Financial Statements

Galileo Global Active/Passive Fund

June 30, 2007

Galileo Global Active/Passive Fund
STATEMENTS OF NET ASSETS
As at June 30th, 2007 (unaudited) and December 31, 2006 (audited)

		2007		2006
Assets				
Investments at fair value	$	**2,550,667**	$	477,216
Cash including foreign currency holdings, at fair value		**230,658**		46,765
Investment income receivable		**3,676**		140
Receivable for portfolio securities sold		**72,460**		2,369
Receivable for units issued		**-**		11,465
Unrealized gain on derivatives		**-**		4
		2,857,461		537,959
Liabilities				
Payable for portfolio securities purchased		**17,405**		19,751
Accrued expenses		**9,884**		448
		27,289		20,199
Net Assets representing unitholders' equity	$	**2,830,172**	$	517,760
Total Net Assets per Class				
Class A	$	**1,343,411**	$	153,262
Class F	$	**1,486,761**	$	364,498
Net Asset Value per Unit (note 3)				
Class A	$	**12.77**	$	12.31
Class F	$	**12.88**	$	12.35

See accompanying notes

On behalf of Galileo Funds Inc., the Trustee:

Michael Waring
Galileo Funds Inc.

Peter Hanley
Galileo Funds Inc.

Galileo Global Active/Passive Fund

STATEMENTS OF OPERATIONS (unaudited)

For the six month period ended June 30th

		2007		2006
Income				
Interest	$	6,742	$	-
Dividend		8,589		-
Loss from forward foreign currency contracts		(62,390)		-
		(47,059)		-
Expenses (notes 4)				
Management fees		11,825		-
Custodial fees		27,384		-
Audit fees		860		-
		40,069		-
Expenses waived or absorbed by the Fund's Manager		(24,233)		-
		15,836		-
Net Investment Loss		(62,895)		-
Realized and Unrealized Gain (Loss) on Investments and Transaction Costs				
Net realized gain on sale of investments		69,699		-
Transaction costs (notes 2 and 5)		(13,962)		-
Increase in unrealized depreciation of investments		(4,656)		-
Net Gain on Investments		51,081		-
Decrease in Net Assets from Operations	$	(11,814)	$	-
Decrease in Net Assets from Operations per Class				
Class A	$	(5,005)	$	-
Class F	$	(6,809)	$	-
Decrease in Net Assets from Operations per Unit				
Class A	$	(0.08)	$	-
Class F	$	(0.12)	$	-

See accompanying notes

Galileo Global Active/Passive Fund
STATEMENTS OF CHANGES IN NET ASSETS (unaudited)
For the six months ended June 30th (unaudited)

		2007		2006
CLASS A				
Net Assets, Beginning of Period	$	153,262	$	-
Adjustment for New Accounting Standards (note 2)		(102)		-
Adjusted Net Assets, Beginning of Period		153,160		-
Decrease in Net Assets from Operations		(5,005)		-
Changes Due to Unitholder Transactions (note 3)				
Amount received from the issuance of units		1,200,042		-
Amount paid on redemptions of units		(4,786)		-
		1,195,256		-
Increase in Net Assets for the Period		1,190,251		-
Net Assets, End of Period	$	1,343,411	$	-
CLASS F				
Net Assets, Beginning of Period	$	364,498	$	-
Adjustment for new accounting standards (note 2)		(242)		-
Adjusted Net Assets, Beginning of Period		364,256		-
Decrease in Net Assets from Operations		(6,809)		-
Changes Due to Unitholder Transactions (note 3)				
Amount received from the issuance of units		1,294,152		-
Amount paid on redemptions of units		(164,838)		-
		1,129,314		-
Increase in Net Assets for the Period		1,122,505		-
Net Assets, End of Period	$	1,486,761	$	-

See accompanying notes

Galileo Global Active/Passive Fund
STATEMENT OF INVESTMENT PORTFOLIO (unaudited)
As at June 30, 2007

Number of shares/units		Average cost $	Market value $
CANADIAN EQUITIES			
	Energy - 3.34%		
12,000	NaiKun Wind Energy Group Inc.	35,640	31,560
2,000	Pacific Stratus Energy Ltd.	30,102	28,640
12,000	Western Uranium Corp.	41,519	34,440
		107,261	94,640
	Materials - 6.46%		
3,200	Aquiline Resources Inc.	28,732	34,944
4,000	Aranka Gold Inc.	14,971	14,400
12,000	Eastern Platinum Ltd.	24,629	28,320
3,500	Guyana Goldfields Inc.	35,826	35,420
6,000	Platinum Group Metals Ltd	18,848	25,860
4,000	Platmin Ltd.	32,792	32,200
10,000	Sprott Molybdenum Part - CW09	12,390	11,600
		168,188	182,744
Total Canadian equities - 9.80%		275,449	277,384
FOREIGN EQUITIES			
	Consumer Discretionary - 6.24%		
407	CVS Corp.	16,388	15,764
31	Citadel Broadcasting Corp.	195	213
175	DaimlerChrysler AG, Registered	16,333	17,098
385	Home Depot Inc.	16,434	16,111
435	Honda Motor Co. Ltd., ADR	16,376	16,793
452	Kraft Foods Inc., Class 'A'	16,426	16,944
295	McDonald's Corp.	16,363	15,926
361	Koninklijke Philips Electronics NV, ADR	16,394	16,251
268	Sony Corp., ADR	16,398	14,613
692	Time Warner Inc.	16,417	15,480
123	Toyota Motor Corp.	16,345	16,470
412	Walt Disney Co. (The)	16,429	14,954
		180,498	176,617
	Consumer Staples - 9.21%		
213	Altria Group Inc.	16,370	15,872
232	British American Tobacco PLC, ADR	16,406	16,815
5,000	China Mengniu Dairy Co. Ltd.	17,881	18,301
8,000	China Resources Enterprise Ltd.	29,795	32,003
282	Coca-Cola Co. (The)	16,364	15,680

See accompanying notes

Galileo Global Active/Passive Fund
STATEMENT OF INVESTMENT PORTFOLIO (cont'd) (unaudited)
As at June 30, 2007

Number of shares/units		Average cost $	Market value $
FOREIGN EQUITIES (cont'd)			
	Consumer Staples (cont'd)		
174	Diageo PLC, ADR	16,314	15,404
35,000	Malaysian Resources Corp. Berhad	28,042	29,116
25,000	Neo-Neon Holdings Ltd.	46,807	55,245
220	Pepsico Inc.	16,381	15,165
238	Procter & Gamble Co.	16,368	15,471
481	Unilever NV, (New York Shares)	16,417	15,872
311	Wal-Mart Stores Inc.	16,398	15,909
		253,543	260,853
	Energy - 7.00%		
196	BG Group PLC, ADR	16,337	17,053
218	BP PLC, ADR	16,353	16,729
186	Chevron Corp.	16,311	16,661
50,000	China Gas Holdings Ltd.	11,880	22,791
206	ConocoPhillips	16,318	17,189
215	Eni SPA, ADR	16,347	16,547
183	ExxonMobil Corp.	16,376	16,321
204	Royal Dutch Shell PLC, ADR, Class 'A'	16,364	17,621
194	Schlumberger Ltd.	16,382	17,516
200,000	Titan Petrochemicals Group Ltd.	24,392	22,587
197	TOTAL SA, ADR	16,381	16,970
		183,441	197,985
	Financials - 12.94%		
671	Allianz SE, ADR	16,423	16,610
235	American Express Co.	16,390	15,286
208	American International Group Inc.	16,364	15,488
326	AXA, ADR	16,396	14,926
603	Banco Bilbao Vizcaya Argentaria SA, ADR	16,423	15,638
814	Banco Santander Central Hispano SA, ADR	16,426	15,915
290	Bank of America Corp.	16,367	15,067
256	Barclays PLC, ADR	16,342	15,193
274	Citigroup Inc.	16,367	14,935
196	Credit Suisse Group, ADR	16,401	14,795
94	Deutsche Bank AG, Registered	16,338	14,452
65	Goldman Sachs Group Inc.	16,257	14,983
158	HSBC Holdings PLC, ADR	16,291	15,424
326	ING Group NV, ADR	16,399	15,248

See accompanying notes

Galileo Global Active/Passive Fund
STATEMENT OF INVESTMENT PORTFOLIO (cont'd) (unaudited)
As at June 30, 2007

Number of shares/units		Average cost $	Market value $
FOREIGN EQUITIES (cont'd)			
	Financials (cont'd)		
284	JPMorgan Chase & Co.	16,394	14,616
317	Lloyds TSB Group PLC, ADR	16,375	15,047
160	Merrill Lynch & Co. Inc.	16,350	14,213
1,341	Mitsubishi UFJ Financial Group Inc., ADR	16,419	15,710
1,143	Mizuho Financial Group Inc., ADR	16,443	16,796
173	Morgan Stanley	16,344	15,414
82	National Australia Bank Ltd., ADR	16,317	15,178
233	UBS AG, Registered	16,399	14,871
432	U.S. Bancorp	16,392	15,133
414	Wells Fargo & Co.	16,396	15,480
		393,014	366,418
	Health Care Services - 5.85%		
255	Abbott Laboratories	16,372	14,523
246	Amgen Inc.	16,349	14,466
278	AstraZeneca PLC, ADR	16,423	15,815
498	Bristol-Myers Squibb Co.	16,408	16,698
264	GlaxoSmithKline PLC, ADR	16,358	14,706
232	Johnson & Johnson	16,314	15,195
278	Medtronic Inc.	16,358	15,327
283	Merck & Co. Inc.	16,380	14,986
259	Novartis AG, ADR	16,386	15,448
551	Pfizer Inc.	16,423	14,964
317	Sanofi-Aventis, ADR	16,371	13,579
		180,142	165,707
	Industrials - 15.89%		
174	3M Co.	16,316	16,059
4,000	Aixtron AG	34,644	36,548
157	Boeing Co. (The)	16,329	16,053
60,000	China Bluechemical Ltd., Class 'H'	38,062	34,778
50,000	China Everbright International Ltd.	12,132	21,226
30,000	China Water Affairs Group Ltd.	15,578	18,491
399	General Electric Co.	16,403	16,226
500	Kurita Water Industries Ltd.	14,809	3,704
724	Matsushita Electric Industrial Co. Ltd., ADR	16,404	15,248
400	Monsanto Co.	27,558	28,696
120	Siemens AG, ADR	16,277	18,262

See accompanying notes

Galileo Global Active/Passive Fund
STATEMENT OF INVESTMENT PORTFOLIO (cont'd) (unaudited)
As at June 30, 2007

Number of shares/units		Average cost $	Market value $
FOREIGN EQUITIES (cont'd)			
	Industrials (cont'd)		
10,000	Sino-Environment Technology Group Ltd.	**23,734**	**22,674**
64,000	Sinochem Hong Kong Holdings Ltd.	**40,722**	**48,157**
40,000	Tianjin Capital Environmental Protection Co. Ltd.,	**31,272**	**32,547**
453	Tyco International Ltd.	**16,398**	**16,278**
211	United Parcel Service Inc., Class 'B'	**16,395**	**16,376**
217	United Technologies Corp.	**16,373**	**16,361**
400	Vestas Wind Systems AS	**29,418**	**27,992**
100,000	Xinjiang Tiayne Water Saving Irrigation System Co. Ltd.	**39,765**	**44,085**
		438,589	**449,761**
	Information Technology - 5.19%		
254	Canon Inc., ADR	**16,412**	**15,818**
547	Cisco Systems Inc.	**16,390**	**16,176**
335	Hewlett-Packard Co.	**16,385**	**15,883**
144	IBM Corp.	**16,406**	**16,110**
666	Intel Corp.	**16,386**	**16,805**
488	Microsoft Corp.	**16,408**	**15,288**
583	Nokia OYJ, ADR	**16,389**	**17,430**
778	Oracle Corp.	**16,416**	**16,295**
425	Texas Instruments Inc.	**16,406**	**17,003**
		147,598	**146,808**
	Materials - 7.53%		
506	Anglo American PLC, ADR	**16,385**	**15,792**
122	BASF AG, ADR	**16,232**	**16,963**
211	Bayer AG, ADR	**16,321**	**16,901**
287	BHP Billiton Ltd., ADR	**16,388**	**18,146**
60,000	CITIC Resources Holdings Ltd.	**33,714**	**39,187**
8,000	Idaho General Mines Inc.	**46,394**	**53,783**
54	Rio Tinto PLC, ADR	**16,228**	**17,584**
10,000	Ta Ann Holdings Berhad	**35,827**	**34,816**
		197,489	**213,172**

See accompanying notes

Galileo Global Active/Passive Fund
STATEMENT OF INVESTMENT PORTFOLIO (cont'd) (unaudited)
As at June 30, 2007

Number of shares/units		Average cost $	Market value $
FOREIGN EQUITIES (cont'd)			
	Telecommunication Services - 6.28%		
374	AT &T Inc COM	16,379	16,510
233	BT Group PLC, ADR	16,364	16,502
849	Deutsche Telekom AG, ADR	16,435	16,626
261	Enel SPA, ARD	16,395	14,909
497	France Telecom SA, ADR	16,397	14,528
31	Google Inc., Class 'A'	16,128	17,258
712	Sprint Nextel Corp.	16,440	15,670
383	Telefonaktiebolaget LM Ericsson, ADR, Class 'B'	16,434	16,253
217	Telefonica SA, ADR	16,364	15,410
361	Verizon Communications Inc.	16,369	15,802
509	Vodafone Group PLC, ADR	16,419	18,209
		180,124	177,677
	Utilities - 4.18%		
300	Conergy AG	25,290	24,817
292	E.ON AG, ADR	16,418	17,265
191	Exelon Corp.	16,384	14,734
800	Gamesa Corporation Tecnologica SA	29,815	31,009
190	National Grid PLC, ADR	16,326	14,912
255	Suez SA, ADR	16,358	15,548
		120,591	118,285
Total Foreign equities - 80.32%		2,275,029	2,273,283
Transaction costs (note 2)		(5,495)	-
Total investments - 90.12%		2,544,983	2,550,667
Other assets, net of liabilities - 9.88%			279,505
Total net assets - 100.00%			2,830,172

See accompanying notes

Galileo Global Active Passive Fund
Notes to the Financial Statements
For the six months periods ended June 30, 2007 and 2006 (unaudited)

1. ESTABLISHMENT OF THE FUND

The Galileo Global Active/Passive Fund [the "Fund"] is an open-ended unit trust established under the laws of Ontario pursuant to a Declaration of Trust dated September 14th, 2006. On November 7, 2006, Galileo Funds Inc. filed a simplified prospectus for an initial public offering to sell an unlimited number of class A and F units of the Fund.

Galileo Funds Inc. acts as the Trustee and the Manager of the Fund [the "Fund's Manager"]. As such, the Fund is dependent on the Fund's Manager for the administration and management of all matters relating to its operation. Galileo Equity Management Inc. is the portfolio advisor for the Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements, prepared in accordance with Canadian generally accepted accounting principles, include estimates and assumptions by the Fund's Manager that may affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Significant estimates include the valuation of investments. Actual results could differ from those estimates.

Significant accounting policies used in the preparing the semi-annual financial statements are consistent with those used in preparing the annual financial statements except for the adoption of new accounting standards as described below. These semi-annual financial statements should be read in conjunction with the Fund's most recent financial statements.

New Accounting Standards

On April 1 2005, the Canadian Institute of Chartered Accountants ("CICA") issued Section 3855, "Financial Instruments - Recognition and Measurement", effective for financial statements relating to fiscal years beginning on or after October 1, 2006. This section establishes standards for the fair valuation of investments as well as the accounting treatment of transaction costs. 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 short securities. Prior to the implementation of this new standard, the fair value was based on the last traded price for the day, when available. Section 3855 also requires that transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities be charged to net income in the period. Prior to this new standard, these costs were added to the cost of the securities purchased or deducted from the proceeds of sale. Section 3855 has been applied retrospectively without restatement of prior periods. The cost of individual investments in the Statement of Investments are recorded at total cost including transaction costs. Accordingly, the opening net asset value in the Statement of Changes in Net Assets for the six month period ended June 30, 2007 has been adjusted. Refer to Note 6 for the amount adjusted per class.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

New Accounting Standards (cont'd)

National Instruments 81-106 (NI 81-106), Section 14.2, issued by the Canadian Securities Administrators ("CSA") in 2005, requires the daily net asset value of an investment fund to be calculated in accordance with Canadian GAAP. The CSA has granted temporary relief to investment funds from complying with Section 3855, for the purpose of calculating and reporting of Net Asset Value (other than for financial reporting purposes) until September 30, 2007, to permit review of the suitability of these financial reporting requirements for purposes other than the financial statements, such as the purchase and redemption price of an investment fund. Under this temporary relief, funds are permitted to have two different net asset values: one for financial statements, which will be prepared in accordance with Canadian GAAP (referred to as "GAAP NAV"); and another for all the other purposes including unit pricing (referred to as "transactional NAV"). These financial statements have been prepared on a basis consistent with the proposed amendments including a reconciliation between GAAP NAV and transactional NAV (note 6).

As a result of the adoption of 3855, changes to the accounting policies for the Fund are as follows:

(a) Valuation of Investments
   i. Securities listed upon a recognized public exchange are valued at their bid prices on the valuation date. Securities with no available bid prices are valued at the closing sale prices.
   ii. Securities not listed upon a recognized public exchange are valued using valuation techniques, on such basis and in such manner established by the Fund's Manager.
   iii. Short-term notes, treasury bills and bonds are valued at the average bid quotations from recognized investment dealers.

(b) Transaction Costs

In accordance with Section 3855, transaction costs are expensed and are included in "Transaction costs" in the Statements of Operations. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commission paid to agents, advisors, brokers, and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Prior to the adoption of Section 3855, Transaction costs were capitalized and included in the cost of purchases or proceeds from sales of investments. There is no impact on the net asset value of the investment fund in using either of these methods. The cost of investments for each security is determined on an average cost basis.

Galileo Global Active Passive Fund
Notes to the Financial Statements
For the six months periods ended June 30, 2007 and 2006 (unaudited)

3. UNITS OF THE FUND

Units of the Fund are redeemable at the option of the unitholder, in accordance with the provisions of the Declaration of Trust, at their net asset value. Investors of each Class of units of the Fund are entitled to participate in the distribution of net income and net realized capital gains on a proportionate basis. Unit transactions during the periods were as follows:

	Class A	
	2007	**2006**
	Number of units	**Number of Units**
Subscriptions	**93,143**	-
Redemptions	**368**	-

The number of issued and outstanding Class A units at the period ended June 30, 2007 is 105,228 [June 30, 2006 - nil].

	Class F	
	2007	**2006**
	Number of units	**Number of units**
Subscriptions	**98,439**	-
Redemptions	**12,508**	-

The number of issued and outstanding Class F units at the period ended June 30, 2007 is 115,441 [June 30, 2006 - nil].

4. EXPENSES AND RELATED PARTY TRANSACTIONS

In accordance with the amended Declaration of Trust, dated November 1, 2006, the Fund's Manager began charging management fees directly to the Fund. During the six month period ended June 30, 2007, the Fund's Manager charged management fees of $11,825 [June 30, 2006 – nil] Other reasonable expenses incurred in the operation of the Fund, such as audit, legal, custodian and other professional fees are charged in the Statements of Operations.

The Fund's Manager has, at its discretion, agreed to absorb certain expenses. The absorbed amounts are shown in the Statements of Operations. Such absorbed amounts can be terminated at any time, but can be expected to continue until such time as the Fund is of sufficient size to reasonably absorb all management and operating expenses incurred.

The management fee of Class A units is 1.95% per annum on average net assets plus GST and the management fee of the Class F units is 0.95% per annum on average net assets plus GST.

All transactions with the Fund's Manager, a related company, are measured at exchange amounts and occur within the normal course of business.

5. BROKERAGE FEES

Commissions paid to brokers/dealers in connection with the purchase and sale of securities during the six month period ended June 30, 2007 totalled $13,962 [June 30, 2006 - nil]. No soft dollar expenses were incurred by the Fund during the period.

6. RECONCILIATION OF GAAP NAV TO TRANSACTIONAL NAV

In accordance with NI 81-106, a reconciliation of GAAP NAV, calculated in accordance with Section 3855 of an investment fund, and Transactional NAV, calculated in accordance with the Fund's Manager's fair value policies and procedures for unit pricing as at June 30, 2007, is as follows:

Class	Transactional NAV $	Adjustment for New Accounting Standards (note 2) $	GAAP NAV $
Class A	1,354,545	(11,134)	1,343,411
Class F	1,499,084	(12,323)	1,486,761

7. Basis of Presentation

Per the notice required under NI 81-106, "Investment Fund Continuous Disclosure" part 2.12(2), the financial statements for the period ended June 30, 2007 have not been reviewed by an external auditor.