Financial Statements of

VISTRA FUND

Period from commencement of operations on July 1, 2009 to December 31, 2009

AUDITORS' REPORT

To the Unitholders of Vistra Fund

We have audited the statements of net assets of the Vistra Fund (the “Fund”) as at December 31, 2009 and its statements of operations and changes in net assets for the period from commencement of operations on July 1, 2009 to December 31, 2009. These financial statements are the responsibility of the Fund’s Manager. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Fund’s Manager, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets of the Fund as at December 31, 2009 and the results of its operations and changes in net assets for the period then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Vancouver, Canada

March 24, 2010

VISTRA FUND

Statements of Net Assets

December 31, 2009, and 2008

	2009	2008 (note 1)
Assets		
Investments, at fair value	$ 1,464,730	$ -
Cash	244,813	10
Accrued dividends and interest receivable	2,286	-
	1,711,829	10
Liabilities		
Investments sold short, at fair value	300	-
Payable for securities purchased	12,805	-
Performance fee payable (note 4)	39,444	-
Management fees payable (note 4)	2,935	-
Accrued expenses	4,079	-
	59,563	-
Net Assets	$ 1,652,266	$ 10
Net assets per series:		
Series A – Master sub-series	$ 1,135,297	$ 10
Series A – October 2009 sub-series	225,919	-
Series A – December 2009 sub-series	291,050	-
	$ 1,652,266	$ 10
Number of units outstanding (note 5):		
Series A – Master sub-series	97,500	1
Series A – October 2009 sub-series	20,000	-
Series A – December 2009 sub-series	28,000	-
Net assets per unit (note 6):		
Series A – Master sub-series	$ 11.64	$ 10
Series A – October 2009 sub-series	11.30	-
Series A – December 2009 sub-series	10.39	-

See accompanying notes to financial statements.

Approved by Vistra Capital Management Ltd.,
in its capacity as Manager

J. Travis Dowle, Director

VISTRA FUND

Statement of Operations

Period from commencement of operations on July 1, 2009 to December 31, 2009

Investment income:		
Dividends	$	6,976
Interest		479
		7,455
Expenses (note 4):		
Performance fees		43,954
Management fees		12,564
Administration fees		10,176
Trustee fees		5,250
Other		5,445
Total expenses, before waived expenses		77,389
Expenses waived by Manager		(7,759)
Total expenses		69,630
Net investment loss		(62,175)
Net realized gains on investments		806
Net realized losses on foreign currency		(3,154)
Net unrealized gain on investments		276,007
Brokerage commissions and transaction charges		(14,218)
Increase in net assets from operations	$	197,266
Increase in net assets from operations per sub-series:		
Series A – Master sub-series	$	160,297
Series A – October 2009 sub-series		25,919
Series A – December 2009 sub-series		11,050
	$	197,266
Increase in net assets from operations per unit:		
Series A – Master sub-series	$	1.64
Series A – October 2009 sub-series		1.30
Series A – December 2009 sub-series		0.39

See accompanying notes to financial statements.

VISTRA FUND

Statement of Changes in Net Assets

Period from commencement of operations on July 1, 2009 to December 31, 2009

	Series A
Net assets, beginning of period	$ 10
Increase in net assets from operations	197,266
Capital transactions, proceeds from units issued	1,455,000
Capital transactions, proceeds from redemptions	(10)
Net assets, end of period	$ 1,652,266

See accompanying notes to financial statements.

1. The Fund:

The Vistra Fund (the "Fund") is an open-end investment fund created by a Master Trust Agreement under the laws of the Province of British Columbia. The Fund was established on December 19, 2008 and commenced operations on July 1, 2009.

Vistra Capital Management Ltd. (the “Manager”) is the manager and portfolio advisor of the Fund. Caledon Trust Company (the “Trustee”) has been appointed trustee of the Fund. The Trustee has delegated its responsibilities to the Manager in accordance with the Master Trust Agreement.

TD Securities Inc. (“TDSI”) in its role as prime broker for the Fund, holds the Fund’s securities as collateral rather than under a custodial arrangement. However, TDSI is required to segregate and hold in trust all the Fund’s securities that are fully paid for or otherwise represent excess margin.

2. Significant accounting policies:

These financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and include estimates and assumptions made by the Manager that affect the reported amounts of assets, liabilities, revenue and expenses during the reporting year. The following is the summary of the significant accounting policies consistently followed by the Fund:

(a) Valuation of investments:

For financial reporting purposes, equity and fixed income investments listed on a recognized securities exchange or that are traded on an over-the-counter market are valued at their closing bid-price on the valuation date. Investments sold-short are valued at their closing ask-price on the valuation date.

Options written by the Fund are valued at the closing market value of the option that would have the effect of closing the position.

Investments for which a current market value quotation is not available are valued in such manner as in the opinion of the Manager most accurately reflects the investments’ fair value.

Transaction costs, such as brokerage commissions incurred in the purchase and sale of securities by the Fund, are charged to operations in the period incurred.

(b) Investment transactions and income:

Investment transactions are accounted for on a trade date basis. Interest income is recorded as earned and includes accretion of discounts and amortization of premiums on debt securities. Dividend income is recorded on the ex-dividend date. Realized gains and losses arising from the sale of investments are determined using the weighted average cost basis.

Investment income, realized gains and losses arising from the sale of investments, and changes in unrealized appreciation or depreciation of investments are allocated among series of units based on each series’ proportionate share of the net asset value of the Fund.

2. Significant accounting policies (continued):

(c) Valuation of series:

The net assets of a particular series of units is computed by calculating the value of that series' proportionate share of net assets of the Fund common to all series with investments valued at their closing bid-price (closing ask-price for short-sales), plus net assets of the Fund attributable only to that specific series. Expenses directly attributable to a series are charged only to that series. Other common expenses are allocated proportionately based upon the relative net asset value of the respective series in relation to the total net asset value of the Fund.

Net asset values are calculated for each series (or sub-series) of units at each month-end valuation date. The net asset value per unit used for transacting subscriptions and redemptions of each series is further described in note 6.

(d) Foreign exchange:

The financial statements of the Fund are denominated in Canadian dollars. Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Realized foreign currency gains and losses are recorded separately from other gains and losses in the statement of operations. Unrealized appreciation or depreciation of investments includes those gains and losses that result from foreign exchange rate changes.

3. Changes in accounting policies:

(a) Financial instruments:

The CICA has issued amendments to Section 3862 to align with IFRS 7 – *Disclosures.* The amendments require all financial instruments measured at fair value to be classified into one of three levels that distinguish fair value measurements by the inputs used for valuation. These amendments have been adopted by the Fund and are presented in note 9.

(b) Future accounting change:

The Canadian Accounting Standards Board ("AcSB") has confirmed its plan to adopt International Financial Reporting Standards ("IFRS"), as published by the International Accounting Standards Board, the implementation by publicly accountable entities effective for fiscal years commencing on or after January 1, 2011. The Fund will adopt IFRS in accordance with AcSB's plan. The impact of adopting IFRS is expected to be mainly in presentation and additional disclosures in the financial statements of the Fund, and it is the Manager's preliminary conclusion that net assets will not be affected.

4. Management and other services:

(a) Expenses:

The Fund is responsible for payment of all expenses relating to the operation of the Fund and the carrying on of its business, including but not limited to: management fees and performance fees payable to the Fund's Manager and portfolio advisor; trustee fees; legal, audit and custodial fees; taxes; brokerage commissions; interest; operating and administrative costs; and costs associated with reporting to unitholders. The Manager has, at its discretion, agreed to waive certain expenses associated with the Fund. Such amounts are shown in the Statement of Operations.

(b) Management fees:

In consideration for management services, pursuant to the Master Trust Agreement, the Fund pays Vistra management fees at the annualized rates shown below (exclusive of GST charged thereon). The fees are calculated and paid monthly, based on the net asset value of the respective series of units of the Fund on the last business day of the month. The management fee is calculated prior to, and without taking into account, any performance fees payable to the Manager.

Series A	2%
Series B	2%

The management fee for Series I units is negotiated with the Manager by individual Series I unitholders and paid directly by each unitholder, outside the Fund.

(c) Performance fees:

In addition to the management fee payable in respect of each series of units, the Manager is entitled to receive performance fees for its services as portfolio advisor. The performance fee is equal to 20% of the increase in the net asset value of each sub-series of Series A and Series B units over the relevant period in excess of a 5% annualized minimum increase, subject to a quarterly "high watermark" that ensures any decline in the net asset value of each sub-series below the high watermark has to be recouped before performance fees will be charged in respect of the sub-series in any subsequent period. The high watermark for a sub-series is the greater of:

(i) the purchase price of the sub-series, and

(ii) if a performance fee has been paid in respect of the sub-series, the net asset value of the sub-series on the last date on which a performance fee was so paid.

4. Management and other services (continued):

(c) Performance fees (continued):

Performance fees are calculated and accrued monthly and paid to the Manager quarterly.

Immediately following payment of performance fees to the Manager, the Manager may redesignate outstanding sub-series of a series as units of that same series (for example, by redesignating all outstanding sub-series of Series A units as Series A units), provided that all such redesignated sub-series are valued at their high watermark. This redesignation will occur on a pro-rata basis, based on the relative net asset value of each applicable sub-series. The use of sub-series and the periodic redesignation of outstanding sub-series in this manner enables Vistra to better track the performance of units purchased on a particular date and to charge the appropriate performance fee for each individual investor.

The performance fee for Series I units is negotiated by the Manager with individual Series I unitholders and is paid directly by each unitholder, outside the Fund.

5. Unit transactions:

The Master Trust Agreement authorizes the Fund to issue an unlimited number of units in one or more classes or series. Units have no nominal or par value. The Fund currently has three series of units: Series A, Series B and Series I. Series A units are available to investors who purchase units directly from the Manager. Series B units are available to investors who purchase units through authorized brokers or dealers. Series I units are available only to institutional investors or certain other investors who have entered into a separate agreement with the Manager. Each series of unit can be further subdivided into sub-series to enable the Manager to better track the performance of units purchased on a particular date. Units are redeemable, in accordance with the Master Trust Agreement, at the option of the holder on the last business day of each month subject to adequate notice being received by the Manager. For further information about the Fund, including each series, refer to the Fund's Confidential Offering Memorandum dated December 19, 2008.

The following units were issued or redeemed during the period:

	2009	2008
Series A:		
Balance, beginning of period	1	-
Issued:		
Master sub-series	97,000	1
October 2009 sub-series	20,000	-
December 2009 sub-series	28,000	-
Redeemed:		
Master sub-series	(1)	-
Balance, end of period	145,000	1

There were no Series B or Series I units issued or redeemed during the period ended December 31, 2009.

6. Reconciliation of NAV to Net Assets:

Net assets per unit ("Net Assets") is computed by dividing the net assets attributable to the sub-series determined in accordance with GAAP, by the total number of units of the sub-series outstanding. Net increase in Net Assets from operations represents the net increase in net assets of the series from operations for the year divided by the monthly weighted average units outstanding for the year.

Net asset value ("NAV") per unit is computed by dividing the NAV attributable to the sub-series of the Fund, determined for the purchase and redemption of units in accordance with the Fund's Trust Agreement, by the total number of units of the series outstanding. This amount may be different from the Net Assets per unit presented on the statement of net assets. Generally, any difference is due to valuing securities at bid (long) and ask (short) prices for GAAP purposes, while NAV typically utilizes closing sale price to determine fair value for the purchase and redemption of units.

	NAV			Per unit		
Series	NAV	Bid price adjustment	Net Assets	NAV	Bid price adjustment	Net Assets
Series A – Master sub-series	1,138,873	(3,576)	1,135,297	11.68	(0.04)	11.64
Series A – October 2009 sub-series	226,631	(712)	225,919	11.33	(0.03)	11.30
Series A – December 2009 sub-series	291,967	(917)	291,050	10.43	(0.04)	10.39
	1,657,471	(5,205)	1,652,266			

7. Related party transactions:

The Manager, its officers and directors invest in units of the Fund from time to time in the normal course of business. All transactions with the Manager are measured at the exchange amounts. During the year ended December 31, 2009, 25,000 units (2008 - 1) of the Fund were owned by parties related to the Manager, or its officers and directors. On January 1, 2010, 1,000 units were purchased by officers and directors of the Manager.

8. Financial instruments and risk management:

(a) Risk management:

The Fund's investment activities expose it to a variety of financial risks. The Fund's exposures to financial risks are concentrated in its investment holdings. Significant risks that are relevant to the Fund are discussed below.

The Manager seeks to minimize potential adverse effects of these risks on the Fund's performance 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 may use derivatives to hedge certain risk exposures. To assist in managing risks, the Manager also uses internal guidelines that identify the target exposures for each type of risk, maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategies, internal guidelines, and securities regulations.

(b) Liquidity risk:

The Fund is exposed to monthly cash redemptions of units. In accordance with its Confidential Offering Memorandum, the Fund maintains a significant amount of its assets in liquid investments (i.e., investments that are traded in an active market and can be readily disposed).

(c) Credit risk:

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. As at December 31, 2009, the Fund is not exposed to significant credit risk as the Fund’s investments consist of exchange traded securities, where credit risk is guaranteed by the exchange, and investments in convertible bonds comprised only 7.4% of total investments.

(d) Market risk:

(i) Currency risk:

Currency risk is the risk that financial instruments which are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The Fund may enter into foreign exchange contracts for hedging purposes to reduce its foreign currency exposure, or to establish exposure to foreign currency. As at December 31, 2009, the Fund was not exposed to significant currency risk as it held no foreign cash, nor any investments on foreign stock exchanges.

(ii) Interest rate risk:

Interest rate risk arises on interest-bearing financial instruments. The Fund may be exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its investments. As at December 31, 2009, the Fund was not exposed to significant interest rate risk as only 7.4% of total investments were interest sensitive.

8. Financial instruments and risk management (continued):

(d) Market risk (continued):

(iii) 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 currency risk or interest rate), 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 Manager moderates this risk through a careful selection of securities and other financial instruments within the parameters of the investment strategy. The Fund's investment portfolio is monitored on a daily basis by the Manager. Except for written options and securities sold short, the maximum risk resulting from financial instruments is equivalent to their fair values as set forth in the Fund’s statement of net assets. Possible losses from written options and securities sold short can be unlimited.

The following table summarizes the Fund’s exposure to other price risk as at December 31, 2009, by providing the market sector breakdown of investments.

Communications	$ 291,120	20%
Energy	286,940	20%
Consumer, non-cyclical	226,490	15%
Technology	196,990	13%
Financials	155,150	11%
Basic materials	152,050	10%
Consumer, cyclical	92,850	6%
Utilities	36,200	3%
Industrial	26,940	2%
	$ 1,464,730	100%

For the Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2009, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately $146,000 (approximately 8.86% of net assets). In practice, the actual trading results may differ and the difference could be material.

9. Fair value disclosure:

The fair value of a financial instrument is the amount at which the investment could be exchanged in a current transaction between willing parties, other than in a forced liquidation or sale. The Fund's financial instruments are recorded at estimated fair value in the financial statements.

Amendments to CICA 3862, *Financial Instruments – Disclosures*, establish a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are as follows.

Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Manager has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3: Inputs that are unobservable. There is little if any market activity. Inputs into the determination of fair value require significant management judgment or estimation.

The following fair value hierarchy table presents information about the Fund's financial instruments measured at fair value on a recurring basis as of December 31, 2009:

	Financial instruments at fair value as at December 31, 2009			
Description	Quoted prices in active markets for Identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3	Total
Assets:				
Bonds	$ 108,550	$ -	$ -	$ 108,550
Options/warrants	24,770	32,250	-	57,020
Equities	1,263,310	35,850	-	1,299,160
Total assets	$ 1,396,630	$ 68,100	$ -	$ 1,464,730
Liabilities:				
Options/warrants	$ (300)	$ -	$ -	$ (300)

(a) Significant transfers between Levels 1 and 2:

For the period ended December 31, 2009, there were no transfers between investments categorized as Levels 1 and 2.

(b) Reconciliation of the opening balance to the ending balance for instruments categorized as Level 3:

There were no Level 3 financial instruments held during the period ended December 31, 2009.

10. Income taxes:

The Fund is expected to qualify as a unit trust under the *Income Tax Act (Canada)* and will therefore not be subject to income tax (other than alternative minimum tax) on the portion of its income for income tax purposes, including net realized taxable capital gains, paid or made payable to unitholders during the year. All or substantially all of the income for income tax purposes of the Fund is paid or made payable to unitholders annually on or before December 31.

As at December 31, 2009, the Fund has accumulated non-capital losses of approximately $62,000 and capital losses of approximately $10,000. Non-capital losses may be carried forward and applied against future taxable income; however, if not used they will expire after 2029. Capital losses for income tax purposes may be carried forward indefinitely and applied against capital gains realized in future years.