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Allow us to start our regular communication by sincerely thanking all clients who have registered for automatic quarterly e-statement delivery. This service not only gives you online access, but stores information for up to seven years.

For those of you who have not signed up for e-statement delivery, ***could we ask that you sign and complete the consent form*** that was included with your most recent mailed statement, and we will do this for you. You can fax or scan and email back to us.

We thank you in advance for your assistance.

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In our last newsletter we suggested that corporate bonds are a fixed income opportunity that is screaming at us...*we still believe this to be true.* Briefly, corporate bonds are an underutilized asset class that historically has provided equity like returns, but with only about half the volatility.

Investment grade corporate's and High Yield (less than investment grade) bonds are also far less sensitive to interest rate movements compared to government bonds. Year to date performance of our recommended corporate bond portfolio is 4% (as of Feb 29th/12). The current yield is 6.6%.

During a recent conference call presentation with Putnam Investments, lead manager Paul Scanlon believes a 9-13% return is reasonable for this year. Looking out over the next three years, high single digits returns are a reasonable expectation.

Obviously these are not guarantees, but are based on direct money manager commentary.

US Energy Independence: The Mother of All Themes

We offer commentary from a recent meeting with Norm Lamarche. Lamarche is a principal and portfolio manager of Front Street Capital with a stellar, albeit aggressive performance history.

“The shale energy assets in the US represent a once in a lifetime opportunity similar to the profound impact the internet had on the world.”

“This is the mother of all themes that is going to reshape America”

Norm Lamarche, April 10th/12

Front Street Capital are thematic money managers who try to identify themes that drive economic activity. Although Front Street has been investing in this theme for several years, we are just now starting to see this in the press every day.

Economic activity as a result of *cheap* natural gas, is happening on its own and is not being driven by government handouts or a reliance on China or Europe. This activity is taking place because it makes good economic sense (fracturing is a reasonably new process for extracting untapped Natural Gas).

US Steel has a very energy intensive manufacturing process and burn coal, but they are switching to Nat Gas. Why? Because it is \$2 in America vs. \$15 overseas.

Methanex is shutting down a methanol plant in Chile and moving it to Louisiana. Why? \$2 Nat Gas.

Santana Textiles, a large denim manufacturer is opening up a \$180 million plant in Texas.

Nova Chemicals has never been more profitable because they are paying \$2 for gas in Pennsylvania and \$1.70 for their plant in Alberta. Competitors in Japan, Europe, and Asia are paying \$12-\$16/mcf.

Front Street Capital believes economists are only focusing on the negatives that exist, and are missing this theme that is currently reshaping America. Historically, ‘*service jobs*’ have been flipping burgers. The service jobs being created by America today are in trucking, equipment, infrastructure...all required to drill up the shale deposits.

Front Street believes low natural gas prices are not permanent, but based on the futures curve of the NYMEX over the next 20 years, a \$4-\$6 range is a good indication.

**Front Street is extremely bullish on America.
How does an investor participate in this opportunity?**

Front Street owns the fracturing companies, companies who use Natural Gas (Dow Chemical, US Steel, etc.), energy service companies, pipelines, storage facilities, and manufacturing companies. Front Street also believes this is not a typical energy theme and is driving growth in many other broad based industries from banking to housing.

The longer term performance numbers of Front Street Growth suggest this could be an excellent entry point for this aggressive growth strategy. Specifically, high octane managers are typically early in identifying themes, but when they are discovered by the masses, performance can be incredibly strong. This is indicated by performance after negative years.

%	CAGR*	YTD	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Front Street Growth Fund	17.05	-2.75	-21.33	44.7	129.9	-53.5	-1.3	20.7	47.3	24.3	62.5	24.2	9.5	35.0	-5.6
Front Street Special Opportunities Canadian Fund	21.89	-4.18	-26.10	43.6	131.4	-46.3	8.0	22.5	46.9	19.3	121.2	14.5	3.4	17.0	34.8
S&P/TSX Composite Index	4.68	3.66	-11.07	14.5	30.7	-35.0	7.2	14.5	21.9	12.5	24.3	-14.0	-13.9	6.2	20.7

Norm was previously a portfolio manager with Altamira Management Ltd., where he managed a number of funds including the Altamira Resource Fund, with a mandate similar to the Front Street Special Opportunities Canadian Fund. The performance of the Altamira Resource Fund is listed below.

%	CAGR	1994	1993	1992	1991
Altamira Resource Fund	31.0	-21.6	58.1	58.6	50.0
S&P/TSX Composite Index	5.3	-2.5	29.0	-4.6	7.8

* Compound annual growth rate since manager inception (as at March 31, 2012). + (Source: Globefund.com - 10-year average compound return as at March 30, 2012). ** 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.

Please call or email our office (1-855-494-1099 or jsaad@banwellfinancial.com) to receive information on Front Street Capital, Front Street Growth, and third party articles supporting ‘*the cheap energy theme*’ (and the specific company examples).

We believe another excellent method of participating in US growth is the Universal American Growth Fund. Universal is a more conservative and very different approach and does not focus on *the cheap energy theme*.

As always we welcome your questions, comments and/or feedback and would be pleased to discuss your existing portfolio with you.

All the best for a fruitful spring season!