CONNOR, CLARK & LUNN

CAPITAL MARKETS

2010

Focused Global Trends Fund

Semi-Annual Report

September 30, 2009

Focused Global Trends Fund Message to Unitholders

November 30, 2009

Dear Investor,

We are pleased to provide you with the semi-annual report for Focused Global Trends Fund (the "Fund") for the six month period ending September 30, 2009. The Fund has been designed to take advantage of the expertise of Carnegie Asset Management ("Carnegie") of Copenhagen, in investing in global equities. Carnegie has one of the premier long-term track records of any global equity manager and believes that global equities identified using its unique investment approach will continue to provide excellent long-term investment returns.

Although the Fund has underperformed in 2008 and 2009 after a very strong 2007, the underlying fund (Carnegie Worldwide which uses the same investment approach) continues to be a 5 star rated fund by the Morningstar and AAA rated by Standard & Poor's.

The following paragraphs highlight Carnegie's views concerning the market and how the Fund has been positioned: Over the past six months, improved macroeconomic data coupled with a stabilizing financial sector produced surging equity prices on the world's exchanges. Cyclical companies with high gearing soared as a result of the substantial improvement in credit markets, and the low-margin sectors were the most notable risers. Companies in emerging markets also outperformed in the period.

When the market changes from believing in economic depression to fast economic recovery, debt-ridden cyclical shares increase swiftly and strongly. Over time, the remaining market will catch up with these explosive stocks and in the long run, they generally underperform and fluctuate more than the market. The Fund's strategy is typically not exposed to these debt-ridden cyclical stocks. Carnegie believes the stocks that will outperform the market in the long run will be stocks offering high underlying profitability and strong balance sheets and benefiting from long-term structural trends.

The Fund's investment strategy remains based on expectations of weaker, although positive global economic growth. Governments and central banks worldwide have been extremely successful so far in their intervention. The financial sector has stabilized and credit markets are back to more normal credit spreads. So far, governments have been able to turn water into wine by buying poor credit from the banks with one hand and financing it by printing money and selling government bonds with the other.

After two years of zero-exposure to western banks, Carnegie has now added three new banking stocks to our portfolio, Bank of America, Standard Chartered and ICBC, China's largest bank. The stabilization of global housing markets and a substantial need for re-capitalization will give the banking sector a better chance of making money over the next couple of years.

Carnegie believes that a portfolio of stable consumer-oriented stocks (such as Nestle, Diageo) combined with exposure to emerging markets, banking and technology stocks offer a good opportunity for competitive returns in the future.

Please check out web site for quarterly investment updates and other timely information. We appreciate your investment in the Fund and look forward to good performance as the Fund matures.

Yours truly,

W. Neil Murdoch

W. Neil Murdoch
Chief Executive Officer
Focused Global Trends Fund

Management Report of Fund Performance

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

Note that any reference to "Net Assets" or "Net Assets per Unit" means that the value was determined in accordance with the Canadian Generally Accounting Principles for financial statements purposes. Also any reference to "Net Asset Value" or "Net Asset Value per Unit" means that the value was determined for valuation and transactional purposes. 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).

Recent Developments

Future accounting changes

International Financial reporting Standards: The Canadian Accounting Standards Board ("AcSB") confirmed that effective January 1, 2011, International Financial Reporting Standards (IFRS") will replace Canadian GAAP publicly accountable enterprises, which includes investment funds. IFRS will apply to fiscal years beginning on or after January 1, 2011. As of September 30, 2009 the Manager has not developed a changeover plan to IFRS nor has it assessed the full impact of the move to IFRS on business arrangements, GAAP net assets per unit and accounting policies. Manager will develop a plan prior to the January 1, 2011 deadline and will disclose this plan in the Fund's March 31, 2010 or 2011 annual reports.

CICA Section 3862, "Financial Instruments – Disclosures": In March 2009, the Canadian AcSB announced it has agreed to adopt recent amendments to IFRS 7, "Financial Instruments: Disclosures", into Section 3862, "Financial Instruments: Disclosures". The final amended version to IFRS 7 will also be subsequently incorporated into Canadian GAAP. The amendments to Section 3862 will apply to annual financial statements for years ending after September 30, 2009. The amendments require that an entity disclose the classification, for each class of financial instruments, of fair value measurement within a fair value hierarchy. The hierarchy includes three levels: Level 1 – quoted prices in active markets, Level 2 – measurements determined using valuation models that employ observable inputs and Level 3, measurements determined using valuation models that employ unobservable inputs.

Future accounting changes

EIC-173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities": On January 20, 2009, the CICA Emerging Issues Committee issued EIC-173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities". The abstract requires the entity's own credit risk and the risk of the counterparty should be taken into consideration in assessing the fair value of financial assets and financial liabilities. This abstract is effective for the September 30, 2009 semi-annual report, and it was considered when valuing the financial instruments in this semi-annual report.

Risk

- **General Risks of Investments in Securities**

Strong government actions and an economic recovery during the six month period ended September 30, 2009 caused the risk level to decrease.

- **Use of Derivatives**

The Fund uses foreign currency forward contracts to hedge most of the exposure to foreign currencies back to Canadian dollars at all times, effectively, eliminates the risk of adverse foreign exchange rate movements.

For full disclosure of risks associated with an investment in the Fund's units, please refer to the Prospectus dated June 28, 2007.

Results of Operations

Portfolio Manager Commentary

Over the past six months, improved macroeconomic data coupled with a stabilizing financial sector produced surging equity prices on the world's exchanges. Cyclical companies with high gearing soared as a result of the substantial improvement in credit markets, and the low-margin sectors were the most notable risers. Companies in emerging markets also outperformed in the period.

When the market changes from believing in economic depression to fast economic recovery, debt-ridden cyclical shares increase swiftly and strongly. Over time, the remaining market catches up with these explosive stocks and in the long run, they generally underperform and fluctuate more than the market. The Fund is typically not exposed to these debt-ridden cyclical stocks. We believe the stocks that will outperform the market in the long run will be stocks offering high underlying profitability and strong balance sheets and benefiting from long-term structural trends.

We expect weak growth in the global economy and hold on to companies with low debt, a stable business model and strong management. We believe that such companies will be the best performers in the years ahead. However, this type of company underperformed the general market in the past six months. As a result, although the Fund posted strong positive returns in the period, it did lag the MSCI World Index. The current very strong demand for higher risk stocks and the banking sector did not fit in well with the Fund's investment profile.

During the period we sold French company EDF and bought China Petroleum & Chemical Corp. (Sinopec). EDF has some very valuable assets in relatively young nuclear power plants with many years of CO2-free energy production that benefits the environment. What has become less clear, however, is whether the benefits go to the shareholders or the French population. Instead, we initiated exposure in a company that we have previously held in our portfolio, Chinese oil and refinery company Sinopec. Sinopec provides an exposure to car sales and rising fuel consumption in China. Its valuation is reasonable and its potential is significant.

After two years of zero-exposure to western banks, we have now added three new banking stocks to the portfolio. The stabilization of global housing markets and a substantial need for re-capitalization will give the banking sector a better chance of making money over the next couple of years. The Chinese banking market is attractive in the light of good macroeconomic growth and the increasing weight of private customers in the large banks. We have bought shares in China's largest bank Industrial and Commercial Bank of China Ltd., which will benefit from the coming shift towards growing consumer spending in the country. We have added the stock to the portfolio at the expense of Esprit Holdings Ltd. which is more exposed to developments in European consumer spending. Also, Esprit has entirely new management that has to prove its worth in this complicated environment, which is another source of uncertainty. We have also added to the position in Standard Chartered Bank Plc. The bank performed well during the crisis due to its strong exposure to Asia and the Middle East in particular, and still offers good potential for growth in that part of the world. Standard Chartered Bank is a global bank focusing on Asia, Africa and the Middle East. More than 90% of earnings are generated in these regions. Standard Chartered Bank has a strong balance sheet and a good balance between deposits and lending. For this reason, the bank relies less on external financing in the capital markets, compared with many other banks and it is well-positioned to exploit the growth potential in Asia, Africa and the Middle East. Finally, we have bought Bank of America at the expense of Procter & Gamble Company. Bank of America has around 13% of US deposits and is the largest bank in the US in terms of deposits. The bank is a central part of the US banking system and is indispensable. The bank took over Merrill Lynch during the financial crisis.

In a scenario where the US economy is back to normal, the bank offers huge earnings potential which is not reflected in the present price, despite good performance so far this year. Procter & Gamble is a quality company with a good defensive profile. However, its strength is in more expensive product categories which puts a damper on growth in the years ahead.

Our investment strategy remains based on expectations of weaker, although positive global economic growth. Governments and central banks worldwide have been extremely successful so far in their intervention. The financial sector has stabilized and credit markets are back to more normal credit spreads. So far, governments have been able to turn water into wine by buying poor credit from the banks with one hand and financing it by printing money and selling government bonds with the other. We still believe that the debt in the western economies will have to be reduced from the historically high levels. However, the politicians' significant initiatives have had a more powerful short-term impact than we had expected. Politicians are creating growth by increasing the public debt. At the same time, they are doing all they can to stimulate the private credit cycle. This could imply that the overall debt in the western economies continues its rate of increase. Even if this means that money is borrowed at the expense of future growth, a reasonable growth rate in the global economy will support equity markets.

Governments are increasingly taking over, when it comes to deciding where the money should go. The big question is, how good are governments at allocating capital? In centralized China, we have seen a reasonable allocation of capital so far. The Fund has a high proportion of multinationals, which benefit from global growth driven by emerging markets, while the Fund's US investments have a low exposure to US consumer spending. We foresee strong growth in the parallel universe – the virtual world which we access via our computer screens and the Internet. A number of the visions of the future that drove these stocks in the 1990s are now in earnest starting to become reality. We see a number of unique investment opportunities in this area, including our investments in Cisco Systems Inc. and Google Inc..

We believe that global equity markets will rise and fall in step with confidence in the political initiatives launched. The coming years' growth trend will be lower than seen over the past five years, but we still believe that continued low interest rates and growth driven by political measures will support the equity markets in the near future.

Public sectors all over the world are taking over as key growth drivers. So far, the approach has been relatively successful. China seems to be the great success story. The government also plays an essential role there. At the same time, intervention in the financial sector has paved the way for a recovery in private credit growth. We believe that companies benefiting from increasing consumer spending in China and Asia are an interesting investment theme. This year, companies with high underlying profitability and strong balance sheets which benefit from long-term structural trends have underperformed the market, but we maintain high exposure to these stocks because we believe rising share prices will spread to this segment of the market.

Investment Income and Capital Gains

During the six month period ended September 30, 2009, the Fund had net investment income of $12,207. In addition, the portfolio realized $1,588,101 in net losses on investments sold and had $6,047,823 in net unrealized gains. The investment income, net realized loss and net unrealized gain combined for a total increase in net assets from operations of $1.25 per

Class A Unit, and $1.32 per Class F Unit. Distributions to unitholders during the same period totalled $596,912 or $0.17 per Class A Unit and Class F Unit, respectively.

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.

Liquidity and Capital Resources

As at September 30, 2009, the Fund had current assets excluding investments of $524,687. Current liabilities, including distributions accrued but not yet paid, totalled $381,982.

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.

During six month period ended September 30, 2009, 15,500 of Class F Units converted to 15,509 of Class A Units for a total value of $71,787.

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 six month period ended September 30, 2009, there were no market repurchases of Class A Units (41,200 of Class A Units were purchased during the six month period ended September 30, 2008 for a total cost of $282,147).

Distributions

The Fund has made all its scheduled distributions during the six month period ended September 30, 2009, paying $0.1700 per Class A Unit and Class F Unit respectively ($0.2500 per Class A Unit and Class F Unit during the six month period ended September 30, 2008). Distributions for the most recent six month period were lower than anticipated in the Fund's original investment objectives following a reduction in the monthly distribution rate in March 2009.

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 during the six month period ended September 30, 2009 were $88,402 ($229,971 during the six month period ended September 30, 2008).

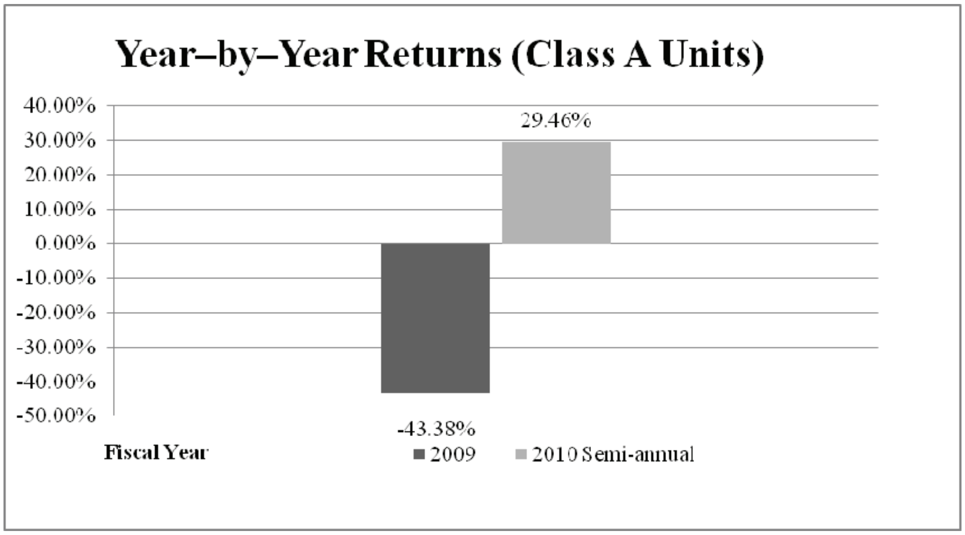
The Manager pays the Investment Manager out of the above management fees.

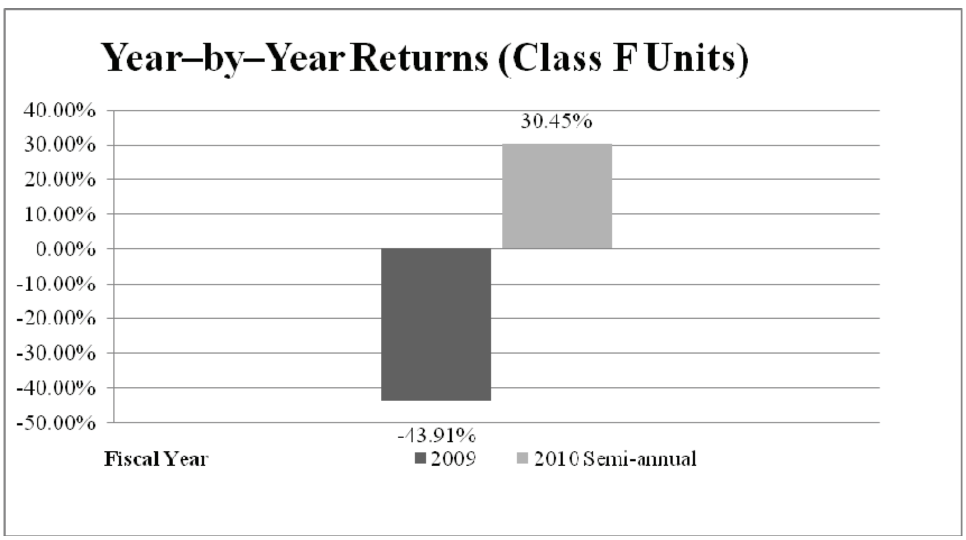
Recommendations or Reports by the Independent Review Committee

The Independent Review Committee tabled no special reports and made no extraordinary material recommendations to management of the Fund during the six month period ended September 30, 2009.

Past Performance

The following bar charts indicate the annual performance of the Class A and the F Class Units for the year ended March 31, 2009. It also shows the semi-annual performance for the six month period ended September 30, 2009 assuming all the distributions made by the Fund during the period shown were reinvested. These bar charts show, in percentage terms, how much an investment made on the first day of the period would have grown or decreased by the last day of the period. Past performance is not necessarily indicative of future performance.





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:

	September 30, 2009[2]	March 31, 2009	March 31, 2008 [1]
Net Assets, beginning of period	**4.28**	**8.20**	**10.00**
Increase (decrease) from operations:			
Total revenues	0.07	0.18	0.11
Total expenses	(0.07)	(0.15)	(0.13)
Share issue expense [3]	–	–	(0.66)
Realized gains (losses) for the period	(0.44)	(2.38)	(0.23)
Unrealized gains (losses) for the period	1.69	(1.12)	(0.55)
Total increase (decrease) from operations [4]	**1.25**	**(3.47)**	**(1.46)**
Distributions:			
From income (excluding dividends)	–	–	–
From dividends	–	–	–
From capital gains	–	–	–
Return of capital	(0.17)	(0.49)	(0.35)
Total Distributions [5]	**(0.17)**	**(0.49)**	**(0.35)**
Net Assets, end of period [6]	**5.36**	**4.28**	**8.20**

(1) Results for the period from July 19, 2007 (commencement of operations) to March 31, 2008.
(2) Results for the six month period ended September 30, 2009.
(3) Issue expense of $3,234,808 incurred in connection with the share 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.
(4) Net assets and distributions are based on the actual number of shares outstanding at the relevant time. The increase / decrease from operations is based on the weighted average number of shares outstanding over the financial period.
(5) The percentages used to allocate distributions among income, dividends, capital gain and return on capital are based on estimates.
(6) This is not reconciliation between the opening and the closing net assets per unit.

Ratios and Supplemental Data:

	September 30, 2009[2	March 31, 2009	March 31, 2008 [1]
Net asset value (000's)	18,298	14,547	38,910
Number of units outstanding	3,408,318	3,392,809	4,747,532
Base Management expense ratio [3] [4]	2.57%	2.20%	2.12%
Issue expenses ratio [3] [4]	–	–	7.34%
Management expense ratio (annualized) [4]	2.57%	2.20%	9.46%
Management expense ratio before waivers or absorptions (annualized) [4]	2.57%	2.20%	9.46%
Portfolio turnover rate [5]	25.01%	24.11%	28.85%
Trading expense ratio [6]	0.20%	0.05%	0.25%
Net asset value per unit	5.37	4.29	8.21
Closing market price (TSX) - units	5.00	3.99	7.45
Closing market price (TSX) - warrants	0.05	0.05	0.20

(1) Results for the period from July 19, 2007 (commencement of operations) to March 31, 2008.
(2) Results for the six month period ended September 30, 2009.
(3) A separate base management expense ratio has been presented to include the normal operating expenses and exclude the issue expenses, interest expenses and brokerage commissions included in the income statement as per CICA Section 3855 requirements.
(4) 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. Issue expense ratio calculated by using gross proceeds is 6.59% for Class A and 3.40% for Class F.
(5) 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.
(6) 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.

Class F Units:

The Fund's Net Assets per unit:

	September 30, 2009(2	March 31, 2009	March 31, 2008 (1)
Net Assets, beginning of period	**4.43**	**8.52**	**10.00**
Increase (decrease) from operations:			
Total revenues	0.07	0.19	0.11
Total expenses	(0.06)	(0.13)	(0.11)
Share issue expense (3)	–	–	(0.35)
Realized gains (losses) for the period	(0.46)	(2.51)	(0.24)
Unrealized gains (losses) for the period	1.77	(1.16)	(0.53)
Total increase (decrease) from operations (4)	**1.32**	**(3.61)**	**(1.12)**
Distributions:			
From income (excluding dividends)	–	–	–
From dividends	–	–	–
From capital gains	–	–	–
Return of capital	(0.17)	(0.49)	(0.35)
Total Distributions (5)	**(0.17)**	**(0.49)**	**(0.35)**
Net Assets, end of period (6)	**5.59**	**4.43**	**8.52**

(1) Results for the period from July 19, 2007 (commencement of operations) to March 31, 2008.
(2) Results for the six month period ended September 30, 2009.
(3) Issue expense of $3,234,808 incurred in connection with the share 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.
(4) Net assets and distributions are based on the actual number of shares outstanding at the relevant time. The increase / decrease from operations is based on the weighted average number of shares outstanding over the financial period.
(5) The percentages used to allocate distributions among income, dividends, capital gain and return on capital are based on estimates.
(6) This is not a reconciliation between the opening and the closing net assets per unit.

Ratios and Supplemental Data:

	September 30, 2009(2	March 31, 2009	March 31, 2008 (1)
Net asset value (000's)	967	833	1,606
Number of units outstanding	172,700	188,200	188,200
Base Management expense ratio (3) (4)	2.05%	1.80%	1.68%
Issue expenses ratio (3) (4)	–	–	3.69%
Management expense ratio (annualized) (4)	2.05%	1.80%	5.37%
Management expense ratio before waivers or absorptions (annualized) (4)	2.05%	1.80%	5.37%
Portfolio turnover rate (5)	25.01%	24.11%	28.85%
Trading expense ratio (6)	0.20%	0.05%	0.25%
Net asset value per unit	5.60	4.43	8.54

(1) Results for the period from July 19, 2007 (commencement of operations) to March 31, 2008.
(2) Results for the six month period ended September 30, 2009.
(3) A separate base management expense ratio has been presented to include the normal operating expenses and exclude the issue expenses, interest expenses and brokerage commissions included in the income statement as per CICA Section 3855 requirements.
(4) 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. Issue expense ratio calculated by using gross proceeds is 6.59% for Class A and 3.40% for Class F.
(5) 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.
(6) 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 September 30, 2009

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.

	Market Value $	% of NAV
Portfolio by Category		
United States	5,485,831	28.5%
Switzerland	4,288,997	22.3%
United Kingdom	2,383,779	12.4%
Hong Kong	1,736,282	9.0%
Japan	1,717,345	8.9%
Germany	1,540,591	8.0%
India	1,245,051	6.5%
Russia	497,305	2.6%
Cash	414,035	2.1%
Foreign currency contracts	226,702	1.2%
Top 25 Holdings		
British American Tobacco Plc	1,442,193	7.5%
Nestle SA	1,297,225	6.7%
HDFC bank Ltd. ADR	1,245,051	6.5%
Allianz AG	1,024,569	5.3%
Japan Tobacco Inc.	886,112	4.6%
Roche Holding Ltd.	866,269	4.5%
Holcim Ltd.	857,136	4.4%
Praxair Inc.	771,562	4.0%
Google Inc.	745,071	3.9%
Novartis AG	713,293	3.7%
Cisco Systems Inc.	674,585	3.5%
Standard Chartered Bank Plc	647,040	3.4%
Industrial and Commercial Bank of China Ltd.	614,669	3.2%
Canon Inc.	583,093	3.0%
Bank of America	562,965	2.9%
ABB Ltd.	555,074	2.9%
Lorillard Inc.	550,246	2.9%
E.ON AG	516,022	2.7%
Monsanto	515,053	2.7%
Exelon Corp.	505,941	2.6%
OAO Gazprom ADR	497,305	2.6%
Peabody Energy Corp.	495,356	2.6%
Vodafone Group Plc	493,357	2.6%
China Petroleum & Chemical Corp.	474,573	2.5%
Transocean Ltd.	468,175	2.4%
Net asset value (NAV)	**$ 19,264,588**	

Focused Global Trends Fund

Financial Statements (Unaudited)
September 30, 2009

Notice to Reader:

These interim financial statements and related notes for the six-month period ending September 30, 2009 have been prepared by Management of Connor, Clark & Lunn Capital Markets Inc. The auditors of the Fund have not audited or reviewed these interim financial statements.

Focused Global Trends Fund

Statements of Net Assets (Unaudited)

As at September 30, 2009 and March 31, 2009

	September 30, 2009	March 31, 2009
	$	$
Assets		
Cash	414,035	503,051
Investments at market value (cost - $20,939,120; March 31, 2009 - $22,798,732)	18,868,021	16,156,018
Unrealized gain on foreign currency forward contracts	226,702	-
Dividends receivable	108,678	175,865
Prepaid expenses	1,974	22,050
	19,619,410	16,856,984
Liabilities		
Payable for investment purchases	188,544	-
Distributions payable	99,481	99,480
Accounts payable and accrued liabilities	77,158	97,799
Management fees payable (note 8)	16,799	43,647
Unrealized loss on foreign currency forward contracts	-	1,252,108
	381,982	1,493,034
Net Assets and Unitholders' Equity	19,237,428	15,363,950
Unitholders' Equity		
Unit capital (note 5)	29,351,921	29,952,983
Contributed surplus	5,804,966	5,802,355
Deficit	(15,919,459)	(20,391,388)
Total Unitholders' Equity	19,237,428	15,363,950
Class Net Assets		
Class A	18,272,182	14,531,030
Class F	965,246	832,920
	19,237,428	15,363,950
Units Outstanding		
Class A	3,408,318	3,392,809
Class F	172,700	188,200
Net assets per unit - basic		
Class A	5.36	4.28
Class F	5.59	4.43
Net assets per unit - diluted		
Common Units	5.36	4.28
Class F	5.59	4.43

Approved by the Manager

W. Neil Murdoch

Director

Director

(See accompanying notes to financial statements)

Focused Global Trends Fund

Statements of Operations (Unaudited)

For the six month periods ended September 30, 2009 and September 30, 2008

	2009 $	2008 $
Income		
Dividends	305,298	558,015
Interest	-	3,240
Withholding taxes	(50,144)	(61,757)
	255,154	499,498
Expenses		
Management fees (note 8)	88,402	229,971
Service fees (note 8)	34,026	70,675
Custodial and other unitholders' fees	29,769	22,872
Broker commission charges	17,603	16,066
Transfer agent fees	16,306	17,509
Board of Advisors fees	10,459	10,500
Administration fees	8,674	10,207
Audit fees	8,500	8,500
Legal fees	8,451	8,451
Listing fees	5,757	6,282
Printing fees	5,633	5,633
Filing fees	5,351	5,676
Other	2,031	7,771
IRC fees	1,152	-
Insurance fees	790	-
Interest expenses	43	187
	242,947	420,300
Investment income (loss) for the period	12,207	79,198
Net realized gain (loss) on investments		
Net realized gain (loss) on investments	(1,898,345)	(762,637)
Net realized gain (loss) on foreign exchange forward contracts	302,409	15,300
Net realized gain (loss) on foreign exchange	7,835	(18,769)
	(1,588,101)	(766,106)
Net unrealized gain (loss) on investments		
Unrealized gain (loss) on investments	4,571,615	(6,382,903)
Unrealized gain (loss) on foreign exchange forward contracts	1,478,810	932,751
Unrealized gain (loss) on foreign exchange	(2,602)	5,384
	6,047,823	(5,444,768)
Net gain (loss) on investments	4,459,722	(6,210,874)
Increase (decrease) in net assets from operations	4,471,929	(6,131,676)
Increase (decrease) in net assets from operations per Class:		
Class A	4,238,053	(5,889,671)
Class F	233,876	(242,005)
	4,471,929	(6,131,676)
Increase (decrease) in net assets from operations per unit - basic *		
Common Unit	1.25	(1.24)
Class F Unit	1.32	(1.29)
Increase (decrease) in net assets from operations per unit - diluted *		
Common Unit	1.25	(1.24)
Class F Unit	1.32	(1.29)
Distributions paid per Class A unit	0.17	0.25
Distributions paid per Class F unit	0.17	0.25

* (based on 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 (Unaudited)

For the six month periods ended September 30, 2009 and September 30, 2008

	Class A		Class F		Total	
	2009	2008	2009	2008	2009	2008
	$		$		$	$
Increase (decrease) in net assets from operations	4,238,053	(5,889,671)	233,876	(242,005)	4,471,929	(6,131,676)
Distributions to unitholders from:						
Return of capital	(567,668)	(1,182,520)	(29,244)	(47,056)	(596,912)	(1,229,576)
Unitholders' transactions:						
Class F units converted to Class A	71,787		(71,787)	-	-	-
Reinvested distributions	-	-	-	199	-	199
Payments on redemption or cancellation of units (notes 4 & 5)	(1,020)	(282,147)	(519)	-	(1,539)	(282,147)
	70,767	(282,147)	(72,306)	199	(1,539)	(281,948)
Change in net assets during the period	3,741,152	(7,354,338)	132,326	(288,862)	3,873,478	(7,643,200)
Net assets - Beginning of period	14,531,030	38,910,290	832,920	1,603,729	15,363,950	40,514,019
Net assets - End of period	18,272,182	31,555,952	965,246	1,314,867	19,237,428	32,870,819
Deficit, beginning of period	(19,565,397)	(3,805,910)	(825,991)	(146,635)	(20,391,388)	(3,952,545)
Increase (decrease) in net assets from operations	4,238,053	(5,889,671)	233,876	(242,005)	4,471,929	(6,131,676)
Deficit, end of period	(15,327,344)	(9,695,581)	(592,115)	(388,640)	(15,919,459)	(10,084,221)
Contributed surplus, beginning of period	5,802,993	48,295	(638)	(638)	5,802,355	47,657
Cost of shares repurchased at less than (in excess of) original issue price	3,130	58,475	(519)	-	2,611	58,475
Contributed surplus, end of period	5,806,123	106,770	(1,157)	(638)	5,804,966	106,132

(See accompanying notes to financial statements)

Focused Global Trends Fund

Statements of Cash Flow (Unaudited)

For the six month periods ended September 30, 2009 and September 30, 2008

	2009 $	2008 $
Operating Activities		
Increase (decrease) in net assets from operations	4,471,929	(6,131,676)
Items not affecting cash:		
Net realized (gain) loss on investments	1,898,345	762,637
Unrealized (gain) loss on investments	(4,571,615)	6,382,903
Unrealized (gain) loss on foreign exchange forward contracts	(1,478,810)	(932,751)
Changes in non-cash working capital		
(Increase) decrease in dividends receivable	67,187	48,244
(Increase) decrease in prepaid expenses	20,076	-
Increase (decrease) in distributions payable	1	(1,620)
Increase (decrease) in accounts payable and accrued liabilities	(20,641)	15,633
Increase (decrease) in management fees payable	(26,848)	(4,374)
Cost of investments purchased	(4,192,673)	(3,309,920)
Proceeds from investments sold	4,342,484	5,047,017
Net cash flow provided by (used in) operating activities	509,435	1,876,093
Financing Activities		
Distributions to unitholders	(596,912)	(1,229,576)
Payments on redemption/cancellation of units	(1,539)	(282,147)
Net cash flow provided by (used in) financing activities	(598,451)	(1,511,723)
Net increase (decrease) in cash	(89,016)	364,370
Cash - beginning of period	503,051	401,628
Cash - end of period	414,035	765,998

(See accompanying notes to financial statements)

Focused Global Trends Fund

Statement of Investment Portfolio (Unaudited)

As at September 30, 2009

Investments	Par Value / Quantity	Average Cost $	Fair Value $	% of Net Assets
Germany (Euro)				
Allianz AG	7,650	1,253,138	1,026,249	5.3%
E.ON AG	11,350	662,128	514,954	2.7%
		1,915,266	1,541,203	8.0%
Hong Kong (Hong Kong Dollar)				
China Petroleum & Chemical Corp. (Sinopec Corp.)	520,000	496,830	473,133	2.5%
Industrial and Commercial Bank of China Ltd.	760,000	576,333	614,669	3.2%
Standard Chartered Bank Plc	24,500	471,137	645,005	3.4%
		1,544,300	1,732,807	9.1%
India (U.S. Dollar)				
HDFC Bank Ltd. ADR	9,800	1,045,772	1,245,050	6.5%
Japan (Japanese Yen)				
Canon Inc.	13,400	829,656	578,274	3.0%
Japan Tobacco Inc.	240	1,267,614	880,358	4.6%
Nintendo Company Ltd.	900	323,408	245,119	1.3%
		2,420,678	1,703,751	8.9%
Russia (U.S. Dollar)				
OAO Gazprom ADR	19,600	748,633	497,305	2.6%
Switzerland (Swiss Franc)				
ABB Ltd.	25,800	673,246	555,074	2.9%
Holcim Ltd.	11,655	1,019,995	855,930	4.4%
Nestle SA	28,400	1,178,026	1,296,637	6.6%
Novartis AG	13,300	756,020	712,606	3.7%
Roche Holding Ltd.	5,000	954,003	865,752	4.5%
		4,581,290	4,285,999	22.1%
United Kingdom (British Pound)				
British American Tobacco Plc	42,800	1,488,210	1,441,458	7.5%
Diageo Plc	27,200	601,265	447,995	2.3%
Vodafone Group Plc	205,000	503,841	493,181	2.6%
		2,593,316	2,382,634	12.4%
United States (U.S. Dollar)				
Bank of America	31,000	563,018	560,969	2.9%
Cisco Systems Inc.	26,700	833,945	673,726	3.5%
Exelon Corp.	9,500	816,348	505,329	2.6%
First Solar Inc.	1,200	271,883	196,851	1.0%
Google Inc.	1,400	565,419	744,695	3.9%
Lorillard Inc.	6,900	513,256	549,654	2.9%
Monsanto	6,200	570,956	514,321	2.7%
Peabody Energy Corp.	12,400	645,237	494,557	2.6%
Praxair Inc.	8,800	715,101	770,995	4.0%
Transocean Sedco Forex Inc.	5,100	612,268	468,175	2.4%
		6,107,431	5,479,272	28.5%

(See accompanying notes to financial statements)

Focused Global Trends Fund

Statement of Investment Portfolio (Unaudited)... Continued

As at September 30, 2009

	Par Value / Quantity	Average Cost $	Fair Value $	% of Net Assets
Total foreign equities		20,956,686	18,868,021	98.1%
Transaction costs - Section 3855 adjustment (note 3)		(17,566)		0.0%
Total investments		20,939,120	18,868,021	98.1%

	Maturity date	Number of contracts	Contract price / rate $	Unrealized gain (loss) $	% of net assets
Foreign currency forward contracts					
Bought CAD 3,909,999 sold CHF 3,744,063	12/24/09	1	1.04430	45,133	0.2%
Bought CAD 1,410,000 sold EUR 893,117	12/24/09	1	1.57870	12,893	0.1%
Bought CAD 2,200,000 sold GBP 1,273,052	12/24/09	1	1.72810	22,851	0.1%
Bought CAD 1,420,000 sold HKD 10,124,997	12/24/09	1	0.14020	23,657	0.1%
Bought CAD 1,539,558 sold JPY 127,976,622	12/24/09	1	0.01200	13,566	0.1%
Bought CAD 6,590,000 sold USD 6,065,347	12/24/09	1	1.08650	108,602	0.6%
Total foreign currency forward contracts				226,702	1.2%
Other assets less other liabilities				142,705	0.7%
Net assets				19,237,428	100.0%

(See accompanying notes to financial statements)

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, Carnegie (the "Investment Manager"), the Fund's investment manager, invested the net proceeds of the Offering, in a portfolio (the "Portfolio") consisting of equity securities of global companies.

3 Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, 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.

Future accounting changes

The Canadian Accounting Standards Board ("AcSB") confirmed that effective January 1, 2011, International Financial Reporting Standards ("IFRS") will replace Canadian GAAP for publicly accountable enterprises, which includes investment funds. IFRS will apply to fiscal years beginning on or after January 1, 2011. As of September 30, 2009 the manager has not developed a changeover plan to IFRS nor has it assessed the impact of IFRS on business arrangements, Transactional NAV per unit and accounting policies. The Manager will develop a plan prior to the January 1, 2011 deadline and will disclose this plan in the Fund's 2010 annual report.

In March 2009, the Canadian Accounting Standards Board announced it has agreed to adopt recent amendments to IFRS 7, "Financial Instruments: Disclosures", into Section 3862, "Financial Instruments – Disclosures". The final amended version to IFRS 7 will also be subsequently incorporated into Canadian GAAP. The amendments to Section 3862 will apply to annual financial statements for years ending after September 30, 2009. The amendments require that an entity disclose the classification, for each class of financial instruments, of fair value measurements within a fair value hierarchy. The hierarchy includes three levels: Level 1 – quoted prices in active markets, Level 2 – measurements determined using valuation models that employ observable inputs and Level 3 – measurements determined using valuation models that employ unobservable inputs.

Valuation of investments

Investments are deemed to be categorized as "held for trading" in accordance with CICA Section 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. Should the quoted value for a security, in the opinion of the mangers, 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 mangers 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.

On July 19, 2007, the Fund adopted CICA Section 3855 for financial reporting purposes ("GAAP Net Assets"). Section 3855 requires that the fair value of financial instruments which are actively traded be measured based on the bid price for the security. In addition, Section 3855 requires that transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund be charged to net income in the period.

On September 8, 2008, the Canadian Securities Administration issued the amended National Instrument 81-106 ("NI 81-106"). Section 14.2 of this amended NI 81-106 requires an investment fund to calculate its daily net asset value for the purchase and redemption of units ("Transactional NAV") based on the fair value of the investment fund's assets and liabilities (being the last traded price for the day). The Fund did not change its methodology in this respect.

The Transactional NAV and the GAAP Net Assets as of September 30, 2009 as a result of the adoption of Section 3855 are as follows:

	Transactional NAV	Section 3855 Adjustment	GAAP Net Assets
Per Unit Closing Value as of September 30, 2009:			
Class A Unit	5.37	(0.01)	5.36
Class F Unit	5.60	(0.01)	5.59

The reconciliation between the Transactional NAV and the GAAP Net Assets as of March 31, 2009 as a result of the adoption of Section 3855 is as follows:

	Transactional NAV	Section 3855 Adjustment	GAAP Net Assets
Per Unit Closing Value as of March 31, 2009:			
Class A Unit	4.29	(0.01)	4.28
Class F Unit	4.43	-	4.43

Cash

Cash is deemed to be held for trading and therefore are carried at fair value.

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 the number of days the investment is held during the period. 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.

Unit valuation

Units of the Fund are valued at the net asset value per unit of the Fund. The Transactional NAV per unit is determined by dividing the aggregate fair value of net asset value of the Fund by the total number of units of the Fund outstanding before giving effect to redemptions or subscriptions for units on that day.

Allocation of expenses

The Class A units are charged with the full amount of the Service fees (see note 8) and the TSX listing fees. All the other expenses are allocated on a prorated basis between the Class A and the Class F units.

4 Market Purchase Program

In accordance with the Fund's prospectus, and to enhance liquidity and to provide support to the units, the Fund has a mandatory market purchase program under which the Fund, subject to exceptions contained in the Trust Agreement and in compliance with any regulatory requirements, is obligated to purchase its own units for cancellation. If, on any business day, the closing price of the units is less than 95% of the net asset value per unit determined by the trustee as at the most recent valuation date, the Fund will offer to purchase for cancellation any units offered in the market at or below 95% of the net asset value per unit on the following business day. The maximum number of units to be purchased in any quarterly period will not be over 1.25% of the number of units outstanding at the beginning of such period.

During the six month period ended September 30, 2009, zero Class A Units were purchased and subsequently redeemed by the Fund (37,900 of Class A Units were purchased during the six month period ended September 30, 2008 for a total cost of $282,147). 15,500 of Class F Units were converted to 15,509 of Class A Units for a total cost of $71,787 (zero Class F Units were converted to Class A Units during the six period ended September 30, 2008).

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 Fund combined units of Class A Combined Units and Class F Combined 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. On January 30, 2009 none of the Class A or Class F transferable warrants had been exercised.

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.

Units 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 a Unit for redemption will receive the amount, if any, equal to the lesser of (A) 96% of the weighted average trading price of the Units on the TSX during the 15 trading days preceding the applicable Monthly Redemption Date, and (B) the "closing market price" of the Units on the principal market on which the 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 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 Units if there was trading on the applicable Monthly Redemption Date and the market provides only the highest and lowest prices of the Units traded on a particular day; or (iii) the average of the last bid and last asking prices of the 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.

Changes in outstanding units are summarized as follows:

	Class A Units		**Class F Units**	
	Period Ended September 30, 2009	**Period Ended March 31, 2009**	**Period Ended September 30, 2009**	**Period Ended March 31, 2009**
Balance – beginning of period	3,392,809	4,747,532	188,200	188,200
Units issued	–	–	–	–
Units converted	15,509	27	(15,500)	(26)
Units reinvested	–	–	–	26
Units redeemed	–	(1,293,550)	–	–
Units redeemed under the Market Purchase Program (note 4)	–	(61,200)	–	–
Balance – end of period	3,408,318	3,392,809	172,700	188,200

Due to the existence of warrants, the unitholders are exposed to the risk of dilution, but since the exercise price of $10.25 is higher than the current Transactional NAV per unit, the diluted weighted average number of units outstanding during the year is the same as what is shown in the above basic calculation. The Company considers capital to include all units issued and outstanding. The Company manages their 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 six month period ended September 30, 2009 paying $0.16668 per Class A unit and Class F unit respectively ($0.2500 per Class A unit and Class F unit for the six month period ended September 30, 2008). The distribution rate was reduced from $0.04167 per month to $0.02778 per month in March 2009.

8 Management fees and other expenses

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 Fund also pays a service fee to dealers whose clients hold Units in the Fund. The service fee is calculated and payable each calendar quarter in arrears and is equal to 0.40% annually of the net asset value of the Units held by clients of the dealers. The Fund is also responsible for all expenses incurred in connection with its operation and administration.

9 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.

As at December 31, 2008, the Fund had net capital losses of $2,080,677 ($91,513 as at December 31, 2007), which may be carried forward indefinitely to reduce future realized capital gains and non-capital losses of $969,182 ($305,253 as at December 31, 2007), 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
Total	**969,182**	

10 Broker commission charges and soft dollar services

There were $17,603 broker commission paid during the six month period ended September 30, 2009 ($16,066 during the six month period ended September 30, 2008) in connection with portfolio transactions. No contractual arrangements for soft dollar services exist in the broker commission charges.

11 Foreign currency forward contracts

The Fund employs derivatives for the purpose of hedging foreign currency exposure, with at least 80% of the value of the Portfolio's non-Canadian currency exposure having been hedged to the Canadian dollar at any time. The counterparty to the foreign currency forward contract is BMO Capital Markets which is part of Bank of Montreal whose credit rating is A+ as of September 30, 2009.

12 Financial instruments

Assets	**$**
Held for trading	19,508,758
Loans and receivables	110,652
Total assets	**19,619,410**
Liabilities	
Held for trading	-
Financial liabilities at amortized cost	381,982
Total liabilities	**381,982**

For the purposes of categorization in accordance with CICA Section 3862, dividends receivable and receivable from investment sales 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.

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 September 30, 2009, 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 table below summarizes the Fund's exposure to foreign currencies as at September 30, 2009. 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.

	Monetary instruments	Non-monetary instruments	Foreign Currency Contracts	Total	% of Net	Sensitivity (based on devaluation of CAD)
	$	$		$	Assets	$
European Union Euro	-	1,541,203	(1,401,144)	140,059	0.7%	7,000
Hong Kong Dollar	188,544	1,732,807	(1,402,199)	519,152	2.7%	26,000
Japanese Yen	-	1,703,751	(1,534,112)	169,639	0.9%	8,000
Swiss Franc	-	4,285,999	(3,872,675)	413,324	2.1%	21,000
British Pound	20,354	2,382,634	(2,185,272)	217,716	1.1%	11,000
United States Dollar	-	7,221,627	(6,509,909)	711,718	3.7%	36,000
Total	**208,898**	**18,868,021**	**(16,905,311)**	**2,171,608**	**11.2%**	**109,000**

Other market risk

Other market risk includes 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 September 30, 2009, all other variables held constant, the net assets of the Fund would have increased or decreased, respectively, by approximately $1,887,000. In practise, actual results may differ from this sensitivity analysis and the difference could be material.

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 and, failing the availability of sufficient cash reserves, has an available loan facility of up to 5% of the Fund's Transactional NAV.

Credit risk

Credit risk is the risk that a loss could arise when a security issuer of counterparty to a financial instrument is unable to meet its financial obligations. 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. As at September 30, 2009, the Fund was exposed to credit risk through foreign forward contracts. The unrealized gains on these contracts were 1.2% of the Fund's net assets. The counterparty to these foreign currency forward contracts is BMO Capital Markets which is part of Bank of Montreal whose credit rating is A+ as of September 30, 2009.