



Belmont file copy

KPMG Inc.
Bay Adelaide Centre
333 Bay Street Suite 4600
Toronto ON M5H 2S5
Canada

Telephone (416) 777-8500
Fax (416) 777-3364
Internet www.kpmg.ca

March 31, 2011

To: Limited Partners of Belmont Dynamic Growth Fund

Dear Sir or Madam:

Re: Belmont Dynamic Growth Fund (the "Belmont Fund") - T5013 Statement of Partnership Income ("T5013") and RL-15 Montants attribués aux membres d'une société de personnes ("RL-15") for the year ended December 31, 2010, and the amended T5013s and the amended RL-15s for the years ended December 31, 2008 and December 31, 2009 (collectively the "Slips")

KPMG Inc. was appointed the Receiver and Manager of the Belmont Fund (the "Receiver" or "KPMG") on August 6, 2009.

Please find enclosed your two copies of each of the following:

- 1) T5013 for the year ended December 31, 2010 ("2010 T5013");
- 2) RL-15 for the year ended December 31, 2010 ("2010 RL-15");
- 3) an amended T5013 for the year ended December 31, 2009 ("Amended 2009 T5013");
- 4) an amended RL-15 for the year ended December 31, 2009 ("Amended 2009 RL-15");
- 5) an amended T5013 for the year ended December 31, 2008 ("Amended 2008 T5013");
and
- 6) an amended RL-15 for the year ended December 31, 2008 ("Amended 2008 RL-15").

For those Limited Partners who made an election under subsection 39(4) of the *Income Tax Act* (Canada) (or the equivalent section 250.1 of the Taxation Act (Quebec)) to treat the amount allocated to such Limited Partner in respect of the disposition of investments as a capital gain or loss, as applicable, we have included the particulars in the comments field at the bottom of your T5013.

The Receiver prepared the 2010 T5013 and 2010 RL-15 for the year ended December 31, 2010, the Amended 2009 T5013 and the Amended 2009 RL-15 for the year ended December 31, 2009, and the Amended 2008 T5013 and the Amended RL-15 for the year ended December 31, 2008 for each person who was a Limited Partner as at December 31, 2010, December 31, 2009 and December 31, 2008 respectively, and as contemplated in Section 9.3 of the Limited Partnership Agreement for the Belmont Fund, dated June 9, 2006. These documents were mailed to each Limited Partner at their most recent known address on or about March 31, 2011.

The Slips were prepared using available records and information of the Belmont Fund (including available information contained in prior T5013 documents), supplemented by certain information from third parties obtained by Receiver since its appointment as Receiver. **Please be advised that in preparing the Slips, KPMG has not carried out an audit, nor are we in a position to formally verify the information obtained from the records of the Belmont Fund or from third parties.**



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As the Receiver advised in its letter to the Limited Partners dated March 31, 2010 which also enclosed the 2009 T5103 and 2009 RL-15 (the "March 31, 2010 Letter"), the Receiver understands that T5013 slips for the years ended December 31, 2006, December 31, 2007 and December 31, 2008 ("Prior T5013s") were provided to the Limited Partners prior to the appointment of the Receiver. However, we have no information with respect to whether Limited Partners resident in Quebec received RL-15 slips for the years ended December 31, 2006, December 31, 2007 and December 31, 2008 ("Prior RL Slips").

The Receiver has not obtained a complete set of financial records for the Belmont Fund. In particular, the Receiver has not obtained the information used to prepare the Prior T5013s.

As the Receiver further advised in the March 31, 2010 Letter, given the incomplete records available to the Receiver, the Receiver is not in a position to confirm the accuracy of the Prior T5013s. Based upon additional information received from third parties in 2010 and 2011, the Receiver has determined that there are errors in the Prior T5013 for the year ended December 31, 2008 (the "2008 Prior T5013"). In the 2008 Prior T5013 the amount in Box 22 is nil. Based on the information available to the Receiver, the Receiver is of the view that that the Belmont Fund incurred a business loss for the year ended December 31, 2008. Hence the Receiver is issuing the Amended 2008 T5013 which includes a change in Box 22 to reflect a business loss for the year ended December 31, 2008.

The error in the 2008 Prior T5103 is carried forward to the calculation of each Limited Partner's at-risk amount (Box 22-1) in the 2009 T5103s, which were prepared by the Receiver in March, 2010. The Receiver is issuing the Amended 2009 T5013 which include an amendment to Box 22-1. The Receiver is also issuing the Amended 2008 RL-15 and the Amended 2009 RL-15 to reflect the amendment to the estimate of the business loss for the year ended December 31, 2008.

This information is based upon information and tax forms available at the time of writing this letter. The information contained herein is strictly for information purposes only and should in no way be regarded as tax advice. With respect to the income tax consequences of the enclosed information, we encourage each Limited Partners to obtain professional tax advice on his/her individual circumstances.

Yours very truly,

KPMG Inc.,
in its capacity as Court-appointed
Receiver and Manager of
Belmont Dynamic Growth Fund

Per:

Elizabeth Murphy
Vice President