



CONNOR, CLARK & LUNN

CAPITAL MARKETS

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Focused Global Trends Fund

Annual Report
March 31, 2011

Focused Global Trends Fund Message to Unitholders

June 14, 2011

Dear Investor,

Over the past 12 months, lower quality stocks have significantly outperformed higher quality stocks as companies with leveraged balance sheets and more cyclical earnings profiles have rebounded considerably. Carnegie Asset Management's ("Carnegie" or the "Investment Manager") process remains focused on the long-term investment horizon. Many stock-picks in the portfolio continue to have a high quality, large cap profile (i.e., companies with lower beta and higher return on equity profiles than the market).

It has been a relatively difficult period for Carnegie. The portfolio management team has remained constant and they make use of the same process, but their style is not currently in favour and they have made some difficult company selections in the process.

The profile of the portfolio is one that tends to outperform in relatively moderate growth scenarios. Carnegie continues to focus its strategy on high quality global leaders in the large/mega capitalization universe. They believe conditions are falling into place for a revival of selective global mega-capitalization companies. Even in a scenario where nominal sales growth is below trend, these companies have scale, strong brand and pricing power, good free cash flow generation and an attractive valuation can outperform.

There were a number of changes in the portfolio during the period. Amongst the companies sold were Nokia, Bank of America and Japan Tobacco. New companies in the portfolio included Suncor (our first Canadian holding), BG, and Newmont Mining. Although Carnegie does not manage to any benchmarks, the Fund continues to be significantly underweight the United States and overweight the United Kingdom and Pacific (ex Japan) geographically and overweight technology and consumer staples, underweight consumer discretionary, utilities and telecoms from a sector perspective.

As the Fund becomes smaller in size due to redemptions, its management expense ratio increases and trading liquidity diminishes. As a result, over the coming months Connor, Clark & Lunn Capital Markets will be examining alternatives for the Fund, including a possible merger. Please check our web site for quarterly investment updates and other timely information. We appreciate your investment in the Fund and look forward to better performance as the market recognizes mega-capitalization values.

Yours truly,



W. Neil Murdoch
Chief Executive Officer
Focused Global Trends Fund

Management Report of Fund Performance

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Fund. **The annual financial statements and accompanying notes are attached to the annual report.**

You can obtain a copy of the annual financial statements at no cost by writing to Connor, Clark & Lunn Capital Markets Inc. (the “Manager”) to the following address: Connor, Clark & Lunn Capital Markets Inc., Suite 300, 181 University Avenue, Toronto, Ontario M5H 3M7, or calling (416) 862-2020 or visiting the Manager’s website at www.cclcapitalmarkets.com. You can also obtain the annual financial statements by visiting www.sedar.com.

Securityholders 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.

Note that any reference to “Net Assets” or “Net Assets per Unit” or “GAAP Net Assets” means that the value was determined in accordance with the Canadian Generally Accepted Accounting Principles “GAAP” for financial statements purposes. Also any reference to “Net Asset Value” or “Net Asset Value per Unit” or “Transactional NAV” means that the value was determined for valuation and transactional purposes in accordance with the Canadian Securities Administrators. An explanation of the difference between both values can be found in note 3 to the financial statements.

Investment Objectives and Strategy

The Focused Global Trends Fund (the “Fund”) is a closed-end investment fund that is listed on the Toronto Stock Exchange under the symbol FTF.UN. It was established under the laws of the Province of Ontario pursuant to a trust agreement dated June 28, 2007.

The Fund’s investment objectives are to:

- (i) provide holders of the Class A and Class F Units (“Unitholders”) with a stable stream of monthly cash distributions initially targeted to be \$0.04167 per Unit (representing a yield of approximately 5.0% per annum on the issue price of \$10.00 per Unit); and
- (ii) preserve and enhance the Net Asset Value per Unit of the Fund.

In order to achieve the Fund’s investment objectives, Carnegie Asset Management (the “Investment Manager” or “Carnegie”), the Fund’s investment manager, invests the net proceeds of the Offering, in a portfolio (the “Portfolio”) consisting of equity securities of global companies.

On March 17, 2009, the Fund announced a change to the monthly distribution rate as a result of ongoing difficult market conditions. The monthly distribution level was changed from \$0.04167 to \$0.02778 per Class A and Class F Unit (or from \$0.50 to \$0.333 per annum).

Risk

The risk profile of the Fund has not changed from prior year. For full disclosure of risks associated with an investment in the Fund’s units, please refer to the Prospectus dated June 28, 2007.

Recent Developments

Future accounting changes

The Canadian Accounting Standards Board (“CASB”) previously confirmed that effective January 1, 2011, International Financial Reporting Standards (“IFRS”) will replace Canadian GAAP for publicly accountable enterprises, which includes investment funds. In June 2010, the CASB issued an exposure draft “Adoption of IFRSs by Investment Companies”, proposing that investment companies currently applying Accounting Guideline 18 (“AcG 18”) “Investment Companies” issued by the Canadian Institute of Chartered Accountants (“CICA”), defer the adoption of IFRS by one year to fiscal years beginning on or after January 1, 2012. In September 2010, the CASB approved the optional one year deferral from IFRS adoption for investment companies applying AcG 18.

At its January 12, 2011 meeting, the AcSB decided to extend the deferral of mandatory adoption of IFRS for Investment Companies and Segregated Accounts of Life Insurance Enterprises. The decision is in response to the International Accounting Standards Board’s announcement in late 2010 that its Investment Company project is delayed and will not likely be issued before January 1, 2012, which is the current date of mandatory adoption of IFRS for these entities. As a result, the Fund will implement IFRS effective April 1, 2013.

The Fund’s Manager has commenced activities to identify key issues and the likely impact resulting from the adoption of IFRS and is in the process of developing a changeover plan, which will include identifying differences between the Fund’s current accounting policies and those it expects to apply under IFRS, as well as any accounting policy and implementation decisions and their resulting impact, if any, on NAV of the Funds. Management has presently determined that there will be no significant impact to NAV per Unit as a result of the changeover to IFRS but will continue to assess based on any changes to existing IFRS.

Results of Operations

Portfolio Manager Commentary (May 2011)

Since the summer of 2010 and the launch of the second round of Quantitative Easing (QE2), many investors (especially speculators with shorter-term investment horizons) have been tempted to take additional risk and have been rewarded for it. More conservatively positioned strategies, including our own, have underperformed.

Over the past 12 months, lower quality stocks have significantly outperformed higher quality stocks as companies with leveraged balance sheets and more cyclical earnings profiles have rebounded considerably. Our process remains focused on the long-term investment horizon. Many stock-picks in the portfolio continue to have a high quality, large cap profile (ie, companies with lower beta and higher return on equity profiles than the market).

We identify two contributing factors which have influenced our relative returns: The duration of the cyclical and higher beta outperformance has been prolonged beyond our expectations. Secondly, in light of the uncertain macro-economic environment, several stock-picks and corporate fundamental events did not unfold as anticipated. In a concentrated stock-picking portfolio, avoiding the costly mistakes is just as critical as picking the winners. Perhaps an obvious observation, yet it was so critical for us in an almost flawless 2007 whilst the reverse was true in an unsatisfactory 2010.

This is where our emphasis on longer term investing is critical and a differentiating factor in enabling us to maintain perspective, overview and to execute on our objectives. Following all previous similar return periods we have stayed true to our beliefs and subsequently executed successfully and delivered strong absolute and relative performance. Although seen from a short-term perspective our one year relative underperformance does not match our longer term objectives, we do not formulate reactions on shorter term performance variations as our strategy needs to be seen in longer term context.

A strategy with a high tracking error and a longer term fundamental stock picking approach with a maximum of 30 positions will invariably deviate from benchmark returns over shorter periods either positively or negatively.

Positive contribution was led by Peabody Energy and Daimler. Peabody is the world's largest private coal company. Coal fundamentals remain strong. Coal is the fastest growing fuel in the world and continues to be largely driven by the enormous appetite for energy in Asia and China in particular. In 2009 the US exported only 2.7 million tons of coal to China, whilst that figure has increased significantly to 2.9 million tons in the first six months of 2010 alone. China, which was a coal exporter until 2009, was expected to import up to 150 million tons in 2010 - the first year that it has been a net importer.

Daimler, which was purchased early in 2010 after the agreement to sell Chrysler in the US, which allowed Daimler to focus on Mercedes and on its Commercial Vehicle business -- the largest truck business globally. The share price was very attractively priced in a core scenario where we expected demand for trucks and luxury vehicles to rebound. Following a collapse in demand for trucks as a result of the recent economic downturn, we anticipated a significant rebound in demand for trucks, and even assuming US truck growth of 50% per annum over the next two years, overall sales levels would still be 30% below 2006 levels. Indeed Daimler did witness strong demand for its most expensive Mercedes S class models, and it is estimated that China accounts for more than 50% of these cars.

Nokia was the largest single detractor from performance during the period. Nokia reported Q4-2009 quarterly results which disappointed the market and the share price dropped significantly in April of 2010. However, Nokia's share of the global mobile phone market remained high at 36.6% during the first quarter of 2010 and the company worked hard to reclaim leadership in smartphones. The company continues to have a strong technology and distribution platform, but developments during the second quarter of 2010 indicated that Nokia was unable to execute on its product strategy with timely and competitive product launches in 2010. This increased the longer-term risk profile of the company and we exited the position in June of 2010.

Proceeds were used to increase the position in Standard Chartered Bank, which continues to successfully capitalize on its growth franchise in Emerging Markets. Proceeds were also used towards the purchase of Newmont Mining. We anticipate a solid development in the gold price over the coming 3-5 years. Historically, the shares of gold mining companies have been valued at high levels. This has changed over the past few years and it is now possible to invest in gold companies at attractive valuations. More specifically, Newmont Mining is valued at a current P/E of less than 15 times (at June 2010) with cash costs per ounce of \$ 450-480 compared with the current gold price of over \$ 1200 per ounce. It remains a geological challenge to discover new gold reserves at attractive cash costs and we prefer Newmont which today has a strong production portfolio of almost 5.5 million ounces. This means that Newmont can generate incremental cash flow of \$350 million per every \$100 change in the gold price.

Bank of America was sold in November, 2010. The increased US litigation risk in BAC in connection with the sale of securitized loans to investors in the boom years, creates enough uncertainty for us to sell the stock. We do think BAC can handle the potential losses, but the risk is that there is too little left for the shareholders. The financial sector in Asia is more interesting because of stronger fundamentals with economic growth and a positive housing cycle. The banking exposure in the portfolio after the sale of BAC is now completely focused on Asia. Proceeds were used to increase the position in Vodafone. The telecom sector on the other hand has struggled for a decade with increased competition, regulation and overcapacity. We see some signs of improvement, where it is increasingly likely that the key players in the sector can benefit from the boom in data traffic driven by our theme 'Connected Lives'. A business model that builds on a more individualized offering will probably increase the earnings power for selected players like Vodafone. Valuations are attractive and expectations are low with Vodafone yielding around 5.0% and with a P/E of 9.5 (2011).

Japan Tobacco was reduced starting in June, 2010, and was fully sold in October, 2010. Proceeds were used to initiate a new position in Philip Morris International (PMI). PMI has a superior growth profile as a result of its larger exposure to emerging markets and its more exclusive product offering led by the Marlboro brand. PMI, which consists of all Philip Morris activities outside the U.S, has a total global market share of 26% (excluding U.S and China). PMI has a better track record in focusing on creating shareholder value. This was illustrated by the recent announcement where the company increased its dividend (current dividend yield of 4.7%) and increased its payout ratio to 67%. At the same time the company is in the midst of a significant share buyback program. PMI also has a number of productivity enhancing activities which will support earnings the coming years.

The current structural investment environment presents interesting pockets of new opportunities. In particular, we are focusing on new potential opportunities in 1) Safe energy reserves, 2) Automation in China and 3) Domestic Germany. We have recently initiated new positions, namely Suncor and BG, within the first area of opportunity.

During the beginning of the month it was decided to initiate a position in BG Group. Proceeds came from slight exposure reductions in Nestle, Apple and a complete sale of China Life. China Life has been unable to capitalize on the significant growth opportunities in the Chinese Life insurance market.

BG is one of the few global oil and gas companies which has a growing production profile over the coming years. As we believe that the oil price will remain higher for longer, this will translate to a strong earnings profile for many years. At the same time, BG is uniquely positioned in the global gas market. During the past couple of years BG has acquired interesting exposure to US shale gas reserves, thereby supplementing their strong LNG platform. Here BG is well positioned to take advantage of the large price differentials between global regions. Although valuation of the shares is very attractive from a longer term perspective, they currently trade at a premium to the sector due to their unique production growth profile.

It was also decided to initiate a position in Suncor, a leading Canadian oil company. Funds came from reductions in Roche and Holcim. Suncor is unique due to its access to 40 years of politically safe oil assets in western Canada – namely the oil (tar) sands of Alberta. The oil sands are large deposits of bitumen (or extremely heavy crude oil). These deposits, the largest reservoir of crude bitumen in the world, lie under sparsely populated forests and muskeg. Despite the large resources, the cost of extracting the oil from the sands has historically made production of the oil sands unprofitable. Today the economics of oil sands have improved dramatically, and at today's oil prices are very profitable.

Suncor has many years of experience in the process of extracting bitumen from the sands, and in today's energy environment the company is ramping up production significantly. Safe energy reserves in Alberta are a significant asset in a global environment where geo-political uncertainty dominates headlines.

There have been no major theme transitions during the past 12 months. Growth in emerging markets continues to be an area to which we are favourably disposed. Exposure to this growth is both direct and indirect. Exposure to high oil prices is also a theme which we believe will continue for the foreseeable future.

We continue to believe that fundamentals will increasingly drive share price returns and that global equity markets will grind higher throughout the year. Increased focus on share price fundamentals is a development which is considerably more conducive to longer-term fundamental stock-picking than the environment witnessed over the past few years.

We are optimistic about our positioning and the individual stock-picks. We believe all investments in our global strategy will provide solid returns over the cycle. We believe that the surge in share prices of cyclical companies has already discounted much of the earnings recovery. Therefore we anticipate that the recent period of higher beta outperformance has peaked and that the fourth quarter of 2010 and the beginning of 2011 marked the crescendo of this outperformance. As this trend of lower quality outperformance mean-reverts, market leadership will broaden. This is a key to our 2011 outlook.

The large cap universe is a unique investment opportunity both from an absolute and relative perspective. In particular, large caps coupled with a low P/E profile offer compelling upside opportunities. We foresee a good year for large blue chips and expect global multinationals with earnings growth to prevail. Our primary focus is on companies that can generate real earnings growth rather than a recovery in profit margins.

To summarize, we are convinced that our focus on fundamentals will work in our favour. We are optimistic that the current environment will mark the turning point in our endeavour to capture superior investment returns. As market leadership transitions to a broader profile, as it has begun to do in March, there is no doubt that good opportunities will arise for fundamental stock-picking.

Leverage

The Fund's loan facility is for working capital purposes. Borrowings by the Fund shall not exceed 5% of the Net Asset Value of the Fund at the time of borrowing. The Fund has not drawn on the loan facility to date.

Capital transactions

On July 19, 2007, the Fund completed an initial public offering pursuant to the prospectus dated June 28, 2007. \$48,057,000 was raised through the issue of 4,805,700 Class A Combined Units at \$10.00 per Unit, and \$1,943,000 was raised through the issue of 194,300 Class F Combined Units at a price of \$10.00 per Combined Unit for aggregate gross proceeds of \$50 million. On August 20, 2007, Class A Combined Units and Class F Combined Units were separated, where each Class A Combined Unit commenced trading separately on the Toronto Stock Exchange as one Class A Unit and one-

half of a transferable Warrant for one Class A Unit, and each Class F Combined Unit separated into transferable Class F Unit and one-half of a transferable Warrant for one Class F Unit.

Each whole Warrant for one Class A Unit entitles the holder to purchase one Class A Unit at a subscription price of \$10.25 on January 30, 2009 or July 30, 2010. Each whole Warrant for one Class F Unit entitles the holder to purchase one Class F Unit at a subscription price of \$10.25 on January 30, 2009 or July 30, 2010. On January 30, 2009 none of the Class A or Class F transferable warrants had been exercised. No Warrants for Class A Units and Class F Units were exercised during the exercise period which ran from August 20, 2007 to July 30, 2010.

During January 2011 the Fund had its annual Redemption Date. \$4,872,195 was paid to redeem 924,550 of Class A Units (\$5,355,167 was paid to redeem 1,025,847 during January 2010), and \$71,801 was paid to redeem 13,000 of Class F units (\$523,855 was paid to redeem 96,500 during January 2010). There were also 7,900 of Class F Units converted to 8,275 of Class A Units for a total value of \$44,382 during the year ended March 31, 2011 (18,000 Class F Units were converted to 18,641 of Class A Units for a total value of \$89,094 during the year ended March 31, 2010).

Market repurchases

As set out in the Prospectus, the Fund is obligated, under certain conditions, to purchase Class A Units in the market for cancellation. If, on any day, the Class A Units weighted average trading price is less than 95% of the net asset value per Class A Unit determined on the most recent valuation date, the Fund must purchase any Class A Units offered in the market the following day at 95% of net asset value per unit or less.

During the year ended March 31, 2011, the Fund did not purchase any Units (3,000 of Class A Units for a total cost of \$14,960 during the year ended March 31, 2010).

Distributions

The Fund has made all its scheduled distributions during the year ended March 31, 2011, paying \$0.33 per Class A Unit and Class F Unit respectively (\$0.33 per Class A Unit and Class F Unit during the year ended March 31, 2010).

Related Party Transactions

Management Fees

Pursuant to a trust agreement (“the Trust Agreement”) the Fund retained Connor, Clark & Lunn Capital Markets Inc. (“the Manager”) to act as manager. As compensation for coordinating the organization of and managing the ongoing business and administrative affairs of the Fund, the Manager is entitled to an annual management fee in an amount equal to 1.10% per annum of the net asset value of the Fund to be calculated and payable monthly in arrears, plus applicable taxes.

The total management fees charged to the Fund (including taxes) during the year ended March 31, 2011 were \$146,274 (\$190,367 during the year ended March 31, 2010). The Manager pays the Investment Manager out of the above management fees.

Service Fee

The Fund pays to the Manager a service fee which is payable to dealers whose clients hold Class A Units in the Fund. The service fee is calculated daily and payable at the end of each calendar quarter in arrears and is equal to 0.40% annually of the net asset value of the Class A Units held by clients of the dealers.

The service fee charged to the Fund during the year ended March 31, 2011 was \$44,725 (\$58,064 during the year ended March 31, 2010).

Recommendations or Reports by the Independent Review Committee

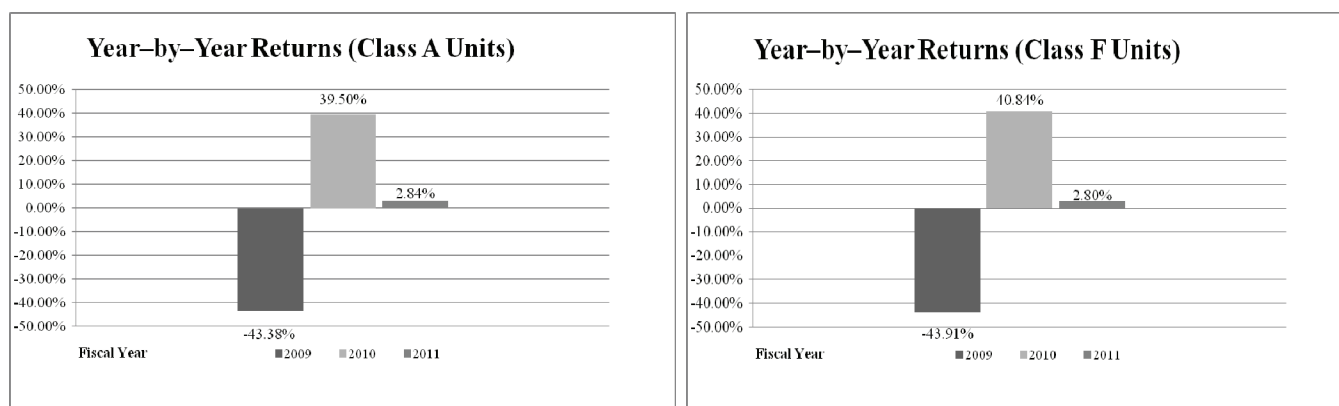
The Independent Review Committee of the Board of Advisors tabled no special reports and made no extraordinary material recommendations to management of the Fund during the year ended March 31, 2011.

Past Performance

The following bar charts and table indicate the annual performance of the Class A Units and the Class F Units by showing both annual returns by fiscal year and annualized compound returns from inception assuming all the distributions made by the Fund in the periods shown were reinvested. Past performance is not necessarily indicative of future performance.

Year – by –Year Returns

The following bar charts shows the Fund’s annual performance for the years shown. These bar charts show, in percentage terms, how much an investment made on the first day of the financial year would have grown or decreased by the last day of the financial year.



Annual Compound Returns

	Past Year	Three Years	Since Inception ⁽¹⁾
Based on NAV (Class A Units)	2.84%	-6.70%	-8.39%
Based on share price (Class A Units)	3.83%	-6.64%	-11.66%
Based on NAV (Class F Units)	2.80%	-6.70%	-8.27%
MSCI World Index (USD)	14.13 %	0.38 %	-3.02%
MSCI World Index (CAD)	9.00 %	-1.53 %	-4.90%

⁽¹⁾ Annualized for the period July 19, 2007 (Commencement of operations) to March 31, 2011.

The MSCI World Index is the benchmark for the Fund. The MSCI World Index is a capitalization weighted index that monitors the performance of stocks from around the world which is consistent with the Fund’s investment strategy. Aside from security selection, the performance of the benchmark may differ materially from the performance of the Fund due to the use of currency hedging strategies by the Fund.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to aid in understanding the Fund's financial performance since inception. This information is derived from the Fund's audited annual financial statements:

Class A Units:

The Fund's Net Assets per unit:

	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008 ⁽¹⁾
Net Assets, beginning of period	5.60	4.28	8.20	10.00
Increase (decrease) from operations:				
Total revenues	0.10	0.12	0.18	0.11
Total expenses	(0.17)	(0.14)	(0.15)	(0.13)
Share issue expense ⁽²⁾	—	—	—	(0.66)
Realized gains (losses) for the period	0.13	(0.95)	(2.38)	(0.23)
Unrealized gains (losses) for the period	0.01	2.56	(1.12)	(0.55)
Total increase (decrease) from operations ⁽³⁾	0.07	1.59	(3.47)	(1.46)
Distributions:				
From income (excluding dividends)	—	—	—	—
From dividends	—	—	—	—
From capital gains	—	—	—	—
Return of capital	(0.33)	(0.33)	(0.49)	(0.35)
Total Distributions ⁽⁴⁾	(0.33)	(0.33)	(0.49)	(0.35)
Net Assets, end of period ⁽⁵⁾	5.41	5.60	4.28	8.20

⁽¹⁾ Results for the period from July 19, 2007 (commencement of operations) to March 31, 2008.

⁽²⁾ Issue expense of \$3,168,722 incurred in connection with the units issuance. The full amount of issue expenses was treated as a reduction of Unit Capital for accounting purposes and is amortized over a period of five years for tax purposes.

⁽³⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase / decrease from operations is based on the weighted average number of units of 2,244,107 outstanding over the financial period (2010 – 3,250,959).

⁽⁴⁾ Distributions are paid in cash. The percentages used to allocate distributions among income, dividends, capital gain and return on capital are based on estimates.

⁽⁵⁾ This is not reconciliation between the opening and the closing net assets per unit.

Ratios and Supplemental Data:

	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008 ⁽¹⁾
Net asset value (000's)	7,941	13,348	14,547	38,910
Number of units outstanding	1,466,328	2,382,603	3,392,809	4,747,532
Base Management expense ratio ⁽²⁾⁽³⁾	3.01%	2.51%	2.20%	2.12%
Issue expenses ratio ⁽²⁾⁽³⁾	—	—	—	7.34%
Management expense ratio (annualized) ⁽³⁾	3.01%	2.51%	2.20%	9.46%
Management expense ratio before waivers or absorptions (annualized) ⁽³⁾	3.01%	2.51%	2.20%	9.46%
Portfolio turnover rate ⁽⁴⁾	26.24%	36.44%	24.11%	28.85%
Trading expense ratio ⁽⁵⁾	0.13%	0.18%	0.05%	0.25%
Net asset value per unit	5.42	5.61	4.29	8.21
Closing market price (TSX) – units	4.81	4.91	3.99	7.45
Closing market price (TSX) – warrants ⁽⁶⁾	n/a	0.005	0.005	0.20

⁽¹⁾ Results for the period from July 19, 2007 (commencement of operations) to March 31, 2008.

⁽²⁾ A separate base management expense ratio has been presented to include the normal operating expenses and exclude the Issue expense ratio, representing all agents' fees and unit issue expenses.

⁽³⁾ Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period. Unit issue expenses, representing all Agents' fees and other offering expenses, which are one-time expenses, are not annualized.

⁽⁴⁾ The Fund's turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund's buying and selling all of the securities in its portfolio once in the course of the year. There is not necessarily a relationship between turnover rate and the performance of the Fund.

⁽⁵⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset values during the period.

⁽⁶⁾ No Warrants for Class A Units and Class F Units were exercised during the exercise period which ran from August 20, 2007 to July 30, 2010.

Class F Units:

The Fund's Net Assets per unit:

	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008 ⁽¹⁾
Net Assets, beginning of period	5.86	4.43	8.52	10.00
Increase (decrease) from operations:				
Total revenues	0.10	0.12	0.19	0.11
Total expenses	(0.16)	(0.12)	(0.13)	(0.11)
Share issue expense ⁽²⁾	–	–	–	(0.35)
Realized gains (losses) for the period	0.13	(0.97)	(2.51)	(0.24)
Unrealized gains (losses) for the period	0.03	2.63	(1.16)	(0.53)
Total increase (decrease) from operations ⁽³⁾	0.10	1.66	(3.61)	(1.12)
Distributions:				
From income (excluding dividends)	–	–	–	–
From dividends	–	–	–	–
From capital gains	–	–	–	–
Return of capital	(0.33)	(0.33)	(0.49)	(0.35)
Total Distributions ⁽⁴⁾	(0.33)	(0.33)	(0.49)	(0.35)
Net Assets, end of period ⁽⁵⁾	5.68	5.86	4.43	8.52

⁽¹⁾ Results for the period from July 19, 2007 (commencement of operations) to March 31, 2008.

⁽²⁾ Issue expense of \$66,086 incurred in connection with the units issuance. The full amount of issue expenses was treated as a reduction of Unit Capital for accounting purposes and is amortized over a period of five years for tax purposes.

⁽³⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase / decrease from operations is based on the weighted average number of units of 68,503 outstanding over the financial period (2010 – 159,660).

⁽⁴⁾ The percentages used to allocate distributions among income, dividends, capital gain and return on capital are based on estimates.

⁽⁵⁾ This is not reconciliation between the opening and the closing net assets per unit.

Ratios and Supplemental Data:

	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008 ⁽¹⁾
Net asset value (\$000's)	300	432	833	1,606
Number of units outstanding	52,800	73,700	188,200	188,200
Base Management expense ratio ^{(2) (3)}	2.74%	2.08%	1.80%	1.68%
Issue expenses ratio ^{(2) (3)}	–	–	–	3.69%
Management expense ratio (annualized) ⁽³⁾	2.74%	2.08%	1.80%	5.37%
Management expense ratio before waivers or absorptions (annualized) ⁽³⁾	2.74%	2.08%	1.80%	5.37%
Portfolio turnover rate ⁽⁴⁾	26.24%	36.44%	24.11%	28.85%
Trading expense ratio ⁽⁵⁾	0.13%	0.17%	0.05%	0.25%
Net asset value per unit	5.68	5.87	4.43	8.54

⁽¹⁾ Results for the period from July 19, 2007 (commencement of operations) to March 31, 2008.

⁽²⁾ A separate base management expense ratio has been presented to include the normal operating expenses and exclude the Issue expense ratio, representing all agents' fees and unit issue expenses.

⁽³⁾ Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period. Unit issue expenses, representing all Agents' fees and other offering expenses, which are one-time expenses, are not annualized.

⁽⁴⁾ The Fund's turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund's buying and selling all of the securities in its portfolio once in the course of the year. There is not necessarily a relationship between turnover rate and the performance of the Fund.

⁽⁵⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset values during the period.

Summary of Investment Portfolio as of March 31, 2011

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly update is available at www.cclcapitalmarkets.com and at www.sedar.com.

	Fair Value \$	% of NAV
Portfolio by Category		
USA	2,257,528	27.4%
United Kingdom	1,903,703	23.1%
Switzerland	1,267,248	15.4%
India	595,115	7.2%
Germany	576,470	7.0%
China	491,086	6.0%
South Korea	352,317	4.3%
Japan	237,930	2.9%
Canada	235,539	2.9%
Norway	190,986	2.3%
Forward currency contracts	186,225	2.3%
Cash	28,977	0.4%
Top 25 Holdings		
British American Tobacco Plc	678,831	8.2%
HDFC Bank Ltd. ADR	595,115	7.2%
Nestle SA	582,220	7.1%
Vodafone Group Plc	399,060	4.8%
Praxair Inc.	365,677	4.4%
Peabody Energy Corp.	363,996	4.4%
Standard Chartered Plc	355,823	4.3%
Samsung Electronics ADR	352,317	4.3%
Daimler AG	344,073	4.2%
Google Inc.	319,333	3.9%
Philip Morris International Inc.	268,136	3.3%
BG Group Plc	261,193	3.2%
Union Pacific Corp.	258,256	3.1%
ABB Ltd.	250,983	3.0%
Industrial and Commercial Bank of China, Class H	247,216	3.0%
China Petroleum & Chemical Corp, Class H	243,870	3.0%
Hewlett-Packard Co.	243,108	2.9%
Canon Inc.	237,930	2.9%
Apple Inc.	237,269	2.9%
Suncor Energy Inc.	235,539	2.9%
Allianz AG	232,397	2.8%
Holcim Ltd.	224,788	2.7%
Roche Holding Ltd.	209,257	2.5%
Diageo Plc	208,796	2.5%
Newmont Mining Corp.	201,753	2.4%
Net asset value (NAV)	\$ 8,241,055	

Management's Responsibility for Financial Reporting

The accompanying financial statements of **Focused Global Trends Fund** (the "Fund") and all of the information have been prepared by Connor, Clark & Lunn Capital Markets Inc. in its capacity as Manager of the Fund and have been approved by the Board of Directors of the Manager. The Fund's Manager is responsible for all of the information and representations contained in these financial statements and other sections of the annual report.

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgements. The Manager has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Management has ensured that the other financial information presented in this annual report is consistent with the financial statements.

The financial statements have been audited by PricewaterhouseCoopers LLP on behalf of the unitholders. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the unitholders their opinion on the financial statements.



W. Neil Murdoch
President and Chief Executive Officer
Connor, Clark & Lunn Capital Markets Inc.



Mike Freund
Director
Connor, Clark & Lunn Capital Markets Inc.

Toronto, Canada

June 14, 2011

June 27, 2011

Independent Auditor's Report

To the Unitholders of Focused Global Trends Fund

We have audited the accompanying financial statements of Focused Global Trends Fund (the Fund), which comprise the statement of investment portfolio as at March 31, 2011, the statements of net assets as at March 31, 2011 and 2010 and the statements of operations, changes in net assets, deficit and contributed surplus and cash flow for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2011 and 2010 and the results of its operations, the changes in its net assets, deficit and contributed surplus and its cash flow for the years then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants

Focused Global Trends Fund

Statements of Net Assets

As at March 31, 2011 and 2010

	2011	2010
	\$	\$
Assets		
Cash	28,977	99,274
Investments at fair value (cost - \$7,405,295; 2010 - \$12,854,233)	8,104,393	12,410,618
Unrealized gain on foreign forward currency contracts	186,225	1,299,589
Dividends receivable	39,689	127,770
	<u>8,359,284</u>	<u>13,937,251</u>
Liabilities		
Distributions payable	42,201	68,236
Accounts payable and accrued liabilities	72,148	76,051
Management fees payable (note 8)	7,409	13,536
	<u>121,758</u>	<u>157,823</u>
Net Assets and Unitholders' Equity	<u>8,237,526</u>	<u>13,779,428</u>
Unitholders' Equity		
Unit capital (note 5)	11,248,266	19,400,026
Contributed surplus	11,771,305	9,330,339
Deficit	(14,782,045)	(14,950,937)
Total Unitholders' Equity	<u>8,237,526</u>	<u>13,779,428</u>
Class Net Assets		
Class A	7,937,842	13,347,594
Class F	299,684	431,834
Units Outstanding		
Class A	1,466,328	2,382,603
Class F	52,800	73,700
Net assets per unit		
Class A	5.41	5.60
Class F	5.68	5.86

Approved by the Manager



Director



Director

Focused Global Trends Fund

Statements of Operations

For the years ended March 31, 2011 and March 31, 2010

	2011	2010
	\$	\$
Income		
Dividends	262,972	470,843
Interest	15	-
Withholding taxes	(34,154)	(71,836)
	<u>228,833</u>	<u>399,007</u>
Expenses		
Management fees (note 8)	146,274	190,367
Custodial and other unitholders' fees	50,492	52,337
Service fees (note 9)	44,725	58,064
Audit fees	27,916	26,933
Transfer agent fees	24,129	37,061
Board of Advisors fees	21,830	21,000
Administration fees	21,423	17,582
Broker commission charges	16,254	30,749
Filing fees	12,436	13,181
Listing fees	9,997	8,643
Printing and mailing fees	2,606	4,229
IRC fees	2,255	1,893
Insurance premium fees	1,967	790
Other	1,297	2,952
Interest expense	-	254
Legal fees	-	1,340
	<u>383,601</u>	<u>467,375</u>
Net investment income (loss)	<u>(154,768)</u>	<u>(68,368)</u>
Net realized gain (loss) on investments		
Net realized gain (loss) on investments	(815,271)	(3,503,685)
Net realized gain (loss) on foreign exchange forward contracts	1,104,232	302,409
Net realized gain (loss) on foreign exchange	5,098	(40,767)
	<u>294,059</u>	<u>(3,242,043)</u>
Net unrealized gain (loss) on investments		
Unrealized gain (loss) on investments	1,142,713	6,199,099
Unrealized gain (loss) on foreign exchange forward contracts	(1,113,364)	2,551,697
Unrealized gain (loss) on foreign exchange	252	66
	<u>29,601</u>	<u>8,750,862</u>
Net gain (loss) on investments	<u>323,660</u>	<u>5,508,819</u>
Increase (decrease) in net assets from operations	<u>168,892</u>	<u>5,440,451</u>
Increase (decrease) in net assets from operations per Class:		
Class A	162,179	5,176,184
Class F	6,713	264,267
	<u>168,892</u>	<u>5,440,451</u>
Increase (decrease) in net assets from operations per unit		
Class A	0.07	1.59
Class F	0.10	1.66
	<u>0.33</u>	<u>0.33</u>
Distributions paid per Class A unit *	0.33	0.33
Distributions paid per Class F unit *	0.33	0.33

* (based on weighted average number of units outstanding during the period)
(See accompanying notes to financial statements)

Focused Global Trends Fund

Statements of Changes in Net Assets, Deficit and Contributed Surplus
For the years ended March 31, 2011 and March 31, 2010

	Class A		Class F		Total	
	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$
Increase (decrease) in net assets from operations	<u>162,179</u>	<u>5,176,184</u>	<u>6,713</u>	<u>264,267</u>	<u>168,892</u>	<u>5,440,451</u>
Distributions to unitholders from:						
Return of capital	<u>(744,118)</u>	<u>(1,078,587)</u>	<u>(22,680)</u>	<u>(52,404)</u>	<u>(766,798)</u>	<u>(1,130,991)</u>
Unitholders' transactions:						
Class F units converted to Class A	44,382	89,094	(44,382)	(89,094)	-	-
Market repurchases (note 4)	-	(14,960)	-	-	-	(14,960)
Payments on redemption or cancellation of units (note 5)	<u>(4,872,195)</u>	<u>(5,355,167)</u>	<u>(71,801)</u>	<u>(523,855)</u>	<u>(4,943,996)</u>	<u>(5,879,022)</u>
	<u>(4,827,813)</u>	<u>(5,281,033)</u>	<u>(116,183)</u>	<u>(612,949)</u>	<u>(4,943,996)</u>	<u>(5,893,982)</u>
Change in net assets during the year	(5,409,752)	(1,183,436)	(132,150)	(401,086)	(5,541,902)	(1,584,522)
Net assets - Beginning of year	<u>13,347,594</u>	<u>14,531,030</u>	<u>431,834</u>	<u>832,920</u>	<u>13,779,428</u>	<u>15,363,950</u>
Net assets - End of year	<u>7,937,842</u>	<u>13,347,594</u>	<u>299,684</u>	<u>431,834</u>	<u>8,237,526</u>	<u>13,779,428</u>
Deficit, beginning of year	(14,389,213)	(19,565,397)	(561,724)	(825,991)	(14,950,937)	(20,391,388)
Increase (decrease) in net assets from operations	<u>162,179</u>	<u>5,176,184</u>	<u>6,713</u>	<u>264,267</u>	<u>168,892</u>	<u>5,440,451</u>
Deficit, end of year	<u>(14,227,034)</u>	<u>(14,389,213)</u>	<u>(555,011)</u>	<u>(561,724)</u>	<u>(14,782,045)</u>	<u>(14,950,937)</u>
Contributed surplus, beginning of year	9,012,712	5,803,063	317,627	(638)	9,330,339	5,802,425
Cost of units redeemed/repurchased at less than par value (note 5)	<u>2,393,539</u>	<u>3,209,649</u>	<u>47,427</u>	<u>318,265</u>	<u>2,440,966</u>	<u>3,527,914</u>
Contributed surplus, end of year	<u>11,406,251</u>	<u>9,012,712</u>	<u>365,054</u>	<u>317,627</u>	<u>11,771,305</u>	<u>9,330,339</u>

Focused Global Trends Fund

Statements of Cash Flow

For the years ended March 31, 2011 and March 31, 2010

	2011	2010
	\$	\$
Operating Activities		
Increase (decrease) in net assets from operations	168,892	5,440,451
Items not affecting cash:		
Net realized (gain) loss on investments	815,271	3,503,685
Unrealized (gain) loss on investments	(1,142,713)	(6,199,099)
Unrealized (gain) loss on foreign exchange forward contracts	1,113,364	(2,551,697)
Changes in non-cash working capital		
(Increase) decrease in dividends receivable	88,081	48,095
(Increase) decrease in prepaid expenses	-	22,050
Increase (decrease) in accounts payable and accrued liabilities	(3,903)	(21,748)
Increase (decrease) in management fees payable	(6,127)	(30,111)
Cost of investments purchased	(2,941,883)	(6,175,740)
Proceeds from investments sold	7,575,550	12,616,554
Net cash flow provided by (used in) operating activities	<u>5,666,532</u>	<u>6,652,440</u>
Financing Activities		
Distributions to unitholders	(792,833)	(1,162,235)
Payments on redemption/cancellation of units	(4,943,996)	(5,893,982)
Net cash flow provided by (used in) financing activities	<u>(5,736,829)</u>	<u>(7,056,217)</u>
Net increase (decrease) in cash	(70,297)	(403,777)
Cash - beginning of year	99,274	503,051
Cash - end of year	<u>28,977</u>	<u>99,274</u>

Focused Global Trends Fund

Statement of Investment Portfolio

As at March 31, 2011

	Par Value / Quantity	Average Cost \$	Fair Value \$	% of net assets
Investments				
Canada				
Suncor Energy Inc.	5,400	250,992	235,591	2.9%
Germany				
Allianz AG	1,700	278,475	232,656	2.8%
Daimler AG	5,000	237,281	344,729	4.2%
		515,756	577,385	7.0%
China				
China Petroleum & Chemical Corp, Class H	250,000	235,435	243,244	3.0%
Industrial and Commercial Bank of China, Class H	306,000	232,050	246,834	3.0%
		467,485	490,078	6.0%
Japan				
Canon Inc.	5,600	346,722	237,273	2.9%
India				
HDFC Bank Ltd. ADR	3,600	422,989	594,274	7.2%
Norway				
DnB NOR ASA	12,800	166,846	190,986	2.3%
South Korea				
Samsung Electronics ADR	850	311,160	350,746	4.3%
Switzerland				
ABB Ltd.	10,700	273,895	250,983	3.0%
Holcim Ltd.	3,055	267,360	224,788	2.7%
Nestle SA	10,400	431,390	582,220	7.1%
Roche Holding Ltd.	1,500	286,201	209,257	2.5%
		1,258,846	1,267,248	15.3%
United Kingdom				
British American Tobacco Plc	17,400	605,020	678,696	8.2%
Diageo Plc	11,300	249,790	208,796	2.5%
BG Group Plc	10,800	248,412	261,193	3.2%
Standard Chartered Plc (Hong Kong)	13,825	267,439	355,477	4.3%
Vodafone Group Plc	145,000	375,008	399,060	4.8%
		1,745,669	1,903,222	23.0%
USA				
Apple Inc.	700	140,330	237,269	2.9%
Philip Morris International Inc.	4,200	242,230	268,013	3.3%
Google Inc.	560	226,167	319,360	3.9%
Hewlett-Packard Co.	6,100	251,012	243,108	3.0%
Newmont Mining Corp.	3,800	237,863	201,753	2.4%
Peabody Energy Corp.	5,200	270,583	364,045	4.4%
Praxair Inc.	3,700	300,668	365,785	4.4%
Union Pacific Corp.	2,700	255,614	258,257	3.1%
		1,924,467	2,257,590	27.4%

(See accompanying notes to financial statements)

Focused Global Trends Fund
Statement of Investment Portfolio... Continued
As at March 31, 2011

	Par Value / Quantity	Average Cost \$	Fair Value \$	% of net assets
Total equities		7,410,932	8,104,393	98.3%
Transaction costs - Section 3855 adjustment (note 3)		(5,637)	-	0.0%
Total investments		7,405,295	8,104,393	98.3%
	Maturity date	Contract price / rate \$	Unrealized gain (loss) \$	% of net assets
Foreign currency forward contracts				
Bought CAD 3,080,000 sold USD 3,105,777	6/16/2011	0.99170	65,471	0.8%
Bought CAD 2,810,000 sold CHF 2,575,642	6/16/2011	1.09057	79,816	1.0%
Bought CAD 489,999 sold EUR 355,278	6/16/2011	1.37920	995	0.0%
Bought CAD 1,370,000 sold GBP 863,319	6/16/2011	1.58690	24,966	0.3%
Bought CAD 770,000 sold HKD 6,050,506	6/16/2011	0.12726	14,977	0.2%
Total foreign currency forward contracts			186,225	2.3%
Other liabilities less other assets			(53,092)	-0.6%
Net assets			8,237,526	100.0%

Focused Global Trends Fund

Notes to Financial Statements

March 31, 2011 and 2010

1 Formation of Fund

Focused Global Trends Fund (the "Fund") is an investment trust established under the laws of the Province of Ontario pursuant to a trust agreement dated as of June 28, 2007 (the "Trust Agreement") between Connor, Clark & Lunn Capital Markets Inc. (the "Manager") in its capacity as manager and RBC Dexia Investor Services Trust (the "Trustee") as trustee. The Manager was incorporated under the Business Corporations Act (Ontario) on January 15, 2001 and is wholly owned by CC&L Capital Markets Partnership.

2 Investment objectives

The Fund's investment objectives as set out in the Prospectus dated June 28, 2007 are to (i) provide holders of the Units ("Unitholders") with a stable stream of monthly cash distributions initially targeted to be \$0.04167 per Unit (representing a yield of approximately 5.0% per annum on the issue price of \$10.00 per Unit); (ii) preserve and enhance the net asset value per Unit of the Fund.

In order to achieve the Fund's investment objectives, Pier 21 Asset Management Inc. (the "Investment Manager") invested the net proceeds of the offering in a portfolio (the "Portfolio") consisting of equity securities of global companies. The Investment Manager has retained Carnegie Asset management Fondsmæglerelskab A/S of Copenhagen, Denmark to provide investment advisory and portfolio management services to the Fund.

On March 17, 2009, the Fund announced a change to the monthly distribution rate as a result of ongoing difficult market conditions. The monthly distribution level was changed from \$0.04167 to \$0.02778 per Class A and Class F Unit (or from \$0.50 to \$0.333 per annum).

3 Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), which require the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Actual results could differ from these estimates. The following is a summary of significant accounting policies of the Fund.

Valuation of investments

Investments are deemed to be categorized as "held for trading" in accordance with CICA 3855, Financial Instruments – Recognition and Measurement ("Section 3855") and therefore are recorded at fair value, established by the closing bid price for a security on the recognized exchange on which it is principally traded ("GAAP Net Assets"). Should the quoted value for a security, in the opinion of the Manager, be inaccurate, unreliable or not readily available, the fair value of the security is estimated based on valuation techniques. Fair value is determined by the Manager on the basis of the most recently reported information for the security, similar securities and the markets in which the security is active. Investment purchase and sale transactions are recorded as of the trade date and realized and unrealized gains and losses on investments are determined using average cost. Brokers' commissions and other transaction charges are immediately charged to net income in the period incurred. The Canadian Securities Administrators allow investment funds to calculate the daily net asset value for the purpose of processing unitholder transactions using the last traded price for the day as fair value of financial instruments traded in an active market, which is referred to as a "Transactional NAV". The fund processes unitholder transactions using Transactional NAV.

The following schedule shows the reconciliation between the Transactional NAV and the GAAP Net Assets, on a per unit basis, as of March 31, 2011 and 2010:

	Transactional NAV	Section 3855 Adjustment	GAAP Net Assets
Per Class A Unit			
Opening Value – March 31, 2010	5.61	(0.01)	5.60
Closing Value – March 31, 2011	5.42	(0.01)	5.41
Per Class F Unit			
Opening Value – March 31, 2010	5.87	(0.01)	5.86
Closing Value – March 31, 2011	5.68	–	5.68

Income recognition

Income from investments is recognized on an accrual basis. Dividend income is recognized at the time a security trades on an ex-dividend basis. Interest income is based on amortized cost using the effective interest rate method. All income, realized and unrealized net gains (losses) and transaction costs (apart from an insignificant amount of income arising from cash and cash equivalents) are attributable to investments and derivatives which are deemed held for trading.

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the end of the period. Purchases and sales of investments and income and expenses are translated into Canadian dollars at the exchange rate prevailing on the transaction dates.

Foreign currency forward contracts

The Fund may enter into foreign currency forward contracts to hedge against exposure to foreign currency fluctuations. The carrying value of these contracts is the gain or loss that would be realized if the position were closed out on the valuation date, and is recorded as an unrealized gain or loss. Upon closing of a contract, the gain or loss is recorded as a net realized gain or loss on foreign currency forward contracts.

Focused Global Trends Fund

Notes to Financial Statements

March 31, 2011 and 2010

Increase (decrease) in net assets from operation per unit

This calculation is based on the increase (decrease) in net assets from operations attributable to each class divided by the weighted average number of units of that class outstanding during the period.

Valuation of series

A separate net assets per unit is calculated for each class. The net assets of a class are computed by calculating the class' proportionate share of the assets and liabilities to all classes, less the liabilities attributable only to that class. Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses are allocated proportionately to each class based upon the relative net assets of each class.

Allocation of expenses

The Class A units are charged with the full amount of the Service fees (see note 9) and the TSX listing fees. All the other expenses are allocated on a prorated basis between the Class A and the Class F units based on their respective average net asset values for the years ended March 31, 2011 and 2010.

4 Market Purchase Program

To enhance liquidity and to provide market support for the Class A Units, the Fund has a mandatory market purchase program under which the Fund, subject to certain exceptions contained in the Trust Agreement and in compliance with any applicable regulatory requirements, is obligated to purchase Class A Units for cancellation on and subject to the terms below. If, on the business day following any Valuation Date, the weighted average price of the Class A Units is less than 95% of NAV per Unit determined as at the most recently published Valuation Date, the Fund offers to purchase for cancellation any Class A Units offered in the market at or below 95% of the NAV per Unit on the following business day. The maximum number of Class A Units purchased in any three-month period will be 1.25% of the number of Class A Units outstanding at the beginning of the period (commencing with the three-month period that begins on the first day of the month following the closing date of the Offerings). The Fund is not obligated to make such purchases if (i) the Fund lacks the cash, debt capacity or other resources to make such purchases, or (ii) in the opinion of the Manager, such market purchases would adversely affect the ongoing activities of the Fund of the remaining Unitholders of that class.

During the year ended March 31, 2011, the Fund did not purchase any Units (3,000 of Class A Units for a total cost of \$14,960 during the year ended March 31, 2010).

5 Units of the Fund

Units of the Fund were offered to the public by way of prospectus. The Fund is authorized to issue an unlimited number of transferable, redeemable units of Class A Units and Class F Units (subject to restrictions set forth in the Prospectus).

Each Class A Combined Unit consists of one Class A Unit and one-half of a transferable warrant for one Class A Unit. Each whole Warrant for one Class A Unit entitles the holder to purchase one Class A Unit at a subscription price of \$10.25 on January 30, 2009 or July 30, 2010. Each whole Warrant for one Class F Unit entitles the holder to purchase one Class F Unit at a subscription price of \$10.25 on January 30, 2009 or July 30, 2010. No Warrants for Class A Units and Class F Units were exercised during the exercise period which ran from August 20, 2007 to July 30, 2010.

The only differences between Class A Units and Class F Units are the Agent's fees payable on the issuance of Units of each class and that the Service Fee component of the management fees is only payable in respect of Class A Units. Class F Units are not listed on a stock exchange but are convertible into Class A Units. All units have equal rights and privileges.

Units of each Class may be surrendered for redemption in any month. Units properly surrendered for redemption by a Unitholder by 5:00 p.m. (Toronto time) on the 10th business day before the last business day of a month will be redeemed on the last day of that month ("Monthly Redemption Date") and the Unitholder will receive payment on or before the 15th business day following such Monthly Redemption Date, subject to the Fund's right to suspend redemptions in certain circumstances.

A Unitholder who properly surrenders Class A Units for redemption will receive the amount, if any, equal to the lesser of (A) 96% of the weighted average trading price of the Class A Units on the TSX during the 15 trading days preceding the applicable Monthly Redemption Date, and (B) the "closing market price" of the Class A Units on the principal market on which the Class A Units are quoted for trading in the applicable Monthly Redemption Date. The "closing market price" shall be an amount equal to (i) the closing price of the Class A Units if there was a trade on the applicable Monthly Redemption Date and the market provides a closing price; (ii) the average of the highest and lowest prices of the Class A Units if there was trading on the applicable Monthly Redemption Date and the market provides only the highest and lowest prices of the Class A Units traded on a particular day; or (iii) the average of the last bid and last asking prices of the Class A Units if there was no trading on the applicable Monthly Redemption Date.

Commencing in 2009, Units may be redeemed on the last business day of January in each year (the "Redemption Date"), subject to the Fund's right to suspend redemptions, for a redemption price per Unit (the "Annual Redemption Amount") based on the Transactional NAV per Unit less any costs of funding the redemption and the Unitholder will receive payment on or before the 15th day following the Redemption Date. Notice of Redemption must be provided between 45 days and the 20th business day before the Redemption Date (the "Notice Period").

Redeeming Unitholders will be entitled to receive a redemption price per Unit based on the Transactional NAV per Unit determined as of the Redemption Date. Any unpaid distribution payable on or before the Redemption Date in respect of Units tendered for redemption on such Redemption Date will also be paid on the same day as the redemption proceeds are paid. The Transactional NAV per Unit will vary depending on a number of market factors, including interest rates and volatility in the equity markets. If the Fund is extended beyond the Termination Date, Unitholders may redeem their Units on July 31, 2017 (the "Termination Date") for the Transactional NAV as of that date.

If the redemption price is lower than the par value, the difference is included in Contributed Surplus on the Statements of Net Assets. If the price is greater than the par value, the difference is first charged to Contributed Surplus until the balance in Contributed Surplus is eliminated, and the remaining amount is charged to deficit.

Focused Global Trends Fund

Notes to Financial Statements

March 31, 2011 and 2010

During January 2011 the Fund had its annual Redemption Date. \$4,872,195 was paid to redeem 924,550 of Class A Units (\$5,355,167 was paid to redeem 1,025,847 during January 2010), and \$71,801 was paid to redeem 13,000 of Class F units (\$523,855 was paid to redeem 96,500 during January 2010). There were also 7,900 of Class F Units converted to 8,275 of Class A Units for a total value of \$44,382 during the year ended March 31, 2011 (18,000 Class F Units were converted to 18,641 of Class A Units for a total value of \$89,094 during the year ended March 31, 2010).

Changes in outstanding units are summarized as follows:

	Class A Units		Class F Units	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Balance – beginning of period	2,382,603	3,392,809	73,700	188,200
Units converted	8,275	18,641	(7,900)	(18,000)
Units redeemed	(924,550)	(1,025,847)	(13,000)	(96,500)
Units redeemed under the Market Purchase Program (note 4)	–	(3,000)	–	–
Balance – end of period	<u>1,466,328</u>	<u>2,382,603</u>	<u>52,800</u>	<u>73,700</u>

The Fund considers capital to include all units issued and outstanding. The Fund manages its capital in accordance with the objectives outlined in Note (2).

6 Fund administration

Pursuant to a Trust Agreement, the Fund has retained RBC Dexia Investor Services Trust to act as custodian (the “Custodian”) of the assets of the Fund. The Custodian carries out certain aspects of the day-to-day administration of the Fund, including calculating Transactional NAV, net income and net realized capital gains of the Fund and maintaining the books and records of the Fund.

7 Distributions

The Fund has made all its scheduled distributions during the year ended March 31, 2011 paying \$0.33 per Class A unit and Class F unit respectively (\$0.33 per Class A unit and Class F unit during the year ended March 31, 2010).

8 Management fees

Pursuant to a management agreement (“the Management Agreement”) the Fund has retained Connor, Clark & Lunn Capital Markets Inc. to act as manager. As compensation for management services rendered to the Fund, the Manager receives an annual management fee in an amount equal to 1.1% of the net asset value of the Fund, calculated and paid monthly in arrears, plus applicable taxes. The Manager pays the Investment Manager out of the above management fees.

The total management fees charged to the Fund during the year ended March 31, 2011 were \$146,274 (\$190,367 during the year ended March 31, 2010).

9 Service fee

The Fund pays to the Manager a service fee which is payable to dealers whose clients hold Class A Units in the Fund. The service fee is calculated daily and payable at the end of each calendar quarter in arrears and is equal to 0.40% annually of the net asset value of the Class A Units held by clients of the dealers.

The service fee charged to the Fund (plus applicable taxes) during the year ended March 31, 2011 was \$44,725 (\$58,064 during the year ended March 31, 2010).

10 Income taxes

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its investment income, including net realized capital gains, for any calendar year in which its net investment income or sufficient net realized capital gains are not paid or payable to its unitholders as at the end of the calendar year. It is the intention of the Manager that all annual net investment income and sufficient net taxable capital gains will be distributed to unitholders on a calendar year basis such that Canadian income taxes payable by the Fund under present legislation will be minimized. As a result thereof, and of the deduction of expenses in computing its taxable income, no provisions for income taxes are made in the financial statements.

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As at December 31, 2010, the Fund had net capital losses of \$16,490,134, which may be carried forward indefinitely to reduce future realized capital gains, and non-capital losses of \$2,317,687, which expire within the next twenty years as shown in the following table.

Year of the realized non-capital tax loss	Amount of tax loss	Expiry date
2007	305,253	2027
2008	663,929	2028
2009	567,700	2029
2010	780,805	2030
Total	\$2,317,687	

11 Broker commission charges and soft dollar services

There were \$16,254 broker commission paid during the year ended March 31, 2011 (\$30,749 during the year ended March 31, 2010) in connection with portfolio transactions. No contractual arrangements for soft dollar services exist in the broker commission charges.

12 Financial instruments

<u>Assets</u>	March 31, 2011	March 31, 2010
	\$	\$
Cash	28,977	99,274
Held for trading	8,290,618	13,710,207
Loans and receivables	39,689	127,770
Total assets	8,359,284	13,937,251
<u>Liabilities</u>		
Held for trading	-	-
Financial liabilities at amortized cost	121,758	157,823
Total liabilities	121,758	157,823

For the purposes of categorization in accordance with Section 3862, dividends receivable are deemed to be loans and receivables and recorded at cost or amortized cost. Similarly, distributions payable, accounts payable, accrued liabilities and management fees payable are deemed to be financial liabilities and reported at amortized cost.

The following table illustrates the classification of the fund's financial instruments held for trading within the fair value hierarchy as at March 31, 2011 and March 31, 2010:

Assets at fair value as at March 31, 2011	Level 1	Level 2	Level 3	Total
Equities	8,104,393	-	-	8,104,393
Foreign currency forward contracts	-	186,225	-	186,225
Total	8,104,393	186,225	-	8,290,618
Assets at fair value as at March 31, 2010	Level 1	Level 2	Level 3	Total
Equities	12,410,618	-	-	12,410,618
Foreign currency forward contracts	-	1,299,589	-	1,299,589
Total	12,410,618	1,299,589	-	13,710,207

Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of level 1. In such cases, instruments are reclassified into level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

Equities: The Fund's long equity positions are classified as Level 1 as all these securities are actively traded and a reliable quote is observable.

Foreign currency forward contracts: Foreign currency forward contracts for which inputs, including interest rates, forward market rates and credit spreads are observable and reliable, or for which unobservable inputs are determined not to be significant to fair value, are classified as Level 2.

There were no transfers among the three levels during the year ended March 31, 2011 and March 31, 2010.

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13 Financial instrument risk

The Fund's activities expose it to a variety of financial risks. The Investment Manager seeks to minimize potential adverse effects of these risks on the Fund's performance by employing professional, experienced portfolio advisors, by daily monitoring of the Fund's positions and market events, by diversifying the investment portfolio within the constraints of the investment objective, and periodically through the use of derivatives to hedge certain risk exposures.

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 prevailing interest rates. The Fund's exposure to interest rate risk is concentrated in its investment in debt securities (typically short-term investments) and interest rate derivative instruments (if any). Other assets and liabilities are short-term in nature and non-interest bearing. As at March 31, 2011 and 2010, interest rate risk was negligible as the Fund had no exposure to interest-bearing investments.

Currency risk

Currency risk arises from financial instruments that are denominated in a currency other than the Canadian dollar, which is the Fund's functional currency. The Fund is exposed to the risk that the value of securities denominated in other currencies will fluctuate due to changes in exchange rates. The Statement of Investment Portfolio identifies all securities denominated in foreign currencies.

The tables below summarize the Fund's exposure to foreign currencies as at March 31, 2011 and 2010. Amounts shown are based on the carrying values of monetary and non-monetary assets as well as the underlying principal amounts of foreign currency derivatives such as forward contracts. Other financial assets such as dividends and interest receivable, and receivable from investment sales and liabilities such as accounts payable and accrued liabilities and management fees payable denominated in foreign currencies do not expose the Fund to significant currency risk. The table below summarizes the Fund's exposure to foreign currencies and the approximate impact on net assets had the Canadian Dollar ("CAD") weakened by 5% in relation to these currencies. If the Canadian dollar were to strengthen relative to these currencies, the opposite would occur. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

As at March 31, 2011:

	Monetary instruments \$	Non-monetary instruments \$	Foreign Currency Contracts \$	Total \$	% of Net Assets %	Sensitivity (based on devaluation of CAD) \$
European Union Euro	199	577,385	(490,438)	87,146	1.1%	4,000
Hong Kong Dollar	444	845,555	(756,685)	89,314	1.1%	4,000
Japanese Yen	5,741	237,273	-	243,014	3.0%	12,000
Norwegian Krone	458	190,986	-	191,444	2.3%	10,000
Swiss Franc	7,025	1,267,248	(2,738,675)	(1,464,402)	-17.8%	(73,000)
British Pound	646	1,547,745	(1,346,159)	202,232	2.5%	10,000
United States Dollar	6,383	3,202,610	(3,021,154)	187,839	2.3%	9,000
Total	20,896	7,868,802	(8,353,112)	(463,414)	-5.5%	(24,000)

As at March 31, 2010:

	Monetary instruments \$	Non-monetary instruments \$	Foreign Currency Contracts \$	Total \$	% of Net Assets %	Sensitivity (based on devaluation of CAD) \$
European Union Euro	199	1,202,123	(894,009)	308,313	2.2%	15,000
Hong Kong Dollar	437	1,451,142	(1,190,354)	261,225	1.9%	13,000
Japanese Yen	7,678	1,028,696	(811,713)	224,661	1.6%	11,000
Swiss Franc	153	2,487,669	(1,949,060)	538,762	3.9%	27,000
British Pound	901	1,601,670	(1,190,585)	411,986	3.0%	21,000
United States Dollar	6,237	4,639,318	(3,736,577)	908,978	6.6%	45,000
Total	15,605	12,410,618	(9,772,298)	2,653,925	19.2%	132,000

Other market risk

Other market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Investment Manager moderates this risk through a careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value. The Fund's equity instruments are susceptible to market price risk arising from uncertainties about future prices of the instruments.

If equity prices had increased or decreased by 10% on March 31, 2011, all other variables held constant, the net assets of the Fund would have increased or decreased, respectively, by approximately \$810,000 (March 31, 2010 - \$1,241,000). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund is exposed to the risk that a security issuer will be unable to pay amounts when due. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. The carrying amount of debt investments and unrealized gain on derivative instruments outstanding with counterparties represents the maximum exposure to credit risk. As at March 31, 2011, \$186,225 or 2.3% (\$1,299,589 or 9.5% of the Fund's net assets as at March 31, 2010) of the Fund's net assets are exposed to credit risk,

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arising almost entirely from the unrealized gain on foreign currency forward contracts. The counterparty to these contracts had an A+ credit rating as at March 31, 2011 and 2010.

Liquidity risk

The Fund is exposed to daily cash redemptions due to its market purchase program which are limited to certain conditions (see note 4). The Fund is also exposed to unlimited annual anniversary redemptions on January 31 of every year (see note 5) and normal monthly redemptions. Therefore, the Fund invests the majority of its assets in investments that are traded in an active market and can be readily disposed. In addition, the Fund retains sufficient cash and short term investments to maintain liquidity. All liabilities are due within three months.

Concentration risk

The investments of the Fund are concentrated in some geographic areas such as Switzerland, the United Kingdom and the United States of America, and will be especially affected by factors particular to these countries. Factors influencing valuation include changes in government policy, fluctuations in the capital markets and conditions of the overall economy. Changes that specifically affect those countries may cause the Net Assets of the Fund to be more volatile than the value of a more broadly diversified portfolio.

The Statement of Investment Portfolio summarizes the Fund's exposure to the concentration risk.