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FRONT STREET PERFORMANCE FUND COMPLETES MERGER WITH FRONT STREET PERFORMANCE FUND II

(Toronto, ON, September 1, 2006) (FSP.UN; FPF.UN) – Front Street Capital 2004, the manager of Front Street Performance Fund (“FSPF I”) and Front Street Performance Fund II (“FSPF II”), has announced that it has completed its merger of FSPF I and FSPF II (the “Funds”). Each unitholder of FSPF I will receive 2.8353 units of FSPF II for each unit of FSPF I held immediately prior to the completion of the merger. This exchange ratio was calculated based on the net asset values per unit of the two Funds as at the close of business on August 31, 2006. FSPF I had a net asset value per unit of \$30.9383 at the close of business on August 31, 2006, and FSPF II had a net asset value per unit of \$10.9120 at the close of business on August 31, 2006.

In connection with the merger, FSPF I paid a special distribution of \$3.3893 per unit and FSPF II paid a special distribution of \$1.14283 per unit, which will be payable in full on or before September 15, 2006, to unitholders of record on August 31, 2006. The distribution payable to a unitholder will be applied to purchase units of the applicable fund, unless the unitholder has previously elected to receive such distribution in cash.

As a result of the merger, FSPF I will be de-listed from the TSX on or about September 5, 2006.

– 30 –

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