EXEMPLAR DIVERSIFIED PORTFOLIO
ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the Year Ended December 31, 2009

This annual Management Report of Fund Performance contains financial highlights but does not contain the complete annual financial statements for Exemplar Diversified Portfolio (the "Portfolio"). 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 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 Portfolio is to seek superior long-term absolute and risk-adjusted returns with the potential for low correlation to global equity and fixed-income market returns through the selection and management of long and short positions in a globally diversified portfolio of futures, options, forward contracts and other financial derivative instruments on agricultural and soft commodities, metals, energies, currencies, interest rates and equity indices.

The core investment strategy of Integrated Managed Futures Corp. ("IMFC"), the Investment Sub-Advisor is based on a risk budgeting strategy of allocating capital to markets and utilizing that capital based on the amount of risk premium being priced into markets. IMFC utilizes a fixed risk budget that targets long-term average annualized downside deviation of less than 13%. This risk budget is then equally allocated across over 60 markets, adjusted by their volatilities and correlations. As a result of this allocation methodology, generally 50% of the portfolio risk budget is allocated to globally-traded industrial and agricultural commodity futures markets, and 50% is allocated to global currency, treasury debt and equity index futures markets.

The degree to which a market's allocated risk budget is utilized is then determined by the net position of multiple trading strategies or algorithms that sample market prices in order to capture persistent risk premiums and changes in risk premiums over time. Unutilized risk budgets that result from conflicting underlying signals are not re-allocated to other markets but go to cash. In addition to the core investment strategy, the Investment Sub-Advisor may utilize trading strategies based on other persistent anomalies or structural biases identified in market data.

The Investment Sub-Advisor transacts on highly liquid exchanges globally that may include, but are not limited to, all futures exchanges in the United States and Canada, the London Metals Exchange (LME), Euronext-LIFFE, the Eurex Deutschland (EUREX), The International Petroleum Exchange of London Limited (IPE), the Singapore International Monetary Exchange (SIMEX), the Sydney Futures Exchange Ltd. and The Tokyo Commodities Exchange (TCE).

The Portfolio may hold cash or invest in short term securities for the purpose of preserving capital and/or maintaining liquidity, based upon the Investment Sub-Advisor's ongoing evaluation of current and anticipated economic and market conditions.

Investment Risk

The risks of investing in the Portfolio remain as stated in the Portfolio's prospectus dated April 24, 2009 (please see "Risk Factors" pages 25 – 34). 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 period from May 1, 2009 to December 31, 2009 Series A Shares of the Portfolio delivered a gain of 8.02%. Its benchmark, the Newedge CTA Index, posted a return of 4.87% over 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 Fund differs from Series A due largely to varying level of expenses charged to each series, as explained in the Management Fees section.

As at December 31, 2009, the Portfolio held approximately 85% of its assets in cash and the remainder in margin requirements for futures contracts held in the Portfolio.

May through November 2009 was characterized by steady fund performance driven by many factors. Improved macroeconomic data and investor confidence through this period led to gains in equities and industrial commodity prices, sectors where the Portfolio maintained a moderate long exposure. With a more stable macroeconomic backdrop, a number of agricultural markets began performing based on their own supply and demand fundamentals as opposed to global macro-economic factors. This environment led to a mix of long and short positions in the agricultural sector with generally short positions in grain, livestock and coffee markets and long positions in cocoa and sugar. One of the Portfolio's notable gains came from long positions in sugar which experienced a significant price increase due to the second straight year of production shortfalls. India experienced too little rain while parts of Brazil, the largest sugar exporter, had rainfall four times more than normal, making the cane too wet for milling.

Despite relatively improved macroeconomic data and investor sentiment during the aforementioned period, the market continued to price in a sustained period of relatively low interest rates and, accordingly, the Portfolio was generally invested on the long side of bond and interest rate markets throughout this period. Additionally, with the exception of the Japanese Yen, the Portfolio was generally short the US Dollar against most currencies (and precious metals) as investors sold very low yielding US Dollars in favor of risk assets such as equities and commodities.

The period from late November through to the end of 2009 saw some key reversals that resulted in a give back of some of the Portfolio's gains of 2009. The debt crisis in Dubai where the government of Dubai asked for a 6 month repayment extension of debt owed by Dubai World, the state investment company, marked the start of a "flight-to-quality" rally in the US Dollar and a selloff in precious metal prices. The US Dollar rally gained momentum on the backs of downgrades in Greece's credit rating and concern over other potential European debt problems. However, although exposure was reduced as a normal conservative reaction to sudden market reversals, the core directional exposures of the Portfolio remained intact throughout December.

Looking forward, the Portfolio will continue to utilize a systematic approach to provide exposure to a broad range of long and short opportunities, across a globally diversified portfolio of equity, fixed income, currency, industrial and agricultural commodity markets.

Recent Developments

The Exemplar Portfolios Ltd. added a new class to its structure when it filed its prospectus in April 2009. Added to the Exemplar Canadian Focus Portfolio and Exemplar Global Opportunities Portfolio is the Exemplar Diversified Portfolio, a systematic trading portfolio that seeks to deliver returns uncorrelated to tradition equity and fixed income investments.

Related Party Transactions

BluMont Capital seeded the Portfolio with permanent capital of $5,000 in Class A Shares and $45,000 in Class F Shares.

Management Fees

The Manager receives a monthly management fee (the "Management Fee"), calculated as a percentage of the Portfolio's net asset value as of the close of business accrued each business day and payable monthly. The Management Fee rate applicable to the Portfolio was 2.00% per annum in respect of Series A Shares and 1.00% per annum in respect of the Series F Shares. For the period ended December 31, 2009, the total Management Fee equaled $32,971. 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 Portfolio. All fees and expenses payable to the Investment Sub-Advisor, IMFC, for its services will be borne by BluMont Capital and not by the Portfolio. A portion of the Management Fee paid by the Portfolio is for trailer fees paid to dealers whose client's 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 the trailer fees.

	Series A Shares	Series F Shares
Management Fees (Annual Rate (%))	2.00%	1.00%
Trailer Fees (rate as % of Management Fees)	21.73%	0%

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, and no Performance Fee is payable unless an annual 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, 2009 for further details relating to Performance Fees. The High Water Mark was $10.00 in 2009 for both Series A and Series F Shares and the hurdle rate was prorated to 4.0274%. Performance Fees accrued and realized for the period ended December 31, 2009 totaled $30,185. 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 December 31, 2009, the Manager has, in its discretion, agreed to absorb $81,519 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 financial performance for its history up to five years. This information is derived from the Portfolio's audited financial statements, and is represented net of expenses which have been charged to the Portfolio.

SERIES A NET ASSETS PER SHARE

		For the period May 1, 2009 to December 31, 2009
Net Assets, beginning of period[1]	$	10.00
Increase from operations:		
Total revenue		0.52
Total expenses		(0.34)
Realized gains for the period		--
Unrealized gains for the period		—
Total increase from operations[1]:		(0.18)
Distributions[2]:		
From income (excluding dividends)		-
From dividends		-
Total annual distributions		-
Net Assets, end of period[1]	$	10.72

RATIOS AND SUPPLEMENTAL DATA[7]

		For the period May 1, 2009 to December 31, 2009
Net Asset Value ("NAV") (000s)[1]	$	3,715
Number of shares outstanding		343,949
Management expense ratio[3]		5.88%
Management expense ratio before waivers or absorptions[4]		12.00%
Portfolio turnover rate[5]		n/a
Trading expense ratio[6]		n/a

SERIES F NET ASSETS PER SHARE

		For the period May 1, 2009 to December 31, 2009
Net Assets, beginning of period[1]	$	10.00
Increase from operations:		
Total revenue		0.72
Total expenses		(0.20)
Realized gains for the period		--
Unrealized gains for the period		-
Total increase (decrease) from operations[1]:		0.52
Distributions[2]:		
From income (excluding dividends)		-
From dividends		-
Total annual distributions		-
Net Assets, end of period[1]	$	10.80

RATIOS AND SUPPLEMENTAL DATA[7]

		For the period May 1, 2009 to December 31, 2009
Net Asset Value (“NAV”) (000s)[1]	$	5,152
Number of shares outstanding		473,389
Management expense ratio[3]		3.42%
Management expense ratio before waivers or absorptions[4]		6.97%
Portfolio turnover rate[5]		n/a
Trading expense ratio[6]		n/a

1. The net assets per share shown are referenced to Net Assets determined in accordance with Canadian generally accepted accounting principles (“GAAP”) and are derived from the Portfolio’s audited annual financial statements. The Net Assets presented in the financial statements may differ from the Net Asset Value (“NAV”) calculated for the 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/decrease 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 a 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.

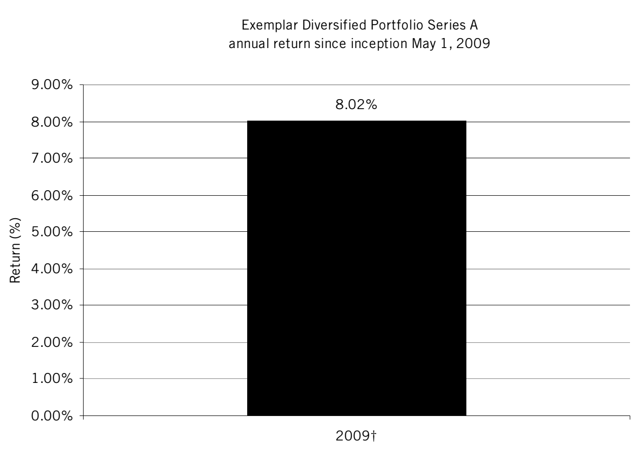
Past Performance

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 units. No adjustment for potential tax consequences to an investor has been made to the performance information.

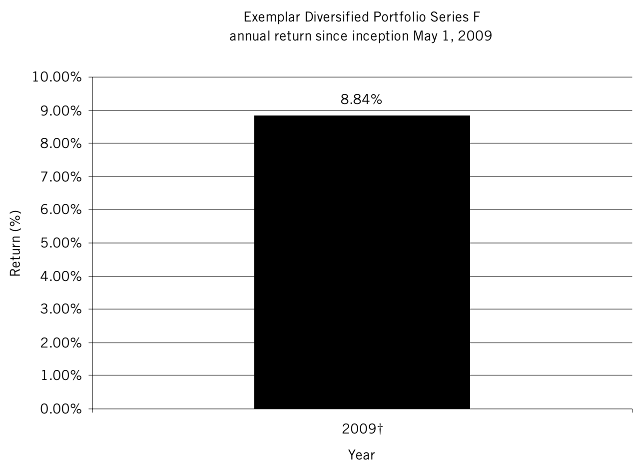
The indicated rates of return are historical annual compounded total returns including changes in unit value and do not take into account sale, redemption, distribution or other optional charges, that, if applicable, would have reduced returns or performance. The Portfolio is not guaranteed. Its value 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 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 shown represent a partial year from inception on May 1, 2009 to December 31, 2009.



† Returns shown represent a partial year from inception on May 1, 2009 to December 31, 2009.

Annual Compound Returns (Compound Performance)

The following table shows the annual compound total returns of the Portfolio, and for the Newedge CTA Index (the Newedge CTA Index is an equal weighted, daily calculated annually re-balanced, return index for a pool of CTAs selected from the larger managers that are open to new investment) for the periods shown ended December 31, 2009. The Relative Performance returns show the performance of the Portfolio as compared to the benchmark Newedge CTA Index.

	1 Month	**3 Month**	**6 Month**	**Cumulative Total Return**
Series A	-3.58%	0.04%	7.87%	8.02%
Series F	-3.50%	0.51%	8.54%	8.84%
New Edge CTA	-3.11%	-4.07%	5.41%	4.87%

Summary of Investment Portfolio as at December 31, 2009

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

Issuer	Country	Sector	% of Net Asset Value
Long Positions			
S&P Canada 60 Composite Index	Canada	Equity Index Futures	0.54%
Zinc	United Kingdom	Metal Futures	0.53%
Sugar No5 (US Sugar)	United States	Soft Commodity Futures	0.53%
Nasd E-Mini (Index Futures)	United States	Equity Index Futures	0.51%
Eurodollar	United States	Interest Rate Futures	0.46%
#11 Sugar (World Sugar)	United Kingdom	Soft Commodity futures	0.45%
Dax Index (Index Futures)	Germany	Equity Index Futures	0.45%
Euribor	United Kingdom	Interest Rate Futures	0.41%
Mexican PSO	United States	Currency Futures	0.39%
E-MINI S&P (Index Futures)	United States	Equity Index Futures	0.38%
HG Copper	United States	Metal Futures	0.37%
Canadian Dollar	United States	Currency Futures	0.33%
Light Crude Oil	United States	Energy Futures	0.30%
SFE SPI 200 (Index Futures)	Australia	Equity Index Futures	0.30%
Hang Seng Index	Hong Kong	Equity Index Futures	0.30%
Euro German BUND	Germany	Bond Futures	0.27%
TCE Rubber	Japan	Soft Commodity Futures	0.26%
Euro German BOBL	Germany	Bond Futures	0.26%
Cocoa	United States	Soft Commodity Futures	0.26%
Swiss Franc	United States	Currency Futures	0.25%
Japanese Yen	United States	Currency Futures	0.23%
Australian Dollar	United States	Currency Futures	0.23%
British Long Gilt	United Kingdom	Bond Futures	0.23%
Total Long Exposure			8.26%
Short Positions			
Coffee DLR (10-Tonne) (UK Robusta Coffee)	United Kingdom	Soft Commodity Futures	-0.54%
SFE Australian 10-YR Bond	Australia	Bond Futures	-0.44%
Total Short Exposure			**-0.98%**
Total Net Exposure			**7.28%**
Net Asset Value (000)			**$8,867**

The investments and percentages may have changed by the time an investor may have purchased units of this Portfolio due to ongoing portfolio transactions of the investment Portfolio. The top 25 holdings are made available quarterly, within 60 days after quarter-end.

Sector Weightings as at December 31, 2009

Sector	Weight (Long)	Weight (Short)
Currencies	1.74%	-0.20%
Bonds	1.73%	-0.42%
Energies	0.57%	-0.31
Stocks	2.64%	
Metals	1.03%	
Interest Rates	1.14%	
Agriculturals	1.88%	-0.81%
Cash	87.54%	n/a

M04E