

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

For the Period Ended June 30, 2008

This semi-annual Management Report of Fund Performance contains financial highlights but does not contain either the complete semi-annual or annual financial statements for BluMont Canadian Fund (the "Fund"). 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 or 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 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 six-months ending June 30, 2008 the Fund delivered a loss of 0.73%, underperforming its benchmark, the S&P/TSX Total Return Index, which delivered a positive return of 5.99%. The positive S&P/TSX benchmark return was the result of exceptional market price appreciation in a small number of resource stocks and not a result of a broad-based market appreciation.

As at June 30, 2008 the Fund held 66% of its assets in Canadian stocks, 4% of its assets in US stocks, 1% in Foreign 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 75% of the Fund's net exposure.

For the first half of 2008, Energy and Materials were the only sectors contributing positive performance to global equity benchmarks. It is thus not surprising that the Canadian market was one of the top performers during this period, as the S&P/TSX Index demonstrated the strongest correlation with the CRB futures of any other major benchmark index. All top 10 best performing large cap stocks were commodity related.

The financial crisis took its toll on the global Financials sector, which continued to lead markets lower despite best efforts by the Federal Reserve to restore confidence. None of the measures proved effective in alleviating the credit crunch. The Financials sector is crucial to the health of public markets (not to mention economic health), as it is the largest sector in the world.. Unfortunately it also has the worst profit dynamics of any sector. In the US, over 30% of publicly traded financial companies are showing a collapse in profit growth. Many will only be able to survive through mergers, acquisitions or some other form of corporate restructuring. The Canadian market has been

a beneficiary of a more conservative banking sector, which meant less onerous write downs, very little need for capital injection and no need for corporate restructuring.

We have felt strongly for a few years that the Canadian market was in the best position to benefit from the commodities super cycle, brought on by development of the Brazil, Russia, India, and China (BRIC) economies. We have at least another decade of strong commodity prices to look forward to, but the next year might be tricky. Global economic momentum continues to wane as US housing downturn spreads to other sectors and countries. Surging food and energy prices have pushed global inflation to a decade high - creating uncertainty in developing countries, where food is a large part of household budgets. Leading indicators in India and Brazil are beginning to weaken.

Oil prices may have finally hit the threshold of a breaking effect on economic growth. The phasing out of energy subsidies in China and other Asian countries should eventually dampen growth in oil demand in the region. The world apparently needs lower oil price to keep growth intact. Having said all that, we can not make an oil price prediction, especially going into the hurricane season. We are finally seeing signs of growing demand dampening, but one act of aggression in the Middle East would change this equation in a heartbeat. In fact there are realistic scenarios supporting the oil price trading at \$200 as at \$80. This binary outcome makes a rational portfolio construction extremely challenging.

We can point out that every slowdown in world growth has been accompanied by a temporary retreat in commodity prices. The momentum addicts would find such adjustment undesirable. Hedging the bet is also not an option at this time. Even though there has been a strong negative correlation between energy and financial stocks lately, with house prices in US still falling, credit spreads still widening and future profitability of the financial sector at risk, the time for financial stocks has not arrived yet. It has been extremely profitable to be involved in the Canadian stock market over the past few years, but the only prediction we feel comfortable making for the next 6 months is for the extreme volatility to persist. Cash is a very poor profit generator, but for now we will preserve our capital and take advantage of opportunities which will arise in this volatile environment.

Recent Developments

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 D. Day. Subsequent to December 31, 2007 Mr. Day agreed to be nominated for appointment as a director of IAM (the TSX listed parent company of BluMont Capital) 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 to replace Mr. Day.

BluMont Capital has established written policies and procedures for dealing with conflict of interest matters, maintain records in respect of these matters and provide 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.

Adoption of new accounting policies – Financial Instruments Disclosure and Presentation

On October 1, 2007, the partnership adopted CICA Handbook Section 3862, "Financial Instruments – Disclosures" and Section 3863, "Financial Instruments – Presentation". The new standard replaced Section 3861, "Financial Instruments – Disclosure and Presentation". The new disclosure standards increased the emphasis on disclosure of risks associated with financial instruments and how those risks are managed. The previous requirements related to

presentation of financial instruments have been carried forward unchanged. Adoption of the new standards does not impact the daily price of the partnership's securities for subscription and redemption purposes, nor for the calculation of net assets.

Related Party Transactions

There are no related party transactions to report for the period ending June 30, 2008.

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 six months ended June 30, 2008, equaled \$207,459. For the same period in 2007, management fees equaled \$211,678. 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 six-months ending June 30, 2008, the Manager has, in its discretion, agreed to absorb \$73,777 (compared to \$39,785 for the six-months ending June 30, 2007) 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

For the period ended June 30, 2008 and years ended December 31, 2007, 2006, 2005, 2004 & 2003

	2008	2007	2006	2005	2004	2003
Net asset value, beginning of period ^{1,7}	\$ 23.38	\$ 21.60	\$ 20.45	\$ 18.42	\$ 18.05	\$ 12.59
Increase from operations:						
Total revenue	0.17	0.26	0.37	0.33	0.21	0.22
Total expenses	(0.31)	(0.86)	(0.80)	(0.74)	(0.73)	(0.41)
Realized gains for the year	1.84	3.13	2.26	3.05	3.28	1.37
Unrealized gains (losses) for the year	(1.92)	0.24	(0.05)	0.88	(0.94)	4.11
Total increase from operations ¹ :	(0.22)	2.77	1.78	3.52	1.82	5.29
Distributions:						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains ²	-	(0.87)	(0.54)	(1.54)	(1.47)	-
Return of capital	-	-	-	-	-	-
Total annual distributions	-	(0.87)	(0.54)	(1.54)	(1.47)	-
Net asset value, end of period ¹	\$ 23.19	\$ 23.38	\$ 21.65	\$ 20.45	\$ 18.42	\$ 18.05

RATIOS AND SUPPLEMENTAL DATA⁸

For the period ended June 30, 2008 and years ended December 31, 2007, 2006, 2005, 2004 & 2003

	2008	2007	2006	2005	2004	2003
Net assets (000s)	\$20,180	\$20,458	\$20,449	\$20,540	\$18,088	\$15,649
Number of units outstanding	867,567	873,091	944,370	1,004,594	982,184	866,815
Management expense ratio ³	2.83%	3.70%	3.78%	3.75%	3.94%	2.93%
Management expense ratio before waivers or absorptions ⁴	3.60%	3.72%	3.90%	3.75%	3.94%	4.55%
Portfolio turnover rate ⁵	75.71%	35.93%	74.54%	116.54%	113.70%	282.90%
Trading expense ratio ⁶	0.38%	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 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. The Manager has 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 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 CICA Handbook Section 3855 ("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 June 30, 2008	Per Unit (\$)
Net asset value (Trading NAV)	23.26
Section 3855 adjustment	(0.07)
Net asset value (GAAP NAV)	23.19

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

Past Performance

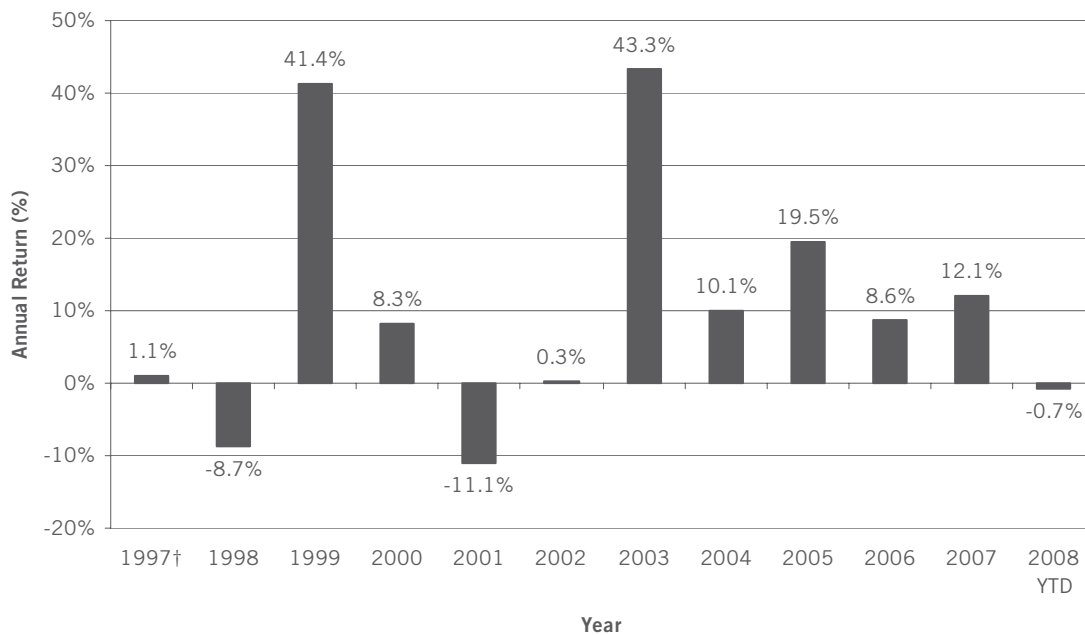
The performance information shown below assumes that all distributions, if any, made by the Fund in the periods shown were reinvested in additional units of the Fund. If you hold the Fund outside a registered plan, you will be taxed on distributions. Distributions of income the Fund earns and capital 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.

BluMont Canadian Fund Annual Returns Since Inception September 26, 1997



† 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 June 30, 2008). 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	1.97%	11.40%	16.08%	10.66%	10.29%	187.15%
S&P/TSX Total Return Index	6.75%	16.16%	18.16%	8.99%	9.55%	167.07%

Summary of Investment Portfolio as at June 30, 2008

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, visiting BluMont Capital's website at www.blumontcapital.com or SEDAR's website at www.sedar.com.

Top 25 Holdings

Issuer	Country	Sector	Sub Sector	% of Net Assets
Detour Gold Corporation	Canada	Materials	Gold & Precious Metals	5.85%
Agrium Inc.	Canada	Materials	Chemicals	3.38%
Potash Corporation of Saskatchewan Inc.	Canada	Materials	Chemicals	2.11%
TMX Group Inc.	Canada	Financials	Financial Services	2.09%
Breaker Energy Limited - 'A'	Canada	Energy	Oil & Gas	1.80%
Market Vectors-Coal ETF	United States	Energy	Mutual Funds	1.76%
HudBay Minerals Inc.	Canada	Materials	Metals & Minerals	1.76%
Orleans Energy Limited	Canada	Energy	Oil & Gas	1.74%
Russel Metals Inc.	Canada	Industrials	Steel	1.65%
Phoenix Technology Income Fund	Canada	Energy	Oil & Gas	1.60%
Open Range Energy Corporation	Canada	Energy	Oil & Gas	1.59%
TransCanada Corporation	Canada	Energy	Pipelines	1.57%
CF Industries Holdings Inc.	United States	Industrials	Chemicals	1.54%
TriStar Oil & Gas Limited	Canada	Energy	Oil & Gas	1.53%
Canadian Tire Corporation 'A'	Canada	Consumer Discretionary	Merchandising & Retailing	1.49%
Research In Motion Limited	Canada	Information Technology	Technology - Hardware	1.48%
EnCana Corporation	Canada	Energy	Oil & Gas	1.39%
Metro Inc. 'A'	Canada	Consumer Staples	Food & Retailing	1.38%
Labrador Iron Ore Royalty Trust	Canada	Materials	Steel	1.32%
Stantech Inc.	Canada	Industrials	Commercial Services	1.30%
Solana Resources Limited	Canada	Materials	Gold & Precious Metals	1.27%
Viterra Inc.	Canada	Consumer Staples	Agriculture	1.25%
Duvernay Oil Corporation	Canada	Energy	Oil & Gas	1.23%
DundeeWealth Inc.	Canada	Financials	Financial Services	1.23%
Nexen Inc.	Canada	Energy	Oil & Gas	1.21%
Total				44.52%
Total Transactional Net Asset Value (000)				\$20,180

The investments and percentages may have changed by the time an investor may have purchased units of this fund due to ongoing portfolio transactions of the investment Fund.

Sector Weightings as at June 30, 2008

Sector	Canadian Exposure (Long)	US Exposure (Long)	Foreign Exposure (Long)	Canadian Exposure (Short)	US Exposure (Short)	Net Exposure	Total Positions (Long)	Total Positions (Short)
Materials	28.12%	1.12%	0.73%			29.97%	32	
Energy	19.76%	2.89%		-0.76%		21.89%	22	1
Industrials	7.34%	1.54%				8.88%	9	
Consumer Staples	3.19%					3.19%	3	
Information Technology	2.93%			-0.19%		2.75%	3	1
Consumer Discretionary	2.20%					2.20%	2	
Financials	3.32%				-1.77%	1.55%	2	2
Utilities		0.70%				0.70%	1	

Note: excludes cash & cash equivalents