

Financial Statements

TRAPEZE VALUE CLASS
(formerly ARK ASTON HILL OPPORTUNITIES CLASS)

June 30, 2011 (unaudited)

**Trapeze Value Class
(formerly Ark Aston Hill Opportunities Class)**

Statements of Net Assets

as at June 30, 2011 (unaudited) and December 31, 2010

	2011	2010
Assets:		
Investments, at fair value	\$ 234,574	\$ 250,752
Cash	0	96,869
Due from broker	16,160	28,133
Subscriptions receivable	0	82
Other receivable	27,210	27,210
Accrued dividends receivable	304	78
Total assets	278,248	403,124
Liabilities:		
Bank indebtedness	10,461	0
Due to broker	0	24,039
Distribution payable	0	1,414
Accrued performance fees	0	588
Accrued expenses	804	748
Total liabilities	11,265	26,789
Net assets representing shareholders' equity	\$ 266,983	\$ 376,335
Net assets representing shareholders' equity for each series		
	Series A	\$ 333,265
	Series F	\$ 43,070
Net assets per share (GAAP NAV), end of period		
	Series A	\$ 11.02
	Series F	\$ 13.13
Net asset value per share (Transactional NAV), end of period		
	Series A	\$ 11.05
	Series F	\$ 13.16
Shares outstanding (Note 3)		
	Series A	30,240
	Series F	3,281

Approved on behalf of the Fund:

"Peter Shippen"
Director

"Jonathan Clapham"
Director

Trapeze Value Class (formerly Ark Aston Hill Opportunities Class)

Statements of Operations

For the Six months period ended June 30 (unaudited)

	2011	2010
Income:		
Dividends	\$ 1,056	\$ 1,525
Early redemption fee	0	330
Interest and other income	112	1,261
less foreign withholding taxes	(154)	(154)
	<u>1,014</u>	<u>2,962</u>
Expenses: (Note 4)		
Management fees	4,517	3,537
Administrative expenses	981	670
Audit fees	0	1,970
Custody fees	0	8,464
Filing fees	0	272
	<u>5,498</u>	<u>14,913</u>
Net investment loss	<u>(4,484)</u>	<u>(11,951)</u>
Net realized and unrealized investment gains (losses)		
Net realized gain on sale of investments	10,902	77,013
Transaction costs (Note 6)	(1,619)	(3,535)
Change in unrealized depreciation on investments	(41,184)	(64,851)
	<u>(31,901)</u>	<u>8,627</u>
Net realized and unrealized gains (losses) from investments	<u>(31,901)</u>	<u>8,627</u>
Net decrease in net assets resulting from operations	<u>\$ (36,385)</u>	<u>\$ (3,324)</u>
Increase (decrease) in net assets from operations for each series		
Series A	\$ (32,876)	\$ (6,352)
Series F	<u>\$ (3,509)</u>	<u>\$ 3,028</u>
Increase (decrease) in net assets from operations per share		
Series A	\$ (1.24)	\$ (0.23)
Series F	<u>\$ (1.07)</u>	<u>\$ 1.09</u>

Trapeze Value Class
(formerly Ark Aston Hill Opportunities Class)

Statements of Changes in Net Assets

For the Six months period ended June 30 (unaudited)

	Series A 2011	Series A 2010	Series F 2011	Series F 2010
Net assets, beginning of period	\$ 333,265	\$ 433,898	\$ 43,070	\$ 38,784
Net increase (decrease) in net assets resulting from Operations	<u>(32,876)</u>	<u>(6,352)</u>	<u>(3,509)</u>	<u>3,028</u>
Capital unit transactions (Note 3)				
Proceeds from sale of shares	136,531	250	430	0
Reinvestments from distributions	1,252	6,492	162	144
Payment on redemption of shares	<u>(211,342)</u>	<u>(232,617)</u>	<u>0</u>	<u>(32,330)</u>
	<u>(73,559)</u>	<u>(225,875)</u>	<u>592</u>	<u>(32,186)</u>
Decrease in net assets	<u>(106,435)</u>	<u>(232,227)</u>	<u>(2,917)</u>	<u>(29,158)</u>
Net assets, end of period	<u>\$ 226,830</u>	<u>\$ 201,671</u>	<u>\$ 40,153</u>	<u>\$ 9,626</u>

	Total 2011	Total 2010
Net assets, beginning of period	\$ 376,335	\$ 472,682
Net decrease in net assets resulting from: Operations	<u>(36,385)</u>	<u>(3,324)</u>
Capital unit transactions (Note 3)		
Proceeds from sale of shares	136,961	250
Reinvestment from dividends	1,414	0
Payment on redemption of shares	<u>(211,342)</u>	<u>(264,947)</u>
	<u>(72,967)</u>	<u>(264,697)</u>
Decrease in net assets	<u>(109,352)</u>	<u>(268,021)</u>
Net assets, end of period	<u>\$ 266,983</u>	<u>\$ 204,661</u>

Trapeze Value Class Fund (formerly Ark Aston Hill Opportunities Class)

Statement of Investment Portfolio

As at June 30, 2011 (unaudited)

	Shares Held/ Par Value	Cost	Fair Value
Canadian Fixed Income			
Bonds (4.1%)			
Pivot Acquisition Corp. 12.00%, April 14, 2013	11,000 \$	11,000 \$	11,000
Canadian Equities (34.3%)			
Energy (23.0%)			
Corridor Resources Inc.	6,500	28,114	19,240
Manitok Energy Inc.	13,700	17,480	21,372
Porto Energy Corp. Warrants	5,000	0	0
Porto Energy Corporation	13,100	5,541	10,218
Southern Pacific Resource Corp.	6,900	11,785	10,557
		<u>62,920</u>	<u>61,387</u>
Materials (6.7%)			
Cline Mining Corporation	2,200	7,234	5,016
Dynacor Gold Mines Inc. Warrants	1,450	0	0
Fortress Paper Ltd. Class A	350	15,062	12,800
		<u>22,296</u>	<u>17,816</u>
Utilites (4.6%)			
Orca Exploration Group Inc. Class B	2,600	9,453	12,350
		<u>94,669</u>	<u>91,553</u>
Foreign Equities (49.4%)			
Energy (5.4%)			
Xcite Energy Ltd.	6,700	25,097	14,539
Consumer Discretionary (16.5%)			
Best Buy Co., Inc.	200	5,595	6,058
General Motors Company	67	2,839	1,962
General Motors Company Warrants Class A	62	1,858	1,278
General Motors Company Escrow Debenture	100	0	65
General Motors Company Escrow Senior Note	600	0	353
General Motors Co. Warrants Class B	62	1,436	952
Target Corporation	320	16,127	14,472
The Kroger Co.	475	10,798	11,359
Wal-Mart Stores Inc.	150	8,605	7,682
		<u>47,259</u>	<u>44,181</u>
Health Care (6.1%)			
Johnson & Johnson	160	9,988	10,254
UnitedHealth Group Inc.	120	3,688	5,969
		<u>13,676</u>	<u>16,223</u>
Financials (3.9%)			
Berkshire Hathaway Inc. Class B	140	10,508	10,444

Trapeze Value Class Fund (formerly Ark Aston Hill Opportunities Class)
Statement of Investment Portfolio
As at June 30, 2011 (unaudited)

	Shares Held/ Par Value	Cost	Fair Value
Information Technology (17.5%)			
Dell Inc.	1,500 \$	21,088 \$	24,112
Hewlett-Packard Company	300	10,352	10,530
Microsoft Corporation	480	12,300	11,993
		<u>43,740</u>	<u>46,635</u>
Total Foreign Equities		<u>140,279</u>	<u>132,022</u>
TOTAL INVESTMENT PORTFOLIO (87.9%)		234,947	234,574
Cash (-3.9%)		(10,461)	(10,461)
Other Assets less Other Liabilities (16.1%)		42,870	42,870
NET ASSETS (100.0%)		<u>\$ 267,356</u>	<u>\$ 266,983</u>

Ark Mutual Funds Ltd.

Notes to Financial Statements

June 30, 2011 (unaudited) and December 31, 2010

1. Basis of presentation

Ark Mutual Funds Ltd. (the "Corporation") was incorporated on November 1, 2007 under the Business Corporation Act (Ontario) and consists of the Trapeze Value Class (formerly the Ark Aston Hill Opportunities Class), Ark Aston Hill Energy Class and Ark Aston Hill Monthly Income Class (collectively the "Funds", and each a "Fund"), each of which is a class of shares of the Corporation. The custodian of the Funds is CIBC Mellon (the "Trustee" and "Custodian"). Redwood Asset Management Inc. (the "Manager") is the manager of the Funds. Redwood Asset Management Inc. ("Redwood") acquired Ark Management Ltd. and Ark Financial Holdings Ltd. on August 31, 2009. Redwood replaced Ark Fund Management Ltd. as the Manager. The Manager is incorporated under the laws of Canada and is registered with the Ontario Securities Commission as an Investment Fund Manager. It is a subsidiary of Ark Financial Holdings Ltd. Catapult Financial Management Inc. is the portfolio advisor to the Ark Aston Hill Energy Class. Aston Hill Financial is the portfolio advisor of the Ark Aston Hill Monthly Income Class. Trapeze Asset Management Inc. is the portfolio advisor of the Trapeze Value Class. The Funds were established on January 16, 2008.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), which include estimates and assumptions by management that may affect the reported amounts of assets, liabilities, income and expenses during the reporting periods. Most significant estimates include valuation of investments and accrued liabilities. Actual results could vary from these estimates.

(a) Valuation of investments

Section 3855, "Financial Instruments – Recognition and Measurement" of the CICA Handbook establishes standards for the fair valuation of investments as well as the accounting treatment of transaction costs. Section 14.2 of National Instrument 81-106 ("NI 81-106"), issued by the Canadian Securities Administrators requires a fund to calculate the net asset value ("NAV") using the fair value of a fund's assets and liabilities, other than for financial reporting purposes.

The differences between this net asset value per share (the "Transactional NAV") and the net assets per share (the "GAAP NAV") on the Statements of Net Assets is due to different pricing methodologies used to calculate the GAAP NAV for financial reporting and the Transactional NAV for fund pricing purposes. For investments that are traded in an active market where quoted prices are readily and regularly available, Section 3855 requires bid prices for investments held to be used in the fair valuation of investments for financial statements, rather than the use of closing sale prices currently used for the purpose of determining Transactional NAV.

The fair value of investments as at the financial reporting period end is determined as follows:

Ark Mutual Funds Ltd.

Notes to Financial Statements

June 30, 2011 (unaudited) and December 31, 2010

- (i) Securities listed upon a recognized public stock exchange are valued at their bid prices for long positions on the valuation date. Securities with no available bid or ask prices are valued at their closing prices.
- (ii) Securities not listed upon a recognized public stock exchange are valued using valuation techniques, using observable market inputs, on such basis and in such manner established by the Manager. The current value of certain securities may be estimated using valuation techniques based on assumptions that are not supported by observable market inputs. Valuation techniques used include the use of comparable recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. These estimated fair values may differ from values that would have been realized had a ready market for these holdings existed, and the differences could be material.
- (iii) Short-term notes, treasury bills, bonds, and other debt instruments are valued at the bid quotations from recognized investment dealers.
- (iv) All other financial assets and liabilities such as subscriptions receivable, dividends receivable, redemptions payable and accrued expenses, are recorded at amortized cost using the effective interest method which approximates fair value due to the short term nature of these instruments.

(b) Transaction costs

Transaction costs, such as brokerage commissions incurred in the purchase and sale of securities are expensed, and are included in "Transaction costs" in the Statements of Operations.

(c) Share valuation and valuation date

Shares are issued and redeemed on a continuing basis at the Transactional NAV per unit which is determined for each series of shares of the Fund on each day that the Toronto Stock Exchange is open for business. The value of each share of a series of shares of the Fund is determined by dividing the aggregate market value of the net assets of that series of shares of the Fund by the total number of shares of that series of shares of the Fund outstanding at the close of business on the valuation day.

(d) Investment transactions

Investment transactions are accounted for on the trade date.

(e) Revenue recognition

- (i) Interest income is recorded on the accrual basis.
- (ii) Dividend income is recorded on the ex-dividend date and is net of withholding taxes.
- (iii) Realized gains and losses on investments and unrealized appreciation (depreciation) in the fair value of investments are calculated with reference to the average cost of the related investments.
- (iv) Income received from income trusts is recorded on the ex-dividend date. In case of return of capital, the amount received are recorded as reduction of cost.
- (v) Interest and dividend income, realized gain (loss) and unrealized gain (loss) are allocated among the share classes on a pro-rata basis.

Ark Mutual Funds Ltd.
Notes to Financial Statements
June 30, 2011 (unaudited) and December 31, 2010

(f) Foreign exchange

Foreign currency amounts are expressed in Canadian dollars on the following basis:

- (i) Market value of investments, other assets and liabilities at the rate of exchange prevailing on June 30, 2011.
- (ii) Value of investment transactions, income and expenses at the rates prevailing on the respective dates of such transactions.
- (iii) Realized and unrealized foreign exchange gains and losses related to investment transactions are included in "Net realized gain (loss) on sale of investments" and "Change in unrealized appreciation (depreciation) on investments".

(g) Increase/ (decrease) in net assets from operations per share

Net increase/ (decrease) in net assets from operations per share in the Statement of Operations represents the net increase/ (decrease) in net assets from operations for the period, divided by the average shares outstanding during the period.

(h) Capital management

CICA Handbook Section 1535, "Capital Disclosures", requires that the Fund discloses information about its objectives, policies and processes for managing capital, including disclosures of any externally imposed capital requirements and the consequences of any non-compliance. The Fund considers its net asset to be its capital, the relevant capital movements are disclosed in the Statement of Changes in Net Assets. The Funds have no externally imposed capital requirements.

(i) Financial instrument disclosures

CICA Handbook Section 3862 "Financial Instruments – Disclosures" requires use of the three-level hierarchy that reflects the significance of the input used when assessing the fair value of financial assets and liabilities and is presented below:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

See the Discussion of Financial Risk Management and Fair Value Hierarchy by Fund.

(j) Cash and cash equivalent

Cash and cash equivalents consist of cash with bank, money market fund and short-term investments with terms of approximately 90 days or less. Cash and cash equivalents are carried at cost which approximates their fair value.

Ark Mutual Funds Ltd.

Notes to Financial Statements

June 30, 2011 (unaudited) and December 31, 2010

3. Shares

The Funds may issue an unlimited number of shares of each series, Series A, Series F and Series I.

The Funds currently each have two series of shares outstanding, Series A and Series F.

Series A shares are available to all investors. Series F shares are available to investors who participate in fee-based programs through their dealers whose dealer has signed a Series F agreement with the Manager. Series I shares are special purpose shares generally available only to institutional investors or as determined by the Manager on a case-by-case basis. Generally, an investor in Series I shares negotiates a separate fee that may be paid directly to the Manager by the investor or by the Funds.

Changes in outstanding shares of the Trapeze Value Class were as follows:

The Fund		Number of Shares beginning of period	Purchase/ reinvestment during period	Redemptions during period	Number of shares end of period
Series A	2011	30,240	11,718	19,419	22,539
	2010	45,958	9,490	25,208	30,240
Series F	2011	3,281	12	-	3,293
	2010	4,034	2,283	3,036	3,281

Changes in outstanding shares of the Ark Aston Hill Energy Class were as follows:

The Fund		Number of Shares beginning of period	Purchase/ reinvestment during period	Redemptions during period	Number of shares end of period
Series A	2011	437,299	68,995	61,310	444,984
	2010	1,205,089	196,753	964,543	437,299
Series F	2010	102,711	17,050	27,069	92,692
	2010	268,839	131,597	297,725	102,711

Changes in outstanding shares of the Ark Aston Hill Monthly Income Class were as follows.

The Fund		Number of Shares beginning of period	Purchase/ reinvestment during period	Redemptions during period	Number of shares end of period
Series A	2011	3,541,714	457,840	180,709	3,818,845
	2010	2,570,759	1,712,135	741,180	3,541,714
Series F	2011	521,323	70,950	61,687	530,586
	2010	411,989	207,491	98,157	521,323

Ark Mutual Funds Ltd.

Notes to Financial Statements

June 30, 2011 (unaudited) and December 31, 2010

4. Management fees and other expenses

Each Fund pays the Manager an annual management fee of up to 2.5% in the case of Series A shares and up to 1.5% in the case of Series F shares, subject to taxes GST/HST as applicable, to cover management expenses. The management fee is calculated and accrued daily and is paid on the last day of each month based on the average daily net asset value of the Fund. The management fee for Series I shares is negotiated by the investor and may be paid by the Fund or directly by the investor.

Each of the Trapeze Value Class and Ark Aston Hill Energy Class will pay the Manager annually an incentive fee, subject to taxes GST/HST as applicable, equal to a percentage of the average net asset value of the applicable series of the Fund. Such percentage will be equal to 10% of the difference by which the return in the net asset value per share of the applicable Series of the Fund from January 1 to December 31 exceeds the percentage return of the S&P/TSX Composite Index (in respect of Trapeze Value Class) and the S&P/TSX Capped Energy Total Return Index (in respect of Ark Aston Hill Energy Class).

In addition to the management fee, each Fund pays its own operating expenses, other than advertising costs and costs of dealer compensation programs, which are paid by the Manager. Operating expenses include, but are not limited to, brokerage commissions and fees, taxes, audit and legal fees, safekeeping, trustee and custodial fees, interest expenses, operating and administrative costs, investor servicing costs and costs of financial and other reports to investors, as well as prospectuses. Operating expenses and other costs of a Fund are subject to applicable taxes.

The Manager has the discretion, from time to time, to waive or absorb expenses associated with the Fund. The amounts of the absorbed or waived expenses are reported in the Statements of Operations.

5. Income taxes

The Corporation computes its net income (loss) and net capital gains (losses) for income tax purposes as a single entity. Therefore, net losses of one Fund may be used to offset net gains of another Fund to reduce the total net income or net gain of the Corporation as a whole. It is assumed that the Fund will continuously qualify as a "mutual fund corporation" and as a "financial intermediary" as defined in the Income Tax Act (Canada) and will not qualify as an "investment corporation" under the Act.

All income of the Corporation, including taxable capital gains net of allowable capital losses, will be subject to tax at normal corporate rates. Taxes payable on net realized capital gains are refundable on a formula basis when shares are redeemed or the Corporation elects to pay capital gains dividends. Dividends received by the Corporation on taxable dividends from taxable Canadian corporations are subject to a 33% tax which is refundable on payment of sufficient taxable dividends by the Corporation. Taxes payable by the Corporation on income from other sources (such as interest, foreign income and distributions of income from royalty trusts and exchange traded funds) are not refundable. Due to deductible expenses and to tax refunds available to the Corporation upon the payment of capital gains dividends and taxable dividends, the Corporation is not expected to have any material net income tax liability in any year.

The Corporation has non-capital losses of \$nil, and gross capital losses of \$2,490,809 available for utilization against net realized capital gains for tax purposes in the future periods. These gross capital losses can be carried forward indefinitely.

Ark Mutual Funds Ltd.
Notes to Financial Statements
June 30, 2011 (unaudited) and December 31, 2010

6. Commissions and other transaction costs

The Funds paid the following amounts in brokerage commissions and other transactions costs for portfolio transactions.

	2011		2010	
Trapeze Value Class	\$	1,619	\$	4,545
Ark Aston Hill Energy Class	\$	8,600	\$	60,191
Ark Aston Hill Monthly Income Class	\$	61,505	\$	80,632

7. Financial risk management

The Funds are exposed to various types of risks that are associated with its investment strategies, financial instruments, and markets in which it invests. These risks include market risk, currency risk, interest rate risk, credit risk and liquidity risk. The value of investments within a Fund's portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, market and company news related to specific securities within the fund. The level of risk depends on the fund's investment objectives and the type of securities it invests in. These risks and related risk management practices employed by the Funds are discussed below:

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The investments of the Funds are subject to normal market fluctuations and the risks inherent in investment in financial markets. The maximum risk resulting from financial instruments held by the Funds are determined by the fair value of the financial instruments. The Manager moderates this risk through a careful selection of securities within specified limits and the Funds market price risk is managed through diversification of the investment funds. The Investment Manager monitors the Funds overall market positions on a daily basis and positions are maintained within established ranges. The Funds exposure to market risk, if any, is further discussed on each fund's Discussion of Financial Risk Management.

(b) Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of the Funds, will fluctuate due to changes in foreign exchange rates. The Statement of Investments Portfolio identifies all investments denominated in foreign currencies. Equities in foreign markets and foreign bonds are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds functional currency in determining fair value. The Funds exposure to currency risk, if any, is further discussed on each fund's Discussion of Financial Risk Management.

(c) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when the Funds invests in interest-bearing financial instruments. The Funds are exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The Funds exposure to interest rate risk is concentrated in its investment in money market instruments. Other assets and liabilities are short-term in nature and/or non-interest bearing. The Funds exposure to interest rate risk, if any, is further discussed on each fund's Discussion of Financial Risk Management.

Ark Mutual Funds Ltd.

Notes to Financial Statements

June 30, 2011 (unaudited) and December 31, 2010

(d) Credit risk

The Funds' main credit risk concentration is spread between short-term debt securities. The Funds limit their exposure to credit loss by placing their cash and cash equivalents and fixed income securities with high credit quality. To maximize the credit quality of their investments, the Funds managers perform ongoing credit evaluations based upon factors surrounding the credit risk of customers, historical trends and other information.

All transactions in listed securities are settled for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. The Funds exposure to credit risk, if any, is further discussed on each fund's Discussion of Financial Risk Management.

(e) Liquidity risk

The Funds are exposed to daily cash redemptions of redeemable units. The shares of the Funds are redeemed on demand at the current Transactional NAV per share at the option of the shareholder. Liquidity risk is managed by investing the majority of the Funds assets in investments that are traded in an active market and can be readily disposed. In addition, the Funds aim to retain sufficient cash and cash equivalent positions to maintain liquidity. The Funds exposure to liquidity risk, if any, is further discussed on each fund's Discussion of Financial Risk Management.

8. Other related party transactions:

Related parties owned 1,890 (2010 – 1,876) of Class A shares and nil (2009 – nil) of Class F shares of Ark Aston Hill Energy Class, 7,332 (2010 – 9,501) of Class A shares and nil (2009 – nil) of Class F shares of the Ark Aston Hill Monthly Income and 509 (2010 – 3,771) of Class A shares and nil (2009 – nil) of Class F shares of Trapeze Value Class Fund. The related parties are the Manager, Ark Fund Management, shareholders of the Manager and individuals related to the shareholders of the Manager, Ark Fund Management Ltd.

9. Future changes in accounting standards

International Financial Reporting Standards ("IFRS") will replace Canadian GAAP for publicly accountable enterprises, which include investment funds and other reporting issuers.

On January 12, 2011, the Canadian Accounting Standards Board amended the requirement to prepare financial statements in accordance with IFRS as issued by the International Accounting Standards Board, permitting investment companies, which include investment funds, to defer adoption of IFRS to fiscal years beginning on or after January 1, 2013. The Fund has elected to defer adoption of IFRS to January 1, 2013.

Trapeze Value Class (formerly Ark Aston Hill Opportunities Class)

Discussion of Financial Risk Management (See Note 7) & Fair Value Hierarchy

Financial Risk Management

The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objective. The most important risks include market risk, currency risk, interest rate risk, credit risk and liquidity risk. These risks and related risk management practices employed by the Fund are discussed below:

(a) Market risk

The Fund market risk is affected by three main components: changes in actual market prices, interest rates and foreign currency movements. If the equity prices on the exchange increased (decreased) by 5% with all other variables held constant, this would have approximately changed net assets per share (GAAP NAV) to the following values:

	2011		2010	
	5% Increase	5% Decrease	5% Increase	5% Decrease
Trapeze Value Class Series A	\$ 10.56	\$ 9.56	\$ 11.57	\$ 10.47
Trapeze Value Class Series F	\$ 12.80	\$ 11.58	\$ 13.79	\$ 12.47

In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

(b) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuate due to changes in exchange rates.

The table below summarizes the Fund's exposure to currency risks. Amounts shown are based on the fair value of the Fund's financial investments.

	Currency Exposure (\$)		Percentage of Net Assets (%)	
	2011	2010	2010	2010
United States Dollar	127,787	130,555	47.9%	34.7%

As at June 30, 2011 and December 31, 2010, if the exchange rate between the Canadian Dollar and the foreign currencies the Fund is exposed to increase or decrease by 5% with all other variables held constant, net assets would have decreased or increased, respectively by approximately \$ 6,389 (2010 – \$6,528). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Trapeze Value Class (formerly Ark Aston Hill Opportunities Class)

Discussion of Financial Risk Management (See Note 7) & Fair Value Hierarchy

(c) Interest rate risk

The majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk due to fluctuations in the prevailing level of market interest rates.

(d) Credit risk

As at June 30, 2011 and December 31, 2010, the Fund had no significant investments in debt instruments and/or derivatives.

(e) Liquidity risk

The Fund's investments are considered readily realizable and highly liquid, therefore the Fund's liquidity risk is considered minimal. Liabilities are generally due within 90 days.

Fair value hierarchy

The valuation of the Fund's financial assets and financial liabilities under the Section 3862 hierarchy as of December 31, 2010 and 2009 are as follows:

	Fair Values as of June 30, 2011			
	Level 1	Level 2	Level 3	Total
Cash	\$ (10,461)	\$ 0	\$ 0	(10,461)
Bonds		11,000	0	11,000
Common shares	223,221	353	0	223,574
	\$ 212,760	\$ 11,353	\$ 0	224,113

	Fair Values as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
Cash	\$ 96,869	\$ 0	\$ 0	96,869
Common shares	248,033	2,719	0	250,752
	\$ 344,902	\$ 2,719	\$ 0	347,621

There were no transfers between any of the levels during the period.