

NORTHWATER

Northwater Top 75 Income Trusts ^{Plus}
Summary of Investment Portfolio as at March 31, 2008
(Unaudited)

Financial Highlights (in CDN\$)	
Net asset value	\$ 15,829,958
Number of units outstanding	2,009,636
Net asset value per unit	\$ 7.88

Summary of Investment Portfolio ^{(1) (2)}

Income Trusts (in CDN\$)

The following table presents information regarding the income trust portfolio held by the Trust as at March 31, 2008.

Trust Sector	Asset allocation by trust sector			Largest individual income trust holding as a percentage of Net Assets of the Trust
	No. of Income Trusts	Fair Value		
Business trusts	30	\$ 5,823,621	37%	1.44%
Energy trusts	23	5,242,527	33%	1.53%
Power & pipeline trusts	7	1,478,732	10%	1.46%
Real estate investment trusts	15	3,194,781	20%	1.45%
	75	\$ 15,739,661	100%	

The following table lists the largest 25 income trusts by fair value held by the Trust as at March 31, 2008.

Top 25 Income Trust Investments	Type of Investment	Cost	Fair Value	Percentage of Net Assets of the Trust
Freehold Royalty Trust	Trust units	\$ 235,421	\$ 241,736	1.53%
Trilogy Energy Trust	Trust units	396,536	240,790	1.52%
Advantage Energy Income Fund	Trust units	333,420	235,800	1.49%
Precision Drilling Trust	Trust units	326,178	234,220	1.48%
Keyera Facilities Income Fund	Trust units	171,435	231,000	1.46%
Algonquin Power Income Fund	Trust units	305,754	230,652	1.46%
Baytex Energy Trust	Trust units	148,270	230,078	1.45%
InnVest Real Estate Investment Trust	Trust units	273,578	230,000	1.45%
Mullen Group Income Fund	Trust units	347,574	228,085	1.44%
Primaris Retail Real Estate Investment Trust	Trust units	190,589	227,968	1.44%
Enerplus Resources Fund	Trust units	225,630	226,688	1.43%
Westshore Terminals Income Fund	Trust units	179,489	225,720	1.43%
Artis Real Estate Investment Trust	Trust units	211,990	224,640	1.42%
Northern Property Real Estate Investment Trust	Trust units	220,033	224,532	1.42%
Pengrowth Energy Trust – Cass B Trust Unit	Trust units	353,516	223,746	1.41%
Paramount Energy Trust	Trust units	382,036	223,270	1.41%
Crescent Point Energy Trust	Trust units	155,127	223,236	1.41%
Allied Properties Real Estate Investment Trust	Trust units	237,102	221,730	1.40%
Fording Canadian Coal Trust	Trust units	137,932	220,334	1.39%
ARC Energy Trust	Trust units	158,760	218,954	1.38%
North West Company Fund	Trust units	192,129	218,556	1.38%
Cominar Real Estate Investment Trust	Trust units	198,827	218,280	1.38%
Penn West Energy Trust	Trust units	223,957	218,102	1.38%
Teranet Income Fund	Trust units	220,930	217,575	1.37%
BoardWalk Real Estate Investment Trust	Trust units	119,167	216,600	1.37%

Hedge Funds (in USD)

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.

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 (in USD)		
Activist Investments	1	\$ 824,459	5%	5.35%
Asset-backed securities arbitrage	3	2,463,206	16%	8.14%
Distressed securities	3	1,612,136	10%	3.72%
Fixed-income arbitrage	3	910,042	6%	2.45%
Mortgage-backed security arbitrage	4	2,198,308	14%	4.67%
Multi-strategy	6	3,893,982	25%	7.08%
Re-insurance	2	1,227,371	8%	5.91%
Structured finance	1	576,784	3%	3.74%
Statistical arbitrage	4	1,979,704	13%	5.64%
	27	\$ 15,685,992	100%	

The following table lists the largest 25 hedge funds by fair value to which the Trust has exposure through 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 its reporting by the Trust.

Top 25 Investments	Type of Investment	Cost (in USD)	Fair Value (in USD)	Percentage of Net Assets of the Trust
Mariner – Tricadia Credit Strategies, Ltd *	Participating shares	\$ 600,000	\$ 1,255,591	8.14%
D.E.Shaw Composite International Fund *	Participating shares	1,000,000	1,092,304	7.08%
New Ellington Overseas Ltd. *	Participating shares	782,365	910,928	5.91%
Oxam Quant Fund Limited *	Participating shares	800,000	870,351	5.64%
Icahn Fund Ltd. *	Participating shares	600,000	824,459	5.35%
CRC Global Structured Credit Fund Ltd. *	Participating shares	549,164	776,626	5.04%
Fund 189*	Participating shares	500,000	719,885	4.67%
Fund 146*	Participating shares	482,170	617,537	4.00%
Fund 121*	Participating shares	600,000	587,096	3.81%
Fund 130*	Participating shares	600,000	580,044	3.76%
Fund 196*	Participating shares	500,000	576,784	3.74%
Fund 101*	Participating shares	481,078	573,033	3.72%
Fund 190*	Participating shares	500,000	560,215	3.63%
Fund 208*	Participating shares	500,000	548,000	3.55%
Fund 150*	Participating shares	515,019	532,688	3.45%
Fund 214*	Participating shares	345,159	514,777	3.34%
Fund 116*	Participating shares	402,752	502,223	3.26%
Fund 183*	Participating shares	400,000	491,103	3.18%
Fund 214*	Participating shares	492,540	430,989	2.79%
Fund 171*	Participating shares	400,000	412,646	2.68%
Fund 216*	Participating shares	461,310	385,520	2.50%
Fund 160*	Participating shares	400,000	379,628	2.46%
Fund 213*	Participating shares	400,000	378,542	2.45%
Fund 222*	Participating shares	400,000	317,079	2.06%
Fund 104*	Participating shares	243,043	316,442	2.05%

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

Common Stock

The Trust also holds 31,298 shares in Nortel Networks Corp. and 39,195 shares in Research in Motion Ltd. as at March 31, 2008. The market values of the Nortel Networks Corp. shares and Research in Motion Ltd. shares as a percentage of the net assets of the Trust are 1.38% and 28.60% as at March 31, 2008, respectively. The Trust does not have economic exposure to these holdings in Nortel Networks Corp. and Research in Motion Ltd. as these shares have been sold forward by the Trust for a price based on the return of a portfolio of hedge funds.

- (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 of \$49,505 and an investment in 3rd party asset-backed commercial paper with a face value of \$300,000.