



Northern Rivers Conservative Growth Fund

2009 Interim Management Report of Fund Performance

As at June 30, 2009

This interim management report of fund performance contains financial highlights, but does not contain either interim or annual financial statements of the investment fund. You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling 1-866-902-7060, by writing to us at Northern Rivers Capital Management Inc., Royal Bank Plaza, North Tower, Suite 2000, 200 Bay Street, PO Box 66, Toronto, Ontario M5J 2J2 or by visiting our website at www.NorthernRiversFunds.com or SEDAR at www.sedar.com.

Unitholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

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NORTHERN RIVERS CONSERVATIVE GROWTH FUND

Management Discussion of Fund Performance

This management discussion of fund performance is based on information as of June 30, 2009 and is intended to present the portfolio manager's view of the significant factors and developments affecting the Fund's performance and outlook since December 31, 2008, the Fund's financial year-end.

Results of Operations

For the six months ended June 30, 2009, Series A units of Northern Rivers Conservative Growth Fund (the "Fund") returned 7.6% (net of expenses) while the S&P/TSX Composite Total Return Index returned 17.6%. The performance of the other series of the Fund is substantially similar to that of Series A units, save for differences in expense structure. Refer to "Past Performance" section for performance information of each series.

The Fund delivered solid performance in the first half of 2009 as the Fund's positions exhibited lower volatility than the general markets. The broad equity averages experienced substantial declines from the beginning of the year until early March, followed by a powerful rally from the depths of the early March lows to the end of June. The first quarter of 2009 delivered one of the worst periods of US economic performance in the post-war period, with GDP contracting by over 6%. This was followed by estimates of a further, but less severe, pullback in the second quarter of about another 1%.

Specific detractors from fund performance included Northstar Healthcare, Vendtek, and Alaris, all of which fell by over 30% in the first half of 2009. Positive contributions during the period were made by Neptune, Niko, and Webtech, each of which rose by more than 70%.

Neptune Technologies, with its 239% rise was the single biggest contributor to fund performance. Neptune rose as a result of announcing a commercialization agreement on its proprietary products with global healthcare giant, Bayer Healthcare. This major announcement catalyzed the stock from depressed levels as it represents a major step forward for the company in its drive to expand sales and profitability.

The manager believes Neptune is on the cusp of providing investors with business developments that will take the stock to new highs as this undiscovered company emerges. Neptune has three main businesses, each of which the manager believes is going to be more valuable than the entire value of the company today. The manager is expecting Neptune to make good progress in building its businesses in the functional food and pharmaceutical businesses over the coming year.

Amid the volatile markets of the first part of 2009, the manager took advantage of share price weakness in several excellent businesses to add to existing positions and also to

establish new positions including BCE, Coca-Cola, Highpine Oil & Gas, Intact Financial, Fort Chicago Trust, and Biovail. The manager feels very confident about the long-term prospects for these holdings in the Fund.

Several other holdings were sold during the first half of 2009, due to either their reaching our price objectives or to shortfalls in their performance. We sold our positions in Franco-Nevada, Western Goldfields, ZCL, Talisman, and Legg Mason.

Overall portfolio structure continued to be quite defensive at June 30, 2009. The portfolio was positioned at the higher end of our usual cash position (about 22%) as we continued to look for good entry points for new positions in a number of solid, undervalued blue chip companies expected to become core holdings. The portfolio finished June well diversified, with no one industry sector representing over 16% of the Fund. The largest sector weightings were technology at 16%, energy at 12%, utilities at 11%, and health care at 10%. The materials weighting dropped to under 2% from 12% at the end of 2008 as the manager believes most companies in this area are now relatively fully valued.

Recent Developments

The global economy looks to be nearing a bottom in 2009, with good potential for a rebound in 2010. The markets started to recognize this in the second quarter when stocks rallied strongly off what we believe to be the bear market lows of early March. While we still expect to see choppy economic and market performance for the balance of 2009, the risk of a continuation of last year's brutal bear market is now very low. Concerted monetary and fiscal stimulus by the world's central banks and governments has worked to reduce the risk of an extended depression in the world economy.

The second half of 2009 will bring further evidence that the global economy is stabilizing. Along with that stabilization we will see a resurgence of consumer and business confidence which should start to help some of the more cyclical areas. Holding this back will be the need for consumers and some businesses to rebuild their over-levered balance sheets, but the overall effect should still be more positive than negative in the second half. There will continue to be some troubled areas in the economy and market that we will avoid, such as commercial real estate and certain banks where the manager thinks there is still another wave of loan losses coming.

Given this backdrop of a choppy market in the second half of 2009 we believe the Fund is well positioned to produce solid returns. The Fund is invested in solid cash generating businesses with good balance sheets and superior business models. Many of the investments have hidden assets that the market is not attaching value to today. A number of new opportunities are being examined into which we may deploy our cash position. We look for a good second half for the Fund.

On April 30, 2009 Northern Rivers Evolution Fund merged into the Fund. The financial data of the Fund includes the results of operations of Northern Rivers Evolution Fund from the date of the merger.

Series O units were established on August 21, 2009 but have not commenced operations. Series O units are offered to investors either directly through the Manager, or through fee-based brokers or financial planners and others who pay an annual fee to their dealer or financial advisor instead of transactional sales charges. No management fees are charged to the Fund in respect of the Series O units as each investor or dealer negotiates a separate fee with the Manager.

Related Party Transactions

Management Fee

In consideration for portfolio and advisory services received from the Manager and Trustee of the Fund, Northern Rivers Capital Management Inc., the Fund paid a management fee of \$28,378 and an incentive fee of \$nil during the period ended June 30, 2009. The management fee for Series A, Series F and Series P units is an annualized management fee (Series A – 2.5%; Series F – 1.5%; Series P – 1.75%) based on the net asset value of that series of units of the Fund and is accrued daily and paid at month-end as a percentage of the daily net asset value.

Dealers are paid a share of the Manager’s management fee – called a trailer commission – for all assets that their sales representatives place in the Fund. Trailer commissions are paid as a percentage of assets to dealers based on the range shown below.

	Management Fee (%)	Trailer Commissions (%)	
		Minimum	Maximum
Series A	2.50	1.00	1.00
Series F	1.50	N/A ⁽¹⁾	N/A ⁽¹⁾
Series P	1.75	0.25	0.25

(1) No trailer commissions are paid in respect of Series F units of the Fund

The Fund pays an incentive fee to the Manager equal to a percentage of the average net asset value of the applicable series of the Fund. Such percentage is equal to 20% of the difference by which the return in the net asset value per unit of the applicable series of the Fund exceeds the greater of 0% or the percentage return of the S&P/TSX Composite Total Return Index for the same period. If the performance of a series of the Fund in any year is less than the performance of the applicable index described above [the “Deficiency”], then no incentive fee is payable in any subsequent year until the performance of the applicable series of the Fund, on a cumulative basis calculated from the first of such subsequent years has exceeded the amount of the Deficiency.

As at June 30, 2009, the Fund owed the Manager \$11,307 for operating costs incurred in administering the Fund and \$18,117 for management fees. During the period ended June 30, 2009, the Manager agreed to absorb \$41,687 of total expenses on behalf of the Fund.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period ended June 30, 2009 and the financial years ended December 31, as indicated. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements.

THE FUND'S NET ASSETS PER UNIT (IN \$)

Series A

	2009 ⁽³⁾	2008	2007 ⁽²⁾	2006	2005
Net Assets Per Unit, beginning of period ⁽¹⁾	19.73	31.73	25.00 ⁽⁴⁾	N/A	N/A
Increase (decrease) from operations:					
Total revenue	0.29	0.47	0.12	N/A	N/A
Total expenses	(0.34)	(0.77)	(2.04)	N/A	N/A
Realized gains (losses) for the year	(1.75)	(2.23)	0.16	N/A	N/A
Unrealized gains (losses) for the year	4.16	(9.32)	7.37	N/A	N/A
Total increase (decrease) from operations^(a)	2.36	(11.85)	5.61	N/A	N/A
Distributions:					
From income (excluding dividends)	-	-	0.02	N/A	N/A
From dividends	-	-	0.01	N/A	N/A
From capital gains	-	-	0.10	N/A	N/A
Return of capital	-	-	-	N/A	N/A
Total distributions^(b)	-	-	0.13	N/A	N/A
Net assets per unit, end of period^(1,5)	21.36	19.73	31.73	N/A	N/A

Ratios and Supplemental Data

Series A

	2009 ⁽³⁾	2008	2007 ⁽²⁾	2006	2005
Net asset value (000's) ^(c)	1,359	672	329	N/A	N/A
Number of units outstanding ^(c)	63,204	33,577	10,364	N/A	N/A
Management expense ratio ^(d)	3.38%*	2.95%	8.75% ⁸	N/A	N/A
Management expense ratio before waivers or absorptions ^(e)	6.18%*	7.17%	15.79%*	N/A	N/A
Portfolio turnover rate (%) ^(f)	61.47%	97.52%	36.91%	N/A	N/A
Trading expense (%) ^(g)	0.69%*	0.52%	1.25%*	N/A	N/A

THE FUND'S NET ASSETS PER UNIT (IN \$)

Series F

	2009 ⁽³⁾	2008	2007 ⁽²⁾	2006	2005
Net Assets Per Unit, beginning of period ⁽¹⁾	19.69	31.33	25.00 ⁽⁴⁾	N/A	N/A
Increase (decrease) from operations:					
Total revenue	0.29	0.42	0.15	N/A	N/A
Total expenses	(0.23)	(0.50)	(1.96)	N/A	N/A
Realized gains (losses) for the year	(1.68)	(1.72)	0.15	N/A	N/A
Unrealized gains (losses) for the year	4.09	(10.01)	6.07	N/A	N/A
Total increase (decrease) from operations^(a)	2.47	(11.81)	4.41	N/A	N/A
Distributions:					
From income (excluding dividends)	-	-	0.03	N/A	N/A
From dividends	-	-	0.02	N/A	N/A
From capital gains	-	-	0.17	N/A	N/A
Return of capital	-	-	-	N/A	N/A
Total distributions^(b)	-	-	0.22	N/A	N/A
Net assets per unit, end of period^(1,5)	21.42	19.69	31.33	N/A	N/A

Ratios and Supplemental Data

Series F

	2009 ⁽³⁾	2008	2007 ⁽²⁾	2006	2005
Net asset value (000's) ^(c)	2,773	1,297	1,755	N/A	N/A
Number of units outstanding ^(c)	128,561	64,978	56,009	N/A	N/A
Management expense ratio ^(d)	2.32%*	1.90%	7.92%*	N/A	N/A
Management expense ratio before waivers or absorptions ^(e)	5.12%*	6.13%	14.96%*	N/A	N/A
Portfolio turnover rate (%) ^(f)	61.47%	97.52%	36.91%	N/A	N/A
Trading expense (%) ^(g)	0.69%*	0.52%	1.25%*	N/A	N/A

THE FUND'S NET ASSETS PER UNIT (IN \$)

Series P

	2009 ⁽³⁾	2008	2007 ⁽²⁾	2006	2005
Net Assets Per Unit, beginning of period ⁽¹⁾	19.75	31.51	25.00 ⁽⁴⁾	N/A	N/A
Increase (decrease) from operations:					
Total revenue	0.29	0.28	0.05	N/A	N/A
Total expenses	(0.26)	(0.56)	(2.15)	N/A	N/A
Realized gains (losses) for the year	(1.66)	(2.38)	0.10	N/A	N/A
Unrealized gains (losses) for the year	4.15	(10.33)	8.06	N/A	N/A
Total increase (decrease) from operations^(a)	2.52	(12.99)	6.06	N/A	N/A
Distributions:					
From income (excluding dividends)	-	-	0.04	N/A	N/A
From dividends	-	-	0.02	N/A	N/A
From capital gains	-	-	0.19	N/A	N/A
Return of capital	-	-	-	N/A	N/A
Total distributions^(b)	-	-	0.25	N/A	N/A
Net assets per unit, end of period^(1,5)	21.46	19.75	31.51	N/A	N/A

Ratios and Supplemental Data Series P

	2009 ⁽³⁾	2008	2007 ⁽²⁾	2006	2005
Net asset value (000's) ^(c)	533	231	250	N/A	N/A
Number of units outstanding ^(c)	24,650	11,546	7,922	N/A	N/A
Management expense ratio ^(d)	2.60%*	2.17%	8.69%*	N/A	N/A
Management expense ratio before waivers or absorptions (e)	5.40%*	6.39%	15.73%*	N/A	N/A
Portfolio turnover rate (%) ^(f)	61.47%	97.52%	36.91%	N/A	N/A
Trading expense (%) ^(g)	0.69%*	0.52%	1.25%*	N/A	N/A

(1) This information is derived from the Fund's audited and unaudited financial statements. The net assets per unit presented in the financial statements differ from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the Fund's financial statements.

(2) Information presented is for the period August 27 to December 31.

(3) Information presented is for the period January 1 to June 30.

(4) Initial offering price

(5) This is not a reconciliation of the beginning and ending net assets per unit.

* Ratio has been annualized

Supplementary information to the Financial Highlights calculations are based on the following:

(a) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the period.

(b) Distributions were paid in cash, reinvested in additional units of the Fund, or both.

(c) This information is provided as at June 30, 2009 and December 31 of any other financial years shown.

(d) Management expense ratio ("MER") for each series of units is based on the total expenses of the Fund, incurred by or allocated to that series of units for the year shown, expressed as an annualized percentage of daily average net assets of that series during the year. The MER includes incentive fees, if any, that are not annualized.

(e) The decision to waive and/or absorb management fees and operating expenses is at the discretion of the Manager. The practice of waiving and/or absorbing management fees and operating expenses may continue indefinitely or may be terminated at any time without notice to unitholders.

(f) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

(g) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the year. Spreads associated with fixed income securities trading are not ascertainable, and, for that reason are not included in the trading expense ratio calculation.

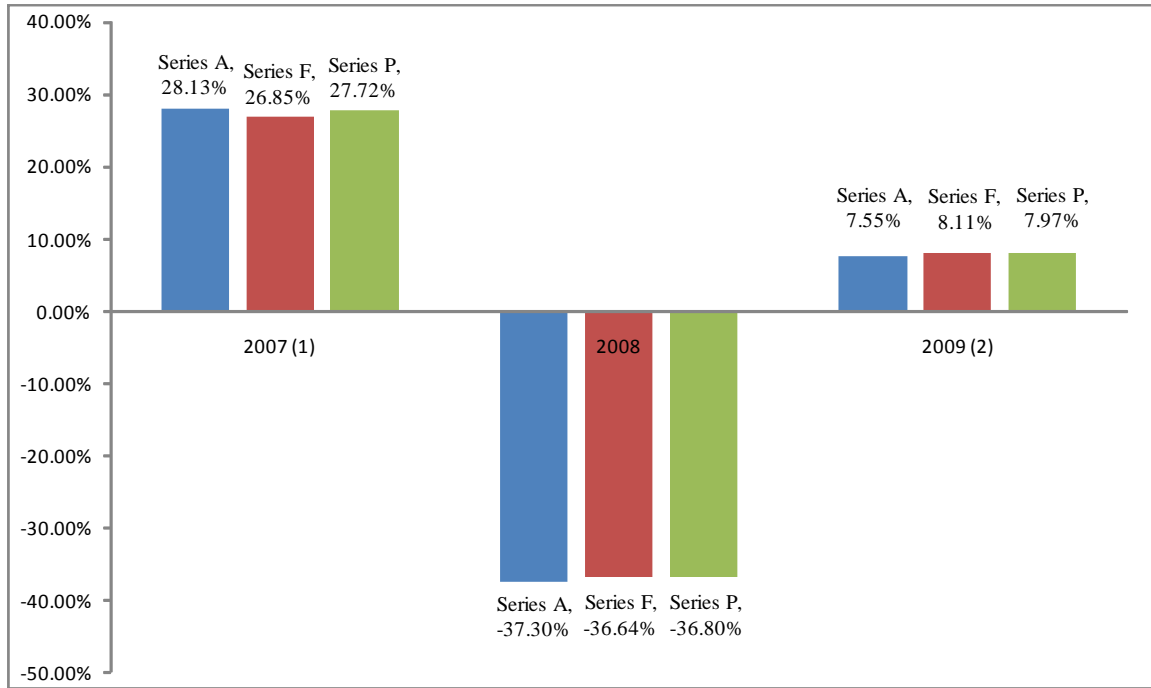
Past Performance

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

The merger of Northern Rivers Evolution Fund with the Fund on April 30, 2009 did not constitute a material change to the Fund and accordingly did not impact the ability of the Fund to maintain its historical performance.

Year-by-Year Returns

The following chart shows the Fund’s performance for the six-month period ended June 30, 2009, and for each of the previous financial years ended December 31. In percentage terms, the bar chart shows how much an investment made on the first day of each period would have grown or decreased by the last day of each period.

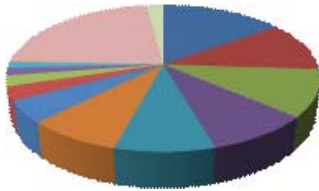


- (1) For the period August 27, 2007 (inception date) to December 31, 2007
- (2) For the six month period ended June 30, 2009

Summary of Investment Portfolio

The investment portfolio may change due to ongoing portfolio transactions of the investment fund. Quarterly updates are available within sixty days of each quarter end.

Industry Classification



Technology 15.67%	Energy 11.50%
Utilities 10.71%	Health Care 9.65%
Consumer Staples 9.03%	Telecoms 8.54%
Consumer Discretionary 5.01%	Services 3.17%
Financials 2.41%	Industrials 1.77%
Materials 1.34%	Conglomerates 0.38%
Real Estate 0.22%	Cash and Equivalents 22.76%
Liabilities less other assets -2.15%	

Top 25 Holdings

	% of Net Asset Value
As at June 30, 2009	
1 Philip Morris International Inc.	8.59%
2 BCE Inc.	8.54%
3 TransCanada Corp.	7.57%
4 Webtech Wireless Inc.	5.09%
5 Neptune Technologies & Bioresources Inc.	4.78%
6 Niko Resources Ltd.	4.63%
7 Rogers Communications Inc., Class 'B'	3.97%
8 Coca-Cola Co. (The)	3.70%
9 SXC Health Solutions Corp.	3.12%
10 Highpine Oil & Gas Ltd.	2.92%
11 Just Energy Income Fund	2.66%
12 Intact Financial Corp.	2.41%
13 VendTek Systems Inc.	2.39%
14 Fort Chicago Energy Partners L.P.	2.03%
15 Biovail Corp.	1.61%
16 NOVA Chemicals Corp.	1.33%
17 Descartes Systems Group Inc. (The)	1.24%
18 Intel Corp.	1.21%
19 Horizon North Logistics Inc.	1.17%
20 Keyera Facilities Income Fund	1.15%
21 Algonquin Power Income Fund	1.10%
22 Indigo Books & Music Inc.	0.69%
23 Capital Power Corp.	0.62%
24 Gastem Inc.	0.62%
25 Yellow Pages Income Fund	0.62%
Top 25 Holdings	73.76%
Other investments	5.63%
Cash and cash equivalents	22.76%
Liabilities less other assets	-2.15%
Total Net Asset Value	100.00%

The total Net Asset Value of the Fund as at June 30, 2009 was \$4,665,791

Caution Regarding Forward-looking Statements

Certain portions of this report, including, but not limited to, “Results of Operations” and “Recent Developments”, may contain forward-looking statements about the Northern Rivers Conservative Growth Fund (the Fund), including its strategy, risks, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” and similar forward-looking expressions or negative versions thereof. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future action of the Fund is also a forward-looking statement.

Forward-looking statements are based on current expectations and projections about future general economic, political and relevant market factors, such as interest rates, foreign exchange rates, equity and capital markets, and the general business environment, in each case assuming no changes to applicable tax or other laws or government regulation. Expectations and projections about future events are inherently subject to, among other things, risks and uncertainties, some of which may be unforeseeable. Accordingly, assumptions concerning future economic and other factors may prove to be incorrect at a future date.

Forward-looking statements are not guarantees of future performance, and actual events could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and relevant market factors in North America and internationally, interest and foreign exchange rates, equity and capital markets, business competition, technological change, changes in government relations, unexpected judicial or regulatory proceedings and catastrophic events.

We stress that the above mentioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions and we urge you to avoid placing any undue reliance on forward-looking statements. Further, you should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.

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