

EXEMPLAR CANADIAN FOCUS PORTFOLIO SEMI-ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2012

This semi-annual Management Report of Fund Performance contains financial highlights but does not contain the complete semi-annual financial statements for Exemplar Canadian Focus Portfolio (the "Portfolio"). If you have not received a copy of the semi-annual financial statements with the Management Report of Fund Performance, you may obtain a copy of the semi-annual financial statements, at no cost, by calling 866.473.7376, by writing to us at BluMont Capital Corporation, 70 University Avenue, Suite 1200, P.O. Box 16, Toronto, Ontario M5J 2M4 or by visiting our website at www.blumontcapital.com or SEDAR at www.sedar.com.

Security holders may also contact us using one of these methods to request a copy of the Portfolio's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure relating to the Portfolio.

Forward-Looking Information

This Management Report of Fund Performance contains forward-looking information and statements relating, but not limited to, anticipated or prospective financial performance and results of operations of the Portfolio. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. For this purpose, any statements that are contained herein that are not statements of historical fact may be deemed to be forward-looking information. Without limiting the foregoing, the words "believes", "anticipates", "plans", "intends", "will", "should", "expects", "projects", and similar expressions are intended to identify forward-looking information.

Although the Portfolio believes it has a reasonable basis for making the forecasts or projections included in this Management Report of Fund Performance, readers are cautioned not to place undue reliance on such forward-looking information. By its nature, the forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predictions, forecasts and other forward-looking statements will not occur. These factors include, but are not limited to, those associated with the performance of the equity securities market, expectations about interest rates and factors incorporated by reference herein as risk factors.

The above list of important factors affecting forward-looking information is not exhaustive, and reference should be made to the other risks discussed in the Portfolio's filings with Canadian securities regulatory authorities. The forward looking information is given as of the date of this Management Report of Fund Performance, and the Portfolio undertakes no obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Management Discussion on Fund Performance

Investment Objective and Strategies

The investment objective of the Exemplar Canadian Focus Portfolio is to achieve superior capital appreciation over both short and long-term horizons primarily through the selection and management of a concentrated group of long and short positions in Canadian equity securities and equity derivative securities.

The Portfolio invests predominantly in large and mid capitalization companies. The Portfolio may also invest in bonds and other debt instruments if warranted by financial conditions. The Portfolio does not specialize in any one industry other than to concentrate investments in those industries that offer the best opportunities for exceptional returns at each stage of the economic and market cycle. The Portfolio may also invest in options, including put options or call options either in respect of a specific security or in respect of a stock exchange index as a means to reduce volatility.

The Portfolio engages in short selling of securities which the portfolio manager believes are overvalued, especially securities of issuers with deteriorating fundamentals and weak balance sheets. Short positions of index securities such as exchange traded funds may also be employed for capital preservation and hedging purposes. Short positions in total may not exceed 40% of the Net Asset Value of the Portfolio. The Portfolio may hold cash or invest in short-term securities for the purpose of preserving capital and/or maintaining liquidity, based upon the portfolio manager's ongoing evaluation of current and anticipated economic and market conditions. The Portfolio may also invest in foreign securities of the same type and characteristics as described above. The Portfolio may invest in derivatives for hedging and non-hedging purposes as permitted by applicable securities laws. The Portfolio may enter into securities lending, repurchase and reverse repurchase transactions to generate additional income or as a short-term cash management tool.

Investment Risk

The risks of investing in the Portfolio remain as stated in the Portfolio's prospectus dated April 24, 2012 (please see "Risk Factors" pages 31 – 37). The principal risks associated with the Portfolio are stock market risk, specific issuer risk, short selling risk, foreign security risk, currency risk and liquidity risk.

The Portfolio is suitable for clients seeking medium to long-term growth (through capital appreciation) who have a moderate risk tolerance level.

Results of Operations

For the six month period ending June 30, 2012, Series A Shares of the Portfolio gained 0.09% while the Canadian benchmark, the S&P TSX Total Return Index, recorded a loss of 1.53% for the same period. Please refer to the Past Performance section for the performance of the other Series. The performance of the other Series offered by the Portfolio differs from Series A largely because of varying levels of expenses charged to each series, as explained in the Management Fee section.

As of June 30, 2012, 65% of the Portfolio's net assets (where short positions are netted against long positions in each category) were invested in Canadian equities, 4.2% in U.S. equities, 2.4% in global equities, 7.0% in bonds and 21.4% in cash equivalent instruments.

The Portfolio's best contributors during the first half of 2012 were Agrium (with a 33% gain) and Boyd Group Income Fund (with a 27% gain). Both of these stocks fit into our favorite theme of industry consolidation. In an environment of low interest rates and equally low valuations, successful and well financed companies face an immensely attractive environment for making strategic and accretive acquisitions. This strategy not only assures companies of continued future growth, but propels the acquirers into leaders in their industry. We are positioning the Portfolio to benefit from both sides of the consolidation theme, and are equally rewarded when one of our stocks becomes acquired. So far in 2012, TMX Group, Miranda Technologies, Progress Energy and Grande Cache Coal have all been acquisition targets and have received premiums to their trading valuations.

The Portfolio reflects our very cautious approach to investing. The global financial and economic environment faces severe hurdles, which it will require a decade of well advised policies to overcome. The main positive is that the currency, equity and fixed income markets are well aware of all the problems and the valuations are reflecting the dismal scenario ahead. Thus barring a new crisis, we do not expect another melt-down, just the usual volatility in reaction to constant policy adjustments.

In the U.S., Canada's largest trading partner, the uncertainty on fiscal, energy and health policies is likely to remain unresolved until well after the next presidential election. These unknowns will continue to lead U.S. corporations to build even greater liquidity and consumers to deleverage their own personal balance sheets. As a result, weak spending in U.S. will lead to slow GDP growth. The unresolved European woes mean that many of the region's banks are facing funding difficulties, leading to serious concerns regarding their financial stability. Limited credit and the weakening U.S. and Chinese economies are creating substantial export shock throughout Europe, in turn exerting further economic stress on the region.

China is also facing its own set of problems. Rising inflation and an over-heated housing market have forced the Chinese authorities to pursue tighter policies. Declining global appetite for Chinese exports is forcing a transition in focus on domestic consumption spending away from reliance on exports. This transition cannot be expected to develop smoothly, causing some dislocations in the Chinese economy. Given Canada's dependence on China for our natural resource products, the Canadian market is extremely sensitive to economic developments in China. We have been anticipating the problems in China for some time and have made a significant change in the Portfolio allocation by reducing exposure to the resource sectors from nearly 50% to below 20%. Some of the remaining energy exposure is through convertible debentures rather than equity. This way we collect an attractive yield while still maintaining some exposure to a sector benefiting from serious acquisition interest by foreign companies. Nonetheless, the resource sector has been the cause of the worst losses for the Portfolio this year, especially among the smaller cap stocks, which we continue to pare down. We have also stepped up our shorting efforts in resource stocks, both to mitigate portfolio risk and achieve trading profits. We have had profitable short trades in Barrick, Inmet and several smaller cap gold stocks.

Because we see little improvement in the economic situation for several years ahead, we maintain our focus on stocks of those companies which can deliver predictable growth in earnings even under the present economic environment, and have a policy of sharing the earnings growth with their shareholders through dividend increases. Some of the cash we have raised from the resource sector this year has been deployed among our favorite dividend growers, including Alaris Royalty, Boyd Group, Metro, National Bank and Telus. We continue our search for companies in defensive sectors with attractive business models and dividend growth potential both in Canada and internationally.

Recent Developments

On January 6, 2012, Exemplar Portfolios Ltd. received approval from the Ontario Securities Commission to begin issuing Series L Shares of the Portfolios. Series L Shares are intended for individual investors purchasing under the low-load sales charge option, whereby no sales commission is charged at the time of purchase, however, a redemption fee may be applicable at the time of redemption. For more information, please refer to the prospectus dated April 24, 2012.

Related Party Transactions

On April 24, 2008, BluMont Capital seeded the Portfolio with capital of \$50,000 in Series A Shares. BluMont Capital currently holds 510 Series A Shares and 4,595 Series F Shares of the Portfolio.

Management Fees

BluMont Capital Corporation (the "Manager") receives a monthly management fee (the "Management Fee"), calculated as a percentage of the Portfolio's net asset value and is accrued daily and payable monthly. The Management Fee rate applicable to the Portfolio is 1.65% per annum in respect of Series A and Series R Shares,

1.95% per annum in respect of Series L Shares and 0.65% per annum in respect of Series F Shares. For the period ended June 30, 2012 the total Management Fee equaled \$558,506. The management fee is paid in consideration of investment management and administration services. No breakdown of such services was specified in the Management Agreement dated January 10, 2012. From this Management Fee, the Manager pays fees to the investment advisor (BluMont Capital, in its capacity as such) who provides portfolio management services to the Portfolio. A portion of the Management Fee paid by the Portfolio is for trailer fees paid to dealers whose clients hold Shares of the Portfolio. The trailer fees are a percentage of the net asset value of the Portfolio, calculated and payable monthly. The table below outlines the Portfolio's annual Management Fees and trailer fees.

| | Series A Shares | Series R Shares | Series F Shares | Series L Shares | Series I Shares |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Management Fees <i>(Annual Rate %)</i> | 1.65% | 1.65% | 0.65% | 1.95% | Negotiable |
| Trailer Fees <i>(rate as % of Management Fees)</i> | 46.0% | 4.3% | -% | -% | -% |

In addition, the Portfolio pays BluMont Capital performance fees ("Performance Fees") equal to 20% of the amount by which the Portfolio return in a year is in excess of the high water mark (the "High Water Mark"), and no Performance Fee is payable unless a hurdle rate of 6% is achieved in that year. Performance Fees will be payable in all circumstances where the performance of the Portfolio exceeds that of its High Water Mark and its hurdle rate. Please refer to the Portfolio's long form prospectus dated April 24, 2012, for further details relating to Performance Fees. The High Water Mark set as of December 31, 2011 was \$14.6959 for Series A Shares, \$15.0048 for Series F Shares, \$14.6633 for Series I Shares and \$12.2956 for Series R Shares. Since Series L Shares are newly created, the High Water Mark is \$10. As of June 30, 2012, the Fund did not accrue any Performance Fees. Performance Fees are calculated and accrued daily such that, to the extent possible, the share price each day will reflect any Performance Fees payable as at the end of such day. Performance Fees for the Portfolio will be calculated and accrued each day, but will only be payable following the end of the fiscal year of the Portfolio based on the actual annual performance of the Portfolio.

The Manager incurs operating expenses on behalf of the Portfolio and charges these expenses to the Portfolio. For the period ended June 30, 2012, the Manager has, in its discretion agreed to absorb \$47,618 of operating expenses associated with the Portfolio.

Financial Highlights

The following tables show selected key financial information about the Portfolio and are intended to help the reader understand the Portfolio's historical financial performance. This information is derived from the Portfolio's financial statements, and is represented net of expenses which have been charged to the Portfolio.

| SERIES A - NET ASSETS PER SHARE | | | | | |
|--|------------------|------------------|-----------------|-----------------|-------------------------|
| For the period ended June 30, 2012 and for the years ended December 31, | | | | | |
| | 2012 | 2011 | 2010 | 2009 | 2008[†] |
| Net Assets, beginning of period¹ | \$ 13.50 | \$ 14.66 | \$ 12.05 | \$ 10.50 | \$ 10.00 |
| Increase from operations: | | | | | |
| Total revenue | 0.20 | 0.23 | 0.19 | 0.14 | 0.15 |
| Total expenses | (0.18) | (0.37) | (0.95) | (0.47) | (0.23) |
| Realized gains for the period | 0.04 | 0.57 | 0.78 | 0.32 | 0.31 |
| Unrealized gains (losses) for the period | (0.06) | (1.57) | 3.00 | 1.73 | 0.14 |
| Total increase (decrease) from operations¹: | \$ (0.00) | \$ (1.14) | \$ 3.02 | \$ 1.72 | \$ 0.37 |
| Distributions²: | | | | | |
| From income (excluding dividends) | - | (0.13) | (0.09) | - | (0.01) |
| From dividends | - | - | - | (0.04) | - |
| Total distributions | - | (0.13) | (0.09) | (0.04) | (0.01) |
| Net Assets, end of period¹ | \$ 13.52 | \$ 13.50 | \$ 14.66 | \$ 12.05 | \$ 10.50 |

SERIES A - RATIOS AND SUPPLEMENTAL DATA⁷

For the period ended June 30, 2012 and for the years ended December 31,

| | 2012 | 2011 | 2010 | 2009 | 2008 [†] |
|---|-----------|-----------|-----------|-----------|-------------------|
| Net Asset Value ("NAV") (000s) ¹ | \$47,209 | \$50,186 | \$36,965 | \$14,469 | \$7,209 |
| Number of shares outstanding | 3,483,201 | 3,704,149 | 2,515,307 | 1,208,323 | 686,977 |
| Management expense ratio ³ | 2.58%* | 2.57% | 6.6% | 4.50% | 1.41%* |
| Management expense ratio before waivers or absorptions ⁴ | 2.72%* | 2.82% | 7.21% | 6.10% | 3.26%* |
| Portfolio turnover rate ⁵ | 44.45%* | 89.28% | 107.67% | 158.64% | 1,502.00% |
| Trading expense ratio ⁶ | 0.09%* | 0.23% | 0.25% | 0.31% | 0.41%* |

SERIES F - NET ASSETS PER SHARE

For the period ended June 30, 2012 and for the years ended December 31,

| | 2012 | 2011 | 2010 | 2009 | 2008 [†] |
|---|-----------------|------------------|-----------------|-----------------|-------------------|
| Net Assets, beginning of period¹ | \$ 13.94 | \$ 14.97 | \$ 12.21 | \$ 10.54 | \$ 10.00 |
| Increase from operations: | | | | | |
| Total revenue | 0.21 | 0.24 | 0.19 | 0.15 | 0.14 |
| Total expenses | (0.11) | (0.22) | (0.87) | (0.41) | (0.12) |
| Realized gains for the period | 0.05 | 0.53 | 0.81 | 0.32 | 0.44 |
| Unrealized gains (losses) for the period | (0.15) | (1.65) | 3.05 | 1.89 | (0.02) |
| Total increase (decrease) from operations¹: | \$ 0.00 | \$ (1.10) | \$ 3.18 | \$ 1.95 | \$ 0.44 |
| Distributions ² : | | | | | |
| From income (excluding dividends) | - | (0.14) | (0.09) | - | (0.02) |
| From dividends | - | - | - | (0.04) | - |
| Total distributions | - | (0.14) | (0.09) | (0.04) | (0.02) |
| Net Assets, end of period¹ | \$ 14.03 | \$ 13.94 | \$ 14.97 | \$ 12.21 | \$ 10.54 |

SERIES F - RATIOS AND SUPPLEMENTAL DATA⁷

For the period ended June 30, 2012 and for the years ended December 31,

| | 2012 | 2011 | 2010 | 2009 | 2008 [†] |
|---|----------|----------|---------|---------|-------------------|
| Net Asset Value ("NAV") (000s) ¹ | \$11,929 | \$10,597 | \$6,975 | \$2,966 | \$846 |
| Number of shares outstanding | 847,656 | 757,781 | 464,840 | 241,507 | 80,325 |
| Management expense ratio ³ | 1.49%* | 1.49% | 5.9% | 3.93% | 0.70%* |
| Management expense ratio before waivers or absorptions ⁴ | 1.63%* | 1.74% | 6.51% | 5.32% | 2.55%* |
| Portfolio turnover rate ⁵ | 44.45%* | 89.28% | 107.67% | 158.64% | 1,502.00% |
| Trading expense ratio ⁶ | 0.09%* | 0.23% | 0.25% | 0.31% | 0.41%* |

SERIES I - NET ASSETS PER SHARE

For the period ended June 30, 2012 and for the years ended December 31,

| | 2012 | 2011 | 2010 | 2009 | 2008 [†] |
|---|-----------------|------------------|-----------------|-----------------|-------------------|
| Net Assets, beginning of period¹ | \$ 13.73 | \$ 14.63 | \$ 11.86 | \$ 10.18 | \$ 10.00 |
| Increase from operations: | | | | | |
| Total revenue | 0.20 | 0.23 | 0.17 | 0.13 | 0.11 |
| Total expenses | (0.05) | (0.11) | (0.69) | (0.30) | (0.04) |
| Realized gains for the period | 0.05 | 0.64 | 0.78 | 0.31 | 0.13 |
| Unrealized gains (losses) for the period | (0.07) | (1.53) | 2.60 | 1.66 | 0.05 |
| Total increase (decrease) from operations¹: | \$ 0.13 | \$ (0.77) | \$ 2.86 | \$ 1.80 | \$ 0.25 |
| Distributions ² : | | | | | |
| From income (excluding dividends) | - | (0.14) | (0.09) | - | (0.01) |
| From dividends | - | - | - | (0.04) | - |
| Total distributions | - | (0.14) | (0.09) | (0.04) | (0.01) |
| Net Assets, end of period¹ | \$ 13.87 | \$ 13.73 | \$ 14.63 | \$ 11.86 | \$ 10.18 |

SERIES I - RATIOS AND SUPPLEMENTAL DATA⁷

For the period ended June 30, 2012 and for the years ended December 31,

| | 2012 | 2011 | 2010 | 2009 | 2008 [†] |
|---|---------|---------|---------|---------|-------------------|
| Net Asset Value ("NAV") (000s) ¹ | \$1,514 | \$1,477 | \$1,523 | \$1,183 | \$869 |
| Number of shares outstanding | 108,799 | 107,233 | 103,836 | 99,165 | 85,351 |
| Management expense ratio ³ | 0.77%* | 0.77% | 4.80% | 3.01% | 0.21%* |
| Management expense ratio before waivers or absorptions ⁴ | 0.91%* | 1.02% | 5.39% | 4.07% | 2.11%* |
| Portfolio turnover rate ⁵ | 44.45%* | 89.28% | 107.67% | 158.64% | 1,502.00% |
| Trading expense ratio ⁶ | 0.09%* | 0.23% | 0.25% | 0.31% | 0.41%* |

SERIES R - NET ASSETS PER SHARE

For the period ended June 30, 2012 and for the years ended December 31,

| | 2012 | 2011 | 2010 | 2009 [†] |
|---|-----------------|------------------|-----------------|-------------------|
| Net Assets, beginning of period¹ | \$ 11.31 | \$ 12.26 | \$ 10.09 | \$ 10.00 |
| Increase from operations: | | | | |
| Total revenue | 0.16 | 0.19 | 0.14 | 0.02 |
| Total expenses | (0.15) | (0.31) | (0.67) | (0.04) |
| Realized gains (losses) for the period | (0.00) | 0.58 | 0.63 | 0.05 |
| Unrealized gains (losses) for the period | 0.06 | (1.27) | 1.94 | 0.09 |
| Total increase (decrease) from operations¹: | \$ 0.07 | \$ (0.81) | \$ 2.04 | \$ 0.12 |
| Distributions ² : | | | | |
| From income (excluding dividends) | - | (0.11) | (0.09) | - |
| From dividends | - | - | - | (0.03) |
| Total distributions | - | - | (0.09) | (0.03) |
| Net Assets, end of period¹ | \$ 11.32 | \$ 11.31 | \$ 12.26 | \$ 10.09 |

SERIES R - RATIOS AND SUPPLEMENTAL DATA⁷

For the period ended June 30, 2012 and for the years ended December 31,

| | 2012 | 2011 | 2010 | 2009 [†] |
|---|---------|---------|---------|-------------------|
| Net Asset Value ("NAV") (000s) ¹ | \$4,384 | \$5,094 | \$7,257 | \$10,736 |
| Number of shares outstanding | 386,126 | 448,997 | 590,234 | 1,058,226 |
| Management expense ratio ³ | 2.58%* | 2.62% | 5.6% | 3.82%* |
| Management expense ratio before waivers or absorptions ⁴ | 2.72%* | 2.88% | 6.26% | 5.18%* |
| Portfolio turnover rate ⁵ | 44.45%* | 89.28% | 107.67% | 158.64%* |
| Trading expense ratio ⁶ | 0.09%* | 0.23% | 0.25% | 0.31%* |

SERIES L - NET ASSETS PER SHARE

For the period from inception to June 30, 2012

| | 2012 [†] |
|--|-------------------|
| Net Assets, beginning of period¹ | \$ 10.00 |
| Increase from operations: | |
| Total revenue | 0.14 |
| Total expenses | (0.12) |
| Realized gains for the period | 0.19 |
| Unrealized losses for the period | (0.71) |
| Total decrease from operations¹: | \$ (0.50) |
| Distributions ² : | |
| From income (excluding dividends) | - |
| From dividends | - |
| Total distributions | - |
| Net Assets, end of period¹ | \$ 9.64 |

SERIES L - RATIOS AND SUPPLEMENTAL DATA[†]**For the period from inception to June 30, 2012**

| | 2012[†] |
|---|-------------------------|
| Net Asset Value (“NAV”) (000s) ¹ | \$1,338 |
| Number of shares outstanding | 138,387 |
| Management expense ratio ³ | 2.96%* |
| Management expense ratio before waivers or absorptions ⁴ | 3.12%* |
| Portfolio turnover rate ⁵ | 44.45%* |
| Trading expense ratio ⁶ | 0.09%* |

[†]Series A and Series F commenced operations on May 20, 2008. Series I commenced operations on July 3, 2008. Series R commenced operations on November 30, 2009. Series L commenced operations on February 1, 2012.

*Ratios have been annualized.

1. The net assets per share are referenced to Net Assets in accordance with Canadian generally accepted accounting principles (“GAAP”) and are derived from the Portfolio’s financial statements. The Net Assets presented in the financial statements may differ from the Net Asset Value (“NAV”) calculated for Portfolio pricing purposes. NAV is calculated using fair value measures as defined by National Instrument 81-106 (“NI 81-106”) whereas, Net Assets are calculated in accordance with Canadian GAAP. An explanation of these differences can be found in the notes to the financial statements. Net Assets are based on the actual number of shares outstanding at the relevant time. The increase from operations is based on the weighted average number of shares outstanding over the financial year. This table is not intended to be a reconciliation of beginning to ending Net Assets per share.
2. Distributions were reinvested in additional shares of the Portfolio.
3. Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratio is calculated in accordance with Part 15 of NI 81-106 and therefore includes performance fees, which were previously reported separately as dollar amounts.
4. The Manager has absorbed certain expenses or waived certain fees otherwise payable by the Portfolio. The amount of expenses absorbed or waived is determined annually at the discretion of the Manager and the Manager can terminate the absorption or waiver at any time.
5. The portfolio turnover rate can indicate how actively the Investment Advisor manages the portfolio of investments. A portfolio turnover rate of 100% is equivalent to the Portfolio buying and selling all of its securities in its portfolio once in the course of the year. The higher the portfolio turnover rate in a year, the greater the trading costs payable by the Portfolio in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Portfolio.
6. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
7. Ratios and supplemental data, where applicable, are computed using the net asset value of the Portfolio.

Past Performance

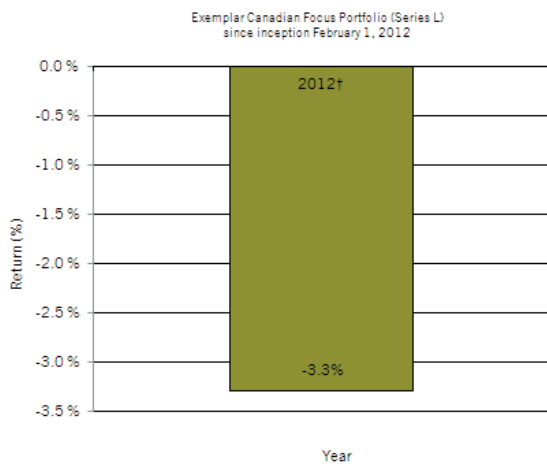
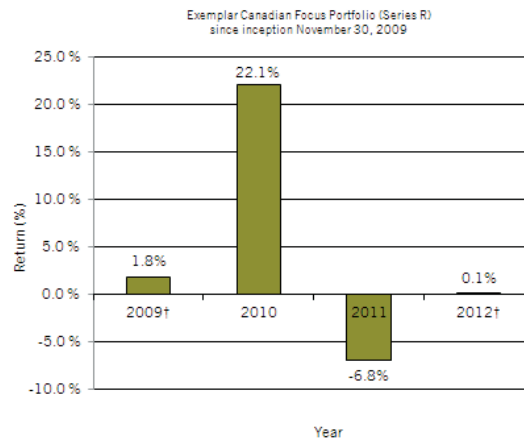
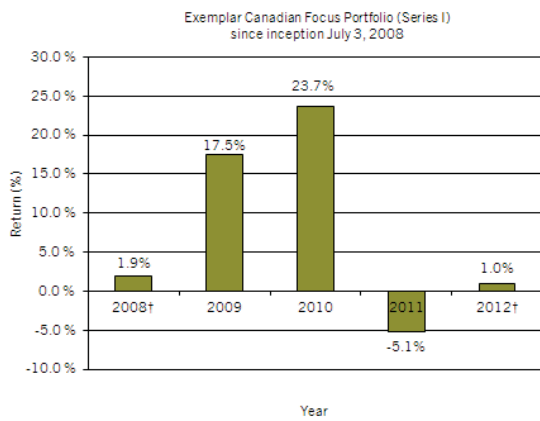
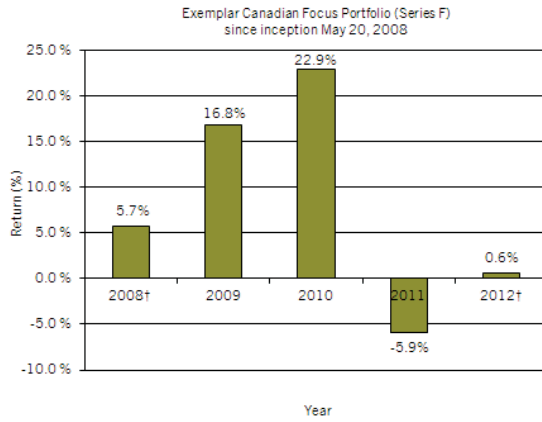
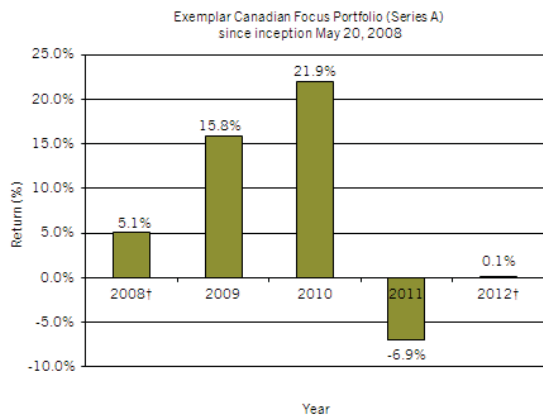
The performance information shown below assumes that all distributions, if any, made by the Portfolio in the periods shown were reinvested in additional shares of the Portfolio. If you hold the Portfolio outside a registered plan, you will be taxed on distributions. Distributions of income the Portfolio earns and capital gains it realizes are taxable in the year received whether received in cash or reinvested in additional shares. No adjustment for potential tax consequences to an investor has been made to the performance information.

The indicated rates of return are historical annual compounded total returns including changes in share value and do not take into account sale, redemption, distribution or other optional charges, that, if applicable, would have

reduced returns or performance. An investment in the Portfolio is not guaranteed. Its value changes frequently and how the Portfolio has performed in the past does not necessarily indicate how it will perform in the future.

Year-By-Year Returns

The bar chart below illustrates the Portfolio's annual performance for each of the year(s) shown, and indicates how the Portfolio's performance has changed from year to year. It shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of the financial year.



†Returns are based on a partial year.

Annual Compound Returns (Compound Performance)

The following table shows the annual compound total returns of the Portfolio, and for the S&P/TSX Total Return Index Value ("S&P/TSX TRIV") (a price weighted index of 300 of the largest, most widely-held stocks traded on the Toronto Stock Exchange) for the periods shown ended June 30, 2012. The Relative Performance returns show the performance of the Portfolio as compared to the benchmark S&P/TSX TRIV.

| | 1 Month | 3 Month | 6 Month | 1 Year | 3 Years | Annualized Since Inception | Cumulative Total Return |
|--------------|----------------|----------------|----------------|---------------|----------------|---|--|
| Series A | -0.01% | -3.89% | 0.09% | -4.12% | 8.65% | 8.10% | 38.35% |
| Series F | 0.07% | -3.63% | 0.63% | -3.08% | 9.66% | 9.09% | 43.70% |
| Series I | 0.13% | -3.45% | 0.99% | -2.37% | 10.38% | 9.12% | 41.80% |
| Series R | -0.01% | -3.89% | 0.09% | -4.12% | n/a | 5.68% | 15.88% |
| Series L | -0.05% | -3.95% | n/a | n/a | n/a | n/a | -3.28% |
| S&P/TSX TRIV | 1.10% | -5.67% | -1.53% | -10.25% | 6.69% | -1.44% | -5.87% |

Summary of Investment Portfolio as at June 30, 2012

The summary of investment portfolio below includes information regarding the Portfolio as a whole. This summary may change due to ongoing portfolio transactions of the Portfolio and a quarterly update is available by contacting BluMont Capital at 866.473.7376 or by visiting BluMont Capital's website at www.blumontcapital.com or SEDAR's website at www.sedar.com.

| Top 25 Holdings | % of Net Assets | Regional Weightings | % of Net Assets |
|--|------------------------|----------------------------------|------------------------|
| Long Positions | | Long Positions | |
| Gibson Energy Inc. | 3.9% | Canada | 72.5% |
| BCE Inc. | 3.4% | U.S. | 5.2% |
| National Bank of Canada | 3.2% | Global | 2.4% |
| Keyera Corporation | 2.9% | Other Assets, Net of Liabilities | 21.4% |
| Poseidon Concepts Corporation | 2.9% | | |
| Epsilon Energy Limited 7.75% March 31, 2017 | 2.8% | Short Positions | |
| SXC Health Solutions Corporation | 2.7% | Canada | (0.5)% |
| TMX Group Inc. | 2.3% | U.S. | (1.0)% |
| Boyd Group Income Fund | 2.3% | | |
| Valeant Pharmaceuticals International Inc. | 2.2% | | |
| TELUS Corporation 'A' Non-voting | 1.9% | Sector Weightings | % of Net Assets |
| Canadian National Railway Company | 1.9% | | |
| Agrium Inc. | 1.9% | Long Positions | |
| Labrador Iron Ore Royalty Corp. Stapled Units | 1.9% | Energy | 18.2% |
| Black Diamond Group Limited | 1.7% | Basic Materials | 9.9% |
| Alaris Royalty Corporation | 1.7% | Industrials | 9.2% |
| International Business Machines Corporation | 1.7% | Consumer Discretionary | 3.1% |
| Open Text Corporation | 1.6% | Consumer Staples | 1.5% |
| Canadian Utilities Inc. 4.9% Preferred Series AA | 1.5% | Health Care | 5.0% |
| Badger Daylighting Inc. | 1.4% | Financials | 11.0% |
| Just Energy Group Inc. | 1.3% | Information Technology | 7.0% |
| Student Transportation Inc. | 1.1% | Telecommunication Services | 5.4% |
| Stella-Jones Inc. | 1.1% | Utilities | 2.8% |
| The Toronto-Dominion Bank | 1.1% | Corporate Bonds | 7.0% |
| Detour Gold Corporation 5.5% November 30, 2017 | 1.1% | Other Assets, Net of Liabilities | 21.4% |
| Total | 51.7% | Short Positions | |
| | | Energy | (0.2)% |
| Total Net Assets | \$66,192,799 | Basic Materials | (1.1)% |
| | | Industrials | (0.1)% |
| | | Financials | (0.1)% |
| | | Index Equivalents | (0.0)% |

