



IN TIMES OF CHANGE

EXPERIENCE COUNTS



Portfolio Manager **FRANK MERSCH**

Fund management services are about one thing – fund managers.

Front Street Capital was built and is owned by principals with decades of experience** in the Canadian portfolio management and investment banking sector.

Frank Mersch has earned a reputation as one of the most highly regarded investment managers in Canada, and has **outperformed the S&P/TSX in 19 of the last 22 years** (see performance tables, below).

Frank is a founding partner of Front Street Capital and manages the portfolios of various investment vehicles, including the Front Street Canadian Hedge Fund, Front Street Canadian Equity Fund, and also the Front Street Canadian Opportunities Fund, offshore.

“Basically the thesis that I always have in money management is to chase capital spending. Where the greatest amount of capital spending is, that is where you want to position your thematic portfolios.”

Frank Mersch was profiled in the recent book *Stock Market Superstars - Secrets of Canada's Top Stock Pickers* (Insomniac Press, 10/15/08), featuring interviews with twelve of the greatest money managers in Canada to find out what makes them stock market winners over the long run.

FRONT STREET MUTUAL FUNDS LTD.

With approximately \$2.9 billion in assets, Front Street Capital managers have been providing portfolio management through more than five market cycles, in both up and down markets.

We are pleased to offer a corporate class mutual fund structure for those seeking exposure to mutual funds that utilize techniques that our money managers have perfected for years in our hedge funds, to effectively enhance returns and protect capital.

With features such as daily buy/sell, tax efficient distributions and tax exempt “switchability”, these funds are a great addition to all client portfolios.

[Front Street Canadian Equity Fund](#)
[Front Street Diversified Income Fund](#)
[Front Street Global Opportunities Fund](#)
[Front Street Growth and Income Fund](#)
[Front Street Money Market Fund](#)
[Front Street Resource Fund](#)
[Front Street Small Cap Fund](#)
[Front Street Special Opportunities Canadian Fund](#)
[Front Street Value Fund](#)

%	CAGR*	YTD	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Front Street Canadian Hedge	11.8	-23.4	25.2	49.3	-40.3	9.8	19.0	13.2	22.0	56.4	-6.3	-11.9	75.2	24.1
S&P/TSX Composite Index	4.3	-11.1	14.5	30.7	-35.0	7.2	14.5	21.9	12.5	24.3	-14.0	-13.9	6.2	18.8

From 1987 to 1998, Frank Mersch was a shareholder, director and vice president of Altamira Management Ltd., where he managed many funds, most notably Altamira's Equity Fund. The performance of that fund is listed below. Note: Complete returns data not available for 1987 and 1998.

%	CAGR	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988
Altamira Equity Fund	20.0	4.1	17.0	14.8	1.7	46.6	30.3	34.5	-1.8	48.4	13.6
S&P/TSX Composite Index	9.5	13.0	4.1	11.9	-2.5	29.0	-4.6	7.8	-18.0	17.1	7.3

* Compound annual growth rate since manager inception (as at Dec 31, 2011).

** On average, Front Street Capital portfolio managers have approximately 20 years of experience in investment fund management, and its principals each have more than 25 years of experience in the industry.

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