

# NORTHWATER

**Northwater Five-Year Market-Neutral Trust**  
**Summary of Investment Portfolio as at March 31, 2008**  
**(Unaudited)**

<b>Financial Highlights (in CDN\$)</b>	
Net asset value	\$ 50,022,395
Number of units outstanding	2,504,600
Net asset value per unit	\$ 19.97

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

The following table presents information regarding the Hedge Fund Portfolio to which the Trust has exposure through a forward purchase and sale agreement ("the Forward") as at March 31, 2008. The multi-strategy funds have not been allocated to any of the underlying hedge fund strategies set out in this table.

<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 (in USD)</b>		
Activist Investments	1	\$ 2,748,198	4%	5.64%
Asset-backed securities arbitrage	4	7,964,477	11%	7.03%
Distressed securities	4	11,044,775	15%	7.37%
Fixed-income arbitrage	3	4,373,765	6%	4.67%
Mortgage-backed security	4	9,196,559	13%	5.52%
Multi-strategy	6	16,801,901	24%	7.34%
Re-insurance	2	4,511,508	6%	7.08%
Statistical arbitrage	6	9,158,600	13%	5.85%
Structured finance	5	5,841,650	8%	3.28%
	<b>35</b>	<b>\$ 71,641,433</b>	<b>100%</b>	

The following table lists the largest 25 hedge funds by fair value to which the Trust has exposure through a forward purchase and sale agreement ("the Forward") as at March 31, 2008. The Trust will disclose the names of those hedge funds to which it has exposure that represent more than 5% of the net assets of the Trust at period-end. 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 the Trust's reporting.

<b>Top 25 Investments</b>	<b>Type of Investment</b>	<b>Cost (in USD)</b>	<b>Fair Value (in USD)</b>	<b>Percentage of Net Assets of the Trust</b>
Plainfield Special Situations Offshore Fund Ltd. *	Participating shares	\$ 3,500.00	\$ 3,593.97	7.37%
DE Shaw Composite International Fund *	Participating shares	2,170.21	3,578.90	7.34%
Citadel Kensington Global Strategies Fund Ltd *	Participating shares	2,000.00	3,526.75	7.23%
Palmetto Fund, Ltd. *	Participating shares	2,861.83	3,452.59	7.08%
HBK Offshore Fund Ltd. *	Participating shares	3,000.00	3,441.31	7.06%
CRC Global Structured Credit Fund, Ltd. *	Participating shares	2,427.55	3,425.12	7.03%
Mariner-Tricadia Credit Strategies, Ltd. *	Participating shares	1,610.06	3,314.34	6.80%
Cerberus International, Ltd. *	Participating shares	1,881.39	3,214.96	6.59%
Tykhé Portfolios Ltd. *	Participating shares	2,655.72	2,851.24	5.85%
Icahn Fund Ltd. *	Participating shares	2,000.00	2,748.19	5.64%
Sorin Offshore Fund, Ltd. *	Participating shares	1,800.00	2,692.50	5.52%
Shephard Investments International, Ltd. *	Participating shares	1,900.00	2,466.74	5.06%
Fund 222*	Participating shares	2,400.00	2,276.30	4.67%
Fund 190*	Participating shares	2,000.00	2,269.45	4.66%
Fund 214*	Participating shares	2,000.00	2,205.67	4.52%
Fund 150*	Participating shares	1,933.27	2,178.65	4.47%
Fund 146*	Participating shares	1,637.29	2,169.57	4.45%
Fund 103*	Participating shares	2,400.00	2,055.95	4.22%
Fund 101*	Participating shares	1,631.97	2,030.16	4.16%
Fund 216*	Participating shares	2,000.00	1,916.29	3.93%
Fund 211*	Participating shares	2,000.00	1,700.10	3.49%
Fund 116*	Participating shares	1,037.86	1,618.62	3.32%
Fund 108*	Participating shares	1,400.00	1,601.14	3.28%
Fund 140*	Participating shares	1,588.98	1,319.30	2.71%
Fund 196*	Participating shares	1,100.00	1,280.01	2.63%

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

The Trust also has holdings in the following common shares as at March 31, 2008. The Trust does not have economic exposure to these holdings as these common shares have been sold forward by the Trust for a price based on the return of a portfolio of hedge funds.

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<b>Share Investments</b>	<b>Type of Investment</b>	<b>Percentage of Net Assets of the Trust</b>
Research In Motion Ltd	Common shares	19.08%
Quadra Mining Ltd	Common shares	6.41%
Bombardier Inc B	Common shares	15.09%
Martinrea International Inc.	Common shares	6.41%
Galleon Energy Inc.	Common shares	5.67%
CGI Group Inc	Common shares	7.96%
Celestica Inc	Common Shares	3.90%
Major Drilling Group Intl	Common shares	7.33%
Stantec Inc	Common shares	8.87%
FNX Mining Inc.	Common shares	6.15%
RONA Inc	Common shares	4.49%
Sino-Forest Corp	Common shares	6.75%
Westjet	Common shares	7.00%
MacDonald Dettwiler & Associates	Common shares	7.51%
Gildan Activewear Inc	Common shares	8.43%
Hudbay Minerals	Common Shares	4.30%
Nortel Networks Corp	Common Shares	1.14%
Great Canadian Gaming Corp	Common Shares	5.75%

- (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 for which the Trust has exposure. On a quarterly basis, an updated listing of holdings will be available.
- (2) At March 31, 2008 the Trust held cash and short-term investments of \$1,561,390.