

Lawrence Enterprise Fund Inc.

**Semi Annual Report
February 28, 2010**

Board of Directors

Ravi Sood	CEO, Navina Asset Management Inc.
John Crow ⁽¹⁾⁽²⁾⁽³⁾	Corporate Director
Aris Kaplanis ⁽¹⁾⁽³⁾	Corporate Director
Greg Myles ⁽²⁾⁽³⁾	Canadian Air Traffic Controllers Association
Catherine Stretch	COO, Navina Asset Management Inc.
Larry Guy	CFO, Navina Asset Management Inc.
Rob Turner ⁽¹⁾⁽²⁾	Corporate Director

⁽¹⁾ Member of the Investment Committee

⁽²⁾ Member of the Audit Committee

⁽³⁾ Member of the Valuation Committee

Corporate Information

Auditor:

Ernst & Young LLP
Ernst & Young Tower, 222 Bay Street
P.O. Box 251, Toronto-Dominion Centre
Toronto, On M5K 1J7

Custodian:

State Street Trust Company Canada
30 Adelaide Street East, Suite 1100
Toronto, On M5C 3G6

Transfer Agent:

CIBC Mellon Global Securities Services
Company
320 Bay Street, 2nd Floor
Toronto, Ontario
M5H 4A6

Lawrence Enterprise Fund Inc.

SEMI-ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

This semi-annual management report of fund performance for Lawrence Enterprise Fund Inc. (the "Fund") contains financial highlights but does not contain the complete semi-annual financial statements of the Fund. You may request a copy of the Fund's semi-annual financial statements, proxy voting policies and procedures, and quarterly portfolio disclosure, by calling 1.866.404.4999, by writing to us at 220 Bay Street, Suite 1500 Toronto, ON, M5J 2W4 or by visiting our website at www.navinaasset.com or SEDAR at www.sedar.com.

Management Discussion of Fund Performance

Investment Objective and Strategies

The investment objective of the Fund is to increase the Net Asset Value ("NAV") of the Class A Shares through a strategy of selectively investing in eligible businesses in order to achieve a balance of long-term capital appreciation and current yield. The strategy is to invest in businesses in a variety of industry sectors at varying stages of development with good prospects for growth or an ability to service debt. The Fund may target investments in "early-stage growth" companies as well as more developed companies which are entering an "expansion-stage".

In anticipation of redemptions in 2010, the Fund has invested in publicly traded companies with reliable and consistent dividends which should provide the Fund with stable returns and liquidity to meet redemption requests.

Risks

Nature of Investment

The business of the Fund is to make investments in eligible small and medium-sized Canadian businesses. There is no assurance that suitable investments will be found. There is no guarantee that an investment in Class A Shares will earn a specified rate of return or any return in the short or the long term. An investment in Class A Shares is only appropriate for investors able to make a long-term commitment and with the capacity to absorb a loss of some or all of their investment.

Investments of the kind to be made by the Fund, by their nature, involve a longer commitment than that typical for other types of investments. Many such investments require between seven to ten years in order to mature and generate the returns expected by investors. Furthermore, despite diversification of the Fund's investment portfolio for purposes of distributing risk, the investments of the Fund are likely to mature at different times creating an irregular pattern in the Net Asset Value per Class A Share. In addition, certain of the investments may not mature and generate the returns expected and could well result in losses. Losses on unsuccessful investments are often realized before gains on successful investments are realized.

Valuations

The Fund offers Class A Shares at the Net Asset Value per Class A Share at the end of each business day. These daily values are based on estimates of the fair value of the Fund's assets for which there is no published market value. This valuation process is inevitably based on inherent uncertainties and the

resulting values may differ from values that would have been used had a ready market existed for the investments and may not reflect the prices at which the investments may be sold.

Lack of Liquidity

No market exists at present through which the Class A Shares may be sold and none is expected to develop. There are restrictions on the transfer and redemption of Class A Shares.

Redemption

In any financial year, the Fund is not required to redeem Class A Shares having an aggregate redemption value exceeding 20% of the Net Asset Value of the Fund as of the last day of the preceding financial year and may suspend redemptions for substantial periods of time in such circumstances.

Compliance with Investment Requirements

The Fund is subject to special taxes and penalties if it does not comply with the investment requirements of the Community Small Business Investment Funds Act (Ontario) and Income Tax Act (Canada). The investment performance of the Fund may be adversely affected if the Fund becomes subject to such special taxes and penalties or if its registrations are revoked.

Revocation of Registration

The Fund's registration may be revoked if it does not comply with the investment requirements in the *Income Tax Act* (Canada) or the *Community Small Business Investment Funds Act* (Ontario). If the Fund's registration is revoked, persons who acquire Class A Shares after such revocation will not be eligible for the federal tax credits or for Ontario tax credits.

Legislative Changes

Changes may be introduced to federal legislation providing for tax credits for investment in registered labour-sponsored venture capital corporations and related matters. If such changes are unfavourable, the Fund's ability to attract future investment could be impaired. As a result, the availability of funds for investment by the Fund could be reduced, thereby decreasing the Fund's ability to fulfill its investment objectives.

The phasing out of the Ontario tax credit may materially reduce future sales of Class A Shares of the Fund. In that case, the availability of funds for investment by the Fund in the future would be reduced, thereby decreasing the Fund's ability to fulfill its investment objectives.

Follow on Financings

It is likely that portfolio companies will require additional financing after the investments made by the Fund in order to fully implement their business strategies. If the Fund is unable to raise additional capital after it has met the investment pacing requirements applicable to the Fund, it will be reliant upon third parties to provide such financing in order to realize on investments in portfolio companies. The ability of the Fund to raise additional capital is dependent upon a number of factors including the state of the capital markets and legislative changes to the labour sponsored investment fund program.

Differing Series Net Asset Values

The Class A Shares are issuable in Series because of the differing sales commissions payable by the Fund to registered dealers on their sale. Depending upon the performance of the Investment Portfolio, a purchaser of shares of one Series may obtain a better or worse return than they would have received from the purchase of an equivalent number of another Series of Class A Shares.

Availability of Financing

As a result of legislative changes, the Manager has arranged for financing of sales commissions and prepaid service fees payable to brokers in respect of the sale of Series III and Series IV Shares. As a consideration to the availability of such financing, the Manager and the Fund will need to meet certain conditions and in certain circumstances, such as the removal or bankruptcy of the Manager, the Fund may become liable to repay all or a portion of such financing.

Results of Operations

The Fund's venture portfolio held ten investments with a fair value of \$7.0 million, representing 31.6% of the net assets as at February 28, 2010. Investments in publicly traded companies had a fair value of \$14.9 million, representing 67.1% of net assets. Cash and other net assets represented 1.3% of net assets. The Fund ended the period with \$741,069 in cash and ample liquidity.

For the six month period ended February 28, 2010 the Fund incurred an increase in net assets from operations of approximately \$264,000. This increase was largely due to the Funds increased exposure to listed securities. In keeping with its current objective of maintaining a suitable level of liquidity, the Fund made eight new investments totaling \$ 10.9 million during the period in primarily large capitalization companies that have reliable dividends that provide the Fund with stable returns. These investments include BCE Inc., Enbridge Inc., IESI-BFC Ltd., Phoenix Coal Inc., Power Corporation of Canada, The Toronto-Dominion Bank, Thomson Reuters Corporation, and TransCanada Corporation. During the period the Fund had a realized loss on disposition of listed securities of \$603,453 and an unrealized gain of \$2.1 million.

The Fund did not make any new venture investments during the period. The venture investments decreased the net assets from operations through an unrealized depreciation of \$685,460. The majority of this decrease was due to a writedown of Enviroshake Inc., a roof shingles manufacturer.

The fair value of the venture portfolio was diversified across 3 industry sectors: services (48%), technology (49%) and manufacturing and materials (3%).

Investment Performance

For the six month period ended February 28, 2010, the Fund's net asset value per each series Class A Shares on a pricing basis increased by 0.41% per Series I Share, 0.82% per Series II Share, 0.41% per Series III Share, 1.01% per Series IV Share, and 1.74% per Series V Share. The increase in net asset value was principally due to change in unrealized appreciation of marketable securities.

Management Expense Ratio

The management expense ratios were 6.05% for Series I Shares, 6.55% for Series II Shares, 8.84% for Series III shares, 7.86% for Series IV Shares, and 6.55% for Series V Shares. The management expense ratio has remained consistent with the prior year as the Fund has been successful in reducing expenses in the same proportion as the decline in net assets.

Related Party Transactions

Manager

Effective January 1, 2010, the Manager, Lawrence Asset Management Inc. effected an amalgamation of businesses and operations with Navina Capital Corp. The combined entity is named Navina Asset Management Inc. ("NAMI").

NAMI (the “Manager”) is the Manager of the Fund and is entitled to receive an annual fee equal to 2.50% of the Net Asset Value of the Fund. The fee is calculated daily and paid monthly in arrears and is 100% attributable to general administration, investment advice and profit.

The Manager is also entitled to an incentive fee (the “Incentive Fee”) equal to 20% of the amount by which the percentage increase in the Investment Portfolio in a year exceeds 6% based on the increase in the value of the Investment Portfolio.

The Manager is also entitled to a fee for services relating to the payment of sales commissions and prepaid service fees paid by the Manager upon issue of Series III and IV. The fee is equal to the commissions and service fees paid by the Manager upon issue of the Series III and IV Shares (less any applicable early redemption fees) recovered equally over an eight year period. The entitlement to this fee ceases in respect of any Series III or IV Share which was originally issued more than eight years previously, provided that the Manager has received a reimbursement of all its payments in respect of the provision of the related sales commission and/or prepaid service fee.

Sponsor

The sponsor of the Fund is the Canadian Air Traffic Control Association, CAW Local 5454 (the “Sponsor”). The Fund pays the Sponsor an annual fee at the rate of 0.20% of the Net Asset Value of the Fund.

Future Changes in Accounting Standards

In June 2009 the Canadian Institute of Chartered Accountants (“CICA”) issued amendments to Handbook Section 3862 Financial Instruments— Disclosures (“Section 3862”) requiring enhanced disclosure around fair value and liquidity risk. This classification of the fair value measurements associated with the financial instruments held by a Fund uses a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy has the following levels: quoted prices in an active market (Level 1—unadjusted inputs); inputs other than quoted prices (Level 2—directly or indirectly derived from observational market data); and inputs not based on observable market data (Level 3—unobservable inputs). In addition to the above disclosure requirements, Section 3862 requires disclosure of significant transfers between Levels 1 and 2 since the prior reporting period, as well as reconciliation of Level 3 assets, disclosing separately changes during the reporting period attributable to i) total gains or losses recognized in net income, and a description of where they are presented in the income statement, ii) purchases, sales, issues and settlements, iii) transfers into or out of Level 3 and the reasons for those transfers. Any significant transfers between Level 1 and Level 2 are disclosed. Further, for fair value measurements in Level 3, if changing one or more type of the inputs to reasonably possible alternative assumptions would change fair value significantly, the entity shall state this fact and disclose both the effect of those changes and how the effect was calculated. The new disclosures are required for annual financial statements for fiscal years ending after September 30, 2009.

The Canadian Accounting Standards Board has confirmed its plan to adopt all International Financial Reporting Standards (“IFRS”), as published by the International Accounting Standards Board by January 1, 2011. At February 28, 2010 the Manager’s plan for conversion to IFRS includes discussions with the Fund’s administrators on their process for conversion to IFRS. In addition, the Manager has reviewed the potential impact of IFRS on the Fund’s Net Assets and financial statements. Based on this review, the Manager believes that the impact of IFRS will be primarily the disclosure and presentation of the Fund’s financial statements, with no impact to the Fund’s net assets.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance since inception of its operations on December 20, 2001. Except the information for the six months ended February 28, 2010, this information is derived from the Fund's audited annual financial statements.

The Fund's Net Assets per Class A Share ⁽¹⁾

	6 months ended February 28, 2010	2009	2008	Years ended August 31 2007	2006	2005
Series I Shares						
Net assets, beginning of period ⁽²⁾⁽³⁾	\$4.68	\$6.78	\$7.40	\$7.50	\$8.89	\$9.87
Increase (decrease) from operations						
Total revenue	0.05	0.21	0.26	0.64	0.19	0.19
Total expenses	(0.15)	(0.33)	(0.43)	(0.48)	(0.43)	(0.49)
Realized gains (losses) for the year	(0.13)	(0.78)	0.43	(0.03)	(0.51)	(0.20)
Unrealized gains (losses) for the year	0.30	(1.20)	(0.88)	(0.23)	(0.57)	0.31
Total decrease from operations ⁽²⁾	0.07	(2.10)	(0.62)	(0.10)	(1.32)	(0.19)
Amortization of deferred charges ⁽⁴⁾	-	-	-	-	-	(0.65)
Net assets, end of period	\$4.75	\$4.68	\$6.78	\$7.40	\$7.50	\$8.89
Series II Shares						
Net assets, beginning of period ⁽²⁾⁽³⁾	\$4.79	\$6.94	\$7.59	\$7.74	\$9.18	\$9.94
Increase (decrease) from operations						
Total revenue	0.05	0.22	0.28	0.64	0.19	0.19
Total expenses	(0.16)	(0.36)	(0.47)	(0.53)	(0.52)	(0.64)
Realized gains (losses) for the year	(0.12)	(0.78)	0.43	(0.03)	(0.51)	(0.20)
Unrealized gains (losses) for the year	0.29	(1.22)	(0.89)	(0.23)	(0.57)	0.31
Total decrease from operations ⁽²⁾	0.06	(2.14)	(0.65)	(0.15)	(1.41)	(0.34)
Net assets, end of period	\$4.85	\$4.79	\$6.94	\$7.59	\$7.74	\$9.18
Series III Shares						
Net assets, beginning of period ⁽²⁾⁽³⁾	\$4.85	\$7.09	\$7.84	\$8.07	\$9.61	\$9.96
Increase (decrease) from operations						
Total revenue	0.05	0.21	0.28	0.65	0.19	0.19
Total expenses	(0.21)	(0.46)	(0.57)	(0.62)	(0.57)	(0.65)
Realized gains (losses) for the year	(0.13)	(0.78)	0.43	(0.03)	(0.51)	(0.20)
Unrealized gains (losses) for the year	0.30	(1.21)	(0.89)	(0.23)	(0.57)	0.31
Total decrease from operations ⁽²⁾	0.01	(2.24)	(0.75)	(0.23)	(1.46)	(0.35)
Net assets, end of period	\$4.86	\$4.85	\$7.09	\$7.84	\$8.07	\$9.61
Series IV Shares						
Net assets, beginning of period ⁽²⁾⁽³⁾	\$4.93	\$7.16	\$7.88	\$8.09	\$9.63	\$9.97
Increase (decrease) from operations ⁽³⁾						
Total revenue	0.05	0.22	0.28	0.65	0.19	0.19
Total expenses	(0.19)	(0.43)	(0.54)	(0.59)	(0.52)	(0.65)
Realized gains (losses) for the year	(0.13)	(0.79)	0.43	(0.03)	(0.51)	(0.20)
Unrealized gains (losses) for the year	0.30	(1.22)	(0.89)	(0.24)	(0.57)	0.31
Total decrease from operations ⁽²⁾	0.03	(2.22)	(0.72)	(0.21)	(1.41)	(0.35)
Net assets, end of period	\$4.97	\$4.93	\$7.16	\$7.88	\$8.09	\$9.63
Series V Shares						
Net assets, beginning of period ⁽²⁾⁽³⁾	\$4.60	\$6.60	\$7.21	\$7.32	\$7.51	
Increase (decrease) from operations						
Total revenue	0.05	0.20	0.25	0.59	0.03	
Total expenses	(0.15)	(0.34)	(0.45)	(0.46)	(0.07)	
Realized (losses) for the year	(0.12)	(0.72)	0.42	(0.03)	(0.09)	
Unrealized gains (losses) for the year	0.28	(1.14)	(0.83)	(0.21)	(0.10)	
Total decrease from operations ⁽²⁾	0.06	(2.00)	(0.61)	(0.11)	(0.23)	
Net assets, end of period	\$4.66	\$4.60	\$6.60	\$7.21	\$7.32	

- (1) This information is derived from the fund's audited financial statements for the years ended August 31, except for 2010 which is derived from the fund's semi-annual unaudited financial statements. The net assets per security presented in the financial statements differs from the Net Asset Value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements.
- (2) Net assets are based on the actual number of shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of shares outstanding over the financial period.
- (3) Class A Shares Series I and Class A Shares Series II were offered for sale continuously from December 20, 2001 to December 31, 2003. Class A Shares Series III and Class A Shares Series IV Shares have been offered for sale continuously from January 1, 2004 and the net assets, beginning of year for 2004 represents initial net assets as at January 1, 2004. Class A Shares Series V were issued to acquire the assets of York Labour Fund Inc. on June 30, 2006 and the net assets beginning of the year for 2006 represents the initial net assets as at June 30, 2006.
- (4) On September 1, 2004, the Fund wrote off its remaining deferred sales commissions of \$1,905,860 on Class A Shares Series I and \$283,014 on Class A Shares Series II in accordance with Canadian generally accepted accounting principles.

Ratios and Supplemental Data

	As at February 28,	-----As at August 31-----				
	2010	2009	2008	2007	2006	2005
Total Net Asset Value per Class A Shares (000's) ⁽¹⁾						
Series I Shares	\$10,730	\$11,402	\$17,018	\$17,871	\$18,321	\$23,460
Series II Shares	\$2,505	\$ 2,748	\$ 4,071	\$ 4,334	\$ 4,478	\$ 5,586
Series III Shares	\$5,826	\$ 5,839	\$ 8,719	\$ 9,683	\$ 9,859	\$10,834
Series IV Shares	\$2,634	\$ 2,622	\$ 3,881	\$ 4,270	\$ 4,393	\$ 4,792
Series V Shares	\$891	\$ 988	\$ 1,669	\$ 1,983	\$ 2,123	-
Number of Class A Shares outstanding ⁽¹⁾						
Series I Shares	2,203,536	2,352,545	2,383,719	2,416,031	2,444,196	2,458,827
Series II Shares	507,489	561,128	566,149	570,785	578,875	582,860
Series III Shares	1,191,641	1,200,000	1,215,949	1,235,753	1,221,485	1,127,644
Series IV Shares	527,347	529,982	536,057	541,793	542,734	497,565
Series V Shares	190,014	214,226	249,801	274,932	290,104	-
Management expense ratio ⁽²⁾						
Series I Shares	6.05%	5.41%	5.60%	6.09%	5.23%	13.35%
Series II Shares	6.55%	5.90%	6.10%	6.67%	5.19%	11.69%
Series III Shares	8.84%	7.62%	7.30%	7.80%	6.83%	6.81%
Series IV Shares	7.86%	6.95%	6.91%	7.59%	6.73%	6.80%
Series V Shares	6.55%	5.90%	6.08%	6.57%	3.60%	-
Net Asset Value per Class A Share per series						
Series I Shares	\$4.87	\$4.85	\$7.14	\$7.80	\$8.02	\$9.54
Series II Shares	\$4.94	\$4.90	\$7.19	\$7.85	\$8.06	\$9.58
Series III Shares	\$4.89	\$4.87	\$7.17	\$7.84	\$8.07	\$9.61
Series IV Shares	\$5.00	\$4.95	\$7.24	\$7.88	\$8.09	\$9.63
Series V Shares	\$4.69	\$4.61	\$6.68	\$7.21	\$7.32	-

- (1) This information is provided as at August 31 of the year shown except for 2010 which is provided as at February 28.
- (2) Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period. On September 1, 2004, the Fund wrote off its remaining deferred sales commissions of \$1,905,860 on Class A Shares Series I and \$283,014 on Class A Shares Series II in accordance with Canadian generally accepted accounting principles, which has been reflected in the management expense ratio for 2005.
- (3) Portfolio turnover ratio information has not been provided as Labour Sponsored Investment Funds ("LSIFs") invest primarily in private companies, which, on average, are held for four to six years. Similarly, trading expense ratio has not been provided as LSIFs do not engage in active trading or purchase securities in the secondary market.

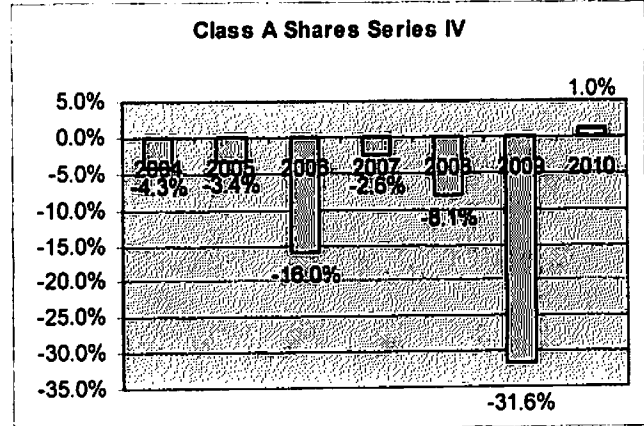
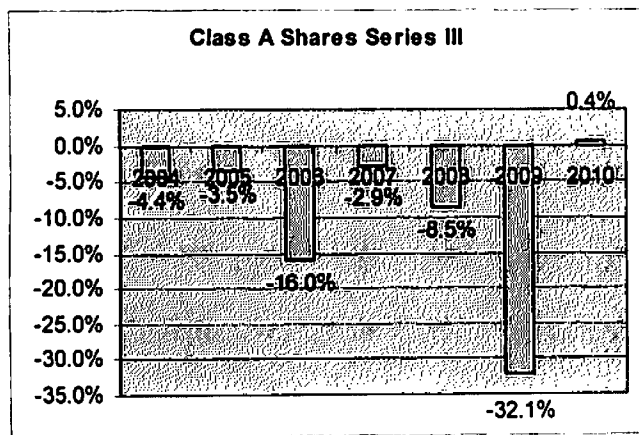
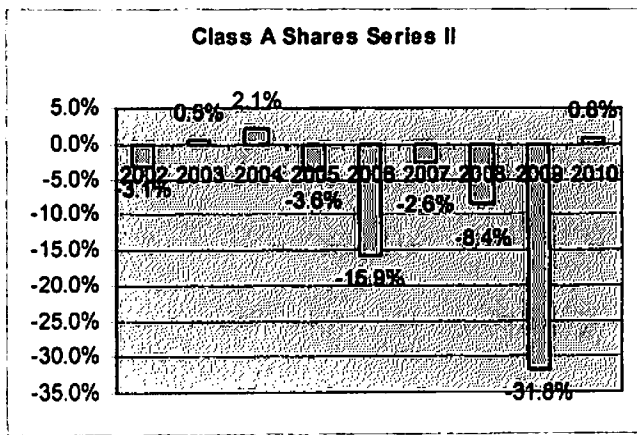
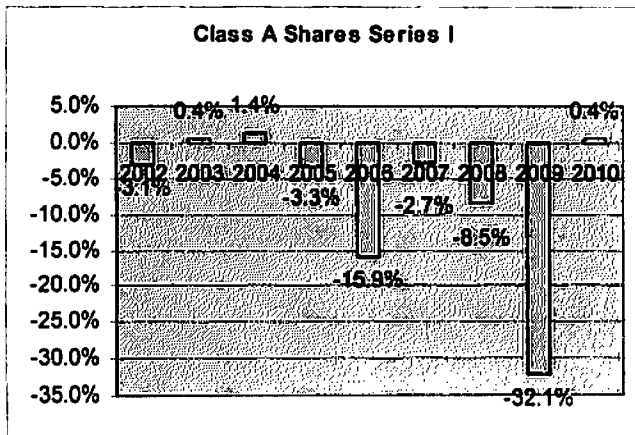
Past Performance

General

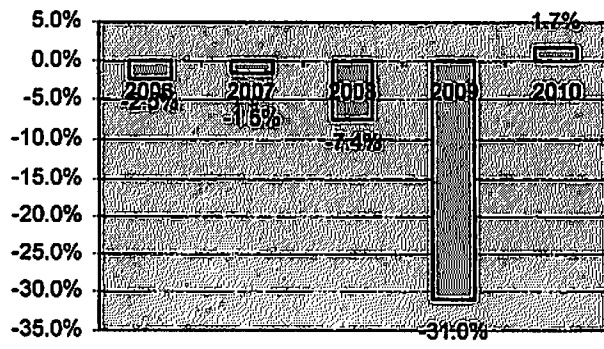
The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

The charts show the Fund's annual performance for each of the years ended August 31 and illustrates how the Fund's performance has changed from year to year. The charts show, in percentage terms, how much an investment made on the September 1 in the previous year would have changed by the August 31 of the following year. For Class A Shares Series I and Class A Shares Series II, the performance for 2002 is the annualized return from the date of inception of the Fund on December 20, 2001 to August 31, 2002. For Class A Shares Series III and Class A Shares Series IV, the performance for 2004 is the annualized return from the date of initial offering of the respective shares on January 1, 2004 to August 31, 2004. For Class A Shares Series V, the performance for 2006 is annualized from the initial date of the purchase of the York Labour Fund on June 30, 2006 to August 31, 2006. Returns for 2010 are for the period from September 1, 2009 to February 28, 2010.



Class A Shares Series V



Summary of Investment Portfolio

Portfolio Composition

Asset Class	% of net asset value
Cash	3.28
Marketable securities	66.67
Venture investments	31.14
Other net assets	(1.09)
Net asset value	100.00

Marketable Securities

	Securities	% of net asset value
Aeromechanical Services Ltd.	Equity	1.20
BCE Inc.	Equity	7.76
BIOX Corporation	Equity	2.21
Chryso Capital Corporation	Equity	1.50
Enbridge Inc.	Equity	7.43
Enssolutions Group, Inc.	Equity	1.16
IESI-BFC Ltd.	Equity	6.13
Jowood Production and Software	Equity	0.43
MedcomSoft Inc.	Equity	0.07
Medipattern	Equity	-
Phoenix Coal, Inc.	Equity	14.01
Power Corporation of Canada	Equity	4.76
The Toronto-Dominion Bank	Equity	4.94
Thomson Reuters Corporation	Equity	4.53
TransCanada Corporation	Equity	7.22
TrueContext Corporation	Equity	3.32
		66.67

Venture Investments

	Securities	Cost \$
Canadian Trading and Quotation System Inc.	Equity and Debt	1,499,999
Enviroshake Inc.	Equity and Debt	7,916,712
Geodigital International Inc.	Equity	2,309,380
Groove Media Inc.	Equity	2,000,399
iTrade Finance Inc.	Equity	269,074
SiGe Semiconductor Inc.	Equity	3,414,735
Trilliant Inc.	Equity	1,000,155
VECTr Systems Inc.	Equity	126,928
View 22 Technology Inc.	Equity	250,000
Total venture investments, at cost		18,787,382
Unrealized depreciation of venture investments		(11,755,038)
Total venture investments, at fair value		7,032,344

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund. Quarterly updates are available by visiting www.navinaasset.com or contacting the Fund at 1.866.404.4999.