Financial statements of

Ravensource Fund

June 30, 2010

Ravensource Fund

June 30, 2010 (Unaudited)

Table of contents

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

Scott Reid

August 30, 2010
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

Statements of net assets

	As at June 30, 2010 (Unaudited)	As at December 31, 2009 (Audited)
	$	$
Assets		
Cash	1,250,760	1,623,101
Investments at fair value (Cost: $11,918,180; 2009 - $10,412,288)	11,604,085	9,727,992
Interest and dividends receivable	112,939	100,282
Prepaid expenses	7,516	-
	12,975,300	11,451,375
Liabilities		
Accounts payable and accrued liabilities	27,298	38,530
Incentive, management and administrative fees payable	11,855	10,396
	39,153	48,926
Net assets	12,936,147	11,402,449
Number of units outstanding (Note 6)	1,424,016	1,424,016
Net asset value per unit	9.08	8.01

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

Approved on behalf of the Trust

Scott Kerr Investment Manager
Stornoway Portfolio Management Inc.

Ravensource Fund

Statements of operations
For the six month period ended June 30 (Unaudited)

	2010	2009
	$	$
Investment income		
Interest	166,303	122,721
Dividends and income trust distributions	100,183	41,427
	266,486	164,148
Expenses		
Management fees (Note 4a)	43,092	26,968
Administrative fees (Note 4c)	23,234	14,521
Trust administration and transfer agency fees	13,000	12,644
Audit fees	12,696	12,799
Other expenses	12,440	7,116
Listing fees	10,000	8,469
Accounting fees	8,919	8,824
Investor relations fees (Note 4d)	6,300	4,351
Legal fees	5,556	14,383
Custodian fees	233	60
Interest on overdraft	153	327
	135,623	110,462
Net investment income	130,863	53,686
Realized and unrealized gain (loss) on investments		
Transaction costs	(24,287)	(5,230)
Net realized gain (loss) on investments, including foreign exchange adjustments	1,181,631	(29,268)
Net change in unrealized appreciation on investments	373,652	525,742
Net gain on investments	1,530,996	491,244
Increase in net assets from operations	1,661,859	544,930
Average number of units outstanding during the period	1,424,016	1,424,016
Increase in net assets from operations per unit	1.17	0.38

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

Ravensource Fund

Statements of changes in net assets
For the six month period ended June 30 (Unaudited)

	2010	2009
	$	$
Net assets, beginning of period	11,402,449	8,020,871
Increase in net assets from operations	1,661,859	544,930
Unitholder transactions		
Distributions (Note 5d)	(128,161)	(128,161)
	(128,161)	(128,161)
Increase in net assets	1,533,698	416,769
Net assets, end of period	12,936,147	8,437,640

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

Ravensource Fund

Statement of investment portfolio
As at June 30, 2010 (Unaudited)

Number of shares/units	Investments, owned	Average cost	Fair value	as % of net assets
		$	$	
Canadian equities				
30,000	ACE Aviation - Class A	**150,600**	**241,800**	**1.87%**
17,099	Aecon Group Inc.	**128,247**	**176,462**	**1.36%**
14,400	Canaccord Financial Inc.	**156,229**	**134,064**	**1.04%**
80,000	CanWel Building Materials Group Ltd.	**304,000**	**311,200**	**2.41%**
38,100	Chinook Energy Inc.	**123,823**	**123,823**	**0.96%**
98,500	Cinram Intl. Income Fund	**556,796**	**109,335**	**0.85%**
1,073,000	Coalcorp Mining Inc.	**119,174**	**112,665**	**0.87%**
36,500	Data Group Income Fund	**245,390**	**263,895**	**2.04%**
15,103	Daylight Energy Ltd.	**155,259**	**134,870**	**1.04%**
200,000	Ember Resources	**170,000**	**110,000**	**0.85%**
140,375	Glacier Media Inc.	**368,989**	**321,459**	**2.48%**
21,100	GVIC Comm - Class B	**17,091**	**8,440**	**0.07%**
22,500	GVIC Comm - Class C	**18,045**	**9,000**	**0.07%**
27,900	Indigo Books & Music Inc.	**141,639**	**393,948**	**3.05%**
20,000	Manulife Financial Corp.	**380,000**	**309,000**	**2.39%**
88,600	March Networks Corp.	**366,772**	**295,038**	**2.28%**
28,600	Marsulex Inc.	**198,492**	**324,610**	**2.51%**
7,400	McGraw-Hill Ryerson Ltd.	**286,832**	**384,874**	**2.98%**
15,000	Noranda Income Fund	**135,030**	**37,350**	**0.29%**
250,000	Peer 1 Network Enterprises Inc.	**275,969**	**282,500**	**2.18%**
248,033	Plazacorp Retail Prop. Ltd.	**297,640**	**855,714**	**6.61%**
40,000	Sceptre Investment Counsel	**197,300**	**264,000**	**2.04%**
200,000	Sigma Ventures	**180,000**	**5,000**	**0.04%**
72,200	Supremex Income Fund	**174,944**	**173,280**	**1.34%**
125,000	Swiss Water Decaf. Coffee Income Fund	**375,145**	**476,250**	**3.68%**
37,125	Temple Energy Inc.	**97,500**	**22,275**	**0.17%**
35,000	Trilogy Energy Corp.	**326,767**	**323,750**	**2.50%**
140,000	Tuscany International Drilling Inc.	**225,414**	**154,000**	**1.19%**
225,000	UTS Energy Services Ltd.	**396,000**	**461,250**	**3.57%**
231,800	Village Farms International Inc.	**540,544**	**268,888**	**2.08%**
500,000	Westaim Corp.	**250,000**	**295,000**	**2.28%**
45,400	Winpak Ltd.	**295,252**	**404,514**	**3.13%**
		7,654,883	**7,788,254**	**60.21%**
U.S. equities				
1,313,125	Seaco Ltd.	**664,828**	**348,175**	**2.69%**
30,000	World Color Press Inc. (Preferred) Class A	**384,735**	**363,600**	**2.81%**
		1,049,563	**711,775**	**5.50%**

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

Ravensource Fund

Statement of investment portfolio (continued)
As at June 30, 2010 (Unaudited)

Number of shares/units	Investments, owned	Average cost	Fair value	Fair value as % of net assets
		$	$	
Fixed income				
	Crystallex International Corp.			
1,250,000	9.375% due Dec 30, 2011	**638,304**	**1,014,199**	**7.84%**
	Delphi Holdings Corp.			
1,000,000	6.55% due June 15, 2006	**732,498**	**22,273**	**0.17%**
	First Metals Inc.			
84,504	5% due August 2011	**78,163**	**42,252**	**0.33%**
	Mega Brands Inc.			
200,000	10% due March 31, 2015	**168,000**	**201,800**	**1.56%**
	Newport Partners Income Fund			
653,000	7% due Dec 31, 2012	**320,263**	**385,923**	**2.98%**
	Specialty Foods Group			
1,400,000	8% due Dec 2011	**1,199,834**	**1,113,630**	**8.61%**
		3,137,061	**2,780,077**	**21.49%**
Warrants				
250,000	The Brick Group Income Fund - Expiry May 2014	**44,373**	**292,500**	**2.26%**
	First Metals Inc.			
834,240	Expiry - Feb 2011	**-**	**-**	**0.00%**
60,000	Expiry - July 2012	**300**	**-**	**0.00%**
160,000	Mega Brands Inc. - Expiry March 2015	**32,000**	**22,400**	**0.17%**
100,000	Sigma Ventures - Expiry March 2012	**-**	**-**	**0.00%**
14,623	Solutia Inc. - Expiry February 2013	**-**	**6,979**	**0.05%**
70,000	Tuscany International Drilling Inc. - Expiry October 2011	**-**	**2,100**	**0.02%**
		76,673	**323,979**	**2.50%**
Net investments owned		**11,918,180**	**11,604,085**	**89.70%**
Brokerage commission		**(19,758)**	**-**	**0.00%**
Total Portfolio of Investments		**11,898,422**	**11,604,085**	**89.70%**
Other net assets		**-**	**1,332,062**	**10.30%**
Net assets		**11,898,422**	**12,936,147**	**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 ("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 141,328(2009 - 120,600) units representing 9.93% (2009 – 8.47%) of the outstanding units as at June 30, 2010.

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 investment decisions 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:

ii) 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. These techniques take into account market factors, valuation of similar securities and interest rates.

iii) 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.

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 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.

2. Summary of significant accounting policies (continued)

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 at the period 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 Statements 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

In January 2009, the Emerging Issues Committee ("EIC") issued Abstract No. 173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities (EIC-173). EIC-173 requires an entity to take into account its own credit risk and that of the relevant counterparties when determining the fair value of financial assets and financial liabilities, including derivative instruments. This EIC had no impact on the Fund's financial position or results of operations.

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.

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, 2010.

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 period, equal to 20% of the amount by which the net asset value per unit at the end of the period, adjusted for contributions, distributions, and redemptions during the period, exceeds the net asset value per unit at the beginning of the period by more than 5%, plus any shortfall from prior period. This fee is accrued monthly but calculated and paid annually. No fees were payable for 2008 and 2009.

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, 2010, such related parties held 565,394 (June 30, 2009 – 547,994) units approximately representing 39.70% (June 30, 2009 – 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.

5. Unitholders' entitlements (continued)

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. 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 year, the Trust made a distribution on June 30, 2010 of $0.09 (2009 - $0.09) per unit for a total amount of $ 128,161 (June 30, 2009 – $128,161).

As at December 31, 2009 the Trust has cumulative net capital losses of $21,464,051 (December 31, 2008 – $21,619,646) for income tax purposes that may be carried forward and applied to reduce future net capital gains. The Trust has non-capital losses of $297,659 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.

	2010	2009
Units, beginning of period	**1,424,016**	1,424,016
Sale of units	-	-
Redemption of units	-	-
Units, end of period	**1,424,016**	1,424,016

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' willful misconduct, bad faith or negligence. There were no claims or expenses against the Investment Manager requiring indemnification during the years ended June 30, 2010 and 2009.

9. Financial instruments risk management

Managing the risks of the investment portfolio is a critical element of the investment management process. The Investment Manager'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 Investment Manager 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, 2010, the Trust's credit exposure is primarily to high yield bonds which are unrated (85.3% of the total debt portfolio of $2.8 million) (2009: 92.38 %) 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.

9. Financial instruments risk management (continued)

c) Interest rate risk (continued)

As at June 30, 2010, 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	2010 CAD $ *	2009 CAD $ *
1-3 years	2,127,829	1,232,250
3-5 years	244,052	-
Sensitivity to 25bps yield change will increase or decrease net assets by	$ 188,164	$ 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, 2010, are as follows:

	CAD $	% of NAV
United States dollar	2,975,621	23.05

June 30, 2009:

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

As at June 30, 2010, 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 0.23% ($29,756) (2009: 0.24% ($20,539)). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

9. Financial instruments risk management (continued)

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, credit 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, 2010, 68.04% (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 6.80% ($880,173) (2009: 10% ($623,365)). In addition to its exposure to securities listed on North American stock exchanges, as at June 30, 2010, 0.17% of the Trust's net assets were invested in private equities. 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, 2010 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 2009 and 2010 management report on fund performance, 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. Capital Disclosures

The Manager has policies and procedures in place to manage the capital of the Fund in accordance with the Fund's investment objectives, strategies and restrictions as detailed in the offering document. Information about the capital is described In the Statement of Changes of the Funds and the Fund does not have externally imposed capital requirements.