



March 31st, 2008

**To: Shareholders and Unitholders of:**  
Lawrence Income & Growth Fund  
Lawrence India Fund  
Global Agribusiness Trust  
Tax Optimized Return Oriented Securities Trust  
Long Reserve Life Resource Fund  
AGS Lawrence Resource Fund  
AGS Energy 2006-1 Limited Partnership  
AGS Energy 2006-2 Limited Partnership  
AGS Energy 2007-1 Limited Partnership

**From: The Investment Review Committee (“IRC”):**

**Amar Bhalla, Chair**

Toronto, Ontario  
Appointed November 1, 2007

**John Crow<sup>1</sup>**

Toronto Ontario  
Appointed November 1, 2007

**John Mills**

Burlington, Ontario  
Appointed November 1, 2007

**Re: Report for December 31, 2007 Fiscal Year End Funds**

Lawrence Asset Management Inc. (the “Manager” or “LAMI”) appointed us as the inaugural members of the IRC for all investment funds it manages which are subject to the provisions of *National Instrument 81-107* as listed on Schedule “A” hereto (the “Funds”). There have been no changes to the composition of the IRC since its inception on November 1, 2007. In respect of our obligations as the IRC, we make the following first annual report to security holders of those Funds with a December 31, 2007 fiscal year-end:

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<sup>1</sup> Mr. Crow is also Chair of CIBC Funds IRC

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**IRC Members Holdings of Securities:**

IRC 2007 REPORT TO UNITHOLDERS

**(a) LAMI Managed Funds**

As at the date hereof, the percentage of units or shares of each class of the Funds covered by this report beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed 1.0 per cent for any Fund.

**(b) The Manager LAMI**

As at the date hereof, no member of the IRC beneficially owned, directly or indirectly any class or series of voting or equity securities of LAMI.

**(c) Service Providers**

As at the date hereof, the percentage of any class or series of voting or equity securities beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed 0.01 per cent.

**IRC Compensation and Indemnities**

The aggregate compensation paid by Funds managed by LAMI to the IRC for the 2 month period, from November 1, 2007 the inception of the IRC was \$16,155. This amount was allocated among the Funds in a manner that is considered by LAMI to be fair and reasonable to the Funds.

The initial compensation of the IRC was set by the Manager after discussion with prospective members of the IRC. At least annually, the IRC will review compensation, giving consideration to the following:

1. the best interests of the Funds;
2. industry best practices, including industry averages and surveys on IRC compensation which are made known to it;
3. the number, nature and complexity of the Funds for which the IRC acts; and
4. the nature and extent of the workload of each member of the IRC, including the commitment of time and energy that is expected from each member.

No indemnities were paid to the IRC by the Funds or by the Manager of the Funds during the period.

**Conflict of Interest Matters**

The Manager is required to refer conflict of interest matters, along with its proposed action, to the IRC for its review and decision.

The IRC is required to report on each instance when the Manager acted in a conflict of interest matter referred to it for which it did not give a positive recommendation. There have been no such instances.

The Manger is also required to notify the IRC of any instances in which the Manager acted in a conflict of interest matter but did not meet a condition indicated by the IRC in its recommendation or approval. The IRC is not aware of any such instance.

### **Approvals and Recommendations**

Pursuant to NI 81-107, when a conflict of interest matter arises, the Manager must refer the specific matter, along with its proposed action, to the IRC for its review. The IRC must provide a recommendation and / or approval to the Manager as to whether, in the IRC's opinion after reasonable inquiry, the proposed action achieves a fair and reasonable result for the Fund(s). There were no such specific matters raised with the IRC for its consideration, recommendation and / or approval in the period of this report.

The Manager has, subject to certain conditions set out in NI 81-107, received standing instructions from the IRC in respect of certain actions it takes which give rise to conflicts of interest matters in the management of the Funds. For this purpose, the Manager did refer to the IRC the following conflict of interest matters, for which it received the standing instructions. In each case, the standing instructions require the Manager to comply with its related policies and procedures and to report periodically to the IRC:

1. **Trading Allocation:** Trade allocation creates a potential conflict of interest because a portfolio advisor could allocate trades in a manner that favors itself instead of its clients or in a manner that favors one particular client to the detriment of others as well as broker selection polices.
2. **Soft Dollars:** Soft dollar arrangements are a means for a portfolio advisor, on behalf of its client, to obtain products or services (most notably, research) from a broker-dealer in exchange for the direction of client brokerage transactions to that same broker-dealer. The use of soft dollars creates a potential conflict of interest since a portfolio advisor could use soft dollars to acquire goods or services that benefit itself instead of the Funds it manages.
3. **Valuing Assets of a Fund and Net Asset Value Errors:** The Manager has a duty to use fair pricing procedures and to identify and fix incorrect calculations of the Funds' net asset values. In valuing assets of a Fund and correcting valuation errors, there is a potential conflict of interest because the manager is paid as a percentage of net asset value and may have an incentive to overvalue assets of a Fund.
4. **Allocating Fund Expenses:** The Manager of the Funds recovers from the Funds operating expenses that it pays on behalf of the Funds. These policies address the potential conflict of interest in allocating Fund expenses where the Manager may be

motivated to favour one Fund over another or to allocate expenses to Funds that the Manager should be bearing itself.

5. **Suitability of Investments:** The Manager has a duty to ensure that investments are made in accordance with a Fund's investment restrictions. Failure to observe those restrictions would generate inappropriate risk for Fund investors.
6. **Change in Service Providers or in Management Fees:** Failure of the Manager to comply with its policies and procedures can be unfair to Fund investors.
7. **Charging Start-up / Organization Expenses Back to a Fund:** Failure of the Manager to comply with its disclosed policies can be unfair to Fund investors.
8. **Fundamental Changes to the operation of a Fund:** These matters (e.g. merger, conversion or early termination of a Fund) are subject to various procedural rules that depend on the nature of the change contemplated. Failure of the Manager to observe those rules can be unfair to Fund investors.

## Schedule "A"

<b>Funds Subject to IRC</b>	<b>Fiscal Year-End</b>
1. High Income Preferred Shares Corp.	03/31
2. High Income Principal & Yield Securities Corp.	03/31
3. Lawrence Enterprise Fund	08/31
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4. AGS Energy 2006-1	12/31
5. AGS Energy 2006-2	12/31
6. AGS Energy 2007-1	12/31
7. AGS Lawrence Resource Fund	12/31
8. Global Agribusiness Trust	12/31
9. Lawrence Income & Growth Fund	12/31
10. Lawrence India Fund	12/31
11. Long Reserve Life Resource Fund	12/31
12. Tax Optimized Return Oriented Securities Trust	12/31