Financial statements of

Ravensource Fund

June 30, 2009

Ravensource Fund

June 30, 2009 (Unaudited)

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MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim financial statements have been prepared by Stornoway Portfolio Management Inc. in its capacity as the Investment Manager of the Trust. The Trust's Investment Manager is responsible for the information and representations contained in these financial statements.

The Investment Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The unaudited interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include certain amounts that are based on estimates and judgements made by the Investment Manager. The significant accounting policies which the Investment Manager believes are appropriate for the Trust are described in Note 2 to the unaudited interim financial statements.

On behalf of the Investment Manager

___________________________________ __________________________

Date

NOTICE TO UNITHOLDERS

The Auditors of the Trust have not reviewed these financial statements.

Stornoway Portfolio Management Inc., the Investment Manager of the Trust, appoints an independent auditor to audit the Trust's annual financial statements. Applicable securities laws require that if an auditor has not reviewed the Trust's interim financial statements, this must be disclosed in an accompanying notice.

Ravensource Fund

Statement of Operations

For the six month period ended June 30 (Unaudited)

	2009	2008
Investment Income		
Interest	$ 122,721	$ 54,669
Dividends and income trust distributions	41,427	59,292
	164,148	113,961
Expenses		
Management fees (Note 4(a))	26,968	43,216
Administrative fees (Note 4(c))	14,521	23,270
Legal fees	14,383	-
Audit fee	12,799	12,870
Trust administration and transfer agency fees	12,644	12,909
Accounting fees	8,824	8,653
Listing fees	8,469	5,304
Other expenses	7,116	9,441
Investor relations fees (Note 4(d))	4,351	8,011
Interest on Overdraft	327	-
Custodian fees	60	269
	110,462	123,943
Net Investment Income (Loss)	53,686	(9,982)
Realized And Unrealized Gain (Loss) on Investments		
Transaction costs	(5,230)	(13,892)
Net realized gain (loss) on investments, including foreign	(29,268)	675,627
Net change in unrealized appreciation (depreciation) on investments	525,742	(1,925,509)
Net Gain (Loss) On Investments	491,244	(1,263,774)
Increase (Decrease) In Net Assets From Operations	$ 544,930	$ (1,273,756)
Increase (Decrease) In Net Assets From Operations Per Unit	$ 0.38	$ (0.88)

The accompanying notes are an integral part of these financial statements.

Ravensource Fund

Statement of Net Assets

	As at June 30, 2009 (Unaudited)	As at December 31, 2008 (Audited)
ASSETS		
Cash	$ 590,851	$ 1,425,993
Investments owned, at fair value (Cost: $11,030,042; 2008 - $10,220,574)	7,818,034	6,506,014
Interest and dividends receivable	74,791	138,472
	8,483,676	8,070,479
LIABILITIES		
Accounts payable and accrued liabilities	38,717	42,558
Management and administrative fees payable	7,319	7,050
	46,036	49,608
NET ASSETS	$ 8,437,640	$ 8,020,871
Number of Units Outstanding (Note 6)	1,424,016	1,424,016
Net Asset Value Per Unit	$ 5.93	$ 5.63

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Trust

___________________________ Investment Manager
Stornoway Portfolio Management Inc.

Ravensource Fund

Statement of Changes In Net Assets
For the six month period ended June 30 (Unaudited)

	2009	2008
Net Assets, Beginning of period	$ 8,020,871	$ 13,555,985
Increase (Decrease) In Net Assets From Operations	544,930	(1,273,756)
Unitholder Transactions		
Distributions (Note 5(d))	(128,161)	(129,001)
Increase (Decrease) In Net Assets	416,769	(1,402,757)
Net Assets, End of period	$ 8,437,640	$ 12,153,228

The accompanying notes are an integral part of these financial statements.

Ravensource Fund

Statement of Investment Portfolio

As at June 30, 2009 (Unaudited)

NUMBER OF SHARES/UNITS	INVESTMENTS OWNED	AVERAGE COST	FAIR VALUE	% OF NET ASSETS
	CANADIAN EQUITIES			
19,999	Aecon Group Inc.	$ 149,998	$ 230,588	2.73
20,000	BCE Inc.	767,591	480,000	5.69
98,500	Cinram International Income Fund	556,796	184,195	2.18
50,000	Contrans Income Fund	201,000	257,500	3.05
66,500	Data Group Income Fund	447,080	230,755	2.73
140,375	Glacier Media Inc.	368,989	263,905	3.13
21,100	Gvic Communications Corp. Class B Shares	17,091	6,330	0.08
22,500	Gvic Communications Corp. Class C Shares	18,045	9,000	0.11
100,000	HSE Integrated Ltd.	100,500	30,500	0.36
27,900	Indigo Books & Music Inc.	141,639	362,979	4.30
7,000	Intact Financial Corp.	184,450	237,370	2.81
75,000	Livingston Energy Ltd.	97,500	37,500	0.44
33,800	Marsulex Inc.	234,582	328,198	3.89
7,400	Mcgraw-Hill Ryerson Ltd.	286,832	296,000	3.51
79,000	NEO Material Technologies Inc.	173,000	162,740	1.93
15,000	Noranda Income Fund	135,678	42,300	0.50
271,033	Plazacorp Retail Properties Ltd.	325,240	650,479	7.71
200,000	Sigma Industries Inc.	180,000	6,000	0.07
27,547	Twin Butte Energy Ltd.	64,737	24,241	0.29
225,000	UTS Energy Corp.	396,000	351,000	4.16
231,800	Village Farms Income Fund	548,657	162,260	1.92
71,000	Wave Energy Ltd.	150,000	213,000	2.52
75,000	West Energy Ltd.	170,250	155,250	1.84
1,691,000	Westaim Corporation	426,945	498,845	5.91
45,400	Winpak Ltd.	295,252	291,014	3.45
		6,437,852	5,511,949	65.31
	U.S. EQUITIES			
14,800	Capital Senior Living Corporation	113,557	78,284	0.93
92,000	Citadel Broadcasting Corporation	368,758	4,278	0.05
313,125	Seaco Ltd.	392,097	10,920	0.13
124,965	Solutia Inc	747,809	838,218	9.93
		1,622,221	931,700	11.04
	CANADIAN FIXED INCOME			
600,000	First Metals Inc. 14% 5 May 2012	570,750	90,000	1.07
	U.S. FIXED INCOME			
500,000	Crystallex International Corp. 9.375% 23 Dec 2011	402,774	174,375	2.07
1,000,000	Delphi Corp. 6.55% 15 June 2006	732,498	11,625	0.14
1,400,000	Specialty Food Group 8% 14 Dec 2011	1,219,274	1,057,875	12.54
		2,354,546	1,243,875	14.75

The accompanying notes are an integral part of these financial statements.

Ravensource Fund

Statement of Investment Portfolio (continued)

As at June 30, 2009 (Unaudited)

NUMBER OF SHARES/UNITS	INVESTMENTS OWNED (Continued)		AVERAGE COST		FAIR VALUE	% OF NET ASSETS
	CANADIAN WARRANTS					
250,000	Brick Income Fund 2 May 2014		44,373		40,000	0.47
60,000	First Metals Inc. 31 July 2012		300		-	-
100,000	Sigma Ventures Inc. 14 March 2012		-		-	-
			44,673		40,000	0.47
	U.S. WARRANTS					
14,623	Solutia Inc. 31 December 2013		-		510	0.01
	TOTAL INVESTMENTS OWNED		11,030,042		7,818,034	92.65
	Transaction Costs		(17,235)		-	-
	NET INVESTMENTS OWNED	**$**	**11,012,807**		**7,818,034**	92.65
					619,606	7.35
	NET ASSETS			**$**	**8,437,640**	**100.00**

The accompanying notes are an integral part of these financial statements.

1. Trust organization and nature of operations

The Ravensource Fund (the "Trust") is a closed-end investment trust which was created under the laws of the Province of Ontario pursuant to a Declaration of Trust, dated April 28, 1997 as amended January 15, 2001 and as further amended and restated as of August 22, 2003 and as of July 1, 2008 (the "Declaration of Trust"). The Trust's units are listed on the Toronto Stock Exchange ("RAV.UN").

Computershare Trust Company of Canada (the "Trustee") acts as trustee for the Trust. At a special meeting of the Trust's unitholders, Stornoway Portfolio Management Inc. ("SPM"), an Ontario corporation, was appointed as the "Investment Manager" of the Trust, effective July 1, 2008. SPM previously provided portfolio management services to Cinnamon Investments Limited, the previous investment manager, who paid for SPM's services from their portfolio management fees. The change in investment manager did not have a significant impact on the basis of fees charged to the Funds.

The Investment Manager provides portfolio management and administrative services to the Trust, subject to the overall supervision of the Trustee. The Investment Manager is authorized to invest and reinvest the Trust's assets and make investment decisions on behalf of the Trust. The Investment Manager and its affiliates own 120,600 (December 31, 2008 – 116,700) units representing 8.47% (December 31, 2008 – 8.2%) of the outstanding units as at June 30, 2009.

The capital of the Trust is represented by the net asset value of the Trust, and comprises mainly of investments. As more fully outlined in the Declaration of Trust, the principal investment objective of the Trust is to achieve absolute annual returns, with an emphasis on capital gains, through investment in selected North American securities. The Trust will invest its property primarily in North American high yield and distressed debt securities, and in small capitalization equity securities. The success of the Trust depends on the continued services of the Investment Manager and will be influenced by a number of risk factors including liquidity risk, market risks, investment in options, and leverage from borrowed funds.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The following is a summary of the significant accounting policies followed by the Trust:

a) Valuation of Investments

The Trust's investments are presented at fair value determined as follows:

(i) Securities listed upon a recognized public stock exchange are valued at their bid prices on the valuation date. In a situation where, in the opinion of the Investment Manager, a market quotation for a security is inaccurate, unreliable or not readily available, the fair value of the security is estimated using valuation techniques generally used in the industry.

(ii) Securities not listed upon a recognized public stock exchange are valued using valuation techniques, which take into account market factors, valuation of similar securities and interest rates.

(iii) Short-term notes, treasury bills, bonds, asset-backed securities and other debt instruments are valued at bid quotations from recognized investment dealers.

2. Summary of significant accounting policies (Continued)

b) *Investment transactions and income recognition*

Purchases and sales of securities are recorded on a trade date basis. Interest income is recognized on an accrual basis; however no accrual is made on the defaulted bonds. Dividend income (including distributions from income funds) is recognized at the ex-dividend date. Net realized gains (losses) on the sale of investments include net realized gains or losses from foreign currency changes and are based on weighted average cost.

C) *Income tax*

The Trust is taxable as a mutual fund trust under the Income Tax Act (Canada) on its income including net realized capital gains in the taxation year, which is not paid or payable to its unitholders as at the end of the taxation year. It is the intention of the Fund to distribute all of its net income and sufficient net realized capital gains so that the Fund will not be subject to income taxes.

d) Foreign currency translation

Investments and other assets and liabilities that are denominated in foreign currencies are translated into Canadian dollars at the exchange rates on year end date. Purchases and sales of investments and income derived from investments are translated at the exchange rate prevailing on the respective dates of such transactions. The Trust does not separately report the effects of changes in foreign exchange rates from changes in market prices on investments held. Such changes are included in net realized gain or loss from/unrealized appreciation or depreciation of investments.

e) Transaction costs

Transaction costs are expensed and are included in the Statement of Operations. Transaction costs are incremental costs that are directly attributable to the acquisition, issue, or disposal of an investment, which include fees and commission paid to agents, advisors, brokers, and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties.

f) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets (primarily with respect to less liquid investments) and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

g) Adoption of new accounting standards

On January 1, 2008 the Trust adopted three new accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”): Handbook Section 1535, *Capital Disclosures* (“Section 1535”); Handbook Section 3862, *Financial Instruments – Disclosures* (“Section 3862”); and Handbook Section 3863, *Financial Instruments – Presentation* (“Section 3863”). These new sections have been applied prospectively.

Section 1535 specifies the disclosure of (i) an entity’s objectives, policies, and procedures for managing capital; (ii) quantitative data and qualitative information about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

2. Summary of significant accounting policies (Continued)

g) Adoption of new accounting standards (Continued)

The adoption of Section 1535 did not have a significant impact on the Trust's disclosures as: (i) the Trust's objectives, policies, and procedures relating to equity and investments are described in Notes 1, 5, 6, 10 and the statement of changes in net assets; and (ii) the Trust does not have any externally imposed capital requirements.

Sections 3862 and 3863 replaced Section 3861, *Financial Instruments – Presentation and Disclosure*. Section 3862 has placed increased emphasis on disclosures relating to risks associated with both recognized and unrecognized financial instruments and how the Trust manages these risks. These expanded disclosures are now included in Note 10. Section 3863 carries forward the presentation requirements of Section 3861.

3. Net asset value

Amendments to NI 81-106, effective September 8, 2008, remove the requirement that net asset value, for redemptions and subscriptions, ("Net Asset Value") be calculated in accordance with Canadian GAAP.

Net asset value ("pricing NAV") per unit is computed by dividing the net asset value determined for the purchase and redemption of units in accordance with the Trust's prospectus, by the total number of units outstanding.

At June 30, 2008, the pricing NAV per unit of $8.57 was different from the net assets per unit calculation, which is presented on the Statement of Net Assets ("GAAP net assets"). The difference was due to valuing actively traded securities at bid for GAAP net assets while pricing NAV used closing prices.

From August 31, 2008, the calculation of pricing NAV was changed and it is now consistent with the calculation of GAAP net assets - there is no difference between pricing NAV and GAAP net assets at June 30, 2009.

4. Related Party Transactions

a) Management fees

The management fee payable to the Investment Manager is based on the Trust's average weekly net assets at the end of each week and payable on the last business day of each calendar month as follows:

Average Weekly Net Assets	Management Fee
Up to and including $250 million	0.65% of Net Asset Value plus GST
Between $250 million and $500 million	0.60% of Net Asset Value plus GST
$500 million and more	0.55% of Net Asset Value plus GST

b) Incentive fee

An incentive fee will be payable to the Investment Manager in any year, equal to 20% of the amount by which the net asset value per unit at the end of the year, adjusted for contributions, distributions, and redemptions during the year, exceeds the net asset value per unit at the beginning of the year by more than 5%, plus any shortfall from prior year. This fee will be accrued monthly but calculated and paid annually.

4. Related Party Transactions (Continued)

c) Administrative fees

Subject to the supervision of the Trustee, the Investment Manager agrees to be responsible for and provide certain administrative services to the Trust. The Trust will pay the Investment Manager a fee based on the Trust's average weekly net assets at the end of each week and payable on the last business day of each calendar month as follows:

Average Weekly Net Assets	Administrative Fee
Up to and including $250 million	0.35% of Net Asset Value plus GST
Between $250 million and $500 million	0.30% of Net Asset Value plus GST
$500 million and more	0.25% of Net Asset Value plus GST

d) Investor relations fees

The Investment Manager is paid a monthly investor relations fee for unitholder reporting and other services provided under a service agreement.

e) Other related party transactions

Certain senior executives and board members of the Investment Manager and their affiliated entities (excluding the Investment Manager and its affiliates) are unitholders in the Trust. At June 30, 2009, such related parties held 547,994 (December 31, 2008 – 547,994) units approximately representing 38.48% (December 31, 2008 – 38.48) of the units of the Trust. All transactions were conducted on an arm's length basis based on net asset values. The units held by the Investment Manager and its affiliates in the trust are disclosed in note 1.

5. Unitholders' entitlements

The Unitholders' entitlements with respect to the net assets and distribution of Income are generally as follows:

a) Entitlement in respect of net assets

A pro-rata share of the net assets of the Trust in the proportion that each unitholders' equity bears to the aggregate unitholders' equity.

b) Tax designations and elections

The Trustee shall file all tax returns, on behalf of the Trust, required by law.

c) Redemption of units

By delivering an Annual Redemption Request to be received by the Trust's registrar and transfer agent on or before the twentieth business day prior to the applicable Annual Redemption Date, being the valuation date following August 31 in any year, subject to compliance with applicable laws and the provisions, unitholders shall be entitled to require the Trust to redeem some or all of their units outstanding at net asset value as of the Annual Redemption Date.

d) Distributions

The Trust intends to make semi-annual distributions to unitholders of record as of the last Valuation Date of each of June and December in each calendar year, of such amount per unit as the Trustee, upon consultation with the Investment Manager, may determine.

5. Unitholders' entitlements (Continued)

d) Distributions (Continued)

It is anticipated that the annual distribution will be at least equal to the net capital gains plus the net income of the Trust for that year, net of any tax losses brought forward from prior years.

During the period, the Trust made a distribution on June 30, 2009 of $0.09 cents (December 31, 2008 - $0.09 cents) per unit for a total amount of $128,161 (December 31, 2008 – $129,001).

As at December 31, 2008 the Trust has cumulative net capital losses of $21,619,646 (2007 - $21,695,565) for income tax purposes that may be carried forward and applied to reduce future net capital gains. As at December 31, 2008 the Trust has non-capital losses of $297,660 from 2006 for income tax purposes that may be carried forward up to 20 years to offset future net income and realized capital gains.

6. Units of the Trust

The Trust is authorized to issue an unlimited number of redeemable units of beneficial interest, each of which represents an equal, undivided interest in the net assets of the Trust. Each unit entitles the holder to one vote and to participate equally with respect to any and all distributions made by the Trust. The redemption price per unit will be equal to the net asset value per unit calculated on the redemption date.

During the six month period ended June 30, the Trust had the following units outstanding:

	2009	2008
Units, beginning of period	1,424,016	1,433,343
Units, end of period	1,424,016	1,433,343

7. Expenses

The Investment Manager has the power to incur and make payment out of the Trust property any charges or expenses which, in the opinion the Investment Manager, are necessary or incidental to, or proper for, carrying out any of the purposes of the Declaration of Trust, including without limitation all fees and expenses relating to the management and administration of the Trust. The Trust will be responsible for any income or excise taxes and brokerage commissions on portfolio transactions.

8. Indemnification of the Investment Manager

The Trust has indemnified the Investment Manager (and each of its directors and officers) from and against all liabilities and expenses, reasonably incurred by the Investment Manager, other than liabilities and expenses incurred as a result of the Investment Manages' wilful misconduct, bad faith or negligence. There were no claims or expenses against the Investment Manager requiring indemnification during the periods ended June 30, 2009.

9. Financial instruments risk management

Managing the risks of the investment portfolio is a critical element of the investment management process. The Trust's overall risk management process seeks to minimize the potentially adverse effect of risk on its financial performance in a manner that is consistent with the Trust's investment mandate. To accomplish this goal, the Trust utilizes a range of well established tools and methods to manage the risk of the Trust.

In the normal course of business, the Trust is exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk, and other price risk). The value of investments within the Trust portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, market and company news related to specific securities within the Trust. The level of risk depends on the Trust's investment objectives and the type of securities it invests in.

a) *Credit risk*

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Trust. Where the Trust invests in debt instruments and derivatives, this represents the main concentration of credit risk. The market value of debt instruments and derivatives includes consideration of the credit worthiness of the issuer, and accordingly, represents the maximum credit risk exposure of the Trust.

All transactions executed by the Trust in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold takes place once the broker has received payment, and purchases are paid for once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

As at June 30, 2009, the Trust's credit exposure is primarily to high yield bonds which are unrated (92.38% of the total debt) and the remaining debt portfolio comprising of defaulted bonds.

b) *Liquidity risk*

Liquidity risk is defined as the risk that the Trust may not be able to settle or meet its obligation on time or at a reasonable price.

The Trust's exposure to liquidity risk primarily relates to annual redemption of units. Other than the high yield and defaulted bonds, the Trust primarily invests in equity securities that are traded in active markets and can be readily disposed of. In addition, the Trust retains sufficient cash to maintain liquidity.

c) *Interest rate risk*

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when the Trust invests in interest-bearing financial instruments. The Trust is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. There is no sensitivity to interest rate fluctuations on any cash balances.

As the Trust has significant exposure to high yield and defaulted bonds with no exposure to government bonds, its bond investments tend to be affected more by changes in overall economic growth and company-specific fundamentals rather than changes in interest rates. However, high yield bonds do have a degree of interest rate risk which is illustrated in the table below.

10. Financial instruments risk management (Continued)

c) Interest rate risk (Continued)

As at June 30, 2009, the Trust's exposure to debt instruments by maturity and the impact on its net asset value if the yield curve is shifted in parallel by increase of 25 basis points, holding all other variables constant ("sensitivity"), is as follows:

Maturity date	CAD $ *
1-3 years	1,232,250
3-5 years	0
Sensitivity to 25bps yield change will decrease net assets by	$5,789

* Excludes cash, defaulted bonds and preferred shares.

In practice, actual results may differ from the above sensitivity analysis and the difference could be material.

d) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises from financial instruments (including cash and cash equivalents) that are denominated in a currency other than Canadian dollars, which represents the functional currency of the Trust. The Trust may enter into foreign exchange contracts for hedging purposes to reduce its foreign currency exposure, or to establish exposure to foreign currencies. Other currencies to which the Trust had exposure as at June 30, 2009, are as follows:

	CAD $	% of NAV
United States dollar	2,035,937	24.13

As at June 30, 2009, if the Canadian dollar had strengthened or weakened by 1 percent in relation to all currencies, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately 0.24% ($20,539). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

e) Other price risk

Other price risk is the risk that the market value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). All investments represent a risk of loss of capital. The Manager of the Trust moderates this risk through a careful selection and diversification of securities and other financial instruments within the limits of the Trust's investment objectives and strategy. The Trust's overall market positions are monitored on a regular basis by the Investment Manager.

As at June 30, 2009, 73.88% of the Trust's net assets were invested in securities traded on North American stock exchanges. If security prices on the North American stock exchanges had increased or decreased by 10% as at the period end, with all other factors remaining constant, net assets could possibly have increased or decreased by approximately 10% ($623,365). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

10. Future accounting changes

The Canadian Accounting Standards Board has confirmed its plan for changeover to International Financial Reporting Standards (IFRS) on January 1, 2011. At June 30, 2009 the Investment Manager is developing a changeover plan to meet the timetable for changeover to IFRS. The key objectives of the plan include disclosures of the qualitative impact in the 2008, 2009 and 2010 financial statements, disclosures of the quantitative impact, if any, in the 2010 financial statements and the preparation of the 2011 financial statements in accordance with IFRS. The Investment Manager is still evaluating the impact that the changeover to IFRS will have on the Trust.

11. Comparative figures

Certain comparative figures have been reclassified to conform to the current period's presentation.