



Northern Rivers Capital Management Inc.
 Royal Bank Plaza
 North Tower, Suite 2000
 200 Bay Street, PO Box 66
 Toronto, Ontario
 M5J 2J2 Canada

Tel: 416.597.1226
 Toll Free: 1.866.902.7060
 Fax: 416.597.8926

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Dear Partners and Friends:

August was a difficult month for both funds, with the Northern Rivers Global Energy Fund LP (the Energy Fund) down 6.69% and the Northern Rivers Conservative Growth Fund LP (the Growth Fund) down 10.47%.

Average Annual Returns* to August 31, 2007

	2007 YTD	1 mo.	3 mo.	6 mo.	1 Yr.	Inception**
Northern Rivers Global Energy Fund LP	20.98%	-6.69%	-1.77%	4.68%	20.25%	24.20%
Northern Rivers Conservative Growth Fund LP	1.41%	-10.47%	-12.38%	-7.47%	16.05%	29.03%

**Inception date: November 1, 2005

Northern Rivers Global Energy Fund LP

The Energy Fund had a tough month primarily due to substantial pullbacks by the majority of our small capitalization companies. This offset some decent positive returns which resulted from announced takeover of two of our portfolio companies.

The highlight of the month (or more appropriately for this month, the lowlight) was the meltdown of liquidity from much of the small cap market. Almost to a T in our fund, any of the small cap holdings that had no news during the month had pullbacks of at least 10% or more. August was a month of huge extremes for both the general fixed income and equity markets and the small cap market in particular. While August's results showed a big pullback, the intra-month results were even wilder as the first two weeks of August saw a huge pullback and at mid-month small cap stocks were in a spectacular freefall as the markets for many small cap companies saw almost no bids that were not at huge discounts to the level they were trading at. Following the total panic in mid August, the markets actually experienced somewhat of a return to reason as most stocks saw a decent gain in the latter part of the month, regaining part of the early August losses.

The largest single impact on the portfolio during August was the pullback by our largest holding, Pacific Energy, which fell 13%. We have talked about Pacific several times this year in glowing terms and are confident this holding will have a very positive impact on the portfolio in the future. Unfortunately for the fund's August results, the company announced that they would be raising additional equity to help finance the company's acquisition of Forest Oil's Cook Inlet assets in Alaska. While this as a good purchase for the company and provides a strong 3rd leg of growth for Pacific (to add to their California and Wyoming assets), this is a very large asset purchase for the company and it requires a substantial equity raise to ensure the balance sheet isn't overleveraged. Once we get past the financing, we expect good appreciation from this holding which should allow us to recover the ground we lost in August.

Hidden amongst the general market pullback in August were the announced offers to acquire two of our holdings, Rally Energy and Pulse Data. Both holdings were up substantially during the month. As we mentioned last month, given our investment approach, we view all the holdings in our funds as potential takeouts as many corporate acquirers seek many of the same attributes as we do. In the case of Rally Energy, the company had an old heavy oil field in Egypt that had not been fully exploited in the past. We felt the new management of Rally had the skills to surface the hidden value in the field and made an investment two years ago. This investment has resulted in a return on our investment of over 250% since we invested. We say thank you to the team at Rally for a job well done and the great returns generated.

We mentioned last month that the energy market continues to experience schizophrenia, as the oil market continues to hit new highs and the gas market continues to be very weak. On September 13th the oil markets hit a new high of over \$80. We think this continues to underline the bullish stance we have for investing in the Northern Rivers Global Energy Fund LP and continue to be very optimistic about the outlook for the fund's holdings. We are continuing to add to our core holdings with the recent pullback and are finding attractive new opportunities to invest in. Historically, pullbacks similar to that in August have provided a great opportunity to buy at depressed valuations.

Northern Rivers Conservative Growth Fund LP

The Conservative Growth Fund LP had a difficult month in August due primarily to a substantial pullback by many of our small cap names. While small cap names were the primary culprits in August, we felt like we were hit by somewhat of a perfect storm last month as the vast majority of our holdings in our fund had a poor month in the stock market, even while their fundamentals continued to look stellar. As with the Energy Fund, the pullback in the majority of the portfolio masked some solid gains from the takeover offer for Rally Energy.

August as a whole masked an even more volatile market intra-month. Weakening conditions in the US real estate market have now spread to infect many other areas of the market and the risks of a US recession have risen. While, we still feel that adequate central bank intervention will manage to prevent a US recession and that the economy will get by with just a growth pullback, the weakening is definitely stronger than expected earlier this year.

Financial markets in August reflected this increasing concern over the broader economy and more significantly were hit by a liquidity crisis which saw financial assets in the thinner liquidity categories take substantial hits to their values. The reductions in value were generally across the board and relatively indiscriminate with respect to specific investment attributes. In the small cap equity market most holdings took a substantial hit. Going forward we think the market will be more discriminating as to which securities are actually in trouble versus those that continue to be solid investments.

The large pullback in many of our small cap holdings surprised us as we have had the strongest conviction in this area of the market having uncovered many strong small businesses to invest in. We continue to stick with our discipline of holding a mix of small, medium, and large capitalization companies in the portfolio. This approach provides a good mix of long-term returns while reducing risk. While this month's portfolio's volatility was greater than normal, this does happen occasionally and gives us the opportunity to increase holdings in companies that are being blindly sold by other panicking market players. Performance in the first half of September is vindicating our approach as we have seen a solid performance so far this month.

The strategy we use for the Conservative Growth Fund LP is one I have used for over fifteen years, and this is the biggest pullback with the strategy since 2003. Similar to 2003, we feel this is an opportunity to put more money to work in some great investment opportunities that have unjustifiably declined in value. The portfolio continues to be fully invested and we would not hesitate to put more money into our core holdings. To back my conviction, I am personally putting more money to work in the mandate this month.

We believe the portfolio is well positioned to produce good returns over the coming years and look forward to bringing on more of you as clients to participate with us.

September 28th Next LP Closing

The next closing for the Northern Rivers Conservative Growth Fund LP and Northern Rivers Global Energy Fund LP is September 28, 2007. The Innovation RSP Fund also remains open for both registered and non-registered investment. Please also ask us about our two new mutual funds, information on which will be sent to you under a separate communication.

As always, my colleagues and I will make ourselves available for meetings with interested parties. Please contact Robyn Graham, Vice President Sales & Marketing or Saree Ghosh, Sales & Marketing Associate for more information or to set up an appointment, or call 416-597-1226 to speak with any one of us concerning the specific funds we manage.

Warmest regards,

A handwritten signature in black ink, appearing to read "Alex Ruus". The signature is fluid and cursive, with the first name "Alex" and last name "Ruus" clearly distinguishable.

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 returns are the simple rates of return (YTD, 1 month, 3 month, 6 month, and 1 year) or the historical annual compounded total returns (since inception). All returns are net of fees. Rates of return shown 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.