



FUND MANAGER
Frank Mersch

Front Street Canadian Opportunities Fund

The Fund ("COF," formerly First Wave Inc.) seeks to generate long-term capital appreciation by investing in the securities of Canadian companies in a diversified portfolio. The long-biased COF portfolio generally holds positions in some 80 to 100 securities, with long positions, concentrated in the small- and medium-cap companies and short positions in the securities of the larger-cap companies. COF positions in large-cap Canadian equities are more actively traded, while positions in liquidity-constrained small and mid-cap companies tend to be less actively traded. The diversified COF portfolio tends to have a heavy global exposure by investing in Canadian companies involved in activities outside Canada. Returns are generated through a combination of successful sector rotation and the identification of small-cap companies that have exposure to long-run secular growth opportunities.

MONTHLY PERFORMANCE (%) NET OF FEES

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	-2.0	3.1	4.0										5.1
2009	-1.5	1.7	4.9	3.9	8.7	-0.6	2.7	2.2	11.5	-2.0	3.1	6.5	48.7
2008	-8.4	4.9	-8.7	5.0	6.4	6.9	-10.8	-2.8	-17.4	-14.7	-5.9	-3.8	-42.1
2007	0.4	4.8	1.3	4.2	1.7	0.2	1.5	-6.1	4.3	6.6	-8.8	2.0	11.6
2006	9.9	-0.8	4.3	4.5	-3.6	-6.1	2.5	2.5	-5.3	2.8	4.3	3.4	18.5
2005	0.9	12.2	-3.0	-7.7	-1.9	5.2	6.9	-2.5	6.2	-4.1	1.6	9.0	23.1
2004	5.8	4.1	0.6	-4.8	2.6	1.0	-2.2	-1.3	4.1	-0.7	7.2	5.3	22.9
2003	6.2	1.6	-0.9	3.7	7.3	5.4	4.7	10.4	1.1	11.0	2.7	12.4	87.8
2002	0.3	3.1	-0.1	-1.1	0.1	-4.3	-12.3	-1.4	-2.0	10.3	12.1	0.3	2.9
2001	5.2	-6.8	-1.9	4.5	2.1	-1.6	-3.2	-6.3	-6.0	-1.0	8.6	2.1	-5.4
2000			15.9	0.9	0.5	4.9	3.0	5.2	0.2	0.4	-10.0	2.2	23.5

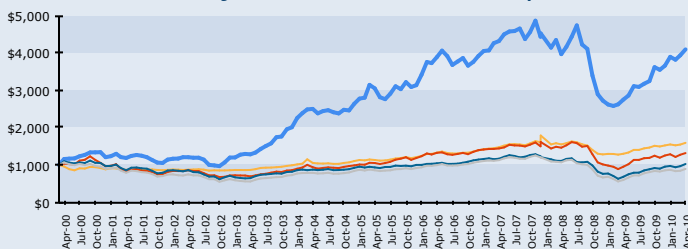
FUND STATISTICS

Benchmark(s): Credit Suisse/Tremont Hedge Fund Index Long/Short Equity, MSCI EAFE Index (C\$), S&P 500 Index Total Return (C\$), S&P/TSX Composite Index

	Fund	CST HFI L/S Eq	S&P/TSX Comp.	S&P 500	MSCI EAFE
Inception Return	15.0 %	4.7 %	2.8 %	0.3 %	-1.1 %
1 Month Return	4.0 %	3.0 %	3.5 %	6.0 %	5.9 %
3 Month Return	5.1 %	2.8 %	2.5 %	5.4 %	2.7 %
6 Month Return	13.1 %	5.2 %	5.6 %	11.8 %	6.5 %
1 Year Return	48.8 %	22.4 %	38.0 %	49.8 %	49.1 %
2 Year Return	1.6 %	1.4 %	-5.0 %	-3.8 %	-8.6 %
3 Year Return	-1.8 %	2.6 %	-2.9 %	-4.2 %	-7.5 %
5 Year Return	6.1 %	7.0 %	4.6 %	1.9 %	0.8 %
10 Year Return	13.4 %	5.2 %	2.4 %	-0.7 %	-1.8 %
Beta *	2.1	1.0	1.0	1.0	1.0
Sharpe *	0.0	--	--	--	--
Correlation *	0.89	--	--	--	--
R ² *	0.72	--	--	--	--
Largest Monthly Gain	15.9 %	13.0 %	14.3 %	13.5 %	14.3 %
Largest Monthly Loss	-17.4 %	-11.4 %	-22.6 %	-21.5 %	-19.0 %
Maximum Drawdown	46.9 %	22.0 %	45.1 %	51.0 %	55.4 %

* based on past 36 months

Value Added Monthly Index (VAMI) Since Inception



- Front Street Canadian Opportunities Fund
- Credit Suisse/Tremont Hedge Fund Index Long/Short Equity
- S&P 500 Index Total Return (C\$)
- S&P/TSX Composite Index
- MSCI EAFE Index (C\$)

PORTFOLIO & HOLDINGS ANALYSIS

PORTFOLIO COMPOSITION

(as at December 31, 2009)

TOP TEN HOLDINGS

(in alphabetical order)

- BANKERS PETROLEUM
- BORALEX INC
- CDN NATURAL RES
- COOLBRANDS INTL
- DESCARTES SYSTEMS
- DRAGONWAVE INC
- JAMBA INC.
- LUNDIN MINING CORP
- PACIFIC RUBIALES ENE
- SUNCOR ENERGY INC

PORTFOLIO WEIGHTING

(as at December 31, 2009)

Long: 87% Short: 1% Cash: 14%

SECTOR ALLOCATION

of long holdings (as at December 31, 2009)



ENERGY	33.0
MATERIAL	24.2
INFORMATION TECHNOLOGY	12.5
AGRICULTURE	10.1
INDUSTRIALS	5.9
OTHER	4.7
CONSUMER STAPLES	4.0
TELECOMMUNICATIONS SERVICES	3.1
UTILITIES	2.6

PORTFOLIO FACTS

Lead Portfolio Manager(s)
Fund AUM
Performance Fee
Management Fee

Fund Type

Frank Mersch
\$38.05 million
20% of net profits if annual ROR is 6% +
2% per annum, charged monthly based on average
weekly NAV
O.M., Accredited Investor

GENERAL INFORMATION

Front Street Canadian Opportunities Fund is formerly known as First Wave Inc., and is offered by Offering Memorandum, only to investors who meet certain eligibility or minimum purchase requirements in jurisdictions outside of Canada. The Offering Memorandum contains important information about Front Street Canadian Opportunities Fund, including management fees, other charges and expenses and should be read carefully before investing. Performance data represents past performance and is not indicative of future performance. Data based on history of less than five years may not give investors enough information to base investment decisions on. Refer to the Benchmark Disclaimer on the following pages for important information that must be considered in interpreting this data. See the following page for a description of the indices. This document should not be considered as a solicitation.



Front Street Canadian Opportunities Fund

FRONT STREET HEDGE FUND STRATEGIES

Front Street manages four distinct Canadian long/short equity hedge fund portfolio strategies:

- Diversified and Opportunistic
- Sector-Specific Energy
- Sector-Specific Resources
- Agriculture

Front Street is an established leader in the Canadian hedge fund industry, and is one of the most successful and experienced investment groups in Canada. The Firm invests only in Canadian equities, which tend to be heavily weighted towards energy and resources. Front Street's portfolio managers have demonstrated longterm success in assessing global macroeconomic and structural forces driving energy and resource markets. Front Street combines a sophisticated global macroeconomic viewpoint and comprehensive knowledge of the Canadian corporate landscape with sound fundamental and technical analysis of Canadian equities.

HEDGE STRATEGY ASSETS BREAKDOWN

Diversified and Opportunistic Long-Short Canadian Equity

	Suitability	Start	AUM ¹	Return ²	YTD
FS Canadian Hedge Fund B	CDN	Aug-99	\$148.4	14.9%	5.4%
FS Canadian Opportunities Fund	Non-CDN	Mar-00	\$38.1	15.0%	5.1%
Total Diversified Strategy AUM			\$186.4		

Energy Long-Short Canadian Equity

	Suitability	Start	AUM ¹	Return ²	YTD
FS Energy Growth Fund	CDN	Mar-02	\$44.8	7.1%	19.6%
Total Energy Strategy AUM			\$44.8		

Resource Long-Short Canadian Equity

	Suitability	Start	AUM ¹	Return ²	YTD
Chelston Park Energy Resource Fund	Non-CDN	May-09	\$12.9	65.0%	8.0%
FS Canadian Energy Resource Fund	CDN	Jan-05	\$36.8	16.8%	-0.8%
FS Resource Hedge (sub-acct)	n/a	Jun-05	\$39.4	26.0%	12.5%
FS Resource Performance Fund	CDN	Jun-07	\$68.2	1.1%	13.6%
FS Shari'a Resource Fund Ltd.	Non-CDN	Jul-08	\$1.0	47.7%	-6.4%
Total Resource Strategy AUM			\$158.4		

Agriculture Sector

	Suitability	Start	AUM ¹	Return ²	YTD
Ceres Global Ag Corp. ³	CDN	Dec-07	\$121.0	-4.6%	4.7%
Total Agriculture Strategy AUM			\$121.0		

Hedge Strategy Asset Breakdown Totals

Total Diversified Strategy AUM	\$186.4
Total Energy Strategy AUM	\$44.8
Total Resource Strategy AUM	\$158.4
Total Agriculture Strategy AUM	\$121.0
Total Hedge Strategy AUM	\$510.6

¹ All AUM figures shown in US\$ (millions) using the C\$/US\$ exchange rate of 0.9849 as at March 31, 2010, except for Ceres Global Ag Corp, which uses the exchange rate of 0.9763 as at March 12, 2010.

² Average annualized compound return since fund inception (or simple return for funds with less than one year of history).

³ Ceres Global Ag Corp represents an opportunity to invest in Global Public and non-public agricultural related equities, farmland, biofuels, carbon emission credits, agriculture commodities and other agriculture investments through a publicly listed corporation on the TSX (CRP).

STRATEGY COMMENTARY



Frank Mersch

(as at March 31, 2010)

A satisfactory quarter for the markets and the economy, despite all the doomsayers.

In fact, economic activity is picking up, particularly in North America, with the continued stabilization of the housing market, an improving stock market, and rising consumer confidence. Looking at the components of the Purchasing Managers Index (PMI), which represents a close snapshot of intentions and activity in the industrial sectors, we see good visibility ahead, and that momentum is clearly on the upswing, a positive contributor to the recovery.

While governments ballooned their balance sheets, corporate America continued to strengthen theirs. Cash as a percentage of assets is currently 12.8%, which is way above historical norms. This should lead to dividend increases, buybacks and height-ened merger and acquisition activity.

With China and overseas activity, with the exception of the PIGS (Portugal, Italy, Greece & Spain), on the rise, and a weak U.S. dollar, we expect manufacturing to continue to perform nicely. China's recent trade deficit is pointing toward great domestic consumption. Although this may be a short-term anomaly, it is further proof that the country is experiencing consumerism like never before. Just as the auto industry post the Second World War exploded in the U.S., so too it appears that demand is insatiable in China. GM, that dog of the recession, is expected to sell two million units in the coming year, and expects to be quite profitable.

Back in the U.S., health care reform and Obama's landmark bill passed the legislature and is now law. Although the bill will bring tax increases for individuals and corporations, it clearly allows America to get back to creating the eight million jobs that were lost. The inaccessibility of affordable coverage stood in the way of small business and their formation. It is small business that has and will create jobs. Over the last three economic recoveries, companies comprised of 20 or fewer employees created 3.6 million new jobs, while big companies eliminated over a half million jobs.

Having spent the better part of a year and a half dealing with the negatives, the market has weathered the storm. Like any storm, there is lingering inclement weather. Europe and its PIGS (Portugal, Italy, Greece & Spain) are still issues that cause indigestion. We do believe that it will be resolved, but these countries will continue to cause volatility. It is good that we still can worry about these things, as well as U.S. treasuries -- the doomsayers do need to be preoccupied while the rest of us get on with our lives.

Equity Markets? Although January was bad, markets rose steadily past the first week of February and ended the quarter comfortably in the black. The S&P/TSX was up 2.48%, the Dow, up 4.11%, and the S&P, up 4.87% - all posting positive returns. European markets trailed North American counterparts due to the troubles in the Eurozone. Greece's issues also allowed the U.S. dollar to appreciate 4% for the quarter. In fact, since its November low, the U.S. dollar has appreciated 9% against a trade-weighted basket of currencies. Back home, the Canadian dollar has marched to parity.

The market strength continues to be in financials, metals, and a rebound in intermediate goods. Energy has been a laggard, but recently led all groups, as oil moved through \$85.00 a barrel. In the U.S., technology continues to be the bell weather to recovery.

As we enter the second quarter, the markets have started to drift sideways. Though interest rates are likely to rise and provide some headwinds, earnings are expected to sustain this bull market. Remember, corporate cash is at very high levels.

Frank Mersch
Portfolio Manager