dividends from taxable Canadian corporations received by the trust that are paid or payable by the trust to the Corporation will effectively retain their character in the hands of the Corporation. The Corporation will be required to reduce the adjusted cost base of units of such trust by any amount paid or payable by the trust to the Corporation except to the extent that the amount was included in calculating the income of the Corporation or was the Corporation’s share of the non-taxable portion of capital gains of the trust, the taxable portion of which was designated in respect of the Corporation. If the adjusted cost base to the Corporation of such units becomes a negative amount at any time in a taxation year of the Corporation, that negative amount will be deemed to be a capital gain realized by the Corporation in that taxation year and the Corporation’s adjusted cost base of such units will be increased by the amount of such deemed capital gain.

With respect to each Income Trust in the Corporation’s portfolio that is a limited partnership and is not a “SIFT partnership” for the purposes of the Tax Act, the Corporation will be required to include or, subject to certain restrictions, will be entitled to deduct, in computing its income, its share of the net income or loss (and capital gain or capital loss) for tax purposes of the limited partnership allocated to the Corporation for the fiscal period of the issuer

ending in the Corporation's taxation year, whether or not a distribution is received. In general, the adjusted cost base to the Corporation of the units of a limited partnership at a particular time will be equal to the actual cost of such units plus the share of the income and capital gains of the limited partnership allocated to the Corporation for fiscal years of the limited partnership ending before the particular time less the share of losses and capital losses of the limited partnership allocated to the Corporation for fiscal years of the limited partnership ending before the particular time, and less the Fund's share of any distributions received from the limited partnership before the particular time. If the adjusted cost base to the Corporation of such units would otherwise be negative at the end of the fiscal year of the limited partnership, such negative amount will be deemed to be a capital gain realized by the Corporation and the Corporation's adjusted cost base of such units will be increased by the amount of such deemed capital gain.

Under the rules in the Tax Act relating to the tax for SIFT trusts and SIFT partnerships (the "**SIFT Rules**"), each security held by the Corporation of an issuer that is a SIFT trust or SIFT partnership as defined under the SIFT Rules (which will generally include income trusts, other than certain REITs, and certain partnerships, the units of which are listed or traded on a stock exchange or other public market) will be subject to a special tax in respect of (i) income from business carried on in Canada, and (ii) certain income (other than taxable dividends) and capital gains in respect of "non-portfolio properties" (collectively, "**Non-Portfolio Earnings**"). The SIFT Rules provide that Non-Portfolio Earnings that are earned by a partnership that is a SIFT partnership, or are distributed by a trust that is a SIFT trust to its unitholders, will be taxed at a rate that is equivalent to the federal general corporate tax rate plus a prescribed amount on account of provincial tax. The SIFT Rules stipulate that any Non-Portfolio Earnings that become payable by an issuer that is a SIFT trust, or that are earned by a partnership that is a SIFT partnership, will generally be taxed as though they were a taxable dividend from a taxable Canadian corporation and will be deemed to be an "eligible dividend" subject to the enhanced gross-up and dividend tax credit rules in the Tax Act.

Tax Treatment of Shareholders

Ordinary Dividends and Capital Gains Dividends

Each Shareholder will be required to take into account in computing income Ordinary Dividends and capital gains dividends paid by the Corporation to the Shareholder, whether such amount is paid in cash or reinvested in additional Mutual Fund Shares.

Ordinary Dividends paid by the Corporation to an individual will generally be subject to the dividend gross-up and tax credit rules applicable to taxable dividends paid to an individual by a taxable Canadian corporation. An enhanced gross-up and dividend tax credit is available on "eligible dividends" which are so designated by the Corporation.

Capital gains dividends paid by the Corporation will be treated as capital gains realized by Shareholder in the taxation year of the Shareholder in which the capital gains dividend is received and will be subject to the general rules relating to the taxation of capital gains (as discussed below under "*Taxation of Capital Gains*") and not treated as dividend income.

The Net Asset Value per Mutual Fund Share may include income and capital gains that have been earned by the Funds but which have not yet been realized and/or paid out as a dividend. If a Shareholder invests in a Fund that is a class of Mutual Fund Shares before a dividend is declared, which typically occurs in October for Ordinary Dividends and in December for capital gains dividends, the Shareholder will have to pay tax on such dividend.

Adjusted Cost Base of Mutual Fund Shares

The adjusted cost base to a Shareholder is generally the price he or she paid for the Mutual Fund Shares (including any up-front sales commission), subject to adjustments under the Tax Act. Where a Shareholder reinvests dividends in additional Mutual Fund Shares rather than receiving dividends in cash, the Shareholder will be considered to have acquired the additional Mutual Fund Shares at a cost equal to the fair market value thereof at the time they are issued. For the purpose of determining the adjusted cost base of Mutual Fund Shares of a particular Series to a Shareholder, when Mutual Fund Shares are acquired, the cost of the newly acquired Mutual Fund Shares of a particular Series will be averaged with the adjusted cost base of all Mutual Fund Shares of that Series owned by the Shareholder as capital property immediately before that time.

Each Shareholder should keep records of the adjusted cost base of his or her Mutual Fund Shares so he or she can calculate any capital gain or capital loss arising on a redemption or other disposition of Mutual Fund Shares.

The Corporation may make returns of capital in respect of the Mutual Fund Shares. A return of capital in respect of a Mutual Fund Share will not be included in the income of the Shareholder, but will reduce the adjusted cost base of such Mutual Fund Share. To the extent that the adjusted cost base of a Mutual Fund Share would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Shareholder from the disposition of the Mutual Fund Share, and the adjusted cost base will be increased by the amount of such deemed capital gain.

Dispositions and Redemptions of Mutual Fund Shares

An actual or deemed disposition of Mutual Fund Shares, including a redemption of Mutual Fund Shares, will give rise to a capital gain (or a capital loss) to the extent that the proceeds of disposition, less certain disposition costs (including deferred sales charges), exceed (or are exceeded by) the adjusted cost base to the Shareholder of the Mutual Fund Shares redeemed or otherwise disposed of. For further discussion on the rules under the Tax Act for the taxation of capital gains see “– *Taxation of Capital Gains*” below.

Switches and Conversions

Under the current provisions of the Tax Act, a switch from one Fund that is a class of Mutual Fund Shares to another Fund that is another class of Mutual Fund Shares or a conversion from one Series of Mutual Fund Shares to another Series of Mutual Fund Shares of the same Fund will be deemed not to be a disposition, and no taxable gain will arise. A Shareholder will be deemed to have acquired the new Mutual Fund Shares at a cost equal to the adjusted cost base of the switched or converted Mutual Fund Shares immediately prior to the switch or conversion, subject to the above-noted determination under “– *Adjusted Cost Base of Mutual Fund Shares*”.

Notwithstanding the foregoing, on March 22, 2016 the Budget 2016 NOWMM was tabled in the House of Commons and, if enacted as currently proposed, would result in a switch of Mutual Fund Shares of one Fund to Mutual Fund Shares of another Fund being considered a disposition of the switched Mutual Fund Shares at fair market value for purposes of the Tax Act, for switches which occur after September, 2016. As a result, a Shareholder of such Mutual Fund Shares may realize a capital gain or capital loss on such Mutual Fund Shares. Pursuant to the Budget 2016 NOWMM, if enacted as proposed, a conversion generally should not result in a disposition for tax purposes and consequently generally should not result in a capital gain or capital loss to a converting Shareholder; however, pursuant to the Budget 2016 NOWMM, if enacted as proposed, a conversion of Series UB, UF or UI Shares into a Series of Mutual Fund Shares that is currency hedged occurring after September, 2016 will likely result in a disposition for tax purposes and consequently may result in a capital gain or capital loss to a converting Shareholder. Specific draft legislation has not yet been introduced to give effect to this proposal, and no assurance can be given concerning the specific consequences of such legislation when introduced (including as to the Shareholder’s cost of the Mutual Fund Shares received on the switch or conversion or as to the possible application of the “loss denial” rules discussed below to a capital loss realized on the switch or conversion) or whether such legislation will be introduced at all.

Taxation of Capital Gains

Generally, one-half of a capital gain (a “**taxable capital gain**”) realized in a year must be included in income of the Shareholder for the year for income tax purposes, and one-half of a capital loss (an “**allowable capital loss**”) must be deducted by the Shareholder from taxable capital gains in such year, but not from other income. Allowable capital losses in excess of taxable capital gains realized in a year may be carried back three years or carried forward indefinitely, and applied against taxable capital gains in such previous or subsequent years in accordance with the detailed rules in the Tax Act.

In certain situations where a Shareholder disposes of Mutual Fund Shares and would otherwise realize a capital loss, the loss will be denied. This may occur if the Shareholder, the Shareholder’s spouse or another person affiliated with the Shareholder (including a corporation controlled by the Shareholder) has acquired Mutual Fund Shares within 30 days before or after the Shareholder disposed of the Mutual Fund Shares, which are considered to be “substituted property”.

In these circumstances, the capital loss may be deemed to be a “superficial loss” and denied. The amount of the denied capital loss will be added to the adjusted cost base of the Mutual Fund Shares which are substituted property.

Minimum Tax

Individuals may be subject to an alternative minimum tax. Dividends and capital gains may give rise to liability for such minimum tax.

Foreign Currency

Holders of Series UB, Series UF and Series UI shares purchase and redeem shares and receive dividends from the Corporation in U.S. currency. Such amounts are determined for purposes of the Tax Act in Canadian dollars using the appropriate exchange rates determined in accordance with the detailed rules in the Tax Act in that regard.

Tax Reporting

The Corporation will provide Shareholders each year with income tax information necessary to complete their income tax returns for the previous year.

Registered Plans

Mutual Fund Shares are “qualified investments” (as that term is defined in the Tax Act) for trusts governed by registered retirement saving plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts (“**Registered Plans**”).

Registered Plans, as Shareholders, generally will not be liable for tax on any distribution by the Corporation or on any capital gain realized upon the redemption or other disposition of a Mutual Fund Shares as long as the income and proceeds remain in the Registered Plan.

If the Mutual Fund Shares are “prohibited investments” for the purposes of a tax-free savings account, a registered retirement savings plan or registered retirement income fund, the holder of the tax-free savings account or the annuitant under the registered retirement savings plan or registered retirement income fund will be subject to a penalty tax as set out in the Tax Act. The Mutual Fund Shares will not be a “prohibited investment” for trusts governed by a tax-free savings account, registered retirement savings plan or registered retirement income fund unless the holder of the tax-free savings account or the annuitant under the registered retirement savings plan or registered retirement income fund, as applicable, (i) does not deal at arm’s length with the Corporation for purposes of the Tax Act, or (ii) has a “significant interest” as defined in the Tax Act in the Corporation. In addition, Mutual Fund Shares will not be a “prohibited investment” if the Mutual Fund Shares are “excluded property” as defined in the Tax Act for trusts governed by a tax-free savings account, registered retirement savings plan or registered retirement income fund.

Holders or annuitants should consult their own tax advisors with respect to whether Mutual Fund Shares would be prohibited investments, including with respect to whether the Mutual Fund Shares would be excluded property.

If and when cash or Mutual Fund Shares are withdrawn from a Registered Plan (other than a registered education savings plan, a tax-free savings account, and portions of certain payments made from a registered disability savings plan), the holder of the Registered Plan generally will be liable to pay income tax based on the amount of cash or the fair market value of the Mutual Fund Shares withdrawn, unless the cash or Mutual Fund Shares are transferred to another Registered Plan in accordance with the Tax Act. Withdrawals of contributions from registered education savings plans are not taxable; however, withdrawals of income or capital gains that those contributions earn are taxable.

13. INCOME TAX CONSIDERATIONS FOR INVESTORS IN THE FRONT STREET TACTICAL BOND FUND

The Front Street Tactical Bond Fund will be a “financial institution” for purposes of the “mark-to-market” rules contained in the Tax Act at any time if more than 50% of the fair market value of all interests in the Front Street Tactical

Bond Fund are held at that time by one or more such financial institutions. The Tax Act contains special rules for determining the taxable income of a financial institution. As the Units of the Front Street Tactical Bond Fund are only being offered to the Corporation and the Corporation is not a financial institution for purposes of the “mark-to-market” rules contained in the Tax Act, the Front Street Tactical Bond Fund should not be a financial institution for purposes of such rules.

The Front Street Tactical Bond Fund is subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year, including net realized taxable capital gains, if any, less the portion thereof that it claims in respect of the amount paid or payable to Unitholders in the year. The Front Street Tactical Bond Fund intends to deduct, in computing its income in each taxation year, the full amount available for deduction in each year and, therefore, provided the Front Street Tactical Bond Fund makes distributions in each year of its income (including any net realized taxable capital gains) as described in Part B of the Simplified Prospectus, it will generally not be liable in such year for income tax under Part I of the Tax Act, except that the Front Street Tactical Bond Fund may reduce its distributions to leave tax liability in the Fund to the extent that any such liability would be fully offset by tax credits available to the Fund in respect of foreign taxes paid by it (if any).

In computing its income for tax purposes, the Front Street Tactical Bond Fund may deduct reasonable administrative and other expenses incurred to earn income in accordance with the detailed rules in the Tax Act. The Front Street Tactical Bond Fund may deduct over a five-year period the costs and expenses of any offering of Units paid by the Fund and not reimbursed, pro-rated for short taxation years.

The Front Street Tactical Bond Fund may be subject to “minimum tax” under the Tax Act. The Manager will endeavour to manage the Front Street Tactical Bond Fund in a manner such that the Front Street Tactical Bond Fund will not be subject to minimum tax.

The Tax Act provides for a special tax on designated income of certain trusts that have designated beneficiaries. The Trust Agreement prohibits the ownership of Units by any person other than a taxable Canadian corporation. A taxable Canadian corporation is not a designated beneficiary for the purposes of the Tax Act.

This summary assumes that the Front Street Tactical Bond Fund will at all times qualify as a unit trust for purposes of the Tax Act. This summary is also based on the assumption that the Front Street Tactical Bond Fund will at no time be a SIFT trust as defined in the provisions of the Tax Act providing for a tax on certain income earned by a “SIFT partnership” or distributed by a “SIFT trust”, as those terms are defined in the Tax Act.

This summary is not exhaustive of all possible Canadian federal income tax considerations and does not take into account or anticipate any changes in law or administrative policy or assessing practice, whether by legislative, governmental or judicial action. This summary does not deal with foreign, provincial or territorial income tax considerations, which may differ from the federal considerations.

14. REMUNERATION OF DIRECTORS, OFFICERS AND TRUSTEES

The directors and officers of Front Street Mutual Funds Limited do not receive any compensation for acting as directors or officers of that corporation or the Funds. The Trustee of Front Street Tactical Bond Fund was paid an aggregate amount of \$0 on account of its fee and reimbursed in aggregate \$0 on account of expenses incurred by it in its capacity as trustee of the Fund.

15. MATERIAL CONTRACTS

The Management Agreement between Front Street Mutual Funds Limited and the Manager is a material contract of the Funds and referred to in “*Responsibility for Fund Operations – Manager of the Funds*”.

The Investment Management Agreement between Front Street Mutual Funds Limited, Front Street Tactical Bond Fund and the Investment Advisor (as assumed by the Manager) is a material contract of the Funds and referred to in “*Responsibility for Fund Operations – The Investment Advisor*”.

The prime brokerage service agreement and a custodial services agreements between Front Street Mutual Funds Limited and Front Street Tactical Bond Fund and the Prime Broker/Custodian for each Fund are also material contracts and are described under “*Responsibility for Fund Operations – Prime Broker/Custodial Services*”.

The administrative services agreement dated as of December 9, 2015 between CIBC Mellon Global Securities Services Company and the Manager.

The articles of amalgamation of Front Street Mutual Funds Limited effective January 26, 2016, as amended.

The MLP Advisor Agreement, in respect of Front Street MLP and Infrastructure Income Class.

The Trust Agreement, dated July 23, 2015 between the Front Street Tactical Bond Fund and the Trustee.

A copy of these material contracts may be inspected by prospective or existing Securityholders during normal business hours at the Funds’ office.

16. EXEMPTIONS AND APPROVALS

The merger of Front Street Opportunity Funds with Front Street Mutual Funds Limited was approved by the Canadian securities regulatory authorities under NI 81-102 by a decision document dated October 31, 2008.

The merger of Front Street Special Opportunities Canadian Fund Ltd. with Front Street Mutual Funds Limited was approved by the Canadian securities regulatory authorities under NI 81-102 by a decision document dated November 27, 2009.

In a decision dated December 3, 2008, the Ontario Securities Commission granted exemptive relief to Front Street Growth Class (then known as Front Street Small Cap Fund) from the following securities laws: NI 81-102, pertaining to the use of performance date in sales communications; National Instrument 81-101 – *Mutual Fund Prospectus Disclosure*, pertaining to the start date of Front Street Growth Class; and NI 81-106, pertaining to the financial highlights and past performance disclosed in annual and interim management reports of fund performance (“**MRFPs**”). Pursuant to this relief, subject to compliance with certain conditions, Front Street Growth Class may use performance data of Front Street Small Cap Opportunities Fund (the “**Terminating Fund**”) in sales communications and MRFPs as if such performance data was generated by Front Street Growth Class and Front Street Growth Class may disclose the start date of the Terminating Fund as its start date. Similar relief was provided in respect of Front Street Special Opportunities Canadian Fund Ltd. by a decision document dated December 1, 2009.

In a decision dated December 18, 2015, the Ontario Securities Commission granted exemptive relief to FSUSMLP, Front Street MLP and Infrastructure Income Class and the Manager from NI 81-102 for reorganization of a non-redeemable investment fund that will result in securityholders becoming securityholders of a mutual fund. Pursuant to this relief, subject to compliance with certain conditions, the amalgamation of FSUSMLP and Front Street MLP and Infrastructure Income Class was permitted.

**CERTIFICATE
OF
FRONT STREET RESOURCE GROWTH AND INCOME CLASS,
FRONT STREET BALANCED MONTHLY INCOME CLASS,
FRONT STREET GROWTH CLASS,
FRONT STREET SPECIAL OPPORTUNITIES CLASS,
FRONT STREET GLOBAL OPPORTUNITIES CLASS,
FRONT STREET GROWTH AND INCOME CLASS,
FRONT STREET TACTICAL EQUITY CLASS,
FRONT STREET GLOBAL BALANCED INCOME CLASS,
FRONT STREET MONEY MARKET CLASS,
FRONT STREET TACTICAL BOND CLASS
and
FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS
(the “Funds”)
OF FRONT STREET MUTUAL FUNDS LIMITED
AND OF THE MANAGER AND PROMOTER**

This annual information form dated June 28, 2016, together with the simplified prospectus dated June 28, 2016, and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each Province and Territory of Canada and do not contain any misrepresentations.

Dated: June 28, 2016

FRONT STREET MUTUAL FUNDS LIMITED
on behalf of the Funds

(SIGNED) *TERENCE K. LUI*
President and Chief Executive Officer

(SIGNED) *SUSAN JOHNSON*
Chief Financial Officer

On behalf of the Board of Directors of
FRONT STREET MUTUAL FUNDS LIMITED

(SIGNED) *FRANK L. MERSCH*
Director

(SIGNED) *NORMAND G. LAMARCHE*
Director

FRONT STREET CAPITAL 2004
as Manager of the Funds and as Promoter

(SIGNED) *GERARD FERGUSON*
President and Chief Executive Officer

(SIGNED) *SUSAN JOHNSON*
Chief Financial Officer
Front Street Capital 2004

(SIGNED) *FRANK L. MERSCH*
Member of the Governance Committee
Front Street Capital 2004

(SIGNED) *NORMAND G. LAMARCHE*
Member of the Governance Committee
Front Street Capital 2004

**CERTIFICATE
OF
FRONT STREET TACTICAL BOND FUND
AND OF THE MANAGER AND PROMOTER**

This annual information form dated June 28, 2016, together with the simplified prospectus dated June 28, 2016, and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each Province and Territory of Canada and do not contain any misrepresentations.

Dated: June 28, 2016

FRONT STREET CAPITAL 2004
as Manager of the Fund and as Promoter

(SIGNED) *GERARD FERGUSON*
President and Chief Executive Officer

(SIGNED) *SUSAN JOHNSON*
Chief Financial Officer
Front Street Capital 2004

(SIGNED) *FRANK L. MERSCH*
Member of the Governance Committee
Front Street Capital 2004

(SIGNED) *NORMAND G. LAMARCHE*
Member of the Governance Committee
Front Street Capital 2004



ANNUAL INFORMATION FORM

**FRONT STREET RESOURCE GROWTH AND INCOME CLASS
FRONT STREET BALANCED MONTHLY INCOME CLASS
FRONT STREET GROWTH CLASS
FRONT STREET SPECIAL OPPORTUNITIES CLASS
FRONT STREET GLOBAL OPPORTUNITIES CLASS
FRONT STREET GROWTH AND INCOME CLASS
FRONT STREET MONEY MARKET CLASS
FRONT STREET TACTICAL EQUITY CLASS
(Series A, B, F and X Shares)
and
FRONT STREET TACTICAL BOND CLASS
FRONT STREET GLOBAL BALANCED INCOME CLASS
(Series A, Series B, Series F, Series I and Series X Shares)**

and

**FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS
(Series A, B, F, I, X, UB, UF and UI Shares)**

of

FRONT STREET MUTUAL FUNDS LIMITED

and

**FRONT STREET TACTICAL BOND FUND
(Series C Units)**

Additional information about the Funds will be available in their Fund Facts, management reports of fund performance and interim financial statements published during the currency of this Annual Information Form. You can get a copy of these documents at no cost by calling us at (416) 364-1990 or toll-free at 1(800) 513-2832 or by e-mailing us at advisor-service@frontstreetcapital.com or from your broker, dealer or advisor. These documents and other information about the Funds, such as information circulars and material contracts, are also available on the Internet site of Front Street Capital 2004 and its affiliates at www.frontstreetcapital.com and of SEDAR (System for Electronic Document Analysis and Retrieval) at www.sedar.com.

**FRONT STREET RESOURCE GROWTH AND INCOME CLASS
FRONT STREET BALANCED MONTHLY INCOME CLASS
FRONT STREET GROWTH CLASS
FRONT STREET SPECIAL OPPORTUNITIES CLASS
FRONT STREET GLOBAL OPPORTUNITIES CLASS
FRONT STREET GROWTH AND INCOME CLASS
FRONT STREET MONEY MARKET CLASS
FRONT STREET GLOBAL BALANCED INCOME CLASS
FRONT STREET TACTICAL BOND CLASS
FRONT STREET TACTICAL EQUITY CLASS
FRONT STREET MLP AND INFRASTRUCTURE INCOME CLASS
FRONT STREET TACTICAL BOND FUND**

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

Tel.: 1 (800) 513-2832
or (416) 364-1990
Fax: (416) 364-8893