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Dear Partners and Friends:

May was a good month across the board for the funds and the equity markets in general, with a continuation of the rally which started March 6. The Northern Rivers Global Energy Fund LP (Energy Fund) was up 1.04% during the month, and the Northern Rivers Conservative Growth Fund LP (Growth Fund) was up 3.79%.

Average Annual Returns to May 31, 2009*

	2009 YTD	1 mo.	3 mo.	6 mo.	1 Yr.	3 Yr.	Inception**
Northern Rivers Global Energy Fund LP	0.55%	1.04%	5.81%	-8.68%	-57.64%	-15.60%	-7.70%
Northern Rivers Conservative Growth Fund LP	0.67%	3.79%	6.84%	1.39%	-40.20%	-9.75%	-0.09%

**Inception date: Nov. 1, 2005

What happened in May?

Economic data is looking a bit more encouraging with numbers coming out better than expected and the pace of decline decelerating. The economy continues to be in the midst of the toughest recession in the post-war period, however, and employment fell for the sixteenth consecutive month in the U.S.

The U.S. big bank stress test conducted by the government, while criticized for not being harsh enough, seems to have calmed financial markets. Several banks announced their intention to repay the TARP (Troubled Asset Relief Program) funds they borrowed last fall to escape intrusion into their daily business by the government.

Private capital is starting to re-appear as an investor in U.S. financials. In May, BankUnited Financial Corporation of Florida was purchased by private capital firms from the FDIC (Federal Deposit Insurance Corp) even as bank failures in the U.S. soared to 15 year highs. The buyers agreed to inject \$900 million into the Florida lender.

Other U.S. government actions, such as TALF (Term Asset Lending Facility) helped revive the mortgage, commercial paper, and even some of the simpler asset backed security markets. Credit default swap rates are back below 200 basis points.

In the U.S. , the Realtors' Affordability Index for Residential housing rose to a record high of 166 as a result of record low mortgage rates (for those that the banks will lend to) and falling home prices. Buyers are starting to respond to affordable housing, even though they fear that housing prices could fall further before bottoming. Buying is now cheaper than renting on an after-tax basis for most Americans. More than half of March buyers were first-time homeowners, a much more stable

underpinning for housing prices than fickle investment or second home buyers. While housing prices continue to slide, we are now definitely closer to the bottom than the top of this market.

Automobile sales rose in May, thanks to industry incentives, but at an expected 9.4 million units on a seasonally adjusted basis, remain far below the 14.3 million unit rate a year earlier.

Finally, interest yields on long-term government debt continued to creep upwards, as the large government deficits and debt levels are starting to concern bond investors regarding long-term inflation levels and the safety of their investments.

Northern Rivers Global Energy Fund LP

The Energy Fund benefitted from strong gains on several of our holdings offset by some substantial losses on our short portfolio. The strong rally in energy equities and the price of oil during the month was much stronger than expected in view of the very grim short term fundamentals for the commodities. We entered the month defensively positioned in the face of continuing inventory builds of oil and gas globally.

Crude oil rallied strongly into the \$60's during May, despite 100s of millions of barrels of oil floating around aimlessly on the oceans in oil tankers. This continually increasing floating storage is being financed by the financial players and the global multinationals playing the contango in the oil market. (The contango is the positive difference in the price between the futures market for a commodity and the spot price). These players are buying oil in the spot market and then turning around and selling it at higher prices in the futures markets (which are trading at higher prices than spot prices). As long as the contango (or spread) is large enough to offset the price of renting the tankers for the period between now and when the futures contract matures, a profit can be made. The tricky part for the oil markets is that at some point the contango disappears at which point the fundamentally oversupplied oil market (short-term) will likely suffer a substantial downward price correction.

We are expecting this correction in the oil price to occur soon and when it happens, it will likely mark the top end of the trading range for oil over the coming year until we see a resumption of growth in the economy. The stronger oil price has now started to make oil-weighted energy companies look more attractive as cash flows are starting to recover, but we remain vigilant to stick with investments that have the balance sheets and cost structures to continue to weather any short-term corrections back down to \$40 per barrel. The market looks more interesting but it is a bit ahead of itself right now.

The North American gas markets continue to look quite poor with record high inventories for this time of the year and now a new supply threat appearing on the horizon. While we have discussed in previous letters the surge of natural gas production coming from new shale and tight rock plays around North America, we are now increasingly concerned that a new wave of LNG liquefaction capacity coming on stream over the next 18 months will continue to keep North American natural gas prices at very depressed levels.

After several years of strong natural gas production growth in the U.S., some investors have been plunging back into natural gas producers on the premise that gas prices will soon be recovering as drilling in North America has plummeted, thus causing a decline in gas production. While we agree that gas production in North America is starting to roll over now, which in normal times would mean recovering gas prices and an opportunity to buy natural gas stocks, we believe this will be an

extended down cycle that will take longer than expected to correct upwards due to the LNG problem.

New LNG liquefaction projects totaling almost 8 billion cubic feet per day are scheduled to start producing and shipping gas to consuming countries over the next 18 months. This is a 25% increase to global LNG capacity in a very short time during the worst global economic downturn in the post war period. This amount of LNG increase would be disruptive to gas markets during the best of economic conditions, but in the current economic environment will put severe downward pressure on gas prices.

Long-term, this LNG capacity will primarily be consumed in Asia and Europe, but due both to the recession and the lack of gas storage capacity in those regions, North America will likely end up becoming the dumping ground for this low-cost gas supply. This will result in the upturn in North American gas prices and hence many North American gas producers being delayed much longer than those buying gas-weighted stocks today believe. In the case of gas producers with substantial debt-loads on their balance sheets, this could force these companies out of business or to sell at depressed valuations.

As a result of this very disconcerting scenario, the Energy Fund contains very little weight in natural gas producers and service companies at this time. We feel so strongly about our conviction on the natural gas scenario painted above that we have a number of substantial short positions to take advantage of what we expect to be continued weaker than expected gas prices and a strong downward correction in over-levered or high cost gas producers. While this stance did not pay off for us in May, we expect it will bear fruit for us in coming months.

Overall, the Energy Fund remains quite defensively positioned with a net long position of only about 50%. Long positions are focused in power and energy infrastructure areas or in some special situations. Short positions are focused primarily in the debt-levered high cost producers. We look forward to being rewarded by our bets in the coming months, after which we will reposition the portfolio to take advantage of our longer-term bullish view on all energy markets.

Northern Rivers Conservative Growth Fund LP

A majority of the fund's long positions saw good gains during the month. Returns were dampened by losses on our short positions, a low resource weighting, and the drag of a weaker U.S. dollar on our U.S. holdings.

The strongest performance in the portfolio came from Webtech Wireless which rose approximately 50% during the month. The rise in Webtech was due to the company reporting a solid quarter of growth in revenue and profits, as well as reporting the first of what we expect to be many new business wins for this leader in the global telematics business. While the stock rose strongly during the month, we expect continued strong gains to follow as business continues to build.

A new top ten holding was added to the portfolio during May, BCE. Canada's largest telecommunications company presented a compelling entry point during the month for the fund as the stock dropped to a depressed \$23 level. BCE is the incumbent provider of phone and internet service to most of eastern Canada, one of the three major providers of wireless service in Canada, and is the owner of ExpressVu satellite TV service and several other businesses.

BCE was the subject of a failed leveraged buyout (LBO) attempt in 2008 and the stock fell from the \$40 level as a result. At \$23, we see a bargain entry point into a cash flow machine with a management team that is now streamlined and focused on generating shareholder value. All the attributes that made it an attractive LBO takeover target are still present today, but we got the opportunity to own the stock at more than a 40% discount to what the takeover companies were willing to pay, without taking the debt-leverage risk. We think it is a compelling holding in this time of economic weakness, and we will be paid a very safe dividend of over 6% to hold the stock until the market realizes the undervaluation present in the holding.

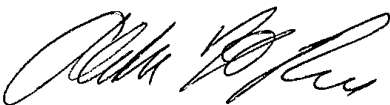
The portfolio maintains its balanced approach. No one sector represents more than 20% of the portfolio with the top sector weightings being technology, followed by healthcare and consumer staples. Cash continues at a defensive 30% as we search for opportunistic entry points in solid franchises. We expect mixed economic and market news over the coming months to provide us with good opportunities to add to new positions, while the present portfolio is already poised for good appreciation. We look forward to some good returns from the portfolio over the coming year.

June 30th 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 June 30, 2009. 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 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 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.