



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
Fax: 416.597.8926

June 16, 2008

Dear Partners and Friends:

May was a good month for your investments. The Northern Rivers Global Energy Fund LP (Energy Fund) and the Northern Rivers Conservative Growth Fund LP (Growth Fund) both rose during the month. The Energy Fund was up 7.65% and the Growth Fund was up 3.48%.

Average Annual Returns to May 31, 2008*

| | 2008 YTD | 1 mo. | 3 mo. | 6 mo. | 1 Yr. | 2 Yr. | Inception** |
|--|---------------|--------------|---------------|---------------|---------------|---------------|---------------|
| Northern Rivers Global Energy Fund LP | 10.42% | 7.65% | 16.10% | 17.03% | 16.94% | 19.14% | 24.76% |
| Northern Rivers Conservative Growth Fund LP | -7.60% | 3.48% | -0.32% | -0.14% | -8.46% | 10.88% | 21.87% |

**Inception date: Nov. 1, 2005

Northern Rivers Global Energy Fund LP

The Energy Fund's excellent performance in May was due to rising prices among the majority of its holdings. Performance would have been even stronger if it hadn't been for a 9% drop by our biggest holding, ZCL. We used the drop to add even more of this compelling investment to the fund as 2009 is shaping up to be a great year for the company.

The global energy markets continue to be extremely tight, driving prices ever higher. The price for oil broke a new high of \$138 in early June, more than double last year's price. Similarly, natural gas prices are now over \$12, also more than double last year's prices. We think this provides an absolutely compelling backdrop for investing in the Energy Fund.

At today's commodity prices, just about every holding we have in the fund is substantially undervalued. This provides the basis for great appreciation potential going forward. We are finding many compelling investment opportunities to invest in and are running the fund at a fully invested position. With oil over \$130 and gas over \$12, every investor should have exposure to some well managed energy assets.

Northern Rivers Conservative Growth Fund LP

The Growth Fund was up nicely in May as the majority of holdings displayed solid performance during the month. As with the Energy Fund, our performance would have been stronger still, except for the fact that our biggest holding, ZCL, was down 9%. We used the weakness to

continue accumulating this compelling investment. I will discuss ZCL in more detail in upcoming letters.

The overall portfolio continues to be positioned for a relatively weak U.S. consumer over the coming year, with an emphasis on special situations that should be relatively isolated from the U.S. consumer. Our biggest weighting remains energy at approximately 27% at the time of writing, followed by technology at about 15% and then precious minerals near 11%. Financial weightings continue to run at the low end of our historical weightings at approximately 7% of the portfolio. At some point we will increase our weighting in the financial area, but it is still too early to do so, as we expect continued deterioration in the majority of financial services companies over the short-term.

We believe the strategy we have mapped out for the Growth Fund, along with consistent strong progress from many of our existing holdings provides a very positive outlook for continued good returns. As I have strong conviction for the appreciation potential of the portfolio, my family will be adding to our holdings in the mandate this month. I encourage all of you to join us in investing in the fund.

June 30 Next LP Closing

The next closing for the Northern Rivers Global Energy Fund LP and the Northern Rivers Conservative Growth Fund LP is June 30, 2008. The Innovation RSP Fund also remains open to both registered and non-registered investment. Please also ask us about our two new mutual funds, co-managed by my colleague, Hugh Cleland and me.

As always, my colleagues and I will make ourselves available for meetings with interested parties. Please contact Robyn Graham, Vice President Sales & Marketing or Jeffrey Zicheran, Sales 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,



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.