

**Northwater Market-Neutral Trust  
Summary of Investment Portfolio as at March 31, 2008  
(Unaudited) (In CDN\$)**

<b>Financial Highlights</b>	
Net asset value	\$ 49,881,289
Number of units outstanding	4,481,515
Net asset value per unit	\$ 11.13

**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 Investments	1	\$ 1,769,340	3%	3.55%
Asset-backed securities arbitrage	4	7,925,796	15%	7.79%
Distressed securities	4	7,733,531	14%	5.34%
Fixed-income arbitrage	3	2,322,197	4%	2.38%
Mortgage-backed security arbitrage	4	6,109,228	12%	4.27%
Multi-strategy	6	11,678,511	21%	5.53%
Re-insurance	2	3,237,917	6%	5.31%
Statistical arbitrage	5	7,462,694	14%	4.48%
Structured finance	5	6,116,130	11%	3.77%
	<b>34</b>	<b>\$ 54,355,344</b>	<b>100%</b>	

The following table lists the largest 25 hedge funds by fair value held by the Trust as at March 31, 2008. 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>
Mariner Tricadia Credit Strategies Fund, Ltd.	Participating shares	\$ 2,205,603	\$ 3,888,169	7.79%
CRC Global Structured Credit Fund, Ltd.	Participating shares	2,451,664	2,882,202	5.78%
HBK Offshore Fund, Ltd.	Participating shares	2,693,322	2,757,747	5.53%
Cerberus Fund, Ltd.	Participating shares	1,012,154	2,663,681	5.34%
Palmetto Fund, Ltd	Participating shares	1,631,280	2,648,020	5.31%
Fund 213*	Participating shares	2,905,050	2,232,706	4.48%
Fund 189*	Participating shares	1,706,074	2,131,856	4.27%
Fund 208*	Participating shares	2,013,840	2,049,390	4.11%
Fund 146*	Participating shares	1,955,073	1,937,640	3.88%
Fund 130*	Participating shares	1,912,500	1,908,227	3.83%
Fund 187*	Participating shares	1,687,130	1,882,266	3.77%
Fund 115*	Participating shares	812,462	1,832,396	3.67%
Fund 196*	Participating shares	1,832,000	1,772,367	3.55%
Fund 209*	Participating shares	1,486,652	1,769,340	3.55%
Fund 183*	Participating shares	1,642,847	1,695,717	3.40%
Fund 214*	Participating shares	1,424,258	1,635,513	3.28%
Fund 216*	Participating shares	1,692,900	1,570,713	3.15%
Fund 116*	Participating shares	1,483,184	1,546,784	3.10%
Fund 150*	Participating shares	1,617,186	1,524,252	3.06%
Fund 104*	Participating shares	2,106,150	1,466,219	2.94%
Fund 101*	Participating shares	1,317,688	1,384,947	2.78%
Fund 160*	Participating shares	1,536,826	1,294,554	2.60%
Fund 221*	Participating shares	1,255,280	1,253,329	2.51%
Fund 222*	Participating shares	1,377,349	1,186,574	2.38%
Fund 190*	Participating shares	1,166,616	1,158,567	2.32%

\* 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 March 31, 2008 the Trust held cash and short-term investments of \$5,525,691.