

BLUMONT CANADIAN FUND
(Formerly Halcyon Hirsch Opportunistic Canadian Fund)
MANAGEMENT REPORT OF FUND PERFORMANCE

For the Year Ended December 31, 2007

This Management Report of Fund Performance contains financial highlights but does not contain the complete annual financial statements for BluMont Canadian Fund (the "Fund"). If you have not received a copy of the annual financial statements with the Management Report of Fund Performance, you may obtain a copy of the annual financial statements, at no cost, by calling 1-866-473-7376, 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 Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure relating to the Fund.

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 Fund. 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 Fund 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 Fund'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 Fund 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 Fund aims to achieve superior capital appreciation over both short and long-term horizons primarily by investing in Canadian equity securities. The Fund may invest in companies of any capitalization size.

The Fund will seek to achieve its objective primarily by investing in equity securities of Canadian companies, which BluMont Capital Corporation ("BluMont Capital"), in its capacity as portfolio manager ("Portfolio Manager"), believes to have the potential for exceptional returns, encompassing both larger and smaller capitalization companies. The Fund may invest in bonds and other debt instruments from time to time, if determined to be appropriate by BluMont Capital. The Fund will not specialize in any one industry other than to concentrate investments in those industries that BluMont Capital believes offer the best opportunities for exceptional returns at each stage of the economic and market cycle. At the discretion of the BluMont Capital, the Fund may also invest in options, including put options (i.e. the option to sell) or call options (i.e. the option to purchase) either in respect of a specific security or in respect of a stock exchange index as a means to reduce volatility.

The Fund may take short positions, mostly in equity securities, in total not exceeding 20% of the net asset value of the Fund. Short positions will be initiated opportunistically, targeting companies with, in the opinion of BluMont Capital, inferior business prospects, poor management track records or severely deteriorated financial prospects.

The Fund may hold cash or invest in short term securities for the purpose of preserving capital and/or maintaining liquidity, based upon BluMont Capital's ongoing evaluation of current and anticipated economic and market conditions. The Fund may also invest in foreign securities of the same type and characteristics as described above.

Investment Risk

The risks of investing in the Fund remain as stated in the prospectus. The principal risks associated with the Fund are stock market risk, specific issuer risk, short selling risk, foreign security risk, currency risk and liquidity risk.

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

Results of Operations

The Fund primarily invests in a concentrated portfolio of Canadian equities with an objective of delivering superior capital appreciation over both the short and long-term horizons. For the year ending December 31, 2007 the Fund delivered a positive return of 12.12%, outperforming its benchmark, the S&P/TSX Total Return Index, which delivered a positive return of 9.83%.

As at December 31, 2007 the Fund held 76.5% of its assets in Canadian stocks, 4% of its assets in US stocks and the balance was held in cash. The Fund's Canadian portfolio was heavily weighted in Basic Materials, Energy and Industrials. Together these sectors accounted for over half of the Fund's exposure.

The Fund increased its exposure in Basic Materials from 20.3% to 28.6% throughout the year. A significant part of this increase was due to a bullish stance on precious metals, especially gold. Anticipation of a weakened US dollar, along with supply and demand mismatches in the spot markets, contributed to the belief that precious metal prices will continue this upward trend into 2008.

Over the course of 2007, the Fund significantly reduced its exposure to the Financial sector, from 21.2% at the beginning of the year, to 5.4% as at December 31, 2007.

Recent Developments

On August 13, 2007 Burgeonvest Securities Limited ("Burgeonvest") and Halcyon Fund Management Inc. ("Halcyon") (collectively, the "Vendors") announced that they had entered into an agreement with BluMont Capital, a wholly-owned subsidiary of Integrated Asset Management Corp. ("IAM") (TSX:IAM), to transfer the administrative

management contract of the Fund to BluMont Capital. In consideration for the transfer of the management contract, the Vendors received from BluMont Capital cash on closing and deferred consideration based on assets under management in respect of the Fund. The transaction closed after the approval of the unitholders of the Fund at a meeting held on October 19, 2007, and receipt of all necessary regulatory approvals.

The meeting was called for the following purposes: to change the manager of the Fund from Halcyon to BluMont Capital, to appoint BluMont Capital as successor trustee and to appoint PricewaterhouseCoopers LLP as auditor of the Fund. The Trustee believed that it was in the best interests of unitholders of the Fund to approve the proposed changes, since it better positioned the Fund to achieve its investment objective and would create additional value for unitholders.

BluMont Capital has established an Independent Review Committee (the "Committee") to which certain conflict of interest matters relating to the Fund will be referred by the Portfolio Manager for review or approval in accordance with National Instrument 81-107 – Independent Review Committee for Investment Funds ("NI 81-107"). The mandate of the Committee is to review all conflict of interest matters relating to the Fund referred to it by the Portfolio Manager and to approve or withhold its approval from such matters in accordance with its written charter, NI 81-107 and applicable securities laws. The initial members of the Committee were David M. Scollard, Stephen A. Stacey and Bruce Day. Subsequent to December 31, 2007 Mr. Day agreed to be nominated for appointment as a director of IAM and this necessitated his resignation as he would be deemed to be no longer independent. Mr. Harvey Naglie has been appointed as a member of the Committee.

BluMont Capital has established written policies and procedures for dealing with conflict of interest matters, maintaining records in respect of these matters and providing assistance to the Committee in carrying out its functions. The Committee must be comprised of a minimum of three independent members, and is subject to requirements to conduct regular assessments and provide reports to the Portfolio Manager in respect of its functions at least annually. Reports will be available at the Portfolio Manager's website at www.blumontcapital.com or will be sent, upon request and at no cost, to investors by calling the Portfolio Manager's toll-free number at 1-866-473-7376 or by writing to BluMont Capital at Suite 1200, 70 University Avenue, Toronto, Ontario M5J 2M4.

Related Party Transactions

Prior to November 8, 2007, BluMont Capital acted as portfolio advisor to the Fund pursuant to a sub-advisory agreement entered into with Burgeonvest. The sub-advisory agreement with Burgeonvest was terminated as of November 8, 2007 and BluMont Capital was appointed as the manager (the "Manager") and trustee (the "Trustee") of the Fund pursuant to a new investment management agreement dated as of November 8, 2007.

Effective November 8, 2007, BluMont Capital, in its capacity as the Portfolio Manager, is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. BluMont Capital is paid a management fee by the Fund as compensation for its services.

Prior to November 8, 2007, Halcyon was responsible for providing the above mentioned services to the Fund, with the exception of investment advice which BluMont Capital provided since the Fund's inception.

Management Fees

The Manager receives a monthly management fee (the "Management Fee"), calculated as a percentage of the Fund's net asset value as of the close of business on each business day. The management fee rate applicable to the Fund is 2.15% per annum and for the year ended December 31, 2007, equaled \$423,459. In 2006, management fees equaled \$440,922. The management fee is paid in consideration of investment management and administration services. No breakdown of such services was specified in the management agreement. 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 Fund. A portion of the Management Fee paid by the Fund is for trailer fees paid to dealers whose client's hold units of the Fund. The trailer fees are a percentage of the net asset

value of the Fund, calculated monthly. The table below outlines the Fund's annual Management Fees and the trailer fees.

ANNUAL RATE (%)	Front-End Sales Charge	Deferred Sales Charge ("DSC")
Management Fees	2.15	2.15
Trailer Fees (rate as % of Management Fees)	46.5	23.3
Selling Concessions: Front-End 0-2%; DSC 5% for purchases prior to November 8, 2007		

In addition, the Fund pays BluMont Capital performance fees ("Performance Fees") equal to 20% of the amount by which the Fund outperforms the S&P/TSX Composite Index. Performance Fees will be payable in all circumstances where the performance of the Fund exceeds that of its benchmark, even in circumstances where the overall performance of the Fund has declined. Performance Fees will be calculated and accrued (and payable by the Fund) daily such that, to the extent possible, the unit price each day will reflect any Performance Fees payable as at the end of such day.

If the performance of the Fund for the period being measured is less than the performance of its benchmark for such period (a "Return Deficiency"), then no Performance Fees will be payable until the performance of the Fund thereafter, relative to its benchmark, has exceeded the amount of the Return Deficiency.

The Manager incurs operating expenses on behalf of the Fund and charges these expenses to the Fund. For the year ended December 31, 2007, the Manager has, in its discretion, agreed to absorb \$4,187 (compared to \$24,197 for the year ended December 31, 2006) of operating expenses associated with the Fund.

Financial Highlights

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

THE FUND'S NET ASSET VALUE ("NAV") PER UNIT

As at December 31,

	2007	2006	2005	2004	2003
Net asset value, beginning of period ^{1,7}	\$ <u>21.60</u>	\$ <u>20.45</u>	\$ <u>18.42</u>	\$ <u>18.05</u>	\$ <u>12.59</u>
Increase from operations:					
Total revenue	0.26	0.37	0.33	0.21	0.22
Total expenses	(0.86)	(0.80)	(0.74)	(0.73)	(0.41)
Realized gains for the year	3.13	2.26	3.05	3.28	1.37
Unrealized gains (losses) for the year	<u>0.24</u>	<u>(0.05)</u>	<u>0.88</u>	<u>(0.94)</u>	<u>4.11</u>
Total increase from operations ¹ :	<u>2.77</u>	<u>1.78</u>	<u>3.52</u>	<u>1.82</u>	<u>5.29</u>
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains ²	(0.87)	(0.54)	(1.54)	(1.47)	-
Return of capital	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total annual distributions	<u>(0.87)</u>	<u>(0.54)</u>	<u>(1.54)</u>	<u>(1.47)</u>	<u>-</u>
Net asset value, end of period ¹	\$ <u>23.38</u>	\$ <u>21.65</u>	\$ <u>20.45</u>	\$ <u>18.42</u>	\$ <u>18.05</u>

RATIOS AND SUPPLEMENTAL DATA⁸

As at December 31,

	2007	2006	2005	2004	2003
Net assets (000s)	\$20,458	\$20,449	\$20,540	\$18,088	\$15,649
Number of units outstanding	873,091	944,370	1,004,594	982,184	866,815
Management expense ratio ³	3.70%	3.78%	3.75%	3.94%	2.93%
Management expense ratio before waivers or absorptions ⁴	3.72%	3.90%	3.75%	3.94%	4.55%
Portfolio turnover rate ⁵	35.93%	74.54%	116.54%	113.70%	282.90%
Trading expense ratio ⁶	0.25%	0.22%	0.34%	0.46%	1.11%

1. Net asset value is based on the actual number of units outstanding at the relevant time. The increase from operations is based on the weighted average number of units outstanding over the financial year. This table is not intended to be a reconciliation of beginning to ending net asset value per unit.
2. Distributions were paid in cash or reinvested in additional units of the Fund.
3. Management expense ratio is based on total expenses for the stated year and is expressed as an annualized percentage of daily average net assets during the year. The management expense ratio is

calculated in accordance with Part 15 of National Instrument 81-106 and therefore includes performance fees, which were previously reported separately as dollar amounts.

4. In 2007, the Manager absorbed certain expenses or waived certain fees otherwise payable by the Fund. 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 Fund's portfolio turnover rate can indicate how actively the Fund's investment advisor manages the portfolio of investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of its securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund 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 Fund.
6. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.
7. The relief granted to investment funds by Canadian securities regulatory authorities from complying on an interim basis with Section 3855 results in a difference between the Trading NAV and the GAAP NAV due to the differences in valuation techniques of certain investments. For investments that are traded in an active market where quoted prices are readily and regularly available, Section 3855 requires bid prices (for investments held) or ask prices (for investments sold short) to be used in the fair valuation of investments, rather than the use of closing sale prices currently used for the purpose of determining Trading NAV. For investments that are not traded in an active market, Section 3855 requires the use of specific valuation techniques, rather than the use of valuation techniques by virtue of general practice in the investment funds industry. The provisions of Section 3855 have been applied retroactively without restatement of prior periods. Accordingly, the net asset value at the beginning of the current period has been adjusted.

The impact of the adoption of Section 3855 on the net asset value per share of the Fund is as follows:

As at December 31, 2007	Per Unit (\$)
Net asset value (Trading NAV)	23.43
Section 3855 adjustment	(0.05)
Net asset value (GAAP NAV)	23.38

8. Ratios and supplemental data, where applicable, are computed using the trading net asset value of the Fund.

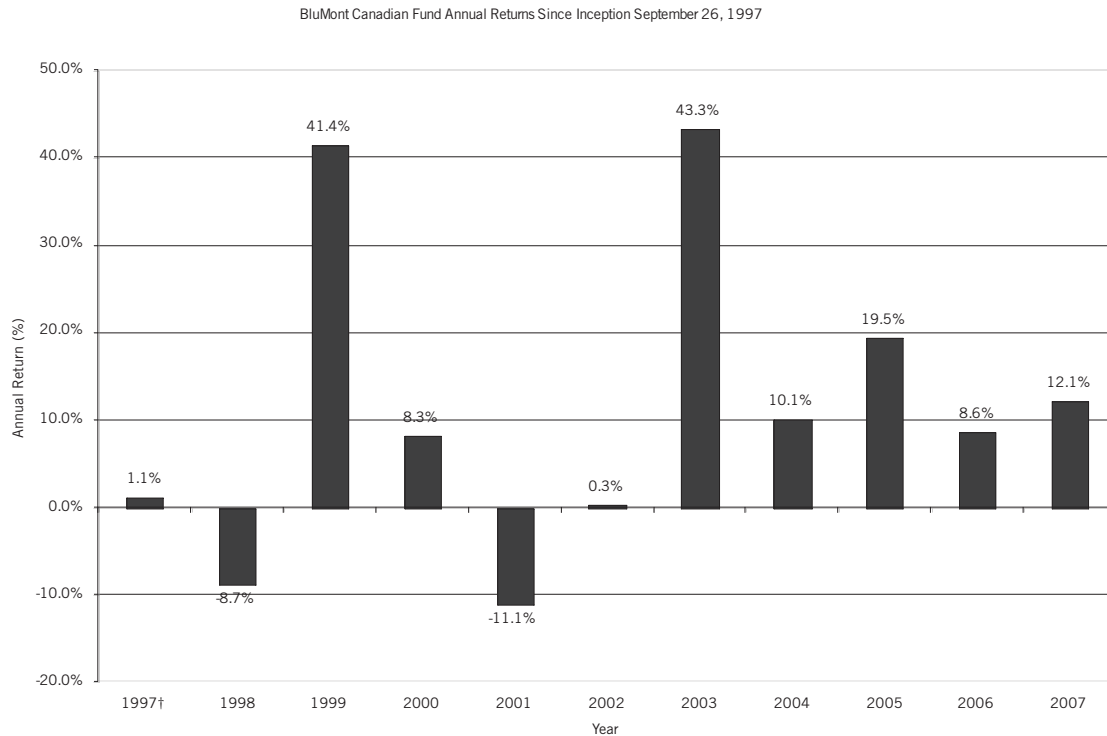
Past Performance

The performance information shown below assumes that all distributions, if any, made by the Fund in the periods shown were reinvested in additional units of the Fund. If you hold the Fund outside a registered plan, you will be taxed on distributions. Distributions of income the Fund earns and capital gains it realizes are taxable in the year received whether received in cash or reinvested in additional units. 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 unit value and do not take into account sale, redemption, distribution or other optional charges, that, if applicable, would have reduced returns or performance. The Fund is not guaranteed. Its value changes frequently and how the Fund 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 Fund's annual performance for each of the years shown, and indicates how the Fund'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.



† Return shown represents a partial year from inception on September 26, 1997 to December 31, 1997.

Annual Compound Returns (Compound Performance)

The following table shows the annual compound total returns of the Fund, and for the S&P/TSX Total Return Index (a price weighted index of 300 of the largest, most widely-held stocks traded on the Toronto Stock Exchange for the periods shown ended December 31, 2007). The Relative Performance returns show the performance of the Fund as compared to the benchmark S&P/TSX Total Return Index.

	1-Yr	3-Yr	5-Yr	10-Yr	Since Inception	Total Return
BluMont Canadian Fund	12.12%	13.32%	18.10%	11.08%	10.90%	189.25%
S&P/TSX Total Return Index	9.83%	16.93%	18.32%	9.47%	9.42%	151.98%

Summary of Investment Portfolio (as at December 31, 2007)

The summary of investment portfolio below includes information regarding the Fund as a whole. This summary may change due to ongoing portfolio transactions of the Fund and a quarterly update is available by contacting BluMont Capital.

Top 25 Holdings

Issuer	Country	Sub Industry	% of Net Assets
Petrobank Energy and Resources Limited	Canadian	Oil & Gas (Producers)	4.33%
Rogers Communications Inc. 'B'	Canadian	Communications & Media (Cable)	3.97%
Stantech Inc.	Canadian	Business Services (Consulting)	3.05%
Niko Resources Limited	Canadian	Oil & Gas (Producers)	2.88%
Detour Gold Corporation	Canadian	Precious Metals	2.86%
TSX Group Inc.	Canadian	Other Services	2.59%
HudBay Minerals Inc.	Canadian	Mining (Integrated Mines)	2.29%
Canadian Tire Corporation 'A'	Canadian	Merchandising & Lodging (Specialty Stores)	2.07%
Agrium Inc.	Canadian	Industrial Products (Chemicals)	2.00%
Shaw Communications Inc. 'B'	Canadian	Communications & Media (Cable)	1.87%
Equinox Minerals Limited	Canadian	Mining (Metal Mines)	1.77%
Research In Motion Limited	Canadian	Communications & Media (Telecommunications)	1.65%
Gildan Activewear Inc.	Canadian	Consumer Products (Household Goods)	1.60%
Trican Well Service Limited	Canadian	Oil & Gas (Field Services)	1.55%
BFI Canada Income Fund	Canadian	Transportation & Environmental Services (Environmental)	1.49%
Russel Metals Inc.	Canadian	Merchandising & Lodging (Wholesale Distributors)	1.37%
AG Growth Income Fund	Canadian	Industrial Products (Machinery)	1.30%
Intermap Technologies Corporation	Canadian	Industrial Products (Miscellaneous Industrial Products)	1.27%
Silver Standard Resources Inc.	Canadian	Precious Metals	1.20%
Aurelian Resources Inc.	Canadian	Precious Metals	1.14%
CCL Industries Inc. 'B'	Canadian	Consumer Products (Household Goods)	1.13%
Aecon Group Inc.	Canadian	Real Estate (Contractors)	1.13%
Tim Hortons Inc.	Canadian	Merchandising & Lodging (Food Services)	1.08%
Gemcom Software International Inc.	Canadian	Business Services (Computer Software & Processing)	1.06%
Canaccord Capital Corporation	Canadian	Financial Services (Investment House)	1.05%

Sector Weightings (as at December 31, 2007)

Sector	Canadian Exposure	US Exposure	Foreign Exposure	Total Exposure	Number of Positions
Materials	27.5%	1.4%	1.1%	30.0%	38
Energy	12.8%	-	-	12.8%	12
Industrials	11.1%	0.9%	-	12.0%	10
Consumer Discretionary	8.2%	1.1%	-	8.2%	6
Information Technology	5.4%	-	-	5.4%	6
Financials	5.4%	-	-	5.4%	4
Telecommunication Services	4.0%	-	-	4.0%	1
Consumer Staples	1.7%	-	-	1.7%	2
Health Care	-	0.7%	-	0.7%	1
Utilities	0.4%	-	-	0.4%	1

Note: excludes cash and cash equivalents