

Front Street CANADIAN HEDGE FUND SERIES B

April 30, 2012



FUND MANAGER



Frank Mersch

Frank is the chairman, co-chief investment officer and VP of the Firm. He manages the portfolios of various investment vehicles, including Front Street Capital's management of Ceres Global AG Corp.

FUND INFORMATION

Fund Type	Alternative Strategy/Mutual
Fund Structure	Offering Memorandum
AUM	\$140.89 million
Management Fee	2.00%
Performance Fee	20% of net profits if annual ROR is 6% +
Benchmark	S&P/TSX Composite Index
Min. Initial Investment	\$25,000
Min. Subsequent Investment	\$5,000
Valuations	Weekly
Redemptions	Monthly with 30 days notice
Risk Tolerance	Medium-High
Registered Tax Plan Status	100% Eligible
Number of Holdings	170

PORTFOLIO WEIGHTINGS

(as at March 31, 2012)

Long 76.67 %	Short -3.76 %	Cash 27.09 %
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OBJECTIVE

Our flagship hedge fund was launched to fully capitalize on the experience and trading abilities of lead portfolio manager Frank Mersch. This portfolio, which is available to accredited Canadian investors, is a diversified Canadian portfolio engaging in sophisticated investment strategies to take advantage of market inefficiencies as well as stock picking in the overall Canadian marketplace.

The Fund's goal is to achieve enhanced performance in up markets while protecting investors during down market conditions. These goals can be achieved by providing the manager more 'tools' to effect active portfolio management.

KEY REASONS TO OWN THIS FUND

- Ideal core Canadian equity portfolio
- Directionally long hedge fund utilizing a growth and sector rotation approach
- Manager has the ability to short up to 50% and add leverage of 2:1 in the portfolio
- Not positioned like the index
- The fund invests in all-cap and private Canadian companies with high growth potential

PERFORMANCE ANALYSIS

PERFORMANCE	1 MTH	3 MTH	6 MTH	YTD	1 YR	2 YR	3 YR	5 YR	10 YR	Inception
Product	-1.1 %	-0.7 %	-1.4 %	4.1 %	-22.3 %	-2.5 %	7.7 %	-3.8 %	8.2 %	11.8 %

ANNUAL RETURNS

2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
-23.4	25.2	37.7	-40.3	9.8	19.0	13.4	22.0	56.4	-6.3

ASSET ALLOCATION

(as at March 31, 2012)

Bond Cad	3.8 %
Bond Usd	3.5 %
Money Market CAD	19.1 %
OPTIONS CAD	-0.2 %
OPTIONS USD	-0.3 %
Equity CAD	69.5 %
Equity USD	4.0 %
Equity AUD	0.6 %

TOP TEN HOLDINGS

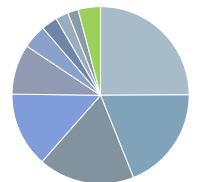
(in alphabetical order)

BORALEX INC	GRAN COLOMBIA GOLD
C&C ENERGIA LTD	LUNDIN MINING CORP
CANYON SERVICES GRP	OPEN TEXT CORP
CDN IMP BANK COMMERC	STRAD ENERGY SERVCS
DESCARTES SYSTEMS	WI LAN INC

SECTOR ALLOCATION

of long holdings (as at March 31, 2012)

MATERIAL	25.0 %
ENERGY	19.1 %
INFORMATION TECHNOLOGY	17.6 %
CONSUMER DISCRETIONARY	13.7 %
UTILITIES	9.2 %
FINANCIALS	4.4 %
ALTERNATIVE INVESTMENTS	2.9 %
FIXED INCOME	2.3 %
INDUSTRIALS	1.9 %
OTHER	4.1 %

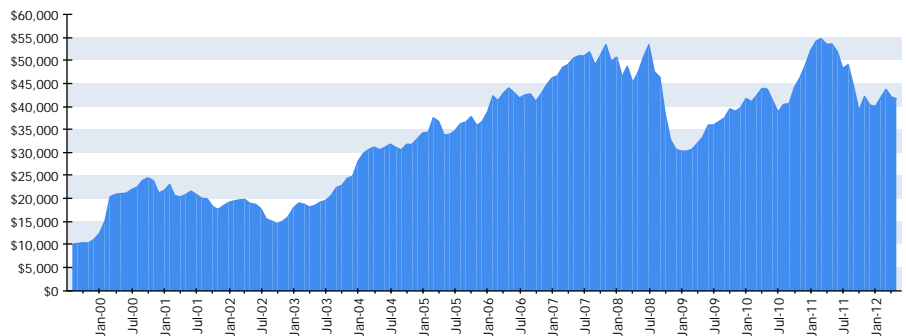


GEOGRAPHIC ALLOCATION

(as at March 31, 2012)

CAD	92.3 %	AUD	0.58 %
USD	7.2 %		

VALUE ADDED MONTHLY INDEX (VAMI) SINCE INCEPTION



Front Street Canadian Hedge Fund Series B

Privately held and independent, Toronto-based Front Street Capital currently manages approximately \$3.0 billion in assets among various long/short equity strategies, Mutual Funds, Limited Partnerships and Trusts. Widely recognized as an established leader, Front Street Capital is one of the most successful and experienced investment groups in Canada*.

Portfolio managers have demonstrated long-term success in assessing global macroeconomic and structural themes driving the markets by combining a sophisticated macro approach and comprehensive knowledge of the Canadian corporate landscape, with sound fundamental and technical analysis of Canadian equities.

BROAD SUITABILITY

Front Street Capital has a diverse range of investments suitable for a wide spectrum of mandates and risk/return objectives.

Visit us at frontstreetcapital.com to learn more about our entire family of Mutual Fund products and investment strategies.

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



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The disclosure provided about herein the Front Street Canadian Hedge Fund Series B is for information purposes only and is not to be construed as a public offering, an offer to sell or the solicitation of an offer to purchase such shares, which may only be made pursuant to an offering memorandum.

Commissions, trailing commissions, management fees and expenses all may be associated with fund investments. Please read the offering memorandum before investing. The indicated rates of return for the Series shares of Front Street Canadian Hedge Fund Series B are the historical, annual compounded total returns including changes in share value and the reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any shareholder that would have reduced returns. Funds are not guaranteed, their values change frequently, and past performance may not be repeated.

Performance numbers that are "from inception" are from the date on which the current portfolio manager assumed responsibility for the fund in August 1999

In the sector allocation and top ten holding information shown above, only long positions are disclosed. These positions may change due to ongoing portfolio transactions in the Fund. A quarterly update, setting out both long and short positions, is available on our website at www.frontstreetcapital.com

The Morningstar Style Box™ reveals a fund's investment strategy. For equity funds the vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, blend, or growth). For fixed-income funds the vertical axis shows the average credit quality of the bonds owned, and the horizontal axis displays interest rate sensitivity (high, medium, and long).