

NORTHWATER

Northwater Top 75 Income Trusts ^{Plus}
Summary of Investment Portfolio as at September 30, 2009
(Unaudited)

Financial Highlights (in CDN\$)	
Net asset value	\$ 3,407,422
Number of units outstanding	1,268,833
Net asset value per unit	\$ 2.69

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 September 30, 2009.

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	\$ 1,283,573	39%	1.74%
Energy trusts	21	923,996	28%	1.71%
Power & pipeline trusts	8	335,736	10%	1.44%
Real estate investment trusts	16	740,156	23%	1.67%
	75	\$ 3,283,461	100%	

The following table lists the largest 25 income trusts by fair value held by the Trust as at September 30, 2009.

Top 25 Income Trust Investments	Type of Investment	Cost	Fair Value	Percentage of Net Assets of the Trust
Bird Construction Income Fund	Trust units	\$ 28,692	\$59,130	1.74%
NAL Oil & Gas Trust	Trust units	64,226	58,420	1.71%
Calloway Real Estate Investment Trust	Trust units	58,018	57,000	1.67%
Vicwest Income Fund	Trust units	45,357	56,355	1.65%
Extencicare Real Estate Investment Trust	Trust units	106,428	51,240	1.50%
Trilogy Energy Trust	Trust units	108,146	50,556	1.48%
H&R Real Estate Investment Trust	Trust units	69,911	50,112	1.47%
Crombie Real Estate Investment Trust	Trust units	33,544	49,488	1.45%
Cominar Real Estate Investment Trust	Trust units	46,455	48,750	1.43%
Dundee Real Estate Investment Trust	Trust units	97,446	48,650	1.43%
Primaris Retail real Estate Investment Trust	Trust units	44,517	48,640	1.43%
Precision Drilling Trust	Trust units	110,274	47,972	1.41%
Davis + Henderson Income Fund	Trust units	67,049	47,680	1.40%
Brookfield Renewable Power Fund	Trust units	53,534	47,655	1.40%
Baytex Energy Trust	Trust units	29,360	47,200	1.39%
Just Energy Income Fund	Trust units	53,948	47,133	1.38%
Liquor Stores Income Fund	Trust units	73,346	47,058	1.38%
Bonavista Energy Trust	Trust units	70,748	46,966	1.38%
Westshore Terminals Income Fund	Trust units	50,523	46,854	1.38%
Chartwell Seniors Housing REIT	Trust units	96,170	46,550	1.37%
Boardwalk Real Estate Investment Trust	Trust units	25,088	46,260	1.36%
Morguard Real Estate Investment	Trust units	61,954	46,080	1.35%
Peyto Energy Trust	Trust units	104,027	45,967	1.35%
CML Healthcare Income Fund	Trust units	45,075	45,738	1.34%
North West Company Fund	Trust units	42,695	45,318	1.33%

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 September 30, 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	\$24,097	1%	0.76%
Distressed securities	1	76,575	5%	2.40%
Mortgage-backed security arbitrage	3	749,893	37%	11.31%
Multi-strategy	5	834,904	41%	13.79%
Re-insurance	1	318,140	16%	9.97%
Statistical arbitrage	2	8,557	-	0.19%
	13	\$2,012,166	100%	

The following table lists the largest 13 hedge funds by fair value to which the Trust has exposure through the Forward as at September 30, 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 13 Investments	Type of Investment	Cost (in USD)	Fair Value (in USD)	Percentage of Net Assets of the Trust
Citadel Kensington Global Strategies Fund Ltd. *	Participating shares	\$ 600,000	\$439,882	13.79%
H/2 Credit Partners Ltd *	Participating shares	500,000	360,674	11.31%
D.B.Zwirn Special Opportunities Fund, Ltd	Participating shares	544,000	318,140	9.97%
Sorin Offshore Fund *	Participating shares	327,609	310,583	9.74%
Satellite Overseas Fund, Ltd *	Participating shares	442,616	261,682	8.20%
Fund 103*	Participating shares	154,308	78,636	2.46%
Fund 183*	Participating shares	69,744	76,650	2.40%
Fund 212*	Participating shares	-	76,575	2.40%
Fund 118*	Participating shares	43,936	43,374	1.36%
Fund 171*	Participating shares	19,910	24,097	0.76%
Fund 146*	Participating shares	14,514	13,316	0.42%
Fund 211*	Participating shares	7,138	5,950	0.19%
Fund 104*	Participating shares	10,789	2,609	0.08%

* 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 September 30, 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 27.48%, 21.41%, 19.66% and 14.83% as at September 30, 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 September 30, 2009, the Trust held cash and short-term investments of \$1,511,880.