

IFM Monitored World Equity
Financial Statements
For the period ended June 30, 2009
(Unaudited)

IFM Monitored World Equity
Financial Statements
For the period ended June 30, 2009
(Unaudited)

Contents

Financial Statements

Statement of Net Assets	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Investments	6
Notes to Financial Statements	7

**IFM Monitored World Equity
Statement of Net Assets
(Unaudited)**

June 30 December 31
2009 2008

Assets

Investments at market value (cost - \$2,123,078)	\$	2,199,838	\$	2,182,929
Cash and cash equivalents		1,517,430		2,498,576
		3,717,268		4,681,505

Liabilities

Management fees payable	6,565	-
Accrued liabilities	2,464	-
	9,029	-

Net assets representing unitholders' equity	\$	3,708,239	\$	4,681,505
--	-----------	------------------	-----------	------------------

Number of units outstanding (Note 5)	50,646	62,185
--------------------------------------	--------	--------

Net assets per unit	\$	73.22	\$	75.28
---------------------	----	-------	----	-------

Approved by the Board of Directors of the Manager,
Crystal Wealth Management System Limited



Clayton Smith, Managing Director

**IFM Monitored World Equity
Statement of Operations
(Unaudited)**

For the six months ended June 30	2009	2008
Income		
Dividends, net of withholding taxes	\$ 34,138	\$ 5,798
Interest	3,032	70,240
	<u>37,170</u>	<u>76,038</u>
Expenses (Note 6)		
Administration fees	50,129	59,362
Interest expense	4,664	5,999
Management fees	39,655	92,958
Transaction costs (Note 9)	31,235	27,887
	<u>125,683</u>	<u>186,206</u>
Net investment loss for the year	<u>(88,513)</u>	<u>(110,168)</u>
Realized gain (loss) on investments		
Realized loss on sale of investments (Note 10)	(226,928)	(1,019,975)
Realized gain (loss) on futures contracts	(62,815)	(44,483)
Realized gain (loss) on foreign exchange	125,693	(117,774)
	<u>(164,050)</u>	<u>(1,182,232)</u>
Unrealized gain (loss) on investments	<u>130,217</u>	<u>101,274</u>
	<u>(33,833)</u>	<u>(1,080,958)</u>
Decrease in net assets from operations	<u>\$ (122,346)</u>	<u>\$ (1,191,126)</u>
Earnings (loss) per unit	<u>\$ (2.32)</u>	<u>\$ (11.70)</u>

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

**IFM Monitored World Equity
Statement of Changes in Net Assets
(Unaudited)**

For the six months ended June 30	2009	2008
Decrease in net assets from operations	\$ (122,346)	\$ (1,191,126)
Capital transactions		
Proceeds from sale of units	1,240,773	92,442
Payment for units redeemed (Note 8)	(2,091,693)	(6,254,551)
Net capital unit transactions	(850,920)	(6,162,109)
Increase (decrease) in net assets during the period	(973,266)	(7,353,235)
Net assets, beginning of period	4,681,505	28,116,940
Net assets, end of period	\$ 3,708,239	\$ 20,763,705

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

**IFM Monitored World Equity
Statement of Investments
(Unaudited)**

June 30, 2009

No. of Units	Name	Cost (\$)	Market (\$)
Investment Funds (59.8%)			
United States			
13,600	iShares MSCI EAFE Index ETF	665,341	724,567
9,400	iShares NASDAQ Bio-Tech Index ETF	755,167	794,334
9,100	iShares S&P 350 Europe Index ETF	325,796	330,940
7,650	iShares MSCI EAFE Value Index ETF	376,774	373,583
		2,123,078	2,223,424
Futures Contracts (-0.6%)			
3	IMM Canadian Dollar Globex Trade Sept 2009	-	(23,586)
	Total invested assets	2,123,078	2,199,838
	Other assets, net (40.8%)		1,517,430
	Total net assets (100.0%)		3,717,268

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

IFM Monitored World Equity Notes to Financial Statements (Unaudited)

June 30, 2009

1. The Fund

IFM Monitored World Equity (the "Fund") is an open-ended unit trust formed under the laws of the Province of Ontario by a Master Declaration of Trust dated as of April 12, 2007.

Crystal Wealth Management System Limited is the trustee, the manager ("Manager"), and portfolio advisor of the Fund.

The Fund is not a reporting issuer under securities legislation and therefore is relying on Part 2.11 of National Instrument 81-106 for exemption from the requirement to file financial statements with the applicable securities regulatory authorities.

2. Investment Objective

The investment objective of the Fund is to provide long-term capital appreciation while seeking to protect the Fund's assets against downside risk by investing primarily in global equity-related securities.

3. Summary of Significant Accounting Policies

(a) Basis of presentation

These financial statements, prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), include estimates and assumptions made by management that affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Actual results could differ from those estimates.

(b) Adoption of new accounting standards

Capital disclosures

The CICA Accounting Handbook *Section 1535: Capital Disclosures*, requires disclosure of an entity's objectives, policies and processes for managing capital. This standard is effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007, specifically January 1, 2008 for the Fund. This standard will impact the Fund's disclosures provided but will not affect the Fund's results or financial position. Refer to Note 13 for a discussion of the Fund's capital and how it is managed.

Financial Instruments - disclosures and presentation

The CICA Accounting Handbook *Section 3862: Financial Instruments - Disclosure*, and *Section 3863: Financial Instruments - Presentation* replaced *Section 3861: Financial Instruments - Disclosure and Presentation*, revising and enhancing the disclosure requirements relating to financial instruments, and carrying forward unchanged its presentation requirements. These new standards place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the Fund manages those risks (Note 12). These standards are effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007, specifically January 1, 2008 for the Fund. These standards will impact the Fund's disclosures provided but will not affect the Fund's results or financial position.

IFM Monitored World Equity Notes to Financial Statements (Unaudited)

June 30, 2009

3. Summary of Significant Accounting Policies - (Continued)

(c) Valuation of investments

Investments are deemed to be categorized as held-for-trading and recorded at fair value in accordance with the CICA Accounting Handbook *Section 3855: Financial Instruments – Recognition and Measurement* (“Section 3855”), which was effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2006.

Section 3855 requires that the fair value of financial instruments which are traded in active markets be measured based on the bid price for long securities and the ask price for securities sold short. Securities with no bid/ask prices are valued at their closing sale prices. Under prior standards, the fair value was based on the last traded price for the day, when available.

Section 3855 also requires transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities to be charged to net income in the period. Under prior standards, these costs were added to the cost of the securities purchased or deducted from the proceeds of sale.

On the date of inception, April 12, 2007, the Fund adopted Section 3855 for financial reporting purposes, which is utilized to determine the Fund’s net assets (“GAAP Net Assets”). However, the Fund continues to calculate its net asset value for pricing purposes (“Transactional NAV”) using closing prices of securities as permitted by National Instrument 81-106. Accordingly, a reconciliation of Transactional NAV to GAAP Net Assets as at June 30, 2009 is as follows:

	Amount	Per Unit
Transactional NAV	\$ 3,712,098	\$ 73.29
Section 3855 adjustment	(3,859)	(0.07)
GAAP NAV	\$ 3,708,239	\$ 73.22

(d) Cash and cash equivalents

The Fund considers all cash and highly liquid investments purchased with an initial maturity of one year or less to be cash and cash equivalents. Cash and cash equivalents are deemed to be classified as held-for-trading and therefore are carried at fair value.

**IFM Monitored World Equity
Notes to Financial Statements
(Unaudited)**

June 30, 2009

3. Summary of Significant Accounting Policies - (Continued)

(e) Investment transactions and income recognition

Investment transactions are recorded on a trade date basis.

Interest income is accrued as earned and dividend income is recognized on the ex-dividend date. Realized gains and losses on investment transactions and the unrealized gains and losses on investments are computed on an average cost basis.

The average cost of mutual fund units includes the original cost of purchases plus the reinvestment of distributions received or receivable at period end. The Fund recognizes as investment income that portion of the distributions relating to dividends, interest income and realized gains.

(f) Futures contracts

The value of a futures contract included in investments is the gain or loss that would be realized if, on that date, the position in the futures contract was closed out. The unrealized gains or losses on futures contracts are reported as part of unrealized gains or losses on investments until the contracts are closed out. Realized gains and losses from futures contracts are included in realized gains or losses on futures contracts.

(g) Foreign currency translation

The market value of investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing on the year end date. The proceeds from sale of investments and investment income in foreign currencies are translated into Canadian dollars at the approximate rate of exchange prevailing on the dates of such transactions.

(h) Earnings (loss) per unit

Earnings (loss) per unit in the Statement of Operations represents the increase (decrease) in net assets from operations, divided by the weighted average number of units outstanding during the period.

(i) Valuation of fund units

The Fund's units are issued and redeemed at the net asset value per unit, which is determined as of the close of business each week. The net asset value per unit of the Fund is determined by dividing the total market value of the Fund's net assets by the number of units outstanding.

For each mutual fund unit sold, the Fund receives an amount equal to the net asset value per unit on the date of sale, which is included in unitholders' equity. Units are redeemable at the option of the unitholders at their net asset value on the redemption date. For each unit redeemed, the number of issued and outstanding units is reduced and the equity in the Fund is reduced by the related net asset value on the date of redemption.

IFM Monitored World Equity Notes to Financial Statements (Unaudited)

June 30, 2009

4. Taxation

The Fund qualifies as a "quasi mutual fund trust" within the meaning of the Income Tax Act (Canada). The Fund is subject to applicable federal and provincial taxes on the amounts of its net income for tax purposes for the year, including net realized taxable capital gains, to the extent such net income for tax purposes has not been paid or made payable to unitholders in the year.

No provision for income taxes is recorded in the financial statements as all income and net realized capital gains are distributed to the unitholders.

As at June 30, 2009, the Fund has non-capital loss carry forwards of \$159,218 expiring in 2027 and \$165,631 expiring in 2028. In addition, the Fund has net capital losses of \$796,352 which can be carried forward indefinitely and applied to future capital gains.

5. Unitholders' Equity

The Fund is authorized to issue an unlimited number of units, which are sold and redeemable at the then current net asset value per unit at the option of the unitholder. The following units were sold and redeemed during the period:

	June 30 2009	June 30 2008
Units outstanding, beginning of period	62,185	149,642
Units issued	17,456	1,026
Units redeemed	(28,995)	(70,242)
Units outstanding, end of period	50,646	80,426

6. Management Fees and Expenses

(a) Management fees

Pursuant to the management agreement between the Fund and the Manager, the Manager is to provide management and investment advisor services to the Fund. For this service, the Fund agrees to pay the Manager a management fee, which is calculated daily and payable monthly based on an annual rate of 2.00% of the net asset value.

To encourage large investments in the Fund, the Manager may reduce the management fee that would be charged to the Fund in respect of units held by an investor making a large investment. The amount of the reduction is distributed by the Fund (the "Management Fee Distribution") to the investor for whose benefit the fees were reduced. All Management Fee Distributions will be reinvested in additional units unless otherwise requested.

**IFM Monitored World Equity
Notes to Financial Statements
(Unaudited)**

June 30, 2009

6. Management Fees and Expenses - (Continued)

(b) Expenses

The Fund pays expenses relating to its operation including professional fees, brokerage commissions, interest and administrative costs relating to the issue and redemption of units as well as the cost of financial and other reports and compliance with all applicable laws, regulations and policies.

7. Distributions to Unitholders

All distributions made by the Fund are automatically reinvested in additional units at the then current net asset value per unit unless a Unitholder elects to receive his or her distributions in cash.

During the period, there were no distributions.

8. Redemption of Units

Unitholders may redeem their units at any time. Redemption requests must be in writing, stating the dollar amount or number of units of the Fund that are to be redeemed. Redemption is based on the net asset value per unit as of the last valuation date.

If unitholders redeem units within 180 days of acquisition the Fund may charge a short-term trading fee of 5% of the net asset value of the units redeemed. This fee is paid to the Fund.

9. Brokerage Commissions

The total brokerage commissions paid by the Fund, with respect to security transactions for the period was \$31,235 (2008 - \$27,877).

**IFM Monitored World Equity
Notes to Financial Statements
(Unaudited)**

June 30, 2009

10. Realized Loss on Sale of Investments

	<u>June 30 2009</u>	<u>June 30 2008</u>
Proceeds from sale of investments	\$ 11,522,764	\$ 23,619,037
Cost of investments sold:		
Investments, beginning of period	2,233,391	7,431,224
Investments purchased during the period	11,639,379	19,418,353
	13,872,770	26,849,577
Less: Investments, end of period	2,123,078	2,210,565
Less: Cost of investments sold	11,719,692	24,639,012
	\$ (226,928)	\$ (1,019,975)

11. Related Party Transactions

The Fund may invest in any one of the funds that are managed by the Manager ("Underlying Crystal Wealth Funds"). As of June 30, 2009, the Underlying Crystal Wealth Funds include Crystal Enhanced Mortgage Fund, ESI Managed Portfolio, and ESI Premium Portfolio.

No sales or redemption fees will be payable by the Fund in relation to its purchases or redemptions of units of the Underlying Crystal Wealth Funds, and no management fees or incentive fees will be payable by the Fund that would duplicate a fee payable by the Underlying Crystal Wealth Funds for the same service. Such a reduction in management fees is to be facilitated by an additional distribution from the Underlying Crystal Wealth Fund to the Fund and is included in investment income of the Fund.

As at June 30, 2009, the Fund has no investments in the Underlying Crystal Wealth Funds.

IFM Monitored World Equity Notes to Financial Statements (Unaudited)

June 30, 2009

12. Financial Instruments and Risk Management

In addition to the aforementioned financial instrument disclosures, the Fund's financial instruments include dividends receivable, management fees payable, redemptions payable and accrued liabilities. These financial instruments are carried at cost as they closely approximate their fair value given their short-term nature.

The fund may be exposed to a variety of financial risks including credit risk, liquidity risk and market risk (including interest rate risk, currency risk, and other price risk). The following is a summary of the most significant risks:

(a) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that is entered into with the Fund. The risk of default on transactions in listed securities 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.

(b) Liquidity risk

Liquidity risk is the risk of the Fund not being able to meet its obligations with respect to unit redemptions on time or at a reasonable price. The Fund is exposed to cash redemptions as detailed in Note 8. The majority of the Fund's assets are invested in securities that are traded in an active market and can be readily disposed of as liquidity needs arise. In addition, the Fund retains sufficient cash and cash equivalent positions to maintain liquidity.

(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. It arises when the Fund invests in interest-sensitive financial instruments such as bonds and fixed income derivatives. As at June 30, 2009, no interest-sensitive financial instruments were held by the Fund and, therefore, the Fund did not have any significant exposure to interest rate risk.

(d) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Statement of Investments identifies all securities denominated in foreign currencies.

If the Canadian Dollar had strengthened or weakened by 5% relative to other foreign currencies, all other variables held constant, the net assets of the Fund would have increased or decreased, respectively, by approximately \$94,000. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

IFM Monitored World Equity Notes to Financial Statements (Unaudited)

June 30, 2009

12. Financial Instruments and Risk Management - (Continued)

(e) Other price risk

Other price 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 those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market. All investments present a risk of loss of capital. The Manager manages the Fund's market risk on a daily basis in accordance with the Fund's investment objective and policies. Except for futures contracts, the maximum risk resulting from financial instruments is equivalent to their fair value. Possible losses from futures contracts can be unlimited. The Fund's equity instruments are susceptible to market price risk arising from uncertainties about future prices of these instruments.

If the value of investment funds had increased or decreased by 5% on June 30, 2009, all other variables held constant, the net assets of the Fund would have increased or decreased, respectively, by approximately \$111,000. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

13. Capital Management

The capital of the Fund is represented by issued redeemable units with no par value. They are entitled to distribution, if any, and to payment of a proportionate share based on the Fund's net asset value per unit upon redemption. The relevant movements are shown on the Statement of Changes in Net Assets. In accordance with its investment objectives and strategies, and the risk management practices outlined in Note 12, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

14. Future Accounting Changes

The CICA 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. The Manager is currently evaluating the impact of adopting IFRS on the financial statements of the Fund.