

September Client Communication

For your consideration...

On September 18th at 10:00am we are planning an internal meeting for BFI staff and advisors. For the first 45 minutes of the meeting our guest speaker will be Norm Lamarche of Front Street Capital.

As we believe Norm and his views and opinions are very timely and important to our investors, we are pleased to extend an invitation to you for this special presentation.

Norm is a partner, CFO and Senior Portfolio Manager of Front Street and is the lead manager behind the Front Street Growth Fund. Front Street money managers are the largest investors in the funds they manage with over \$150 million of partner money invested.

For an aggressive component of your portfolio we believe the Front Street Growth Fund has massive upside potential and the timing right now is excellent!!

Front Street Accolades Include:

Fund manager of the Year (Investment Executive, 2009)
Best Fund Manager you've never heard of (Globe and Mail, Dec. 09)
Top Precious Metals Equity Manager (Canadian Investment Awards, 2005)
Globefund 2011 #1 Fund In Canada Over 15 Years
2011 Lipper Awards

Numerous examples exist that we have commented on in previous newsletters. Companies such as General Electric, Dow Chemical, Methanex are moving operations back to the U.S. to take advantage of inexpensive energy and are huge benefactors of this theme.

IN THE National Post (12/04/13) Lamarche commented “the president of U.S. Steel thinks this is the best thing that’s ever happened to America.”

Front Street Growth is a thematically-driven portfolio looking to identify economic forces and sectors that may be driven by factors such as global economic activity, geopolitical or technology themes. Front Street is highly focused on the North American Energy theme believing this is reshaping North America, and driving its reindustrialization and growth.

“Game-changing technology will make North America self-sufficient in energy and is responsible for driving U.S. oil production up to eight-year highs and pushing the price of natural gas down so much that it has created a competitive advantage for North America’s industrial base for decades to come.”

Norm Lamarche, 12/04/13

Front Street targets companies/sectors benefiting from cheap energy and global economic activity. It is interesting to note that the portfolio has been **short natural gas stocks** for a number of years because of the bearish view on the commodity.

The well-respected author, Harvard professor, Niall Ferguson in summarizing the U.S. energy and manufacturing renaissance as:

America Get’s Lucky Again

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Why Front Street Growth Now?

It is not uncommon for thematic money managers to be *well ahead of the street* in identifying opportunistic themes. *Smart money* tends to enter well before opportunities are commonly recognized and also tends to leave early!

Over the past several years post 2008 money flows have been directed to anything with yield attached. Growth themes such as Front Street have been totally out of favour and oversold.

This is partially why the timing right now is so opportunistic...

As a testament to the financial strength/profitability of the underlying Front Street portfolio approximately 60% of the holdings have a dividend yield of 2.5% to 7%. For a growth portfolio this is unheard of!!

We believe we are presently in a trough for this theme as the last two calendar years have been negative. After a similar negative period in 2008 Front Street Growth produced a 129% positive return in 2009 and a 44% return in 2010.

As investment advisors we believe a common weakness of investor behavior is the timing of an investment. We believe not only is the timing opportunistic but we are invested side by side with the principals of Front Street.

Please RSVP to Jessica at jasad@banwellfinancial.com or 416-494-1099 if you plan on attending or please call our office if you care to discuss or receive additional information.

September 18th, 10:00am
2550 Victoria Park Ave. Main floor/Regency Room
This building is part of the Lansing Square complex/parking validated
Lamarche presentation including Q&A 45-60 minutes

A more general client communication will follow in October...

ALL THE BEST FOR A LOVELY AUTUMN SEASON