

BLUMONT NORTH AMERICAN FUND
(Formerly Halcyon Hirsch Opportunistic Tactical Allocation 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 North American 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 time horizons by investing in North American equity securities. The Fund will primarily focus on companies with small-to-mid capitalizations.

The Fund will seek to achieve its investment objective primarily by investing in equity securities of North American companies, which BluMont Capital Corporation ("BluMont Capital"), in its capacity as portfolio manager ("Portfolio Manager"), believes to have the potential for exceptional returns, encompassing mainly small-to-mid capitalized 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. The Fund will allocate investments between Canada and the U.S. based on available opportunities. 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-term growth (through capital appreciation) and have a moderate to high risk tolerance level.

Currency risk proved to have a minor adverse effect on the Fund's returns, as the Canadian dollar strengthened relative to the US dollar, over the one-year period. Currency risk primarily impacted the Fund's investments that had revenue in US dollars. Volatility in currency markets continues to be high, suggesting uncertainty going forward in this respect.

Results of Operations

As at December 31, 2007 the Fund held 54% of its assets in Canadian stocks, 26% in US stocks and the balance was held in cash. This allocation compares to September 30, 2007 positioning of an 85% weighting in Canadian stocks and a 15% weighting in Bonds. The main driver of the reallocation was the change of mandate from a predominantly Canadian tactical asset allocation fund to a North American small and mid-cap equity fund. The Fund was positioned defensively in regards to the US market due to the expectations of a continued weak US dollar and more pre-announced earnings risks.

As at December 31, 2007 the Fund's Canadian portfolio was heavily weighted in Basic Materials, Energy and Agriculture related industries. Together these sectors accounted for over half of the Fund's Canadian exposure. The Canadian percentage exposure remained constant, however the Fund's total percentage positioning in these industries was reduced. US holdings were primarily concentrated in Consumer Discretionary, Consumer Staples and Health Care industries, which represented over 40% of the US portfolio.

The Fund benefited from its large weighting (17% of the Fund as of December 31, 2006) in Materials at the start of the year, driven by a 30% rise in the price of gold during 2007. The Fund also benefited from its weighting in

Telecom Services (7% as of December 31, 2006) as the Sub Index produced a 22% gain over the first 9 months of the year. Allocations to Telecom Services were reduced during the last quarter to 2% as of December 31, 2007 as changes in government regulation may adversely affect the performance of this sector. Investment in the Materials sector remained the highest weighting in the portfolio, representing 25% of the portfolio 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 and to appoint BluMont Capital as successor trustee; to appoint PricewaterhouseCoopers LLP as auditor of the Fund; to change the fundamental investment objective of the Fund from investment in Canadian equities, fixed income and money market instruments to investment primarily in North American equity securities; and to change the performance fee benchmark of the Fund for performance fee calculation purposes. 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 objectives 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 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.

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 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 1.9% per annum, and for the year ended December 31, 2007, equaled \$147,156. In 2006, management fees equaled \$168,539. 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	1.9	1.9
Trailer Fees (rate as % of Management Fees)	52.6	26.3

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 its benchmark. As of November 12, 2007, this benchmark was revised from a weighting of 45% of the S&P/TSX Total Return Index, 45% of the DEX Universe Bond Index (formerly the Scotia Capital Markets Universe Bond Index) and 10% of the S&P 500 Total Return Index; to a weighting of 50% of the S&P/TSX Small Cap Index and 50% of the S&P MidCap 400. 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 \$140,683 (compared to \$18,923 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}	\$ 24.64	\$ 23.16	\$ 20.39	\$ 18.82	\$ 15.36
Increase from operations:					
Total revenue	0.55	0.53	0.49	0.35	0.37
Total expenses	(0.87)	(1.23)	(0.75)	(0.69)	(0.41)
Realized gains for the year	3.82	2.16	2.79	3.09	0.46
Unrealized gains (losses) for the year	(1.92)	(0.02)	1.69	(0.96)	2.81
Total increase from operations ¹ :	1.58	1.44	4.22	1.79	3.23
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains ²	(1.95)	-	(1.49)	(0.11)	-
Return of capital	-	-	-	(0.03)	-
Total annual distributions	(1.95)	-	(1.49)	(0.14)	-
Net asset value, end of period ¹	\$ 24.15	\$ 24.68	\$ 23.16	\$ 20.39	\$ 18.82

RATIOS AND SUPPLEMENTAL DATA⁸

As at December 31,

	2007	2006	2005	2004	2003
Net assets (000s)	\$7,168	\$8,661	\$8,716	\$7,384	\$6,088
Number of units outstanding	295,997	350,973	376,428	362,063	323,485
Management expense ratio ³	3.41%	5.23%	3.40%	3.65%	2.61%
Management expense ratio before waivers or absorptions ⁴	5.22%	5.44%	3.40%	3.65%	4.26 %
Portfolio turnover rate ⁵	50.25%	66.34%	109.17%	138.60%	153.50%
Trading expense ratio ⁶	0.27%	0.17%	0.32%	0.38%	0.49%

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)	24.22
Section 3855 adjustment	(0.07)
Net asset value (GAAP NAV)	24.15

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

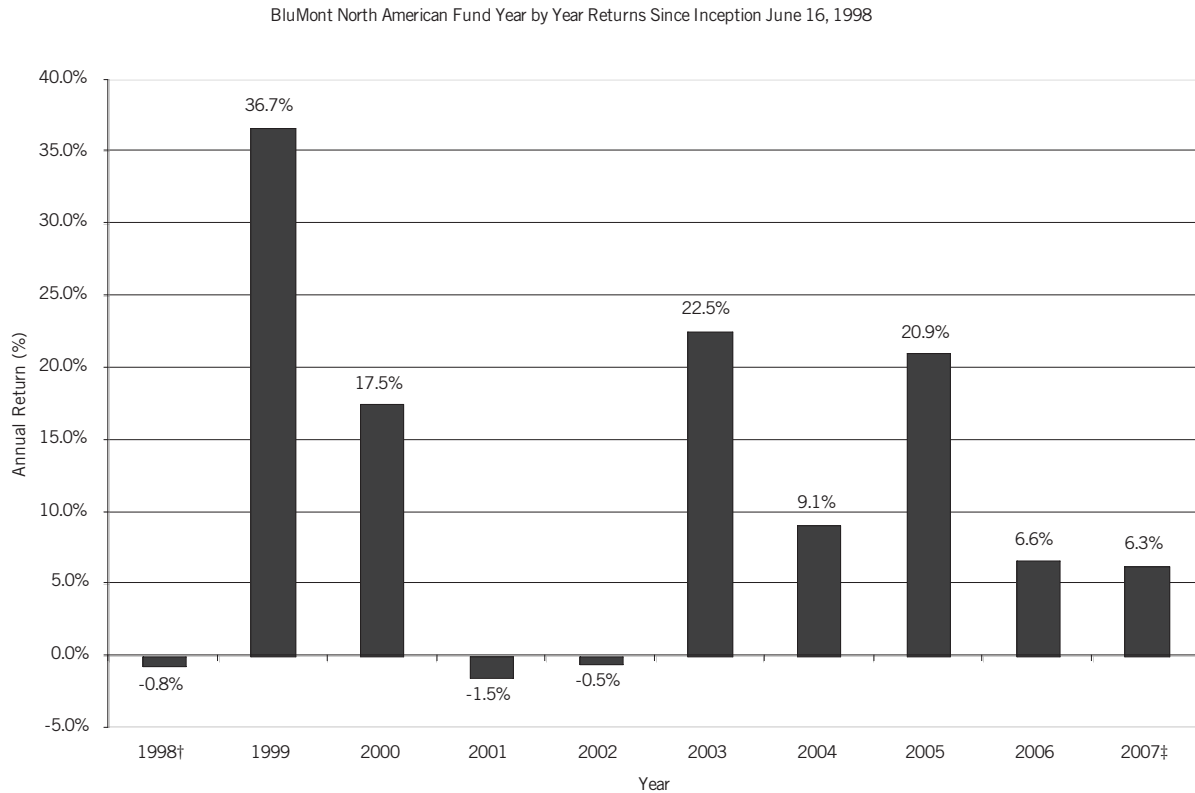
Past Performance

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 for 1998 represents a partial year from the Fund's inception on June 16, 1998 to December 31, 1998.

‡Return shown for 2007 represents the return of the Fund up to and including November 9, 2007 with investment objectives different than those from November 12, 2007 to December 31, 2007. Effective November 12, 2007 the investment objectives of the Fund were materially revised from a Canadian balanced fund approach to a North American small to mid-cap investment mandate.

Annual Compound Returns (Compound Performance)

The following table shows the annual compound total returns of the Fund, and for the Fund's blended benchmark made up of 45% S&P/TSX Total Return Index, 45% DEX Universe Bond (formerly the "Scotia Capital Universe Bond Index") and 10% S&P 500 Total Return Index.

Compound Performance†

	1-Yr	3-Yr	5-Yr	Since Inception	Total Return
BluMont North American Fund	6.26%	11.06%	12.86%	11.62%	185.76%
Blended Benchmark 45% S&P/TSX / 45% DEX Universe Bond / 10% S&P 500‡	5.81%	10.21%	11.20%	7.14%	93.19%

† Compound returns shown for the Fund are represented by the Halcyon Hirsch Opportunistic Asset Allocation Fund for the period since inception June 16, 1998 to November 9, 2007 and the BluMont North American Fund from November 12, 2007 to December 31, 2007. Effective November 12, 2007 the investment objectives of the Fund were materially revised from a Canadian balanced fund approach to a North American small to mid-cap investment mandate.

‡ Pursuant to the material change in the investment objectives of the Fund effective November 12, 2007, the Fund also changed the blended benchmark of the Fund. The blended benchmark returns shown in the Compound Performance table represent the returns of the Fund's Benchmark up to and including December 31, 2007, however on November 12, 2007 the Fund implemented its new benchmark which is comprised of 50% S&P MidCap 400 and 50% S&P/TSX Small Cap Indices.

Additional Notes on Performance

As of November 12, 2007 the blended benchmark index of the Fund was revised to include 50% S&P/TSX Small Cap Index and 50% S&P MidCap 400 to better align with the revised objectives of the Fund. As such, the following table illustrates monthly returns for 2007 and are broken down to show the performance of the Fund during each period before and after the revision of the blended benchmark in 2007.

Performance up to and including November 9, 2007

	BluMont North American Fund	Blended Benchmark†
January	0.99%	0.72%
February	1.34%	0.44%
March	0.40%	0.39%
April	1.52%	1.37%
May	1.44%	1.57%
June	-1.18%	-0.69%
July	1.56%	-0.35%
August	-4.10%	-0.15%
September	3.47%	1.29%
October	4.65%	1.74%
November	-3.86%	-2.71%

† 45% S&P/TSX / 45% DEX Universe Bond / 10% S&P 500

Performance from November 12, 2007 to December 31, 2007

	BluMont North American Fund	Blended Benchmark‡
November	-1.41%	-6.09%
December	0.84%	0.93%

‡50% S&P/TSX Small Cap / 50% S&P 400 MidCap

Description of Indices

S&P/TSX Total Return Index is 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 DEX Universe Bond Index is designed to be a broad measure of the Canadian investment-grade fixed income market.

S&P 500 Total Return Index is widely regarded as the best single gauge of the U.S. equities market; this index includes 500 leading companies in leading industries of the U.S. economy. Total return provides investors with a price-plus-gross cash dividend return. Gross cash dividends are applied on the ex-dividend date.

The S&P/TSX Small Cap index provides an investable index for the Canadian small cap market. It includes common stock and income trust units, and is calculated in real-time.

The S&P MidCap 400 is the most widely used index for mid-sized companies covering over 7% of the US equities market.

Summary of Investment Portfolio (as of 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
Stantech Inc.	Canadian	Business Services (Consulting)	3.70%
Detour Gold Corporation	Canadian	Precious Metals	2.72%
Adams Respiratory Therapeutics Inc.	United States	Consumer Products (Biotechnology & Pharmaceuticals)	2.48%
Petrobank Energy and Resources Limited	Canadian	Oil & Gas (Producers)	2.44%
Quebecor Inc. 'B'	Canadian	Communications & Media (Publishing & Printing)	2.25%
Equitable Resources Inc.	United States	Utilities (Gas Utilities)	2.21%
HudBay Minerals Inc.	Canadian	Mining (Integrated Mines)	2.18%
TSX Group Inc.	Canadian	Other Services	2.14%
Minerals Technologies Inc.	United States	Industrial Products (Chemicals)	2.13%
VeraSun Energy Corporation	United States	Mining (Other Mines)	2.11%
TriStar Oil & Gas Limited	Canadian	Oil & Gas (Producers)	2.10%
Gildan Activewear Inc.	Canadian	Consumer Products (Household Goods)	2.06%
Equinox Minerals Limited	Canadian	Mining (Metal Mines)	1.99%
Niko Resources Limited	Canadian	Oil & Gas (Producers)	1.87%
Dundee Corporation 'A'	Canadian	Financial (Finance & Leasing)	1.85%
NTELOS Holdings Corporation	United States	Communications & Media (Telecommunications)	1.84%
McCormick & Company Inc.	United States	Consumer Products (Food Processing)	1.83%
Consolidated Thompson Iron Mines Limited	Canadian	Mining (Metal Mines)	1.82%
Dean Foods Company	United States	Consumer Products (Food Processing)	1.79%
Cogeco Cable Inc.	Canadian	Communications & Media (Cable)	1.67%
AG Growth Income Fund	Canadian	Industrial Products (Machinery)	1.53%
Silver Standard Resources Inc.	Canadian	Precious Metals	1.41%
PDL BioPharma Inc.	United States	Consumer Products (Biotechnology & Pharmaceuticals)	1.26%
Petro Rubiales Energy Corporation	Canadian	Oil & Gas (Integrated Oils)	1.19%
Orient-Express Hotel Limited 'A'	United States	Merchandising & Lodging (Lodging)	1.19%

Sector Weightings (as at December 31, 2007)

Sector	Canadian Exposure	US Exposure	Foreign Exposure	Total Exposure	Number of Positions
Materials	21%	4%	-	25%	23
Energy	9%	2%	1%	12%	9
Industrials	8%	3%	-	11%	9
Consumer Discretionary	6%	2%	1%	10%	8
Health Care	1%	5%	-	6%	5
Consumer Staples	2%	4%	-	6%	5
Financials	5%	1%	-	5%	4
Utilities	-	2%	-	2%	1
Telecommunication Services	-	2%	-	2%	1
Information Technology	2%	-	-	2%	2

Note: excludes cash and cash equivalents



Mixed Sources

Product group from well-managed
forests and other controlled sources
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