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CAPITAL MARKETS

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Focused Global Trends Fund

Semi-Annual Report

September 30, 2008

Focused Global Trends Fund Message to Unitholders

November 28, 2008

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, 2008. 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.

Carnegie believes that global trends are important drivers in generating long-term stable growth in portfolio investments and that a focus on these trends will generate consistently strong results over a long-term investment horizon. The core trends around which its portfolio is currently focused include emerging markets growth, energy, infrastructure and climate change. Using these trends as an investment framework, Carnegie has constructed a focused portfolio of 25 to 30 stocks. The Fund’s portfolio is managed using the same investment approach that Carnegie has applied since 1986.

The past six months mark one of the most volatile periods in the history of financial markets. With few safe havens, investors sought refuge in government bonds and sent the yield on short-term US treasury bills down to nearly 0% for the first time since 1941. These events have shaken investor confidence in the financial system, triggering a stronger than expected global slowdown. Reason and clear-sightedness will eventually prevail, but for this to happen the upcoming and necessary political action must create transparency and some degree of confidence in the financial system.

Safe havens were few and far between for global equities and number of the portfolio’s holdings fell regardless of the underlying fundamental strength as high quality companies around the world have been sold quite indiscriminately. During the period under review, the Fund generated a total return of -15.7%. In comparison, the MSCI World Index returned -13.0% in Canadian dollars over the same period. Carnegie employs a unique “benchmark agnostic” investment approach in managing the Fund’s portfolio.

Carnegie expects the recent and coming intervention in the US coupled with regional and global measures and lower interest rates to help stabilize the economy over the next few months. The current market offers opportunities to acquire long-term fundamental businesses at reasonable prices. Right now, stocks are trading less on fundamentals and more on emotion. Carnegie is looking forward to a return of a more fundamentals-oriented equity market. The Fund’s portfolio is built around a core of large, stable growth companies, which have steady, growing free cash flow. This core is now about half of the portfolio and consists primarily of beverage, tobacco, utility, food and drug companies. Many of these companies have significant exposure to solid growth outside the US, in particular Latin America and Asia, and are better positioned to withstand a prolonged downturn.

Please check our 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
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.

Results of Operations

The past six months mark one of the most volatile periods in the history of financial markets, and indeed September 2008 will be remembered for how it ended, with plunging share prices in the wake of the surprising rejection of the bail-out plan by US politicians who were focused on being re-elected. As a result of panicky reactions by hard-squeezed investors and a manic flight to safety, the yield on short-term US treasury bills dropped to nearly 0% for the first time since 1941. These events have shaken investor confidence in the financial system, triggering a stronger than expected global slowdown. Reason and clear-sightedness will eventually prevail, but for this to happen the upcoming and necessary political action must create transparency and some degree of confidence in the financial system.

During this period the Fund slightly underperformed the MSCI World Index, while pursuing a cautious strategy of overweighting stable growth companies with strong balance sheets and avoiding exposure to investment banks and retail banks in the Western World. The equity market was marked by panic and forced sales in the period, with investors selling all liquid assets without considering fundamental values. The Fund recorded losses on its commodity-related investments on the back of sharply falling prices of oil and other commodities. For example, oil prices slipped from US \$140 per barrel to less than US \$100.

The Fund’s three commodity investments, Gazprom (gas in Russia), Rio Tinto (global mining company) and Peabody Energy (coal company) all lost close to half of their value during the period. The Fund’s investment in Esprit (clothing manufacturer) also contributed to the loss because the weaker economic outlook will affect sales, especially in Germany. In spite of the negative cyclical impacts, Carnegie remains confident about the company’s long-term prospects and it has a strong balance sheet that will help Esprit make it through this slowdown.

The Fund's defensive investments yielded varying returns. Its three investments in the power companies Exelon, EdF and E.ON fell significantly in an immediate response to the falling energy prices and growing uncertainty about future power prices. On the other hand, other defensive companies performed quite well, for example snuff tobacco manufacturer UST, which rose substantially following a takeover bid by Altria. Also, stable growth companies such as Proctor & Gamble, Nestlé, Novartis and BAT performed well.

There were three changes in the portfolio during the quarter. The Fund bought Telefonica, giving it exposure to the telecoms sector for the first time in quite a while. Telefonica continues to grow in its domestic market in Spain and is also recording solid growth in its Latin American operations. Telefonica is a well-managed business generating a high free cash flow, which Carnegie believes will increasingly be distributed to the company's shareholders in the form of dividends and share buybacks.

The Fund sold Siemens and bought ABB, which is better exposed to the good prospects for transmission and distribution equipment over the coming 5-10 years. Siemens is undergoing a complex restructuring process, which is made more difficult by the weak German economy.

Like Siemens, ABB is sensitive to global economic trends, but Carnegie believes that an investment in ABB will offer a better long-term risk/return profile. ABB is a leading provider of power and automation technologies that enable industry and utility customers to improve performance while reducing energy consumption. ABB is exposed to attractive markets, including emerging market economies, which offer prospects of large-scale investments in the years to come.

Finally, the Fund increased its finance exposure slightly by adding to the existing position in Allianz. Carnegie believes that the insurance sector will outperform the banking sector in the years ahead as the insurance sector suffered its major crisis in 2002 and 2003 and has not struggled with the problems of non-performing loans that the banks have. Furthermore, the Fund has reduced its exposure to power companies due to nascent political uncertainty about future tariffs.

Carnegie expects the recent and coming intervention in the US coupled with regional and global measures and lower interest rates to help stabilize the economy over the next few months. The current market offers opportunities to acquire long-term fundamental businesses at reasonable prices. Right now, stocks are trading less on fundamentals and more on emotion. Carnegie is looking forward to a return of a more fundamentals-oriented equity market.

Investment Income and Capital Gains

During the six month period ending September 30, 2008, the Fund had net investment income of \$79,198. In addition, the portfolio realized \$766,106 in losses on investments sold and had \$5,444,768 in unrealized losses. The Investment income, realized loss and unrealized loss combined for a total decrease in net assets from operations of \$1.24 per Class A Unit, and \$1.29 per Class F Unit. Distributions to unitholders during the same period totalled \$1,229,576 or \$0.25 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, 2008, the Fund had current assets excluding investments of \$907,661. Current liabilities, including distributions accrued but not yet paid, totalled \$328,048.

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.

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.

Pursuant to this obligation, during the six month period ended September 30, 2008, the Fund purchased and subsequently redeemed 41,200 of Class A Units for a total cost of \$282,147.

Distributions

The Fund has made all its scheduled distributions during the six month period ending September 30, 2008, paying \$0.2500 per Class A Unit and Class F Unit respectively

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, 2008 were \$229,971.

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

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 six month period ended September 30, 2008.

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 and unaudited semi-annual financial statements:

Class A Units:

The Fund's Net Assets per unit:

	September 30, 2008 ⁽²⁾	March 31, 2008 ⁽¹⁾
Net Assets, beginning of period	8.20	10.00
Increase (decrease) from operations:		
Total revenues	0.10	0.11
Total expenses	(0.09)	(0.13)
Share issue expense ⁽³⁾	–	(0.66)
Realized gains (losses) for the period	(0.16)	(0.23)
Unrealized gains (losses) for the period	(1.09)	(0.55)
Total increase (decrease) from operations ⁽⁴⁾	(1.24)	(1.46)
Distributions:		
From income (excluding dividends)	–	–
From dividends	–	–
From capital gains	–	–
Return of capital	(0.25)	(0.35)
Total Distributions ⁽⁵⁾	(0.25)	(0.35)
Net Assets, end of period ⁽⁶⁾	6.70	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, 2008.

⁽³⁾ Issue expense of \$3,234,808 incurred in connection with the share issuance. The full amount of issue expenses was deducted from the retained earnings for accounting purposes and is amortized over a period of five years for tax purposes.

⁽⁴⁾ Net asset value 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 asset values per unit.

Ratios and Supplemental Data:

	September 30, 2008 ⁽²⁾	March 31, 2008 ⁽¹⁾
Total net asset value (000's)	31,552	38,973
Number of units outstanding	4,706,332	4,747,532
Base Management expense ratio ⁽²⁾⁽³⁾	2.11%	2.12%
Issue expenses ratio ⁽²⁾⁽³⁾	–	7.34%
Management expense ratio (annualized) ⁽³⁾	2.11%	9.46%
Management expense ratio before waivers or absorptions (annualized) ⁽³⁾	2.11%	9.46%
Portfolio turnover rate ⁽⁴⁾	8.42%	28.85%
Trading expense ratio ⁽⁵⁾	0.09%	0.25%
Closing market price (TSX)	6.35	7.45

⁽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, 2008.

⁽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 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 assets during the period.

Class F Units:

The Fund's Net Assets per unit:

	September 30, 2008 ⁽²⁾	March 31, 2008 ⁽¹⁾
Net Assets, beginning of period	8.52	10.00
Increase (decrease) from operations:		
Total revenues	0.11	0.11
Total expenses	(0.07)	(0.11)
Share issue expense ⁽³⁾	–	(0.35)
Realized gains (losses) for the period	(0.17)	(0.24)
Unrealized gains (losses) for the period	(1.16)	(0.53)
Total increase (decrease) from operations ⁽⁴⁾	(1.29)	(1.12)
Distributions:		
From income (excluding dividends)	–	–
From dividends	–	–
From capital gains	–	–
Return of capital	(0.25)	(0.35)
Total Distributions ⁽⁵⁾	(0.25)	(0.35)
Net Assets, end of period ⁽⁶⁾	6.99	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, 2008.

⁽³⁾ Issue expense of \$3,234,808 incurred in connection with the share issuance. The full amount of issue expenses was deducted from the retained earnings for accounting purposes and is amortized over a period of five years for tax purposes.

⁽⁴⁾ Net asset value 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 asset values per unit.

Ratios and Supplemental Data:

	September 30, 2008 ⁽²⁾	March 31, 2008 ⁽¹⁾
Total net asset value (000's)	1,315	1,606
Number of units outstanding	188,227	188,200
Base Management expense ratio ⁽³⁾⁽⁴⁾	1.72%	1.68%
Issue expenses ratio ⁽³⁾⁽⁴⁾	–	3.69%
Management expense ratio (annualized) ⁽⁴⁾	1.72%	5.37%
Management expense ratio before waivers or absorptions (annualized) ⁽⁴⁾	1.72%	5.37%
Portfolio turnover rate ⁽⁵⁾	8.42%	28.85%
Trading expense ratio ⁽⁶⁾	0.09%	0.25%
Closing market price (TSX)	–	–

⁽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, 2008.

⁽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 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 assets during the period.

Summary of Investment Portfolio as of September 30, 2008

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		
USA	10,129,672	30.7%
Switzerland	6,694,951	20.4%
United Kingdom	4,450,102	13.5%
Japan	2,546,183	7.8%
Germany	1,983,157	6.1%
France	1,666,118	5.1%
Singapore	1,604,727	4.9%
Russia	1,324,109	4.0%
Spain	1,078,211	3.3%
India	837,714	2.5%
Cash & cash equivalents	799,656	2.4%
Hong Kong	590,024	1.8%
Forward currency contracts	(613,761)	-1.9%
Top 25 Holdings		
British American Tobacco Plc	2,486,404	7.6%
Nestle SA	2,159,539	6.6%
Japan Tobacco Inc.	1,704,559	5.2%
United Overseas Bank Ltd.	1,604,727	4.9%
Roche Holding Ltd.	1,456,097	4.4%
Procter & Gamble Co.	1,413,574	4.3%
Novartis AG	1,304,689	4.0%
UST Inc.	1,188,517	3.6%
Praxair Inc.	1,159,360	3.5%
Rio Tinto Plc	1,131,390	3.4%
AFLAC Corp.	1,093,099	3.3%
Telefonica SA	1,078,211	3.3%
Peabody Energy Corp.	1,071,226	3.3%
Exelon Corp.	1,064,387	3.2%
Transocean Sedco Forex Inc.	1,062,615	3.2%
Electricite de France SA	1,045,932	3.2%
Cisco Systems Inc.	1,042,453	3.2%
E.ON AG	1,037,144	3.2%
General Electric Company	1,034,441	3.1%
Allianz AG	946,013	2.9%
Holcim Ltd.	890,954	2.7%
ABB Ltd.	883,672	2.7%
Canon Inc.	841,624	2.6%
ICICI Bank Ltd. ADR	837,714	2.5%
Diageo Plc	832,308	2.5%
Net assets	\$ 32,870,819	

Focused Global Trends Fund

Financial Statements (Unaudited)
September 30, 2008

Notice to Reader:

These interim financial statements and related notes for the six-month period ending September 30, 2008 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

Statement of Net Assets

As at September 30, 2008 and March 31, 2008

	September 30, 2008 (Unaudited)	March 31, 2008 (Audited)
	\$	\$
Assets		
Cash	799,656	401,628
Investments at market value (cost - \$40,414,935; March 31, 2008 - \$42,388,866)	32,904,968	41,317,091
Dividends receivable	108,005	156,249
Receivable from investment sales	-	503,973
	<u>33,812,629</u>	<u>42,378,941</u>
Liabilities		
Distributions payable	204,323	205,943
Accounts payable and accrued liabilities	88,176	72,543
Management fees payable (note 8)	35,549	39,923
Unrealized loss on foreign currency forward contracts	613,762	1,546,513
	<u>941,810</u>	<u>1,864,922</u>
Net Assets and Unitholders' Equity	<u>32,870,819</u>	<u>40,514,019</u>
Unitholders' Equity		
Unit capital (note 5)	42,848,908	44,418,907
Contributed surplus (deficit)	106,132	47,657
Surplus (deficit)	<u>(10,084,221)</u>	<u>(3,952,545)</u>
Total Unitholders' Equity	<u>32,870,819</u>	<u>40,514,019</u>
Class Net Assets		
Class A	31,555,952	38,910,290
Class F	<u>1,314,867</u>	<u>1,603,729</u>
	<u>32,870,819</u>	<u>40,514,019</u>
Units Outstanding		
Class A	4,706,332	4,747,532
Class F	188,227	188,200
Net Assets per Unit		
Class A	6.70	8.20
Class F	6.99	8.52

Approved by the Manager



Director



Director

Focused Global Trends Fund

Statement of Operations (Unaudited)

For the six month period from April 1, 2008 to September 30, 2008

	\$
Income	
Dividends	558,015
Interest	3,240
Withholding taxes	(61,757)
	<u>499,498</u>
Expenses	
Management fees (note 8)	229,971
Service fees (note 8)	70,675
Custodial and other unitholders' fees	22,872
Transfer agent fees	17,509
Broker commission charges	16,066
Board of Advisors fees	10,500
Administration fees	10,207
Audit fees	8,500
Legal fees	8,451
Other	7,771
Listing fees	6,282
Filing fees	5,676
Printing fees	5,633
Interest expenses	187
	<u>420,300</u>
Investment income (loss) for the period	<u>79,198</u>
Net realized gain (loss) on investments	
Net realized gain (loss) on investments	(762,637)
Net realized gain (loss) on foreign exchange forward contracts	15,300
Net realized gain (loss) on foreign exchange	(18,769)
	<u>(766,106)</u>
Net unrealized gain (loss) on investments	
Unrealized gain (loss) on investments	(6,382,903)
Unrealized gain (loss) on foreign exchange forward contracts	932,751
Unrealized gain (loss) on foreign exchange	5,384
	<u>(5,444,768)</u>
Net gain (loss) on investments	<u>(6,210,874)</u>
Increase (decrease) in net assets from operations per Class:	
Class A	(5,889,671)
Class F	(242,005)
	<u>(6,131,676)</u>
Increase (decrease) in net assets from operations per Class A unit *	(1.24)
Increase (decrease) in net assets from operations per Class F unit *	<u>(1.29)</u>
Distributions paid per Class A unit	0.25
Distributions paid per Class F unit	<u>0.25</u>
* (based on average number of units outstanding during the period)	

Focused Global Trends Fund

Statements of Changes in Net Assets, Surplus (Deficit) and Contributed Surplus (Unaudited)

For the six month period from April 1, 2008 to September 30, 2008

	Class A	Class F	Total
	\$	\$	\$
Increase (decrease) in net assets from operations	<u>(5,889,671)</u>	<u>(242,005)</u>	<u>(6,131,676)</u>
Distributions to unitholders from:			
Return of capital	<u>(1,182,520)</u>	<u>(47,056)</u>	<u>(1,229,576)</u>
Unitholders' transactions:			
Reinvested distributions	-	199	199
Payments on redemption or cancellation of units (note 4 & 5)	<u>(282,147)</u>	<u>-</u>	<u>(282,147)</u>
	<u>(282,147)</u>	<u>199</u>	<u>(281,948)</u>
Change in net assets during the period	<u>(7,354,338)</u>	<u>(288,862)</u>	<u>(7,643,200)</u>
Net assets - Beginning of period	<u>38,910,290</u>	<u>1,603,729</u>	<u>40,514,019</u>
Net assets - End of period	<u>31,555,952</u>	<u>1,314,867</u>	<u>32,870,819</u>
Surplus (deficit), beginning of period	<u>(3,805,910)</u>	<u>(146,635)</u>	<u>(3,952,545)</u>
Increase (decrease) in net assets from operations	<u>(5,889,671)</u>	<u>(242,005)</u>	<u>(6,131,676)</u>
Distributions to unitholders			
Surplus (deficit), end of period	<u>(9,695,581)</u>	<u>(388,640)</u>	<u>(10,084,221)</u>
Contributed surplus , beginning of period	48,295	(638)	47,657
Cost of shares repurchased at less than (in excess of) original issue price	<u>58,475</u>	<u>-</u>	<u>58,475</u>
Contributed surplus , end of period	<u>106,770</u>	<u>(638)</u>	<u>106,132</u>

Focused Global Trends Fund

Statement of Investment Portfolio (Unaudited)

As at September 30, 2008

	Par Value / Quantity	Average Cost \$	Market Value \$	% of NAV
Investments				
France (European Union Euro)				
Electricite de France SA	13,750	1,524,869	1,045,932	3.2%
Schneider Electric SA	6,900	835,932	620,186	1.9%
		<u>2,360,801</u>	<u>1,666,118</u>	<u>5.1%</u>
Germany (European Union Euro)				
Allianz AG	6,550	1,430,846	946,013	2.9%
E.ON AG	19,350	1,128,826	1,037,144	3.2%
		<u>2,559,672</u>	<u>1,983,157</u>	<u>6.1%</u>
Hong Kong (Hong Kong Dollar)				
Esprit Holdings Ltd.	91,000	1,270,938	590,024	1.8%
India (Indian Rupee)				
ICICI Bank Ltd. ADR	33,500	1,837,075	837,714	2.5%
Japan (Japanese Yen)				
Canon Inc.	22,000	1,362,122	841,624	2.6%
Japan Tobacco Inc.	432	2,362,552	1,704,559	5.2%
		<u>3,724,674</u>	<u>2,546,183</u>	<u>7.8%</u>
Russia (Russian Ruble)				
AO Gazprom	23,500	1,251,813	771,540	2.3%
Sberbank Rossii OAO	2,000	998,345	552,569	1.7%
		<u>2,250,158</u>	<u>1,324,109</u>	<u>4.0%</u>
Singapore (Singapore Dollar)				
United Overseas Bank Ltd.	128,600	1,913,667	1,604,727	4.9%
Spain (European Union Euro)				
Telefonica SA	43,000	1,094,390	1,078,211	3.3%
Switzerland (Swiss Franc)				
ABB Ltd.	44,000	1,169,467	883,672	2.7%
Holcim Ltd.	11,600	1,352,023	890,954	2.7%
Nestle SA	47,250	1,960,434	2,159,539	6.6%
Novartis AG	23,500	1,335,825	1,304,689	4.0%
Roche Holding Ltd.	8,800	1,702,140	1,456,097	4.4%
		<u>7,519,889</u>	<u>6,694,951</u>	<u>20.4%</u>
United Kingdom (British Pound)				
British American Tobacco Plc	71,500	2,509,396	2,486,404	7.6%
Diageo Plc	46,500	1,027,898	832,308	2.5%
Rio Tinto Plc	17,200	1,402,909	1,131,390	3.4%
		<u>4,940,203</u>	<u>4,450,102</u>	<u>13.5%</u>

Focused Global Trends Fund

Statement of Investment Portfolio (Unaudited) ... Continued

As at September 30, 2008

	Par Value / Quantity	Average Cost \$	Market Value \$	% of NAV	
United States (U.S. Dollar)					
AFLAC Corp.	17,500	955,000	1,093,099	3.3%	
Cisco Systems Inc	43,500	1,358,675	1,042,453	3.2%	
Exelon Corp.	16,000	1,374,902	1,064,387	3.2%	
General Electric Company	38,200	1,523,671	1,034,441	3.1%	
Peabody Energy Corp.	22,400	1,165,590	1,071,226	3.3%	
Praxair Inc.	15,200	1,231,931	1,159,360	3.5%	
Procter & Gamble Co.	19,100	1,309,206	1,413,574	4.3%	
Transocean Sedco Forex Inc.	9,100	1,092,478	1,062,615	3.2%	
UST Inc.	16,800	932,081	1,188,517	3.6%	
		<u>10,943,534</u>	<u>10,129,672</u>	<u>30.7%</u>	
Total foreign equities (Transactional net asset value)		<u>40,415,001</u>	<u>32,904,968</u>	<u>100.1%</u>	
Transaction costs - Section 3855 adjustment (note 3)		<u>(66)</u>	<u>-</u>	<u>0.0%</u>	
Total foreign equities (GAAP net asset value)		<u>40,414,935</u>	<u>32,904,968</u>	<u>100.1%</u>	
Total investments		<u>40,414,935</u>	<u>32,904,968</u>	<u>100.1%</u>	
	Maturity date	Number of contracts	Contract price / rate \$	Unrealized gain (loss) \$	% of NAV
Foreign currency forward contracts					
Bought CAD 6,200,000 sold CHF 6,902,770	12/24/08	1	0.89820	(354,522)	-1.1%
Bought CAD 4,860,000 sold EUR 3,386,201	12/24/08	1	1.43520	(208,457)	-0.6%
Bought CAD 4,210,000 sold GBP 1,977,745	12/24/08	1	2.12870	476,270	1.4%
Bought CAD 2,470,000 sold JPY 270,236,407	12/24/08	1	0.00910	(254,319)	-0.8%
Bought CAD 11,540,000 sold USD 11,108,700	12/24/08	1	1.03880	<u>(272,734)</u>	<u>-0.8%</u>
Total foreign currency forward contracts				<u>(613,762)</u>	<u>-1.9%</u>
Other assets less other liabilities				<u>579,613</u>	<u>1.8%</u>
Net assets				<u>32,870,819</u>	<u>100.0%</u>

Focused Global Trends Fund

Notes to Financial Statements

September 30, 2008

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

As of September 30, 2008 the manager has not developed a changeover plan to IFRS nor has it assessed the impact of IFRS on business arrangements, net asset value per unit and accounting policies. The manager will develop a plan prior to the 2011 year end and will disclose this plan in the 2011 annual financial statements.

Recent accounting pronouncements

On April 1, 2008, the Fund adopted Section 1535 of the CICA Handbook, Capital Disclosures, which requires that an entity disclose information that enables users of its financial statements to evaluate an entity's objectives, policies and processes for managing capital, including disclosures of any externally imposed capital requirements and the consequences of non-compliance. This standard impacted the Fund's disclosures provided but did not affect the Fund's consolidated results or financial position.

On April 1, 2008, the Fund adopted CICA Sections 3862, Financial Instruments – Disclosures ("Section 3862") and 3863, Financial Instruments – Presentation ("Section 3863"), which replaced Handbook Section 3861 Financial Instruments - Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. This standard impacted the Fund's disclosures provided but did not affect the Fund's results or financial position.

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. Should the quoted value for a security, in the opinion of the Managers, 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 Managers 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 Fund continues to calculate its net asset value for unitholder transaction purposes using the closing prices of securities. As at September 30, 2008, the Fund's net asset value per unit for Series A and F was \$6.70 and \$6.98 respectively. The difference between the net assets value per unit and the net assets per unit as shown on the Statements of Net Assets is due to the use of different pricing methodologies discussed above.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on deposit with terms to maturity of less than 90 days at acquisition. Cash and cash equivalents are deemed to be held for trading and therefore are carried at fair value.

Investment transactions

Investment transactions are recorded on the trade date. Realized gains or losses on sales of investments are determined based on the average cost of investments.

Income recognition

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

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 net asset value per unit is determined by dividing the aggregate market value of net assets 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.

Focused Global Trends Fund

Notes to Financial Statements

September 30, 2008

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.

Pursuant to this obligation, during the six month period ended September 30, 2008, the Fund purchased and subsequently redeemed 37,900 of Class A Units for a total cost of \$282,147.

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. 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 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 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 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 NAV as of that date.

Changes in outstanding units are summarized as follows:

	Class A Units		Class F Units	
	September 30, 2008	March 31, 2008	September 30, 2008	March 31, 2008
Balance – beginning of period	4,747,532	–	188,200	–
Units issued	–	4,805,700	–	194,300
Units converted	–	6,332	–	(6,100)
Units reinvested	–	–	27	–
Units redeemed under the Market Purchase Program (note 4)	(41,200)	(64,500)	–	–
Balance – end of period	4,706,332	4,747,532	188,227	188,200

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 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, 2008 paying \$0.2500 per Class A unit and Class F unit respectively.

8 Management fees and other expenses

Pursuant to a management agreement ("the Management Agreement") the Fund has retained Connor, Clark & Lunn Capital Markets Inc. ("the Manager") 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

Focused Global Trends Fund

Notes to Financial Statements

September 30, 2008

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, 2007, the Fund had net capital losses of \$91,513, which may be carried forward indefinitely to reduce future realized capital gains and non-capital losses of \$305,253, which expire within the next twenty years.

10 Broker commission charges and soft dollar services

There were \$16,066 broker commission paid during the six month period ended September 30, 2008 (\$78,688 during the period from July 19, 2007(commencement of operations) to March 31, 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 AA- as of September 30, 2008.

12 Financial instruments

<u>Assets</u>	\$
Held for trading	33,704,624
Loans and receivables	108,005
Total assets	33,812,629
<u>Liabilities</u>	
Held for trading	613,762
Financial liabilities at amortized cost	328,048
Total liabilities	941,810

For the purposes of categorization in accordance with section 3862, interest and dividends receivable, amounts due from brokers, and other assets are deemed to be loans and receivables and recorded at cost or amortized cost. Similarly, bank overdrafts, amounts due to brokers and other liabilities 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 market 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, 2008, interest rate risk was negligible as the Fund had no significant 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 Investments identifies all securities denominated in foreign currencies.

The table below summarizes the Fund's exposure to foreign currencies as at September 30, 2008. 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.

Focused Global Trends Fund

Notes to Financial Statements

September 30, 2008

	Monetary instruments	Non- monetary instruments	Foreign currency forward contracts	Total	% of Net Assets	Sensitivity (based on devaluation of CAD)
	\$	\$	\$	\$		\$
European Union Euro	-	4,727,486	(5,068,457)	(340,971)	(1.0%)	(17,000)
Hong Kong Dollar	-	590,024	-	590,024	1.8%	30,000
Indian Rupee	-	837,714	-	837,714	2.5%	42,000
Japanese Yen	-	2,546,183	(2,724,319)	(178,136)	(0.5%)	(9,000)
Russian Ruble	-	1,324,109	-	1,324,109	4.0%	66,000
Singapore Dollar	-	1,604,727	-	1,604,727	4.9%	80,000
Swiss Franc	-	6,694,951	(6,554,522)	140,429	0.4%	7,000
British Pound	-	4,450,102	(3,733,730)	716,372	2.2%	36,000
United States Dollar	-	10,129,672	(11,812,734)	(1,683,062)	(5.1%)	(84,000)
		32,904,968	(29,893,762)	3,011,206	9.2%	151,000

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 September 30, 2008, all other variables held constant, the net assets of the Fund would have increased or decreased, respectively, by approximately \$3,290,000. 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). 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 cash equivalent positions to maintain liquidity and, failing the availability of sufficient cash reserves, has a loan facility of up to 5% of the Fund's net asset value.