

# NORTHWATER

**Northwater Top 75 Income Trusts <sup>Plus</sup>**  
**Summary of Investment Portfolio as at March 31, 2009**  
**(Unaudited)**

<b>Financial Highlights (in CDN\$)</b>	
Net asset value	\$ 3,027,080
Number of units outstanding	1,569,286
Net asset value per unit	\$ 1.93

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

**Income Trusts (in CDN\$)**

The following table presents information regarding the income trust portfolio held by the Trust as at March 31, 2009.

<b>Trust Sector</b>	<b>Asset allocation by trust sector</b>			<b>Largest individual income trust holding as a percentage of Net Assets of the Trust</b>
	<b>No. of Income Trusts</b>	<b>Fair Value</b>		
Business trusts	29	\$ 1,241,832	38%	1.92%
Energy trusts	24	1,084,255	33%	2.00%
Power & pipeline trusts	7	289,988	9%	1.44%
Real estate investment trusts	15	642,373	20%	1.62%
	75	\$ 3,258,448	100%	

The following table lists the largest 25 income trusts by fair value held by the Trust as at March 31, 2009.

<b>Top 25 Income Trust Investments</b>	<b>Type of Investment</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Percentage of Net Assets of the Trust</b>
Baytex Energy Trust	Trust units	\$ 58,721	\$60,400	2.00%
AG Growth Income Fund	Trust units	83,699	58,224	1.92%
Liquor Stores Income Fund	Trust units	101,739	56,158	1.86%
Vermilion Energy Trust	Trust units	45,356	53,800	1.78%
Bird Construction Income Fund	Trust units	38,256	53,712	1.77%
Crescent Point Energy Trust	Trust units	39,776	52,720	1.74%
Freehold Royalty Trust	Trust units	101,899	51,620	1.71%
TimberWest Forest Corp.	Trust units	211,784	51,568	1.70%
Precision Drilling Trust	Trust units	248,529	51,038	1.69%
Trilogy Energy Trust	Trust units	139,279	51,000	1.68%
Canadian Oil Sands Trust	Trust units	33,540	49,713	1.64%
Yellow Pages Income Fund	Trust units	115,214	49,695	1.64%
Labrador Iron Ore Royalty Income Fund	Trust units	48,792	49,140	1.62%
Provident Energy Trust	Trust units	126,384	49,062	1.62%
Morguard Real Estate Investment Trust	Trust units	77,443	49,000	1.62%
Peyto Energy Trust	Trust units	149,993	48,298	1.60%
Rogers Sugar Income Fund	Trust units	61,277	48,032	1.59%
Bonavista Energy Trust	Trust units	95,356	47,430	1.57%
Boardwalk Real Estate Investment Trust	Trust units	37,632	46,800	1.55%
Northern Property Real Estate Investment Trust	Trust units	55,008	46,575	1.54%
InnVest Real Estate Investment Trust	Trust units	172,473	46,400	1.53%
GMP Capital Trust	Trust units	133,192	46,280	1.53%
NAL Oil & Gas Trust	Trust units	94,943	46,240	1.53%
Zargon Energy Trust	Trust units	69,362	46,052	1.52%
Enflex Systems Income Fund	Trust units	55,811	45,423	1.50%

## 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, 2009. 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)		
Asset-backed securities arbitrage	1	\$ 55,055	2%	2.29%
Distressed securities	1	79,007	3%	3.29%
Fixed-income arbitrage	3	415,895	15%	8.35%
Mortgage-backed security arbitrage	3	931,084	34%	17.95%
Multi-strategy	6	1,189,225	43%	16.20%
Re-insurance	1	69,937	2%	2.91%
Statistical arbitrage	2	17,496	1%	0.48%
	17	\$ 2,757,699	100%	

The following table lists the largest 17 hedge funds by fair value to which the Trust has exposure through the Forward as at March 31, 2009. 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 17 Investments	Type of Investment	Cost (in USD)	Fair Value (in USD)	Percentage of Net Assets of the Trust
Sorin Offshore Fund *	Participating shares	\$ 450,000	\$ 431,234	17.95%
Satellite Overseas Fund, Ltd *	Participating shares	609,983	389,075	16.20%
H/2 Credit Partners Ltd *	Participating shares	500,000	384,985	16.03%
Citadel Kensington Global Strategies Fund Ltd. *	Participating shares	600,000	310,254	12.92%
HBK Offshore Fund Ltd *	Participating shares	255,289	217,670	9.06%
Platinum Grove Contingent Capital Offshore Fund Ltd *	Participating shares	400,000	200,644	8.35%
Shephard Investments International Ltd.*	Participating shares	169,911	156,979	6.54%
Relative Value Opportunity Fund III, Ltd*	Participating shares	220,917	152,985	6.37%
Fund 103*	Participating shares	224,903	114,864	4.78%
Fund 212*	Participating shares	-	79,007	3.29%
Fund 146*	Participating shares	137,068	77,165	3.21%
Fund 195*	Participating shares	56,889	69,937	2.91%
Fund 191*	Participating shares	246,755	62,266	2.59%
Fund 171*	Participating shares	74,426	55,055	2.29%
Fund 118*	Participating shares	43,936	38,082	1.59%
Fund 104*	Participating shares	14,344	11,548	0.48%
Fund 211*	Participating shares	7,138	5,950	0.25%

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

## Common Stock

The Trust also holds 44,251 shares in Gildan Activewear Inc., 48,628 shares in Rona Inc., 62,716 shares in Viterra Inc. and 45,716 shares in Westjet Airlines Ltd. as at March 31, 2009. The market values of the Gildan Activewear Inc. shares, Rona Inc. shares, Viterra Inc. shares and Westjet Airlines Ltd. shares as a percentage of the net assets of the Trust are 15.00%, 19.07%, 18.19% and 17.79% as at March 31, 2009, respectively. The Trust does not have economic exposure to these holdings in Gildan Activewear Inc., Rona Inc., Viterra Inc. and Westjet Airlines 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, 2009, the Trust held cash and short-term investments of \$1,665,019. As at March 31, 2009, the Trust held MAVII bond positions as a result of the restructuring of the investment in third party asset-backed commercial paper with an aggregate face value of \$298,732.