

**Northwater Market-Neutral Trust  
Summary of Investment Portfolio as at September 30, 2007  
(Unaudited) (In CDN\$)**

<b>Financial Highlights</b>	
Net asset value	\$63,730,863
Number of units outstanding	4,676,415
Net asset value per unit	\$13.63

**Summary of Investment Portfolio <sup>(1) (2)</sup>**

<b>Strategy</b>	<b>Asset allocation by hedge fund strategy</b>			<b>Largest individual hedge fund holding as a percentage of Net Assets of the Trust</b>
	<b>No. of Hedge Funds</b>	<b>Fair Value</b>		
Activist	1	\$ 2,319,225	3%	3.64%
Asset-backed securities arbitrage	4	8,385,333	12%	5.05%
Distressed securities	6	12,206,404	17%	6.54%
Fixed-income arbitrage	3	4,482,656	6%	3.39%
Merger arbitrage	1	923,537	1%	1.45%
Mortgage-backed security arbitrage	4	8,730,413	12%	5.04%
Multi-strategy	6	12,661,515	18%	4.27%
Re-insurance	2	5,033,535	7%	5.98%
Statistical arbitrage	5	7,272,130	10%	3.28%
Structured finance	6	9,200,410	14%	5.05%
	38	\$ 71,215,158	100%	

The following table lists the largest 25 hedge funds by fair value held by the Trust as at September 30, 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.

<b>Top 25 Investments</b>	<b>Type of Investment</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Percentage of Net Assets of the Trust</b>
Cerberus International, Ltd.*	Participating shares	\$1,627,922	\$4,165,857	6.54%
Palmetto Catastrophe Fund Ltd.*	Participating shares	4,343,170	3,811,236	5.98%
New Ellington Overseas, Limited*	Participating shares	3,236,940	3,219,800	5.05%
D. B. Zwirn Special Opportunities Fund, Ltd.*	Participating shares	2,205,603	3,219,132	5.05%
Mariner Tricadia Credit Strategies Fund Ltd*	Participating shares	3,365,499	3,210,622	5.04%
CRC Global Structured Credit Fund, Ltd. *	Participating shares	2,911,187	3,192,811	5.01%
Fund 121*	Participating shares	2,693,322	2,722,187	4.27%
Fund 189*	Participating shares	2,094,240	2,458,590	3.86%
Fund 146*	Participating shares	2,482,873	2,358,482	3.70%
Fund 183*	Participating shares	2,184,209	2,325,005	3.65%
Fund 209*	Participating shares	1,975,060	2,319,225	3.64%
Fund 214*	Participating shares	2,070,160	2,204,631	3.46%
Fund 222*	Participating shares	2,506,020	2,159,984	3.39%
Fund 101*	Participating shares	1,741,339	2,091,057	3.28%
Fund 213*	Participating shares	2,905,050	2,087,190	3.28%
Fund 208*	Participating shares	2,013,840	2,010,949	3.16%
Fund 115*	Participating shares	812,462	1,949,011	3.06%
Fund 130*	Participating shares	1,912,500	1,864,101	2.92%
Fund 190*	Participating shares	1,855,000	1,844,124	2.89%
Fund 104*	Participating shares	2,106,150	1,839,160	2.89%
Fund 196*	Participating shares	1,832,000	1,788,146	2.81%
Fund 187*	Participating shares	1,687,130	1,720,639	2.70%
Fund 116*	Participating shares	1,483,184	1,442,728	2.26%
Fund 216*	Participating shares	1,692,900	1,424,054	2.23%
Fund 171*	Participating shares	1,428,604	1,267,228	1.99%

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

<sup>(1)</sup> 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.

<sup>(2)</sup> At September 30, 2007, the Trust held cash and short-term investments of \$5,017,513.