

2009 Annual Report to Securityholders
by the
Independent Review Committee (IRC)
Of
The BluMont Funds
(as listed at the end of this report)

March 17, 2010.

Dear Investor,

In accordance with **National Instrument 81-107 *Independent Review Committee for Investment Funds***, the BluMont Group of Funds established an Independent Review Committee, or IRC for the Funds. The IRC became fully operational on October 18, 2007 and, subsequent to that date, has functioned in accordance with the applicable securities laws, including NI 81-107. The IRC is composed of three individuals, each of whom is independent of the Funds, the Manager and each entity related to the Manager.

In accordance with the Instrument, the mandate of the IRC is to consider and provide recommendations to the Manager on conflicts of interest to which the Manager may be subject when managing the Fund. The Manager is required under the Instrument to identify potential conflicts of interest inherent in its management of the Fund, develop written policies and procedures guiding its management of those conflicts and request input from the IRC on those written policies and procedures.

When a conflict matter arises, the Manager must refer its proposed course of action in respect of any such conflict of interest matter to the IRC for its review. While certain matters require the IRC's prior approval, in most cases the IRC will provide a recommendation to the Manager as to whether or not, in the opinion of the IRC, the Manager's proposed action provides a fair and reasonable result for the Fund. For recurring conflict of interest matters, the IRC can provide the Manager with Standing Instructions ("SIs") that enable the Manager to proceed with certain matters without having to refer them to the IRC each time for approval, providing the Manager deals with the conflicts in accordance with the SIs.

BluMont IRC
c/o Suite 1200 – 70 University Ave.
Toronto, M5J 2M4

The IRC is empowered to represent the best interests of the Fund in any matter where the Manager has referred a conflict of interest matter to the IRC. In those cases, it has sought to ensure that the Manager's proposed course of action represents a fair and reasonable result for the Fund.

The IRC is pleased to publish its annual report to the Securityholders, to describe the IRC and its activities during the year ended December 31, 2009. We are committed to working on behalf of the BluMont Funds and look forward to assisting the Manager in dealing with any conflict matters that it faces in the coming year.

Composition of the IRC

The current members of the IRC, and their principal occupations, are as follows:

<i>Name & Municipality of Residence</i>	<i>Occupation</i>	<i>Term of Office</i>	<i>Additional IRC Memberships</i>
Chair: David Scollard, Toronto, Ontario	Consultant	Three (3) years from October 1, 2007	Chair - Mavrix Funds Inc.
Stephen Stacey*, Toronto, Ontario	Consultant	Three (3) years from October 1, 2009	Faircourt Asset Management
Harvey Naglie, Toronto, Ontario	Consultant	Three (3) years from October 1, 2008	Jovian Group

* Mr. Stephen Stacey was reappointed to a 3-year term commencing October 1, 2009.

Compensation and Indemnification

Members' Fees

In aggregate the IRC members were paid \$50,000 in 2009, plus applicable taxes.

Indemnities Granted

The Funds and the Manager have provided each IRC Member with a contractual indemnity in accordance with NI 81-107. No indemnities were paid to the IRC Members by the BluMont Funds or the Manager during the financial year.

Independence of IRC Members

Each IRC member is fully independent from the Manager as defined in the legislation. As of December 31, 2009, and throughout the reporting period, the IRC Members did not beneficially own, directly or indirectly:

- units in any of the BluMont investment products;
- any interests in the Manager; or
- any interests in a company or person that is related to the Manager or that provides services to the Manager or any Fund.

Review of the Manager's Policy and Procedures:

Pursuant to NI 81-107 and the IRC's written charter, the IRC has reviewed:

1. the adequacy and effectiveness of the Manager's written policies and procedures concerning Conflict Of Interest Matters;
2. the adequacy and effectiveness of the Standing Instructions the IRC has provided to the Manager;
3. the adequacy and effectiveness of the Manager's and each Fund's compliance with any conditions imposed by the IRC in a recommendation or approval it has provided to the Manager; and
4. the Manager's and each Fund's compliance with any conditions imposed by the IRC in a recommendation or approval it has provided to the Manager.

Subsequent to the review several recommendations concerning policy were made to the Manager by the IRC. These recommendations could best be characterized as refinements rather than significant changes to existing policy. The IRC is awaiting feedback from the Manager on this matter.

Recommendations and Approvals:

There were no recommendations or approvals requested by the Manager during the reporting period.

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Review of Standing Instructions:

As required under NI 81-107, the Manager provided a written report to the IRC on February 2, 2010. That report included the frequency and efficacy of the five then existing Standing Instructions. Due to changing business conditions and modifications made to the Managers own conflict of interest policies Standing Instructions (SIs) pertaining to Payment of Due Diligence Fees were no longer required. Additionally, SI#1 – Omnibus was amended to include Proxy Voting policy. Therefore these SIs, formerly known as SI#4 and SI#5 were no longer required and rescinded by the IRC. The Manager could request reinstatement should future conditions warrant.

The current Standing Instructions are:

Standing Instruction No. 1: Omnibus

Standing Instruction No. 2: Portfolio Pricing Issues: Fair Valuing (Including Illiquid Issues & Private Placements)

Standing Instruction No. 3: Allocation of Investment Opportunities

Self-assessment:

In accordance with NI 81-107, the IRC conducted a self-assessment review in respect of the reporting period. The self-assessment comprised the completion of an individual questionnaire by each IRC Member and a group questionnaire related to the performance of the IRC over the period and the IRC's interaction with the Manager over that same time period. The IRC reviewed and discussed the questionnaire results. As a result of the self-assessment review the IRC prepared a report to the Manager, which set out the results of the IRC's self-assessment review.

The IRC's self-assessment report would have included any details of any breaches by the Manager of its Conflict Of Interest Matters policies and procedures, had there been any. It would also have included any breaches of any conditions imposed by the IRC – of which the IRC was aware - and the IRC's recommendations for changes, in the Manager's Conflict Of Interest Matters policies and procedures. However, there were no breaches of conditions or conditions imposed by the IRC or recommendations for changes.

The Committee received written confirmation that the Manager followed the policies as outlined in all instances through this reporting period, January 1, 2009 to December 31, 2009.

Funds served by the IRC:

BluMont Canadian Fund

BluMont Core Hedge Fund

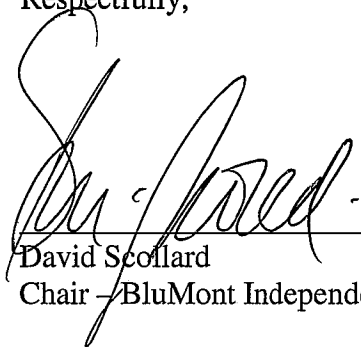
Exemplar Canadian Focus Portfolio

Exemplar Global Opportunities Portfolio

Exemplar Diversified Portfolio

The IRC looks forward to working with the Manager and in fulfilling its mandate over the coming year.

Respectfully,



David Scollard
Chair - BluMont Independent Review Committee

This report is available on the Manager's website at <http://www.blumontcapital.com> or you may request a copy, at no cost to you, by contacting the BluMont Funds at 866-473-7376 or email the BluMont Funds at clientservices@blumontcapital.com This document and other information about the BluMont Funds is available on www.sedar.com.

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