BMO NESBITT BURNS

BMO Nesbitt Burns Group of Funds

Semi-Annual Financial Statements

BMO NESBITT BURNS MAXIMUM GROWTH PORTFOLIO FUND

(Formerly BMO Nesbitt Burns All Equity Portfolio Fund)

JUNE 30, 2010

BMO Nesbitt Burns®

STATEMENT OF NET ASSETS (ALL AMOUNTS IN CANADIAN DOLLARS)

As at	June 30, 2010	December 31, 2009
ASSETS		
Cash	131,979	198,515
Investments at fair value (note 2)	10,168,314	10,915,470
Due from Broker	–	20,000
Subscriptions receivable	2,147	6,368
Total assets	**10,302,440**	**11,140,353**
LIABILITIES		
Due to Broker	8,000	52,000
Accrued expenses	24,685	26,329
Redemptions payable	20,262	7,001
Total liabilities	**52,947**	**85,330**
Net assets representing unitholders' equity (note 2)	**10,249,493**	**11,055,023**
Net assets representing unitholders' equity		
Class A units	10,102,459	10,966,359
Class F units	147,034	88,664
Units issued and outstanding		
Class A units	996,729	1,016,377
Class F units	13,633	7,760
Net assets per unit (note 2)		
Class A units	$10.14	$10.79
Class F units	$10.79	$11.43

The accompanying notes are an integral part of these financial statements.

STATEMENT OF OPERATIONS (ALL AMOUNTS IN CANADIAN DOLLARS)

For the periods ended	June 30, 2010	June 30, 2009
INCOME		
Interest	–	540
	–	**540**
EXPENSES		
Management fees (note 5(a))	125,433	101,763
Audit fees	9,018	11,398
Independent Review Committee Fees	1,017	1,059
Custody Fees	345	1,271
Legal and Filing Fees	30,910	9,278
Unitholder servicing fees (note 5(b))	40,815	40,395
Printing and stationery fees	968	1,381
Operating expenses absorbed by the Fund manager	(54,359)	(41,630)
	154,147	**124,915**
Net investment loss for the year	(154,147)	(124,375)
Net realized gain/(loss) on investments	477,737	(3,435,730)
Change in unrealized (depreciation)/appreciation in value of investments	(973,774)	4,734,368
(Decrease)/increase in net assets from operations	**(650,184)**	**1,174,263**
(Decrease)/increase in net assets from operations		
Class A units	(641,619)	1,170,444
Class F units	(8,565)	3,819
(Decrease)/increase in net assets from operations per unit (note 2)		
Class A units	($0.64)	$1.13
Class F units	($0.47)	$1.78

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS (ALL AMOUNTS IN CANADIAN DOLLARS)

	Class A Units		Class F Units	
For the periods ended	**June 30 2010**	**June 30 2009**	**June 30 2010**	**June 30 2009**
Net assets – beginning of year (note 2)	**10,966,359**	**8,519,278**	**88,664**	**9,632**
(Decrease)/increase in net assets from operations	**(641,619)**	**1,170,444**	**(8,565)**	**3,819**
UNIT TRANSACTIONS:				
Proceeds from sale of units	1,011,074	729,932	258,006	15,000
Reinvested distributions	–	–	–	–
Amount paid on units redeemed	(1,233,355)	(647,925)	(191,071)	–
Total unit transactions	**(222,281)**	**82,007**	**66,935**	**15,000**
DISTRIBUTIONS TO UNITHOLDERS FROM:				
Net investment income	–	–	–	–
Total distributions paid to unitholders	**–**	**–**	**–**	**–**
Net assets – end of year (note 2)	**10,102,459**	**9,771,729**	**147,034**	**28,451**
Change in Units				
Units issued and outstanding, beginning of year	1,016,377	1,029,362	7,760	1,110
Issued for cash	94,986	85,301	22,675	1,759
Issued for reinvestment of distributions	–	–	–	–
	1,111,363	**1,114,663**	**30,435**	**2,869**
Redeemed during the year	(114,634)	(77,108)	(16,802)	–
Units issued and outstanding, end of year	**996,729**	**1,037,555**	**13,633**	**2,869**

The accompanying notes are an integral part of these financial statements.

STATEMENT OF INVESTMENT PORTFOLIO (ALL AMOUNTS IN CANADIAN DOLLARS)

As at June 30, 2010

Description	Number of Units	Cost* ($)	Fair Value ($)
Holdings in Underlying Investment Funds – 99.2%			
AGF Emerging Markets Fund , Class O	48,100	372,152	530,543
Capital International Global Equity Fund, Class I	41,411	588,792	513,033
CI American Value Corporate Class, I Shares	166,402	1,905,598	2,025,115
Dynamic Canadian Value Class, Series O	243,077	2,085,406	2,540,158
Mackenzie Cundill Value Fund, Class O	85,709	417,889	483,544
Synergy Canadian Corporate Class, I Shares	239,736	2,441,970	2,553,186
TD US Large Capital Value, Class I	187,992	1,284,188	1,522,735
		9,095,995	**10,168,314**
Total Investment Portfolio – 99.2%		**9,095,995**	**10,168,314**
Other Assets less Liabilities – 0.8%			**81,179**
Total Net Assets – 100%			**10,249,493**

* For the purpose of the Statement of Investment Portfolio, cost includes commissions and other portfolio transaction costs (note 2).

THE FUND'S INVESTMENT PORTFOLIO IS CONCENTRATED IN THE FOLLOWING SEGMENTS AS AT:	June 30, 2010	December 31, 2009
Canadian Focused Equity	54.4%	61.4%
Emerging Markets Equity	5.2%	4.0%
Global Equity	5.0%	3.9%
US Equity	34.6%	29.4%
Other Assets less Liabilities	0.8%	1.3%
	100.0%	**100.0%**

The accompanying notes are an integral part of these financial statements.

June 30, 2010

1. THE FUND

BMO Nesbitt Burns Maximum Growth Portfolio Fund (the "Fund") is an open-ended mutual fund trust established under the laws of the province of Ontario and is governed by a Master Declaration of Trust dated November 1, 2004, amended October 31, 2008. The Fund is authorized to issue an unlimited number of units in an unlimited number of classes. Each class is intended for different kinds of investors and has different management fees. Refer to Note 8(a) for the classes issued in this Fund and the launch date.

BMO Nesbitt Burns Inc. (the "Manager") is responsible for the management of the Fund. The Manager is a wholly owned subsidiary of Bank of Montreal.

The information provided in these unaudited financial statements is for the six-month period(s) ended as at June 30, 2010 and 2009 except for the comparative information presented in the Statement of Net Assets and the comparative Fund Specific information in note 8, which is as at December 31, 2009. Financial information for the Fund or class established during the period(s) is presented from the date of inception as noted in note 8(a).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"), including estimates and assumptions made by management that may affect the reported amounts of assets, liabilities, income and expenses during the reported periods. Actual results could differ from estimates.

Emerging Issues Committee – 173 ("EIC-173")
On January 20, 2009, the Canadian Accounting Standards Board issued Emerging Issues Committee Abstract 173 – *"Credit Risk and the Fair Value of Financial Assets and Financial Liabilities"* ("EIC-173"). EIC-173 supplements the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3855. EIC-173 requires that an entity's own credit risk (in the case of financial liabilities) and a counterparty's credit risk (in the case of financial assets) be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. The new guidance did not have any significant impact on the valuation of the Fund's financial assets and financial liabilities, or their net assets.

Valuation of investments

CICA Handbook Section 3855 "Financial Instruments – Recognition and Measurement" ("Section 3855"), requires the use of bid prices for long positions and ask prices for short positions in the fair valuation of investments, rather than the use of closing prices currently used for the purpose of determining Net Asset Value ("NAV"). For investments that are not traded in an active market, Section 3855 requires the use of valuation techniques incorporating factors that market participants would consider in setting a price.

The NAV is the fair value of the total assets of a Fund less the fair value of its total liabilities at a Valuation Date determined in accordance with Part 14 of National Instrument 81-106 – Investment Fund Continuous Disclosure ("NI 81-106") for the purpose of processing unitholder transactions. For financial statement purposes, valuations are determined in accordance with Canadian GAAP. This may result in a difference between the Net Assets per Unit and the NAV per unit for each class. Refer to Note 8(b) for details of the comparison between Net Assets per Unit and NAV per unit for each class.

Investments are deemed to be held for trading in accordance with Section 3855. Investments are recorded at their fair value with the change between this amount and average cost being recorded as unrealized appreciation (depreciation) in value of investments in the Statement of Operations.

Securities listed on a recognized public securities exchange in North America and Latin America are valued for financial reporting purposes at their bid prices for long positions and ask prices for their short positions. The Manager uses fair value pricing when the fair value of a security held in a fund is unavailable, unreliable or not considered to reflect the current fair value, and may determine another value which it considers to be fair and reasonable using the services of third-party valuation service providers, or using a valuation technique that, to the extent possible, makes maximum use of inputs and assumptions based on observable market data including volatility, comparable companies and other applicable rates and prices. Procedures are in place to fair value securities traded in countries outside North America and Latin America daily, to avoid stale prices and to take into account, among other things, any significant events occurring after the close of a foreign market.

For bonds, debentures, asset-backed securities and other debt securities, the fair value represents the bid price provided by independent security pricing services. Short-term investments are included in the Statement of Investment Portfolio at their fair value. Unlisted warrants are valued based on a pricing model which considers factors such as the market value of the underlying security, strike price and terms of the warrant. Mutual fund units held as investments are valued at their respective net asset values on each valuation date, as these values are the most readily and regularly available.

The Fund's financial instruments are classified into three levels based on the inputs used to value the financial instruments. Level 1 securities are based on quoted prices in active markets for identical securities. Level 2 securities are based on significant observable market inputs, such as quoted prices from similar securities and quoted prices in inactive markets. Level 3 securities are based on significant unobservable inputs that reflect the Manager's determination of assumptions that market participants might reasonably use in valuing the securities. Refer to note 8(f) for the relevant disclosure.

Investment transactions

Investment transactions are accounted for on the trade date. Realized gains (losses) from the sale of investments and unrealized appreciation (depreciation) in the value of investments are calculated with reference to the average cost of the related investments which exclude brokerage commissions and other trading expenses. All net realized gains (losses), unrealized appreciation (depreciation) in value, and transaction costs are attributable to investments and derivative instruments which are deemed held for trading, and are included in the Statement of Operations.

Transaction Costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are expensed and included in "Commissions and other portfolio transaction costs" in the Statement of Operations.

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Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis.

Income recognition

Interest income is recognized on the accrual basis. Dividend income is recognized on the ex-dividend date.

Distributions received from investment trusts are recorded as income, capital gains or a return of capital, based on the best information available to the Manager. Due to the nature of these investments, actual allocations could vary from this information. Amounts recorded as a return of capital reduce the cost of the investment in the investment trust.

Distributions received from investment fund holdings are recognized by the Fund in the same form in which they were received from the underlying funds.

Translation of foreign currencies

The fair value of investments and other assets and liabilities in The fair value of investments and other assets and liabilities in foreign currencies are translated into the Fund's functional currency at the rates of exchange prevailing at the period-end date. Purchases and sales of investments and income and expenses are translated at the rates of exchange prevailing on the respective dates of such transactions. Foreign exchange gains (losses) on completed transactions are included in realized gain (loss) on sale of investments and unrealized foreign exchange gains (losses) are included in unrealized appreciation (depreciation) in value of investments in the Statement of Operations. Realized and unrealized exchange gains (losses) on assets (other than investments) and liabilities are included in gain (loss) on foreign exchange in the Statement of Operations.

Increase or decrease in net assets from operations per unit

"Increase (decrease) in net assets from operations per unit" of a class in the Statement of Operations represents the increase (decrease) in net assets from operations attributable to the class, divided by the weighted average number of units of the class outstanding during the period.

Short-term trading penalty

To discourage excessive trading, the Fund may, at the Manager's sole discretion, charge a short-term trading penalty. This penalty is paid directly to the Fund.

Cash

Cash is comprised of cash on deposit and cash equivalents and is deemed to be held for trading carried at fair value.

Other assets and liabilities

Interest and dividends receivable, subscriptions receivable, receivable for margin on futures, and due from broker are designated as loans and receivables and recorded at cost or amortized cost. Amounts due to broker, accrued expenses and redemptions payable are designated as financial liabilities and reported at amortized cost. Other assets and liabilities are short-term in nature and are carried at amortized cost, which approximates fair value.

3. UNIT VALUATION

Units of the Fund are offered for sale on a continuous basis and may be purchased or redeemed on any valuation date at the NAV of a particular class. A valuation date is each day on which the Toronto Stock Exchange is open for trading. The NAV per unit of a class for the purposes of subscription or redemption is computed by dividing the NAV of the Fund attributable to the class (that is, the total fair value of the assets attributable to the class less the liabilities attributable to the class) by the total number of units of the class of the Fund outstanding at such time. This amount may be different from the Net Assets per unit of a class calculation, which is presented on the Statement of Net Assets. Generally, any differences are due to valuing actively traded securities at bid prices for GAAP purposes while NAV typically utilizes closing price to determine fair value for the purchase and redemption of units. See Note 8(b) for the reconciliation of the NAV per unit to Net Assets as at June 30, 2010 and December 31, 2009 for each class of the fund.

Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses from investment transactions are allocated proportionately to each class based upon the relative NAV of each class.

Capital disclosure

The capital of the Fund is represented by issued and redeemable units with no par value. The units are entitled to distributions, if any, and to payment of a proportionate share based on the Fund's NAV per unit upon redemption. The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of units. The relevant movements in capital are shown on the Statement of Changes in Net Assets. In accordance with its investment objectives and strategies, and the risk management practices outlined in Note 6, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

4. INCOME TAXES

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) (the "Tax Act"), and accordingly, is not subject to tax on its net taxable income for the tax year which ends in December, including net realized capital gains, which is paid or payable to its unitholders as at the end of the tax year. However, such part of the Fund's net income and net realized capital gains as is not so paid or payable, is subject to income tax. Income tax on net realized capital gains not paid or payable is generally recoverable by virtue of refunding provisions contained in tax legislation, as redemptions occur. It is the intention of the Fund to distribute all of its income and sufficient net realized capital gains so that the Fund will not be subject to income tax.

Non-capital losses that arose in taxation years before 2004 are available to be carried forward for seven years and applied against future taxable income. Non-capital losses that arose in 2004 and 2005 are available to be carried forward for ten years. Non-capital losses that arose in 2006 and after are available to be carried forward for twenty years. Capital losses for income tax purposes may be carried forward indefinitely and applied against capital gains realized in future years.

The Fund's available non-capital and capital losses for income tax purposes as of the tax year ended December 2009 are included in Note 8(c).

5. RELATED PARTY TRANSACTIONS

(a) **Management Fees**
The Manager is responsible for the day-to-day management of the Fund and its investment portfolio in compliance with the Fund's constating documents. The Manager monitors and evaluates the performance of the Fund, pays for the investment management services of the investment advisors and provides all related administrative services required by the Fund. As compensation for its services the Manager is entitled to receive a fee payable monthly, calculated at the maximum annual rates included in Note 8(d).

(b) Unitholder **servicing, commissions and other portfolio transaction costs**
The Fund is provided with certain facilities and services by the Manager and its affiliates. A portion of the unitholder servicing expenses include expenses incurred in the administration of the Fund that were paid to Bank of Montreal. Refer to Note 8(d) for related party fees charged to the Fund for the periods ended June 30, 2010 and 2009 where applicable.

(c) **Initial investments**
In order to establish a new fund, the Manager makes initial investments in the fund. Pursuant to the policies of the Canadian Securities Administrators, an initial investor cannot redeem its investments until an additional $500,000 has been received from other investors with respect to the same series of units. Refer to Note 8(d) for the investment in units of the Fund held by the Manager as at June 30, 2010, where applicable.

(d) **Other related party transactions**
From time to time, the Manager may on behalf of the Fund enter into transactions or arrangements with or involving other members of Bank of Montreal Group of Companies, or certain other persons or companies that are related or connected to the Manager of the Fund. These transactions or arrangements may include transactions or arrangements with or involving Bank of Montreal, Bank of Montreal Ireland Plc., BMO Harris Investment Management Inc., BMO Asset Management Inc., BMO InvestorLine Inc., HIM Monegy Inc., BMO Trust Company, Harris Investment Management Inc., Pyrford International Ltd. or other mutual funds, and may involve the purchase or sale of portfolio securities through or from a member of Bank of Montreal Group of Companies, the purchase or sale of securities issued or guaranteed by a member of Bank of Montreal Group of Companies, the purchase or redemption of units of other BMO funds or the provision of services to the Manager.

6. FINANCIAL INSTRUMENT RISK

A fund may be exposed to a variety of financial risks. A fund's exposure to financial risks are concentrated in its investment holdings, including derivative instruments. The Statement of Investment Portfolio groups securities by asset type, geographic region and/or market segment.

The Fund's risk management practice includes the monitoring of compliance to investment guidelines. The Manager manages the potential effects of these financial risks on the Fund's performance by employing and overseeing professional and experienced portfolio managers that regularly monitor the Fund's positions, market events and diversify investment portfolios within the constraints of the investment guidelines.

Where the Fund invests in other mutual fund(s), it may be indirectly exposed to the financial instruments risks of the underlying fund(s), depending on the investment objectives and the type of securities held by the underlying fund(s). The decision to buy or sell an underlying fund is based on the investment quidelines and positions, rather than the exposure of the underlying fund(s).

(a) **Currency risk**
Currency risk is the risk that the value of financial instruments denominated in currencies, other than the functional currency of the Fund, will fluctuate due to changes in foreign exchange rates. Investments in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Fund's functional currency in determining fair value. The Fund may enter into forward currency contracts for hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies. The Fund's exposure to currency risk, if any, is further discussed in Note 8(e).

(b) **Interest rate risk**
Interest rate risk is the risk that the fair value of the Fund's interest-bearing investments will fluctuate due to changes in market interest rates. The Fund's exposure to interest rate risk is concentrated in its investment in debt securities (such as bonds, money market instruments and debentures) and interest rate derivative instruments, if any. Other assets and liabilities are short-term in nature and/or non-interest bearing. The Fund's exposure to interest rate risk, if any, is further discussed in Note 8(e).

(c) **Other market risk**
Other market risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market. Other assets and liabilities are monetary items that are short term in nature and are not subject to other market risk. The Fund's exposure to other market risk, if any, is further discussed in Note 8(e).

(d) **Credit risk**
Credit risk is the risk that a loss could arise from a security issuer or counterparty to a financial instrument not being able to meet it's financial obligations. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. Credit risk exposure for over-the-counter derivative instruments is based on the Fund's unrealized gain of the contractual obligations with the counterparty as at the reporting date. The credit exposure of other assets is represented by its carrying amount. The Fund's exposure to credit risk, if any, is further discussed in Note 8(e).

(e) **Liquidity risk**
The Fund's exposure to liquidity risk is concentrated in the daily cash redemptions of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed. In addition, the Fund retains sufficient cash and cash equivalent positions to maintain liquidity. The Fund may, from time to time, enter into over the-counter derivative contracts or invest in unlisted securities, which are not traded in an organized market and may

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be illiquid. Securities for which a market quotation could not be obtained and may be illiquid are identified on the Statement of Investment Portfolio. The proportion of illiquid assets to the total NAV of the Fund is monitored by the Manager to ensure it does not exceed the regulatory limit and does not significantly affect the liquidity required to meet the Fund's financial obligations.

7. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

In 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that all Canadian publicly accountable enterprises, which include investment funds, will be required to prepare their financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), for financial years commencing on or after January 1, 2011. However, in June 2010, the AcSB issued a proposal to defer the adoption of IFRS for investment companies, which include investment funds, by one year. This proposal could result in the Fund deferring its adoption of IFRS from January 1, 2011 to January 1, 2012. The AcSB is expected to finalize their proposal in September 2010.

In order to meet the requirement to transition to IFRS, the Manager established a committee for the development and implementation of a transition plan and to provide oversight of the transition to IFRS. The transition plan is comprised of three phases: a diagnostic assessment to identify potential IFRS differences relative to current policies; implementation and education, which includes confirming actual IFRS differences relative to current policies; and completion of all integration requirements for any actual differences identified. The Fund's transition to IFRS remains on track: its diagnostic assessment to identify potential IFRS differences is completed, and the Committee is currently working through the second phase of the transition plan.

The diagnostic assessment of the Fund revealed the following:

The criteria contained within the IFRS Financial Instruments: Presentation standard (IAS 32) may require unitholders' equity to be classified as a liability within the Fund's statement of net assets, unless certain conditions are met. The Manager is currently assessing the Fund's unitholder structure to confirm classification.

The requirements contained within the IFRS Consolidated and Separate Financial Statements standard (IAS 27) may impact the accounting of certain investments held by the Fund. To the extent any of the Fund's investments in other funds are deemed to be controlled by the Fund, as determined under the criteria contained within IAS 27, the Fund will need to consolidate the financial statements of those investments within the Fund's financial statements. However, the IASB is planning to replace IAS 27 with a new standard. This new standard may be in effect prior to Fund's transition date, such that the IFRS may differ at transition date from its current form. The Manager is currently monitoring the IASB's project to replace IAS 27, and will amend its implementation plans accordingly.

Presentation changes to unitholders' equity and presenting certain investments held by the Fund on a consolidated basis will not have an impact on the Fund's results of operations or financial position. The diagnostic assessment did not reveal any other potential material differences between the Fund's current accounting policies and the requirements under IFRS. The Manager does not foresee any impact or change to the Fund's business arrangements or any accounting policy or implementation decisions that the Fund will need to make as a result of the changeover to IFRS.

The Manager has not identified any changes that will impact NAV per share as a result of the changeover to IFRS. However, this determination is subject to change as new standards are issued or interpretations of existing standards evolve.

8. FUND SPECIFIC INFORMATION

(a) Fund and Unit Class information and significant events

The Fund's inception date was November 1, 2004. The Fund may issue an unlimited number of units in each of Class A and F.

Class A units are available to all investors.

Class F units are available for purchase by investors who are enrolled in dealer sponsored wrap programs or flat fee accounts. Instead of paying a commission on each transaction, these investors pay an annual fee to the Manager based on the value of their assets.

Unit Class	Launch Date
Class A Units	November 1, 2004
Class F Units	October 31, 2008

(b) Reconciliation of Net Asset Value per Unit to Net Assets per Unit

	June 30, 2010		
Unit Class	Net Asset Value per Unit	Section 3855 Adjustment	Net Assets per Unit
Class A Units	10.14	–	10.14
Class F Units	10.79	–	10.79

	December 31, 2009		
Unit Class	Net Asset Value per Unit	Section 3855 Adjustment	Net Assets per Unit
Class A Units	10.79	–	10.79
Class F Units	11.43	–	11.43

(c) Income Taxes

As at the tax year ended December 2009, the Fund has the following available non-capital and capital losses for income tax purposes:

		Non-Capital Losses That Expire in		
Total Capital Losses ($)	Total Non-Capital Losses ($)	2010 ($)	2011 ($)	2012 and thereafter ($)
1,683,643	3,759	–	–	3,759

(d) **Related party transactions**

Management Fees
The Manager is entitled to receive Management Fees at annual rates as follows:

Unit Class	Management Fees (%)
Class A Units	2.25
Class F Units	1.25

Initial investments

The manager held the following investments in units of the Fund:

	As at June 30, 2010		As at December 31, 2009	
Unit Class	Units held by the Manager ($)	Fair value of units ($)	Units held by the Manager ($)	Fair value of units ($)
Class A Units	–	–	–	–
Class F Units	1,111	11,988	1,111	12,699

Unitholder servicing and other portfolio transaction costs.

The related party fees charged relating to unitholder servicing and other portfolio transaction costs are as follows:

	Period ending June 30, 2010 ($)	Period ending June 30, 2009 ($)
Unitholder servicing	**11,877**	**12,651**

(e) **Financial instrument risk**
The Fund's objective is to achieve long-term capital growth consistent with the preservation of capital by investing primarily in other mutual funds that have long-term growth potential. No changes affecting the overall level of risk of investing in the Fund were made during the period.

Currency risk

The Fund invests only in mutual fund units and may be exposed to indirect currency risk to the extent that the underlying funds invest in financial instruments that are denominated in a currency other than the functional currency of the Fund.

Interest rate risk

As at June 30, 2010 and December 31, 2009, the Fund invested in mutual fund units and may have been exposed to indirect interest rate risk to the extent that the underlying funds invested in interest-bearing financial instrument.

Other market risk

As at June 30, 2010 and December 31, 2009, the Fund invested only in mutual fund units and may have been exposed to other market risk to the extent that the underlying funds invested in securities that trade on global markets. If the global markets increased or decreased by 10% as at the periods ended, with all other factors remaining constant, Net Assets could possibly have increased or decreased by approximately $1,016,831 (December 31, 2009 – $1,091,547). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

As at June 30, 2010 and December 31, 2009, the Fund invested only in mutual fund units and may have been exposed to indirect credit risk to the extent that the underlying funds invested in debt instruments, preferred securities and derivatives.

(f) **Fair Value Hierarchy**
The classification between hierarchy levels as at June 30, 2010 is not significantly different from the levels as at December 31, 2009. The disclosure related to the hierarchical classification of the Fund's financial instruments is included in the Fund's audited financial statements as at December 31, 2009.

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