



Co-portfolio Managers
ERIC DZUBA AND PRAKASH HARIHARAN

IN TIMES OF CHANGE

EXPERIENCE COUNTS

Fund management services are about one thing – fund managers.

Front Street Diversified Income Fund is the modern incarnation of a balanced fund, invested mainly in a mix of dividend-paying equities, corporate bonds, and convertible debentures. The result is very strong performance-in terms of income generation and capital preservation, even during the market volatility of the last two years.

Eric’s management style is described as growth at a reasonable price. First and foremost, he seeks companies that can generate considerable free cash flow. Secondly, investments are made in situations where a catalyst exists to unlock value. And finally, opportunities where the market has overlooked the inherent income generation potential of a company.

“My goal is to provide high single digit returns with very low volatility. I use trading strategies that are not generally employed by most balanced funds to conservatively grow capital, while generating a steady stream of income for investors, regardless of the market environment.”

Prakash Hariharan is co-lead portfolio manager. Prakash has earned a reputation as a credit markets specialist, frequently commenting on investment trends and themes in Canada’s major newspapers and media outlets.

With a focus on lower-risk income-generating strategies, Front Street Diversified Income Fund is an unconventional balanced fund that is truly right for the times.

FRONT STREET MUTUAL FUNDS LTD.

With approximately U.S. \$3 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 utilizing 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 Global Opportunities Fund
- Front Street Value Fund

How Is This Fund Different? Three Factors:

- 1. Philosophy:** Managing risk first - understanding the impact of micro and macro events on a portfolio.
- 2. Credit Analysis:** Enables the managers to look at the capital structure of a business and determine if the bonds or equity offer better value.
- 3. Tools:** Capability to Short up to 20%, option-writing strategies are also employed.

Yield: 6% based on NAV . \$55 annually, paid quarterly

** 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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FRONT STREET CAPITAL
33 Yonge Street, Suite 600
Toronto, Ontario M5E 1G4
Toll free: 1 800 513 2832