

BLUMONT CORE HEDGE FUND

SINGLE MANAGER MARKET NEUTRAL FUND

NORTH AMERICAN FOCUS WITH SUPERIOR ABSOLUTE RETURN POTENTIAL



FUND MANAGER PROFILE

Effective July 1, 2010 Sherpa Asset Management became the portfolio manager for the BluMont Core Hedge Fund.

Sherpa Asset Management ('Sherpa') is the investment manager to the BluMont Core Hedge Fund. Established in 2007, Sherpa's investment style aims to provide its principals and investors high-performing, low volatility investment products to help them reach and surpass their financial goals.

David Guarasci is the CIO of Sherpa. He spent ten years at TD developing and executing proprietary trading strategies in the most sophisticated options trading markets in the world, and was responsible for billions of dollars in trading throughout ten portfolios. David's strategies led directly to profitability numbers increasing nearly tenfold. David holds an Honours Economics degree from the University of Western Ontario, and has been a CFA charter holder since 1996.

The portfolio management team at Sherpa Asset Management has over 70 years of experience managing portfolios in the world's most sophisticated markets.

INVESTMENT APPROACH

BluMont Core Hedge Fund's market neutral strategy strives to deliver consistent and predictable absolute returns.

The Fund's dynamic option strategy aims to provide:

- Multiple sources of returns
- Enhanced diversification
- A strategy that benefits from changing volatility

ABOUT BLUMONT CAPITAL

BluMont Capital provides Canadian investors with the opportunity to invest in leading alternative investment products and is one of Canada's leading retail alternative investment companies. BluMont Capital is a wholly owned subsidiary of Toronto-based Integrated Asset Management Corp. (TSX : IAM), a leading institutional alternative asset investment management company with approximately C\$2.0 billion in assets and committed capital under management (iamgroup.ca). Further information about BluMont Capital can be found at blumontcapital.com.

COMPOUND PERFORMANCE (%) - Class A

	Monthly				Annualized				Since Inception	
	1	3	6	YTD	1	3	5	10	CARR	Total Return
Fund ¹	-1.25	-1.17	-0.33	-0.31	0.61	-1.65	n/a	n/a	1.72	8.77
S&P/TSX TRIV ²	-1.02	3.50	11.37	4.52	17.22	3.05	n/a	n/a	6.51	36.35
S&P 500 ³	0.46	0.38	7.64	3.45	7.49	-2.40	n/a	n/a	-1.51	-7.20

FUND HIGHLIGHTS

BluMont Core Hedge Fund aims to generate strong positive returns in any market; add meaningful diversification to balanced portfolios and offset the risks of other market neutral strategies.

The Fund offers a blend of strategies that have the ability to weather any market environment.

The investment approach of the Fund is to:

- Buy 30 to 40 North American ultra liquid stocks with deep options markets
- Utilize a dynamic options strategy to generate option premiums
- Hedge out residual market exposure

FUND DETAILS

Fund Inception: June 2, 2006

Fund Type: Market neutral North American equity

Minimum Investment: \$150,000 (or less based on provincial securities legislation)

Liquidity: Weekly

Fund Assets: \$11.1 million

NAV Per Unit: \$101.05

FundSERV Codes

Front End	BCC 425
F-Class	BCC 625
DSC	BCC 825

BluMont Capital

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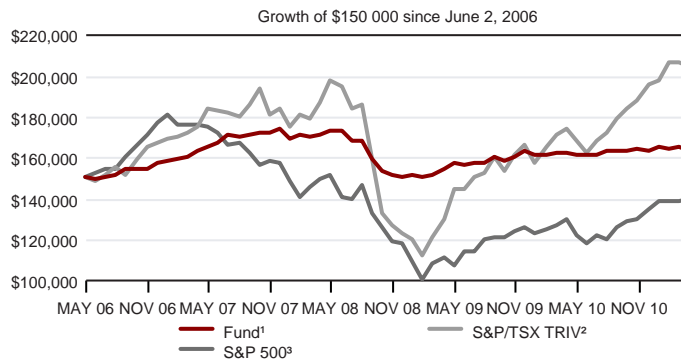
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BLUMONT CORE HEDGE FUND

SINGLE MANAGER MARKET NEUTRAL FUND

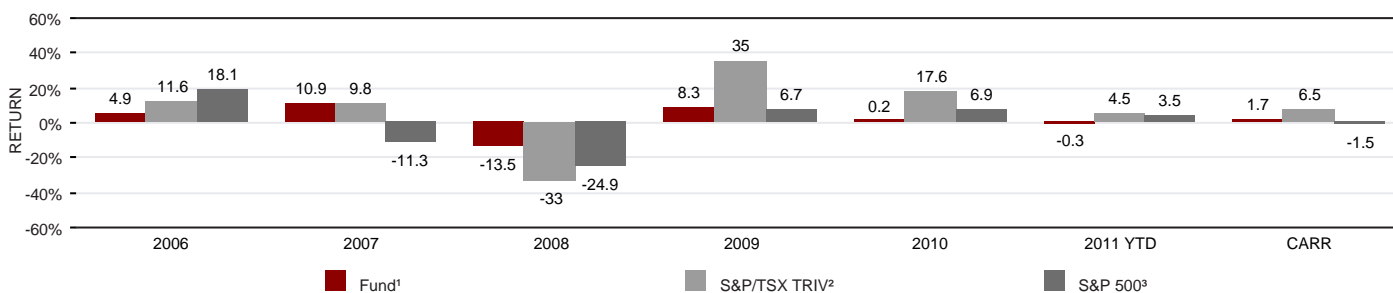
PERFORMANCE - Class A

	Fund ¹	S&P/TSX TRIV ²	S&P 500 ³
Annualized Return(%)	1.72	6.51	-1.51
Annualized Volatility(%)	4.77	16.73	12.91
Total Return(%)	8.77	36.35	-7.20
Maximum Drawdown(%)	-13.69	-43.35	-44.57
Sharpe Ratio	-0.28	0.27	-0.30
Alpha(%)		-2.31	-0.81
Beta		0.21	0.14
Correlation		0.76	0.38
Growth of \$150 000	\$163 155	\$204 525	\$139 198



Monthly Performance (%)

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Fund ¹	2011	0.87	-0.71	0.81	-1.25	-	-	-	-	-	-	-	-	-0.31
	2010	-1.22	-0.18	0.79	-0.16	-0.34	-0.37	0.18	1.12	0.05	0.32	0.45	-0.47	0.15
S&P/TSX TRIV ²	2011	0.99	4.44	0.12	-1.02	-	-	-	-	-	-	-	-	4.52
	2010	-5.35	4.97	3.81	1.67	-3.48	-3.71	3.96	1.90	4.09	2.71	2.37	4.09	17.60
S&P 500 ³	2011	3.06	0.16	-0.24	0.46	-	-	-	-	-	-	-	-	3.45
	2010	-2.12	1.05	2.22	1.74	-5.80	-3.63	3.44	-1.42	5.04	2.70	0.46	3.58	6.87



Top 10 Positions

Berkshire Hathaway Inc. 'A'
 Energy Select Sector SPDR Fund
 iShares Russell 2000 Index Fund
 iShares S&P/TSX 60 Index Fund
 PowerShares QQQ

Royal Bank of Canada
 SPDR S&P 500 ETF Tr Jun/125 Call Options
 Suncor Energy Inc.
 Teva Pharmaceutical Industries Limited ADR
 The Toronto-Dominion Bank

	Exposure				Positions			Top 10
	Long	Short	Gross	Net	Long	Short	Total	% of portfolio
	44.71	80.88	125.60	-36.17	38	40	78	25.05

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¹ Effective July 1, 2010 Sherpa Asset Management became the investment manager of the BluMont Core Hedge Fund (the "Fund"). The inception date of the Fund is June 2, 2006. Performance calculations for the Fund, the S&P/TSX TRIV and the S&P 500 for June 2006 are based on a partial month. The Fund values weekly on the last business day (a "Valuation Date") for purchase/redemption transactions. For performance calculation purposes, the Fund values on the last business day of the month, if the last business day of the month is not a Valuation Date. Fund performance periods prior to March 1, 2008, are calculated based on the last Valuation Date of each month which may or may not be the last business day. Index performance is calculated as of the last business day of each month. ² S&P/TSX TRIV: S&P/TSX Total Return Index Value. ³ S&P 500: S&P 500 Composite Index, in CAD.

