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September 11, 2008

Dear Partners and Friends:

August was a mixed month in the markets characterized primarily by a continued correction in smaller capitalization stocks alongside a slight rebound by larger capitalization stocks. The Northern Rivers Global Energy Fund LP (Energy Fund) was down 5.39% during the month, and the Northern Rivers Conservative Growth Fund LP (Growth Fund) was down 0.76%.

Average Annual Returns to August 31, 2008*

	2008 YTD	1 mo.	3 mo.	6 mo.	1 Yr.	2 Yr.	Inception**
Northern Rivers Global Energy Fund LP	-7.87%	-5.39%	-16.56%	-3.12%	-0.67%	9.29%	14.77%
Northern Rivers Conservative Growth Fund LP	-17.90%	-0.76%	-11.15%	-11.43%	-7.17%	3.79%	14.86%

**Inception date: Nov. 1, 2005

Northern Rivers Global Energy Fund LP

The Energy Fund's negative return in August was primarily due to an acute pullback in the fund's smaller capitalization holdings which fell alongside declining oil and natural gas prices during the month. Oil dropped below \$115 and natural gas below \$8 in August. This caused a significant correction in energy stocks as investors anticipated even further pullbacks in commodity prices in future months. This overall negative environment overwhelmed a number of decent gains in the portfolio and specifically some great results from a number of our top holdings.

Commodities continued to drop in August as concerns over demand destruction in Western economies overhung the market. As we stated last month, the equity markets are factoring in lower commodity prices already, but every day that investors see a lower commodity price quote, they are increasingly driven to lighten up on their energy sector holdings for fear that the price will continue to drop and, as was the case in the spring when prices were rising, nobody seems to really know what the true price should be for oil and gas in the coming year and how to value the energy equities in the market.

The reality of the market is that 86 million barrels of crude oil is trading every day at over \$100 per barrel, which makes most companies in this sector very profitable and if the price stays there they look very inexpensive and represent good value. Global demand for oil is continuing to rise at the rate of approximately 800,000 barrels per day (about a 1% growth rate); with western economies starting to reduce their consumption, but this is more than offset by growth in

consumption from emerging economies. Meanwhile, spare global capacity continues to be less than 5% of demand and most of this is in one country, Saudi Arabia.

While oil has dropped from \$145 in early July (just two months ago) to under \$115, on a one-year basis the price is still up significantly from the mid \$70 range last year. Natural gas has had a much more discouraging drop from \$13 in June, all the way down to under \$8 today, as it appears North America is well supplied in the short-term. So what is our outlook and how are we managing the portfolio in view of these developments?

We are lowering our overall gas weighting in the portfolio in view of our concern about an extended slump in natural gas markets in North America, but we are maintaining exposure to select emerging tight gas opportunities that we believe will make big gains for the portfolio over the coming year, even in a lower gas price environment. We have trimmed our oil weighted holdings slightly until we see some stabilization in the oil markets. We are focusing our investments into specific names that will rebound strongly once oil prices stabilize. We continue to look for opportunities in the alternative plays in companies whose businesses benefit from the upshift in energy pricing that has occurred over the last five years. Finally, we continue to search for short opportunities in overvalued and over levered energy stocks.

The highlight of the month was a 11% rise by ZCL Composites, the fund's largest holding. As we discussed last month, the stock market was overlooking this superb but undiscovered company and vastly undervaluing it. ZCL reported excellent results for the 2nd quarter of 2008 in mid August, and the stock partially responded to these above expectation results with an 11% increase. We believe this is just the first in a long series of positive developments that you will see from ZCL in the coming years and we are expecting it to be a strong contributor to the fund's performance in the coming year.

To summarize, the very bullish long-term drivers for the energy sector continue to be in place. Short-term we are now seeing some volatility in both the commodity and equity marketplace, but we are positioning the fund to better take advantage of both the long and short-term drivers. We think the outlook for the fund is compelling and look forward to good results to come in our energy squeezed world.

Northern Rivers Conservative Growth Fund LP

The return was only slightly negative for the Growth Fund in August, as positive results from each of our top four holdings were offset by pullbacks in many of our smaller cap holdings. Most notable was the 65% rise in Saxon Financial, as it agreed to be purchased by a larger competitor, Investor's Group.

The acquisition of Saxon Financial at a large premium to the value the stock market was ascribing to it at the end of July is a good example of why we think the Growth Fund continues to be a compelling fund for investors to put their money into and why we continue to invest money in some stocks that have fallen in value in the past year. At the end of the day, any business has an

intrinsic value that is dictated by its long-term free cash flow generation ability. We bought shares in Saxon for exactly this reason. The stock was trading at a substantial discount to its intrinsic value, and we had been adding to our position in the weeks prior to the announced acquisition. Our only frustration was that we were in the process of making the position substantially larger than the 3% position it is in the portfolio.

The Saxon acquisition also illustrates one other very important point that we have seen many times over as portfolio managers. In the short-term, public markets can make huge mistakes in valuing companies due to many investors investing on the basis of emotion, instead of analysis. In the long-term, if the public markets do not recognize the value in companies, there is usually another company or private equity firm that is willing to take a disciplined value approach and recognize these undervalued opportunities. It is for this very reason that we believe the growth and energy funds are more compelling investments today than at any other point in the past year.

Saxon is just one of the many companies in the portfolio that we believe to be absolutely compelling investments. The opportunity to make a great return going forward is substantial. As such, I have again added to my investment in the Northern Rivers Conservative Growth Fund (mutual fund) in August and will do so again in September. I look forward to good returns to come.

September 30 Next LP Closing

The next closing for the Northern Rivers Global Energy Fund LP and the Northern Rivers Conservative Growth Fund LP is September 30, 2008. We are also pleased to announce the re-opening of the Northern Rivers Innovation Fund LP this month, and its RSP eligible version remains open as well.

New Mutual Fund Services

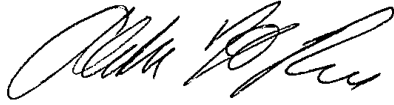
The Northern Rivers equity mutual funds celebrated their one year anniversary on August 27, 2008. Both funds delivered solid returns in their first year and will now be displayed on our website and other marketing materials. Please also ask us about our recently launched Northern Rivers RRSP/RRIF and pre-authorized chequing plan for the Northern Rivers mutual funds.

A pre-authorized chequing plan is a fantastic way of investing in the mutual funds, using dollar cost averaging to take advantage of market volatility. I believe this is one of the best ways to invest and build retirement assets. As such, I will be personally enrolling in this service this month in order to help build my retirement nest egg. Please call our marketing and sales team for more information.

As always, my colleagues and I will make ourselves available for meetings with interested parties. Please contact Jeffrey Zicherman, Sales Associate at 416-597-8508 or Robyn Graham, Vice President Sales & Marketing 416-597-3890 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. Our toll free number is 1-866-902-7060.

Warmest regards,

A handwritten signature in black ink, appearing to read 'Alex Ruus', written in a cursive style.

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 (2 year and 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.