

Conservative Growth Fund

(Series O)

Also available: Series A, Series F, Series P

Portfolio Manager

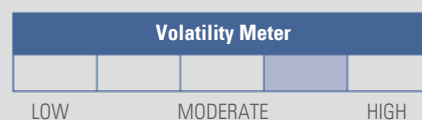
Alex Ruus MBA, P.Eng., CFA

KEY FACTS AS AT DECEMBER 31, 2009

NAV	\$28.48
MER*	1.00%
Min. Initial Investment	\$500,000
Valuations	Daily
Distributions	Quarterly
Inception Date*	Sept. 2, 2009

Availability: open to residents of all provinces and territories except Quebec

Purchase Option	Fund Code
NL	NRC 505



Note: Investors in Series O units pay investment management fees outside of the fund. Only fund expenses will be charged to the fund.

Who Should Invest in this Fund?

An investment in this fund is suitable for investors who:

- Are seeking long term capital appreciation with the option of quarterly income payments
- Wish to leverage the manager's expertise in the energy and financial services sectors while maintaining a diversified approach
- Have a moderate to high risk tolerance and a long term time horizon
- Are comfortable with portfolio volatility, short selling and a relatively concentrated portfolio strategy
- Have a minimum of \$500k to invest and wish to pay investment management fees outside of the fund as negotiated with the fund manager

Reasons to Own This Fund

- The fund's manager has proven long term expertise previously available only to accredited investors
- The fund is designed for long term return potential through relatively concentrated investment in the fund's core holdings
- The fund's volatility is partially mitigated through diversification by both industry sector and market capitalization
- The fund pays quarterly distributions comprised of dividend income, capital gains and return of capital

Fund Performance

Average Annual Returns

1 month	3 month	6 month	1 year	3 year	5 year	10 year	Since Inception*
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Year by Year Returns

2009	2008	2007	2006	2005	2004	2003
N/A	N/A	N/A	N/A	N/A	N/A	N/A

Portfolio Information**

Top 10 Holdings

Daylight Energy Trust	8.4%
BCE Inc.	7.7%
Phillip Morris Intl Inc.Com	7.5%
Transcanada Pipelines	5.1%
Niko Resources Ltd.	4.0%
Rogers Communications	4.0%
Neptune Technologies & Bioresources	3.8%
SXC Health Solutions Corp.	3.7%
Webtech Wireless Inc.	3.7%
TMX Group Inc.	3.1%

The top ten holdings make up 51.0% of the fund

Industry Segmentation

Energy	24.2%
Information Technology	17.4%
Consumer Staples	7.9%
Health Care	7.9%
Telecoms	7.7%
Financials	7.0%
Utilities	6.6%
Industrials	5.5%
Materials	5.4%
Consumer Discretionary	4.7%
Services	2.4%
Conglomerates	2.2%
Cash	1.0%
Real Estate	0.2%

** Note: Industry Segmentation as at Dec. 31, 2009. Holdings as at Dec. 31, 2009 (updated quarterly).



Northern Rivers Capital Management Inc. is an independent investment company located in Toronto, Ontario. Our mission is to provide innovative investment opportunities and outstanding long term returns to investors. We are an entrepreneurial company founded by Likrilyn Capital Corporation, a family office and majority shareholder. Northern Rivers currently offers a family of five pooled funds and one mutual fund for high net worth and retail investors. Our offerings include a range of equity funds, alternative funds, and a private equity fund.

Commissions, trailing commissions, management fees, incentive fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. It is Northern River's policy to report rates of return for series in existence greater than one year.

Investment Objectives and Strategy

The fund invests primarily in North American equities. In order to reduce risk and volatility the fund is diversified by both market capitalization and by industry sector. Geographic and sector allocations may, however, vary significantly over time. Investments made are primarily in mid-to-large cap companies believed to be trading at a discount to their intrinsic value and which offer compelling investment opportunities and a sustainable competitive advantage.

The fund tends to follow a relatively concentrated investment approach where the manager may overweight selected core holdings and industry sectors such as energy or financial services in which the manager has particular conviction and/or specialized expertise. This may result in portfolio weightings and investment performance being substantially different from that of the S&P/TSX Composite Total Return Index.

While the fund has primarily a long bias, it may engage in limited short selling within strict parameters outlined in the simplified prospectus. Short selling may provide the fund with opportunities for gains and risk mitigation when markets are volatile or declining. The same fundamental analysis is used in determining whether securities of a particular issuer should be sold short. The fund may also use specified derivatives, such as calls and puts, warrants, index futures and exchange traded funds.

Commentary

Entering 2010, the outlook is much more promising than a year ago. The key question today is how much will we grow in 2010, and not will we grow. Financial markets look to have a solid year, although security selection is likely to become a much more important differentiator of performance than in 2009 (when the most important decision was to be short the markets in the first month and a half and then long for the balance of the year).

Strong portfolio performance was driven by rising prices in 90% of our top holdings, with 30% of them rising by double-digit rates during December. The highlights of the month were gains in the portfolio from West Energy and Southern Pacific Resource Corp.

The fund maintains its balanced approach. No one sector represents more than 25% of the portfolio with the top sector weightings being energy at 25%, followed by technology at 18% and consumer staples at 8%. We remain fully invested, with many undervalued situations that we believe have substantial appreciation potential.

For More Information

For more information about this fund or for a copy of the simplified prospectus, speak to your advisor or contact:

Northern Rivers Capital Management Inc.

Royal Bank Plaza, North Tower, 200 Bay Street, Suite 2000, Toronto, ON M5J 2J2

Tel: 416-597-1226 Canada Toll Free: 1-866-902-7060 Fax: 416-597-8926

www.NorthernRiversFunds.com



January 21, 2010