



FRONT STREET CAPITAL

33 Yonge Street, Suite 600
Toronto, Ontario M5E 1G4
telephone: (416) 364-1990
fax: (416) 364-8893
free: 1-800-513-2832

Front Street Capital

Press Release, December 5, 2008

FOR IMMEDIATE RELEASE:

Front Street Capital to Further Streamline Funds – Proposed Merger of Front Street Performance Fund II into Front Street Canadian Equity Fund

NOT FOR DISTRIBUTION IN THE UNITED STATES OR OVER U.S. WIRE SERVICES

TORONTO (December 5, 2008) – Front Street Capital 2004 (“Front Street Capital”) today announced a proposal to further streamline its fund line-up with the merger of its Front Street Performance Fund II into Front Street Canadian Equity Fund, a corporate class of Front Street Mutual Funds Limited. The merger remains subject to securityholder approval and any applicable regulatory approval.

Front Street Performance Fund II is an investment trust whose units are listed on the Toronto Stock Exchange under the symbol FPF.UN. Front Street Mutual Funds Limited offers a multiple share class structure (with each share class representing a separate mutual fund) providing investors with the ability to switch their investments between the different mutual funds within Front Street Mutual Funds Limited on a tax-deferred basis. The funds being merged have similar investment objectives and the same portfolio investment adviser, Front Street Investment Management Inc.

Front Street Capital believes that the mergers should benefit investors of Front Street Performance Fund II through the following:

- by providing daily liquidity and redemption at NAV without any discount;
- unitholders would gain the ability to switch tax-free between the classes of Front Street Mutual Funds Ltd. with different investment strategies and objectives, within the context of a more focussed and cost-effective structure;
- by achieving economies of scale through the merger of the two funds; and
- the advantages to investors of a larger investment pool.

A special meeting of the unitholders of Front Street Performance Fund II will be held in Toronto early in 2009, at which unitholders will be entitled to vote on the proposed merger. If approved, it is expected that the merger will take effect in the first quarter of 2009.

For further information, contact:

Front Street Capital 2004
Investor Relations
1-800-513-2832
or www.frontstreetcapital.com