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Dear Partners and Friends:

April was a good month for the funds with the Northern Rivers Global Energy Fund LP (Energy Fund) up almost 4% in April and 12.2% year to date, and the Northern Rivers Conservative Growth Fund LP (Growth Fund) was up 1.11% for the month and 7.58% year to date.

**Average Annual Returns to April 30, 2010\***

	2010 YTD	1 mo.	3 mo.	6 mo.	1 Yr.	3 Yr.	Inception**
<b>Northern Rivers Global Energy Fund LP</b>	12.20%	3.40%	10.53%	25.20%	55.29%	-9.30%	3.22%
<b>Northern Rivers Conservative Growth Fund LP</b>	7.58%	1.11%	10.15%	17.03%	39.49%	-10.24%	6.71%

\*\*Inception date: Nov. 1, 2005

**What happened in April?**

April saw a relatively directionless market, as continuing evidence of a strong economic recovery was offset by concerns over Greece's debt problems spreading to the Eurozone and the larger global economy. Standard & Poor's credit rating agency downgraded the credit ratings of not just Greece, but also of Portugal and Spain. Serious questioning of whether the Euro Zone monetary union can survive these national debt issues is now arising.

**Outlook for balance of 2010?**

Our outlook is unchanged from last month, the global economy will continue to recover and with it corporate profits and the markets. 2010 will see markets generally rise, but security selection will be much more important than last year. We will likely see an ongoing see-saw in the near-term between the economic recovery that is occurring and the government debt problems.

**Northern Rivers Global Energy Fund LP**

The energy fund had an excellent month, rising 3.4%, beating both the broader markets and the generally flat energy markets. The strong performance was due to good stock picking. 70% of our holdings rose during the month. The highlights of the month came from Horizon North Logistics, one of our top holdings, which rose 6% in April, but more importantly continued to build their business during the month.

We have talked about Horizon over the last year several times illustrating what a compelling investment the company is. Horizon is a provider of critical infrastructure and services for remote and difficult to access areas for resource development. The company has 3 main businesses: Camps & catering, Matting, and Marine. Horizon owns some extremely strategic assets that are positioned

to generate increasing profits over the coming years, as resource development continues in increasingly remote and difficult to access areas, such as Northern Alberta and the Northwest Territories.

April saw some excellent developments for Horizon, which will bear profitable fruit over the coming years. Firstly, Horizon announced they had signed a major agreement to design, manufacture, transport, and install a 2700 person construction camp for a major Canadian resource project. This win is very important in that it illustrates that Horizon is one of the few providers that can take on this scale of project, and it validates the company's investment in manufacturing last year, while other short-sighted companies were retrenching. The project will generate substantial incremental revenues and margins for this company that was already trading at a discount to its intrinsic value.

During April, we also saw Athabasca Oil sands raise \$1.3 Billion dollars in Canada's largest Initial Public Offering in many years. While we did not buy shares in Athabasca on the IPO as we viewed it as being overpriced currently (a view that was validated as the stock was issued at \$18 per share and has fallen 30% to under \$13 in the first month of trading), the important fact is that the company raised \$1.3 Billion, which will be used to accelerate the development of the Canadian heavy oil in the Fort McMurray region. Increasing investment is again occurring in this area and Horizon is a primary beneficiary of increased investment in the Fort McMurray area as they are a key service provider in oil sands development.

April's development has increased our business outlook for Horizon and the stock is compellingly cheap, trading at under 10 times our 2011 earnings outlook, with a clean balance sheet. This company will be a substantial contributor to the portfolio over the coming year.

The oil market moved up slightly in April to \$86 per barrel, breaking out of its \$65-85 trading range of the last year. Global demand for oil is now recovering which will narrow OPEC's spare capacity in coming years and will provide support for strong oil prices. We have slightly increased our pricing outlook for oil and expect the range over the coming year to be a bit higher, with prices potentially hitting the \$90's before OPEC starts to increase production.

The natural gas market remained weak in April, with gas prices continuing to hover around \$4. Natural gas pricing is likely to continue to be weak until next fall as supply continues to be too large in the short term. Potential does exist as the global economy picks up for gas prices to recover next winter. Consequently we continue to tread cautiously in natural gas weighted stocks.

We remain fully invested with the focus on identifying overlooked situations like Horizon North. The near term market is tricky as unknowledgeable investors are now chasing some overvalued stocks higher on speculation, but many undervalued situations remain. We are positioned very differently from the energy index, with relatively low natural gas exposure as most natural gas companies are overvalued today. Long positions are focused in oil, power and energy infrastructure areas or in special situations. Short positions are focused primarily in the debt-levered high cost gas producers. We look forward to good returns to come as the market recognizes the value in the portfolio.

### **Northern Rivers Conservative Growth Fund LP**

The Growth fund had a good month, rising 1.11%. Fund performance was split during the month, with about 60% of holdings rising and 40% falling slightly during the month. The highlight of the month was the business developments at Horizon North and another solid quarterly report and gains from Rogers Communications.

Rogers reported strong quarterly results, beating most expectations, and the stock continues to move higher, as more investors realize the stock is trading at a substantial discount to its intrinsic value. The Company is continuing to build its business, while maintaining a conservative balance sheet and paying out an increasing stream of dividends to shareholders. The stock is trading at under 11 times our Free Cash Flow estimate and we see good upside over the coming year.

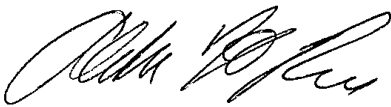
The portfolio retains its balanced approach. No one sector represents more than 27% of the portfolio with the top sector weightings being energy at 22.5%, followed by technology and consumer staples. We remain fully invested, with many undervalued situations that we believe have substantial appreciation potential.

### **May 31st Next LP Closing**

The next closing for the Northern Rivers Global Energy Fund LP, the Northern Rivers Conservative Growth Fund LP, the Northern Rivers Innovation Fund LP and the Northern Rivers Innovation RSP Fund is May 31st, 2010. The Northern Rivers Conservative Growth Fund (mutual fund) offers daily valuations and is both RRSP and TFSA eligible.

As always, my colleagues and I are available for meetings with clients and interested parties. Please contact James Wanstall at 416-985-6897 or Christine Bates at 416-597-3257 for more information or to set up an appointment, or call 416-597-1226 to speak with any one of us directly concerning the specific funds we manage. Our toll free number is 1-866-902-7060.

Warmest regards,



Alex Ruus, CFA, MBA, P.Eng.  
Portfolio Manager

\*Commissions, trailing commissions, management fees, performance fees, and expenses all may be associated with investment funds. Please read the offering memorandum before investing. The indicated rates of return are the simple returns (YTD, 1 mo, 3 mo, 6 mo) or the historical annual compounded total returns (1 yr, 3 yr and since inception). All returns are net of fees but do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated. The Energy Fund and the Growth Fund invest primarily in North American equities. Geographic and sector allocations may vary significantly over time. The funds tend 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. The funds may engage in short selling and may also use specified derivatives, such as calls and puts, warrants, index futures and exchange traded funds. This may result in portfolio weightings and investment performance being substantially different from that of the S&P/TSX Composite, S&P 500 or other market indices.