

frontierAlt Resource Capital Class Fund



FRONTIERALT FUNDS

frontierAlt funds were created for investors that are looking for investment solutions with emphasis on **risk management** and **absolute returns**. The frontierAlt Resource Capital Class Fund's investment strategy provides a greater degree of flexibility to achieve higher returns by investing in Canada's resource sector.

FUND DESCRIPTION

The Fund aims to achieve long-term capital appreciation by investing primarily in the equity securities of Canadian resource issuers.

PORTFOLIO MANAGERS

Caldwell Investment Management

Robert Callander, CFA, MBA

Robert Callander's career in the investment industry commenced in 1972 as a mining analyst. His focus was the evaluation of junior mining issuers. In 1979, he joined a predecessor firm to BMO Nesbitt Burns Inc. where he held the position of senior institutional and retail mining analyst. He was involved in a number of large mergers in the mining industry including the merger of the Saskatchewan Mining and Development Corporation with Eldorado Nuclear Limited to create Cameco Corporation, the world's largest low cost uranium producer.

John Kinsey

Prior to joining Caldwell Securities Ltd. In 1982, John was manager of the investment management department at the Bank of Nova Scotia. He later established and became president of the bank's investment management subsidiary, where he had discretionary responsibility for over \$500 million in client funds.

WHY THE FRONTIERALT RESOURCE CAPITAL CLASS FUND?

- opportunity to invest in the energy and mining sectors of the Canadian economy
- strong, long-term fundamentals for energy and mining sectors
- portfolio manager has a track record for creating significant value for investors

PERFORMANCE

	3M	6M	YTD	1 YR	2 YR	PSD	2008	2009
frontierAlt Resource Capital Class Fund	-10.4	1.2	-10.4	30.4	-34.8	-27.0	-72.3	74.8
Globe Natural Resources Peer Index	4.0	14.1	4.0	57.5	-5.3	-	-44.7	58.4

PSD: July 9, 2007

Performance start July 2007

COUNTRY ALLOCATION

	Portfolio (%)		Portfolio (%)
Canada	100.0%	Materials	82.5%
		Energy	19.3%
		Cash & Equivalents	-1.8%

SECTOR ALLOCATION

TOP TEN HOLDINGS

Tamerlane Ventures Inc.	Everton Resources Inc.
Rx Exploration Inc.	Great Pacific International Inc.
Centruy Mining Corporation	Houston Lake Mining Inc.
Module Resources Incorporated	Shoal Point Energy Ltd.
Cadillac Ventures Inc.	Donner Metals Ltd.

As at March 31, 2010

Source: KeiData, Globe HySales

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OUTLOOK

The Venture Exchange Index, consisting of about 60% junior mining and oil and gas equities with a heavy emphasis in junior gold companies, experienced steady recovery during 2009 rising over 100% from its lowest level in 2008. In the first quarter of 2010 the rate of recovery for the Venture Exchange index and junior resource equities slowed significantly with the Index rising only 3.7%. Surprisingly, gold and energy S&P TSX Indices actually declined modestly in the quarter while the Diversified Mining Index increased modestly. In other words, the junior equities actually out performed the senior resource Index. Since the end of the quarter gold, junior intermediate and senior equities, were relatively strong performers while base metals and energy equities have experienced weakness.

The Portfolio Manager believes that the decline in equity prices for mineral exploration companies provides an excellent opportunity for investors to purchase mineral exploration companies at more realistic share prices than the extreme valuations experienced a few years ago. Canada is home to over 50% of all publicly listed mineral exploration companies and the correction in share prices have dramatically improved the opportunity to invest in shares of mineral exploration companies at very attractive prices.

The Portfolio Manager's general strategy has been to hold positions in the fund with the expectation that share prices may recover from depressed levels. While there has been significant recovery in senior metal producers, many junior explorers have lagged the over all market and are still in the early stages of share price recovery. There are encouraging signs for the recovery of gold exploration equities, particularly those companies that are considered advanced stage or near term producers as opposed to grass roots explorers. As a result, the Portfolio manager has concentrated holdings that focus on gold.

FEATURED HOLDINGS

Donner Metals Ltd.

- near term producer with Matagami zinc project
- joint venture with Xstrata
- existing infrastructure reduces capital costs and development timing
- experienced management team and strong partner in Xstrata

Carpathian Gold

- near term gold producer with two active projects
- existing infrastructure - roads, power, water
- low cash and capital costs to re-activate mine
- strong management and board of directors

Fund Facts

AUM:	C\$6.6 Million
NAV	\$4.54
Minimum Purchase	\$500
Currency:	Canadian
Distribution Policy:	Annual
Inception Date:	July 2006

Series

A

Fund Code

FIM 174

Mgmt Fee

2.00%

Distribution :
Income
Capital Gains

frontierAlt Funds Management

frontierAlt Funds Management is a wholly owned subsidiary of frontierAlt Capital Corporation. Based in Toronto, frontierAlt specializes in the manufacture and distribution of structured products, flow-through limited partnerships and mutual funds.

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