

NORTHWATER

Northwater Market-Neutral Trust Summary of Investment Portfolio as at March 31, 2007 (Unaudited) (in CDN\$)

Financial Highlights	
Net asset value	\$68,510,090
Number of units outstanding	4,771,815
Net asset value per unit	\$14.36

Summary of Investment Portfolio ⁽¹⁾

Strategy	Asset allocation by hedge fund strategy			Largest individual hedge fund holding as a percentage of Net Assets of the Trust
	No. of Hedge Funds	Fair Value	%	
Activist	1	\$2,644,729	3%	3.86%
Asset-backed securities arbitrage	4	9,772,885	12%	5.13%
Capital structure arbitrage	1	194,125	0%	0.28%
Distressed securities	6	14,268,172	18%	6.24%
Fixed-income arbitrage	3	3,879,931	5%	2.06%
Merger arbitrage	1	1,296,849	2%	1.89%
Mortgage-backed security arbitrage	4	10,664,871	13%	5.63%
Multi-strategy	6	13,885,762	17%	4.81%
Re-insurance	2	5,662,880	7%	6.35%
Statistical arbitrage	4	6,230,440	8%	3.11%
Structured finance	8	12,677,107	15%	5.23%
	40	\$81,177,751	100%	

The following table lists the largest 25 hedge funds by fair value held by the Trust as at March 31, 2007. The Trust will disclose the names of those hedge funds which it holds that represent more than 5% of the net assets of the Trust at the end of the period. For hedge funds that represent less than 5% of the Trust's net assets, the Trust has adopted unique fund numbers as identifiers. These numbers are used consistently in reporting by the Trust.

Top 25 Investments	Type of Investment	Cost	Fair Value	Percentage of Net Assets of the Trust
Palmetto Fund Ltd.*	Participating shares	\$4,343,170	\$4,350,054	6.35%
Cerberus International, Ltd.*	Participating shares	1,627,922	4,274,205	6.24%
New Ellington Overseas, Limited*	Participating shares	3,365,499	3,854,821	5.63%
D. B. Zwirn Special Opportunities Fund, Ltd.*	Participating shares	3,236,940	3,585,621	5.23%
CRC Global Structured Credit Fund, Ltd. *	Participating shares	2,911,187	3,513,395	5.13%
Fund 183*	Participating shares	2,732,020	3,293,898	4.81%
Fund 121*	Participating shares	2,693,322	3,159,363	4.61%
Fund 200*	Participating shares	2,205,603	2,965,368	4.33%
Fund 146*	Participating shares	2,482,873	2,686,363	3.92%
Fund 209*	Participating shares	1,975,060	2,644,729	3.86%
Fund 189*	Participating shares	2,094,240	2,597,891	3.79%
Fund 214*	Participating shares	2,070,160	2,505,018	3.66%
Fund 101*	Participating shares	1,741,339	2,323,327	3.39%
Fund 208*	Participating shares	2,013,840	2,271,413	3.32%
Fund 115*	Participating shares	812,462	2,151,290	3.14%
Fund 190*	Participating shares	1,855,000	2,129,349	3.11%
Fund 213*	Participating shares	1,685,040	2,129,279	3.11%
Fund 160*	Participating shares	1,536,826	2,082,811	3.04%
Fund 196*	Participating shares	1,832,000	2,036,102	2.97%
Fund 187*	Participating shares	1,687,130	1,883,801	2.75%
Fund 171*	Participating shares	1,428,604	1,719,565	2.51%
Fund 217*	Participating shares	1,390,680	1,704,902	2.49%
Fund 104*	Participating shares	1,574,900	1,651,652	2.41%
Fund 116*	Participating shares	1,483,184	1,600,553	2.34%
Fund 129*	Participating shares	1,263,200	1,574,557	2.30%

* held by other investment funds managed or advised by Northwater Fund Management Inc.

⁽¹⁾ The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Trust. There are no non-arm's length relationships between the Trust or Northwater Fund Management Inc. and any of the hedge funds held by the Trust. On a quarterly basis, an updated listing of holdings will be available.