



GLOBAL AGRIBUSINESS TRUST

Semi - Annual Financial Statements

June 30, 2010

GLOBAL AGRIBUSINESS TRUST

CORPORATE INFORMATION

Manager:

Navina Asset Management Inc.
220 Bay Street, Suite 1500
Toronto, On M5J 2W4

Custodian:

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

Transfer Agent:

Computershare Trust Company of Canada
100 University Avenue, 8th floor
Toronto, Ontario
M5J 2Y1

Listed:

The Toronto Stock Exchange

Ticker Symbol:

AGB.UN

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

This interim management report of fund performance for Global Agribusiness Trust (the "Trust") contains financial highlights and is included with the interim financial statements of the Trust. You may request a copy of the Trust's current proxy voting policies and procedures, or quarterly portfolio disclosure at no cost from Navina Asset Management Inc., by calling 1-800-513-3868, by writing to us at 220 Bay Street, Suite 1500, Toronto, Ontario, M5J 2W4, or by visiting our website at www.navinaasset.com or SEDAR at www.sedar.com.

This interim MRFP and accompanying semi annual financial statements have been prepared by the manager and trustee of the Trust, Navina Asset Management Inc.

The Trust's proxy voting disclosure record for the period ending June 30, 2010 will be available free of charge upon request at any time after August 31, 2010, by visiting our website at www.navinaasset.com.

MANAGEMENT REPORT OF FUND PERFORMANCE

Global Agribusiness Trust is a closed-end investment trust, the units and warrants of which are listed on the Toronto Stock Exchange under the symbols AGB.UN and AGB.WT, respectively. The Trust effectively began operations on November 16, 2007 ("Commencement of Operations") when it completed an initial public offering of 4,000,000 units at \$10.00 per unit for gross proceeds of \$40.0 million. Each Trust unit consisted of one redeemable, transferable trust unit ("Trust Unit") and a Trust Unit purchase warrant ("Warrant"). Each Warrant entitled the holder to purchase one Trust Unit at a price of \$10.00 on or before 5:00 p.m. EST on November 30, 2010. On December 17, 2007 an over-allotment option granted to agents was exercised for an additional 200,000 Trust Units at a price of \$9.60 per Trust Unit and an additional 212,642 Warrants at a price of \$0.40 per Warrant. Including the over-allotment option, total gross proceeds of the Trust's initial public offering were \$42,005,057.

Effective January 1, 2010, the Manager, Navina Capital Corp. and Lawrence Asset Management Inc. (the "Portfolio Manager") effected an amalgamation of businesses and operations. The combined entity is named Navina Asset Management Inc.. Navina Asset Management Inc. is the manager (the "Manager"), portfolio manager (the "Portfolio Manager") and trustee (the "Trustee") of the Trust.

Forward Looking Statements

The matters discussed in this management report of fund performance ("MRFP") include certain forward-looking statements. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements. Forward-looking statement may be identified, without limitation, by the use of the words "anticipates", "estimates", "expects", "intends", "plans", "predicts", "projects", "believes", or words or phrases of similar meaning. Readers should not rely on forward-looking statements as they involve risks and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Market fluctuations and redemption levels are unpredictable and outside the control of the Trust. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors. The Trust makes no commitment to disclose any revisions to forward-looking statements, or any facts, events or circumstances after the date of this MRFP that may bear upon forward-looking statements.

Investment Objective And Strategies

The Trust's investment objectives are to:

- (i) provide unitholders with monthly distributions initially representing an annual yield of 5.0% based on the \$10.00 per unit issue price; and
- (ii) provide unitholders with long-term capital appreciation

In order to achieve the Trust's investment objectives, the Trust will be invested in an actively managed, diversified portfolio comprised primarily of publicly-listed securities (the "Portfolio") of issuers that are engaged in the demand and supply chains of the global agribusiness industry ("Agribusiness Issuers").

The portfolio manager of the Trust, Navina Asset Management Inc. will select those Agribusiness Issuers they believe exhibit strong fundamentals and prospects for growth and represent a combination of best in class product/service, market leadership or incumbent challenger, beneficiary of agricultural pricing trends, superior growth profile, technology leaders and low valuation against its peers.

Risk

The Trust's investment objectives and strategy expose it to various types of risk associated with the financial instruments in which it invests directly. In addition to general market risks and the equity markets more specifically, the Trust is subject to other risks, including the following:

- Interest rate risk
- Credit risk
- Foreign currency and market risk
- Liquidity risk

For a detailed disclosure of risks associated with an investment in the Trust please refer to the Trust's prospectus.

Results of Operations

Portfolio

We are targeting the following approximate weightings across the portfolio: Farm Machinery & Equipment 10%; Fertilizers and Crop Protection 25%; Food Processing and Distribution 35%; Special Situations, Private Companies, and Cash 30%.

We remain diligent in owning best-in-class companies across most sectors of the agriculture complex, and remain focused on owning companies that represent value within their sector. As at June 30, 2010, the Trust held 16 equity or equity-related securities in its Portfolio. There is a current cash position of approximately 9% in the portfolio.

Outlook & Strategy

For nearly half a century, agricultural yields have experienced high single-digit growth as a result of the increase in the use of technology, fertilizers, genetically modified seeds, pesticides, combined with economies of scale as land is consolidated into mega-farms. In recent years, however, the increases in productivity have slowed and are now outpaced by global population growth.

Compounding this slowing of productivity growth are a number of other factors that are putting pressure on global food supply, such as the decline in fish stocks, the diversion of land to biofuel production, an increase in protein consumption in emerging economies such as India and China, and the encroachment of urban development on productive agricultural land. An even more worrisome factor is the serious shortage of fresh water developing across the world, increasing farmers' reliance on rain versus groundwater and increasing the volatility in the supply of and hence the pricing of grains and other soft commodities. These factors will contribute to food inflation on a global basis and security of supply will become an area of increasing concern for national governments.

In recent months the soft commodity complex has rallied viciously. Severe fires and droughts in Russia combined with flooding in Pakistan, central Canada, and generally poor growing conditions in several important centres globally has led to a decline in inventories and a sharp spike in wheat prices. This has led to a knock-on effect in maize and soybean, two critical feed alternatives. Similarly other key leading soft-commodities have been rallying including palm oil, sugar, and cocoa. This has led to a renewed interest in agricultural related investments whether related directly to production of these commodities or not.

In August BHP Billiton, the world's largest mining company, made a hostile bid for Potash Corporation of Canada. Potash Corp is the world's largest producer of potash, a critical form of fertilizer. This can be taken as confirmation of fertilizers as an interesting long-term investment area, a sign that potash in particular and the crops that dependent on it may continue to exhibit high or higher prices, and also a klaxon to many investors that has caused them to renew or initiate an interest in agri-business investing. We are therefore optimistic that the balance of 2010 will prove fruitful for investing in this sector.

We will continue to heavily weight the market leading companies with strong strategic positions in the value chain including Monsanto, ADM, and Bunge. We will vary our weighting to fertilizers and other inputs and rotate names based on valuations versus the market and versus one another. We will also continue to take positions in interesting smaller capitalization companies particularly on financings where possible.

Net Asset Value

The net asset value per unit of the Trust as at June 30, 2010 was \$3.58 compared to \$4.23 as at December 31, 2009. Net assets decreased to \$8.3 million at the end of June 2010 from \$12.1 million at the end of 2009. The change in net assets is attributed to the various components of the net asset value as outlined below. For a further analysis as to the impact to the net asset value on a per unit basis, please see the section on Financial Highlights.

Distributions

The Trust distributed \$278,323 to unitholders during the period (2009 - \$1.7 million).

Redemptions

2009 represented the first year in which Trust Units were eligible to be redeemed according to the annual redemption privilege. For the period ended June 30, 2010 there were 547,868 (2009 - 1,329,515) Trust Units surrendered for redemption via annual redemption rights, for gross proceeds of \$2.04 million (2009 - \$ 5.5 million).

In addition, in accordance with the Declaration of Trust, Trust Units may be surrendered for redemption in any month. Trust Units surrendered for redemption by a unitholder prior to 5:00 p.m. (Toronto time) on the tenth business day before the last business day of a month will be redeemed on the second last day of that month. For the period June 30, 2010 there were nil Trust Units surrendered for redemption via monthly redemption rights (2009 - 3,000) for nil proceeds (2009 - \$11,460).

Revenue and Expenses

For the period ended June 30, 2010, the Trust generated income from investments in the form of interest and dividends in the amount of \$329,319 (2009 - \$179,941).

The Trust paid management fees and operating expenses of \$205,460 (2009 - \$452,257). The management expense ratio ("MER") for the Trust was 3.69% (2009 - 3.25%).

Borrowings

The Manager, on behalf of the Trust, may enter into a revolving term credit facility (the "Loan Facility") with a lender in order to add leverage to the portfolio of investments. The Portfolio Manager would draw down on the Loan Facility when market conditions provide opportunities to attempt to increase the potential returns of the Trust. The aggregate amount of borrowings under any Loan Facility and other forms of leverage may not exceed 25% of the total net assets of the Trust at the time the borrowing or other transaction is entered into.

During 2009 the Manager terminated a revolving term credit facility for which a standby expense was being paid. No funds had been drawn from the facility for the six month period ended June 30, 2010.

Recent Developments

The Manager announced on December 29, 2009 that the distribution amount per Trust Unit, effective January 1, 2010, would be reduced from \$0.04167 to \$0.0167.

On June 7, 2010 Aston Hill Financial Inc. ("Aston Hill") and Navina Asset Management Inc ("NAMI") announced the execution of a share purchase agreement. Pursuant to the agreement Aston Hill acquired 100% of the common shares of NAMI. The acquisition was completed on August 6, 2010. This will result in a change of control of NAMI.

Future Accounting Change

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 June 30, 2010 the Manager's plan for conversion to IFRS includes discussions with the Fund's accountants and fund administrators on their process for conversion to IFRS. In addition, the Manager has reviewed the potential impact of IFRS on the Fund's NAV 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 NAV.

In June 2010, the Canadian Accounting Standards Board ("AcSB") published for comments an exposure draft proposing that investment companies, which include investment funds, can defer adoption of IFRS by one year. Investment companies may continue to apply existing GAAP standards and must adopt IFRS for fiscal years beginning on or after January 1, 2012. The AcSB expects to finalize the proposed amendments in September 2010.

Related Party Transactions

The Manager provides all administrative services required by the Trust. The Manager receives a monthly fee at the annual rate of 1.1%, plus applicable taxes, of the net asset value of the Trust, calculated and accrued daily and payable monthly in arrears. The Trust pays to registered dealers an annual service fee equal to 0.40% annually of the net asset value of units held by clients of the sales representatives of such dealers, calculated and payable quarterly in arrears.

Financial Highlights

The following tables show selected key financial information about the Trust and are intended to help in understanding the Trust's financial performance since its commencement of operations on November 16, 2007. This information is derived from the Trust's audited annual financial statements.

| THE TRUST'S NET ASSETS PER UNIT ^{(1) (4)} | 2010 | 2009 | 2008 | 2007 |
|--|---------------|---------------|---------------|---------------|
| Net Assets per unit, beginning of period ⁽¹⁾ | \$4.22 | \$4.03 | \$9.38 | \$10.00 |
| Issue costs | - | - | (0.01) | (0.65) |
| Increase (decrease) from Operations: | | | | |
| Total revenue | 0.12 | 0.05 | (0.47) | 0.04 |
| Total expenses | (0.07) | (0.13) | (0.19) | (0.02) |
| Realized gains (losses) for the period | (0.03) | (2.21) | (1.68) | 0.04 |
| Unrealized gains (losses) for the period | (0.56) | 2.98 | (2.50) | 0.04 |
| Total increase (decrease) from Operations⁽²⁾ | (0.54) | 0.69 | (4.84) | 0.10 |
| Distributions: | | | | |
| From income (excluding dividends) | (0.10) | - | - | - |
| From dividends | - | - | - | - |
| From capital gains | - | - | - | (0.04) |
| From return of capital | - | (0.50) | (0.50) | (0.02) |
| Total annual distributions⁽³⁾ | (0.10) | (0.50) | (0.50) | (0.06) |
| Net Assets per unit, end of period^{(4) (5)} | \$3.58 | \$4.22 | \$4.03 | \$9.38 |

(1) Net Assets, beginning of period for 2007 represents the original investment amount as at November 16, 2007, the date of the closing of the initial offering of the Trust.

(2) Net Assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period.

(3) Distributions were paid in cash.

(4) This information is provided as at December 31 of the year shown, except 2010 which is for the six months ended June 30.

(5) The Financial Highlights are not intended to act as a continuity of the opening and closing net asset value per unit.

Ratios and Supplemental Data

| | 2010 | 2009 | 2008 | 2007 |
|---|---------|---------|---------|--------|
| Net assets (000's)(1) | 8,316 | 12,125 | 17,022 | 39,445 |
| Number of units outstanding (000's)(1) | 2,321 | 2,869 | 4,199 | 4,200 |
| Management expense ratio(2) | 3.69% | 3.25% | 2.54% | 9.15% |
| Management expense ratio excluding issue costs(2) | 3.69% | 3.25% | 2.42% | 2.00% |
| Portfolio turnover rate(3) | 117.45% | 206.72% | 102.02% | 7.44% |
| Trading expense ratio(4) | 0.19% | 0.55% | 0.36% | 0.10% |
| Transaction net asset value per unit | \$3.58 | \$4.23 | \$4.05 | \$9.39 |
| Closing market price(5) | \$3.28 | \$3.98 | \$3.49 | \$9.60 |

(1) This information is provided as at December 31 of the year shown.

(2) Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. For the 2007 period, the management expense ratio is annualized from the date of inception to December 31, 2007. The expenses for the 2007 period contain one-time costs associated with the offering of the Trust as detailed in the prospectus and therefore are not annualized.

(3) The Trust's portfolio turnover rate indicates how actively the Portfolio Manager manages the Trust's portfolio investments. A portfolio turnover rate of 100% is equivalent to the Trust buying and selling all of the securities in its portfolio once in the course of the year. The higher the Trust's portfolio turnover rate in a year, the greater the trading costs payable by the Trust in the year, and the greater the chance of an investor receiving capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Trust.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

(5) Closing market price represents the closing value of the Trust Unit only on the Toronto Stock Exchange.

Management fees

The Trust's MER consists of all of its operating expenses such as custody, valuation, transfer agent, reporting, audit and legal fees. In addition to these operational and administrative expenses, other significant components of the MER are Manager and Dealer Service fees that are calculated as a percentage of the daily net asset value of the Trust. Highlights of the key components of the Trust's MER are listed in the table below:

| DESCRIPTION | % of Net Asset Value (NAV) | 2010 (\$000's) | 2009 (\$000's) | 2008 (\$000's) | 2007 (\$000's) |
|--------------------|----------------------------|----------------|----------------|----------------|----------------|
| Management Fee(1) | 1.10% | \$64 | \$161 | \$375 | \$55 |
| Dealer Service Fee | 0.40% | \$17 | \$56 | \$130 | \$19 |

(1) For the 2010 period, the fees shown are for the six month period ended June 30, 2010.

(2) The Manager is responsible for the management and operational functions of the Trust. In addition, the Manager will monitor the Trust's investment strategy to ensure compliance with the investment guidelines. The Manager has retained the Portfolio Manager to provide investment advisory and portfolio management services to the Trust. The Manager is responsible for the payment of the investment management fees of the Portfolio Manager out of its fees.

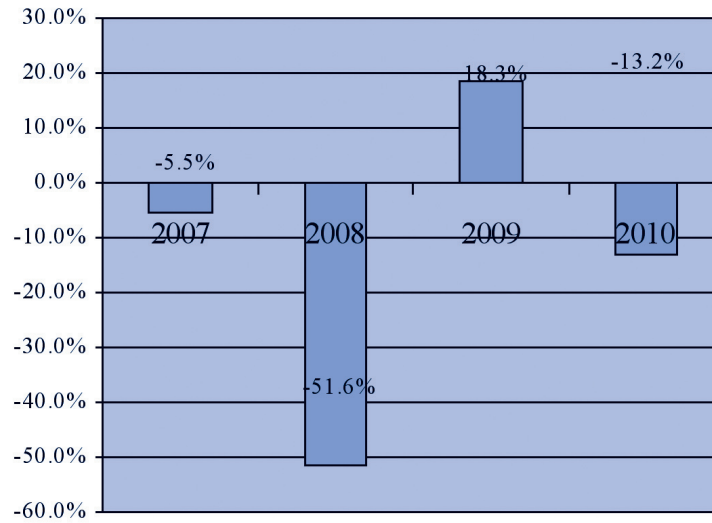
PAST PERFORMANCE

General

The performance information shown assumes that all distributions made by the Trust in the period shown were reinvested in additional securities of the Trust. The Trust's past performance is no guarantee of how it will perform in the future. All performance information is calculated using Net Asset Value per Unit.

Year-by-Year Returns

The following bar chart shows the Trust's annual performance for the periods shown, and illustrates how the Trust's performance has changed from year to year (2007 is the return from November 16, 2007 to December 31, 2007). The chart shows in percentage terms how an investment made at the beginning of year would have increased or decreased by December 31 for the year.



(i) Return from November 16, 2007 to December 31, 2007.

(ii) Return from January 1, 2010 to June 30, 2010.

SUMMARY OF INVESTMENT PORTFOLIO

Below is a summary of the Trust's investment portfolio as at June 30, 2010. This is a summary only and subject to change due to on-going portfolio activity in the Trust. An update is available quarterly at www.navinacapital.com.

| TOP POSITIONS | % of Net Asset Value |
|---|----------------------|
| Plantation et Huileries du Congo 12.00% Jul 26/11 | 12.8 |
| Feronia Inc., Warrants (Exp. Jun 26/11) | 9.6 |
| Indofood Agri Resources Limited | 6.9 |
| Archer-Daniels-Midland Company | 6.6 |
| Wilmar International Ltd. | 6.5 |
| Bunge Limited | 6.3 |
| Syngenta AG | 6.2 |
| AGCO Corporation | 5.9 |
| Potash Corporation of Saskatchewan Inc. | 5.5 |
| AG Growth International Inc. | 5.5 |
| Alliance Grain Traders, Inc. | 5.4 |
| Agrium Inc. | 5.4 |
| Viterra, Inc. | 5.4 |
| The Mosaic Company | 4.8 |
| Monsanto Company | 4.7 |
| Ocean Harvest Technology Inc. | 1.2 |
| Top Positions | 98.7 |
| Cash and Cash Equivalents | 4.0 |
| Other Assets Less Liabilities | (2.70) |
| Total Net Asset Value | 100.0 |

| PORTFOLIO COMPOSITION | Market Value \$ | % of Net Asset Value |
|-------------------------------|--------------------|-------------------------|
| Equities | | |
| Canada | 2,361,620 | 28.4 |
| United States | 1,826,544 | 22.0 |
| Singapore | 1,114,424 | 13.4 |
| South Africa | 796,988 | 9.6 |
| Bermuda | 522,718 | 6.3 |
| Switzerland | 511,586 | 6.2 |
| Total Equities | 7,133,880 | 85.9 |
| Fixed Income | | |
| Democratic Republic Of Congo | 1,062,650 | 12.8 |
| Total Fixed Income | 1,062,650 | 12.8 |
| Cash and Cash Equivalents | 334,556 | 4.0 |
| Other Assets Less Liabilities | (215,385) | (2.7) |
| Total Net Assets | 8,315,701 | 100.0 |

(i) Based on the last trade at market prices for securities (Net Asset Value per Unit) as at June 30, 2010 (See Note 3 to Financial Statements.)

Manager's comments on unaudited interim financial statements

These interim financial statements of the Global Agribusiness Trust (the "Trust") for the period ended June 30, 2010 have been prepared by the Manager. These interim financial statements have not been reviewed by Ernst & Young LLP, the independent external auditors of the Trust.

GLOBAL AGRIBUSINESS TRUST

Statements of Net Assets - As at June 30, 2010 (unaudited) and December 31, 2009 (audited)

| | 2010 \$ | 2009 \$ |
|--|--------------------|---------------------|
| Assets | | |
| Investments, at fair value | \$8,190,240 | \$7,872,966 |
| Cash and cash equivalents | 334,556 | 1,357,975 |
| Collateral due from broker | - | 3,053,321 |
| Receivable on foreign currency contracts (note 10) | - | 70,111 |
| Accrued investment income | 77,521 | 33,189 |
| Prepaid insurance | 3,194 | 7,469 |
| | 8,605,511 | 12,395,031 |
| Liabilities | | |
| Payable for written put options | - | 17,931 |
| Payable on open spot and forward contracts | 151,310 | - |
| Redemptions payable | - | 11,460 |
| Distributions payable | 38,763 | 119,676 |
| Accounts payable and accrued liabilities | 106,027 | 128,052 |
| | 296,100 | 277,119 |
| Net Assets representing unitholders' equity | \$8,309,411 | \$12,117,912 |
| Number of units outstanding (Note 8) | 2,321,117 | 2,868,985 |
| Net Assets per unit | \$3.58 | \$4.22 |

See accompanying notes to financial statements.

GLOBAL AGRIBUSINESS TRUST

Statements of Operations - For the period ended June 30, 2010 and 2009 (unaudited)

| | 2010 \$ | 2009 \$ |
|--|----------------------|------------------|
| Investment income | | |
| Dividends | \$48,941 | \$130,030 |
| Interest | 53,267 | 9,123 |
| Income (loss) from derivatives | 230,596 | 139,763 |
| Less: Foreign withholding taxes | (3,485) | (13,263) |
| | 329,319 | 265,653 |
| Expenses | | |
| Management fees (Note 6) | 64,569 | 93,267 |
| Fund accounting | 24,795 | 24,795 |
| Dealer service fees (Note 6) | 22,114 | 32,004 |
| Director's fees | 17,263 | 17,001 |
| Audit fees | 16,798 | 17,108 |
| Filing fees | 11,957 | 5,320 |
| Unitholder reporting costs | 7,992 | 11,866 |
| Pre Insurance fees | 7,863 | 1,736 |
| Legal fees | 7,084 | 7,247 |
| Administration fees | 6,800 | 8,075 |
| Custody fees | 6,297 | 8,852 |
| Transfer agent fees | 6,199 | 6,199 |
| GST on administration fees | 5,729 | 5,729 |
| | 205,460 | 239,199 |
| Net investment loss | \$123,859 | \$26,454 |
| Net realized and unrealized gain (loss) on investments | | |
| Net realized gain (loss) on investments | 54,206 | (4,218,696) |
| Net realized loss (gain) on foreign exchange | (99,904) | 191,475 |
| Change in unrealized appreciation (depreciation) on investments | (1,333,115) | 4,800,352 |
| Change in unrealized appreciation (depreciation) on foreign exchange | (210,892) | 6,377 |
| Transaction costs (Note 2) | (20,784) | (38,365) |
| Net gain (loss) on investments | (1,610,489) | 741,143 |
| Increase (Decrease) in Net Assets from Operations | \$(1,486,630) | \$767,597 |
| Increase (Decrease) in Net Assets from Operations per unit | \$(0.54) | \$0.19 |

See accompanying notes to financial statements.

GLOBAL AGRIBUSINESS TRUST

Statements of Changes in Net Assets - For the period ended June 30, 2010 and 2009 (unaudited)

| | 2010 \$ | 2009 \$ |
|--|---------------------|---------------------|
| Net Assets, beginning of period | \$12,117,912 | \$16,936,695 |
| Increase (decrease) in Net Assets from operations | (1,486,630) | 767,597 |
| Capital transactions <i>[note 8]</i> | | |
| Payments on redemption | (2,043,548) | (5,478,048) |
| Distributions to unitholders | | |
| Investment income | (278,323) | (994,396) |
| | (278,323) | (994,396) |
| Decrease in Net Assets | (3,808,501) | (5,704,847) |
| Net Assets, end of year | \$8,309,411 | \$11,231,848 |

See accompanying notes to financial statements.

GLOBAL AGRIBUSINESS TRUST

Statements of Cash Flows - For the period ended June 30, 2010 and 2009 (unaudited)

| | 2010 \$ | 2009 \$ |
|---|------------------|--------------------|
| Operating Activities | | |
| Increase (decrease) in net assets from operations | \$(1,486,630) | \$767,597 |
| Add (deduct) items not affecting cash | | |
| Net realized gain (loss) on investments | (54,206) | 4,218,696 |
| Change in unrealized appreciation (depreciation) on investments | 1,333,115 | (4,800,352) |
| | (207,721) | 185,941 |
| Net change in non-cash working capital | | |
| Change in other assets and liabilities | 159,530 | 9,139 |
| Cash provided by operating activities | (48,191) | 195,080 |
| FINANCING ACTIVITIES | | |
| Redemption | (2,055,008) | (5,478,048) |
| Distributions | (359,236) | (1,049,672) |
| Cash provided by financing activities | (2,414,244) | (6,527,720) |
| INVESTING ACTIVITIES | | |
| Purchases of investments | (12,586,328) | (6,192,791) |
| Proceeds on sale of investments | 14,025,344 | 12,522,951 |
| Cash provided by (used in) investing activities | 1,439,016 | 6,330,160 |
| Net increase (decrease) in cash and cash equivalents during the period | (1,023,419) | (2,480) |
| Cash and cash equivalents, beginning of period | 1,357,975 | 2,325,576 |
| Cash and cash equivalents, end of period | \$334,556 | \$2,323,096 |

See accompanying notes to financial statements.

GLOBAL AGRIBUSINESS TRUST

Statement of Investments - As at June 30, 2010 (unaudited)

| NUMBER OF SHARES | SECURITY | AVERAGE COST \$ | FAIR VALUE \$ |
|--------------------------|--|--------------------|--------------------|
| EQUITIES | | | |
| Bermuda | | | |
| 10,000 | Bunge Limited | 618,993 | 522,718 |
| Canada | | | |
| 13,000 | AG Growth International Inc. | 273,433 | 455,000 |
| 8,600 | Agrium Inc. | 591,161 | 447,114 |
| 15,000 | Alliance Grain Traders, Inc. | 468,546 | 450,300 |
| 250,000 | Ocean Harvest Technology Inc. | 100,000 | 100,000 |
| 5,000 | Potash Corporation of Saskatchewan Inc. | 598,404 | 458,400 |
| 63,000 | Viterra, Inc. | 825,060 | 446,040 |
| | | 2,856,604 | 2,356,854 |
| Cayman | | | |
| 3,000,000 | Feronia Inc., Warrants (Exp. Jun 26/11) | 812,475 | 796,988 |
| Singapore | | | |
| 358,000 | Indofood Agri Resources Limited | 500,708 | 577,687 |
| 122,000 | Wilmar International Ltd. | 595,205 | 535,808 |
| | | 1,095,913 | 1,113,495 |
| Switzerland | | | |
| 10,500 | Syngenta AG | 599,132 | 511,586 |
| United States | | | |
| 17,000 | AGCO Corporation | 594,990 | 487,214 |
| 20,000 | Archer-Daniels-Midland Company | 759,599 | 548,327 |
| 8,000 | Monsanto Company | 588,478 | 392,756 |
| 9,600 | The Mosaic Company | 586,631 | 397,652 |
| | | 2,529,699 | 1,825,949 |
| FIXED INCOME | | | |
| | Convertible Bond | | |
| | United States | | |
| 1,000,000 | Plantation et Huileries du Congo 12.00% Jul 26/11 | 1,066,450 | 1,062,650 |
| TOTAL INVESTMENTS | | \$9,579,267 | \$8,190,240 |
| | Receivable on foreign currency contracts (Note 10) | | (151,310) |
| | Cash and cash equivalents | | 334,556 |
| | Other assets, net of liabilities | | (64,075) |
| NET ASSETS | | | \$8,309,411 |

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010 (unaudited)

1. THE TRUST

Global Agribusiness Trust (the "Trust") is a closed-end investment trust established under the laws of the Province of Ontario by a Declaration of Trust dated October 29, 2007 ("Date of Inception").

The Trust effectively began operations on November 16, 2007 ("Commencement of Operations") when it completed an initial public offering of 4,000,000 units at \$10.00 per unit for gross proceeds of \$40.0 million. Each Trust unit consisted of one redeemable, transferable trust unit ("Trust Unit") and a Trust Unit purchase warrant ("Warrant"). Each Warrant entitled the holder to purchase one Trust Unit at a price of \$10.00 on or before 5:00 p.m. EST on November 30, 2010. On December 17, 2007 an overallotment option granted to agents was exercised for an additional 200,000 Trust Units at a price of \$9.60 per Trust Unit and an additional 212,642 Warrants at a price of \$0.40 per Warrant. Including the overallotment option, total gross proceeds of the Trust's initial public offering were \$42,005,057.

Subsequent to the year end, the Manager, Navina Capital Corp. and Lawrence Asset Management Inc. (the "Portfolio Manager") effected an amalgamation of businesses and operations effective January 1, 2010. The combined entity is named Navina Asset Management Inc.. Navina Asset Management Inc. is the manager (the "Manager"), portfolio manager (the "Portfolio Manager") and trustee (the "Trustee") of the Trust.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following is a summary of significant accounting policies followed by the Trust in the preparation of its financial statements:

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and short-term, interest bearing notes with a term to maturity of less than three months from the date of purchase. Cash and cash equivalents are deemed to be held for trading and therefore recorded at fair value.

Valuation of investments

Investments are deemed to be classified as held for trading in accordance with Canadian Institute of Chartered Accountants Handbook Section 3855, Financial Instruments – Recognition and Measurement ("Section 3855") and therefore are recorded at fair value.

Investments in publicly traded securities are valued at fair value, that being the bid price for securities purchased long and ask price for securities sold short, from the relevant exchange on which such securities are principally traded.

Written options are valued at ask prices and purchase options are valued at bid prices as reported on recognized exchanges.

Securities for which reliable quotations are not readily available or not traded in an active market are valued at fair value as determined by the Manager. The difference between fair value and average cost, as recorded in the accounts, is shown as change in unrealized appreciation (depreciation) on investments.

Short-term investments and bonds are valued at current value.

Other assets and liabilities

The Trust's other financial assets, which may include accrued investment income and prepaid expenses are designated as loans and receivables which are recorded at cost or amortized cost. Similarly, payables for securities purchased, distributions payable and accounts payable and accrued liabilities are deemed to be other financial liabilities and reported at cost or amortized cost.

Investment transactions and income recognition

All investment transactions are accounted for on the trade date. Realized gains and losses from investment transactions and unrealized appreciation or depreciation in the value of investments are calculated on an average cost basis, excluding transaction costs and effect of foreign exchange, which is disclosed separately.

Interest income and expenses are recognized daily on an accrual basis.

Dividend income is recognized on the ex-dividend date.

Distributions from income trusts which are treated as dividend income, interest income or capital gains for tax purposes are included as dividend income, interest income or capital gains distributed from income trusts, as appropriate, in the Statements of Operations.

Distributions from income trusts which are treated as return of capital for income tax purposes reduce the average cost of the investment in the Trust on the Statement of Investments.

Transaction costs

Transaction costs, such as brokerage commissions incurred in the purchase and sale of securities by the Trust, are expensed and are included in transaction costs 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 commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties.

Foreign currency translation

Investments at fair value and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange applicable on the valuation date. Investment transactions and income and expenses are translated at the rate of exchange on the date of such transactions.

Forward foreign currency contracts

Forward foreign currency contracts (see Note 10) are valued at current value at the gain or loss if any, that would be realized on the valuation date if the positions were to be closed out. Gains or losses incurred when forward foreign currency contracts entered into by the Trust, which are of the nature of a general hedge of the currency exposure of the underlying portfolio of investments, mature or are closed out are included in "Net realized gain (loss) on foreign exchange" in the Statements of Operations.

Use of estimates

Allocations of distributions received from income trusts among dividends, interest and other income, capital gains, or return of capital are based on estimates of the categorization of distribution provided by those income trusts. These allocations may change once final categorizations of the distributions are received from the respective income trusts.

The preparation of the financial statements in accordance with Canadian generally accepted accounting principles requires the Manager to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Net asset value per unit

The net asset value per unit is computed by dividing the net assets of the Trust by the total number of units outstanding on the valuation date. The increase (decrease) in Net Assets from operations for the year is based on the weighted average number of units outstanding during the year.

Warrants

The outstanding Warrants of the Trust have no effect on the calculation of the net asset value of the Trust below the Warrant exercise price of \$10.00. At such time as the Warrants are in-the-money, all outstanding and unexercised Warrants will be accounted for separately from the Trust Units, but will have a dilution effect on the calculated net asset value per unit.

3. NET ASSET VALUE AND NET ASSETS

The application of CICA Handbook Section 3855 may result in a different value of securities for financial reporting purposes than the value used for pricing unitholder transaction purposes.

The following is the Net Asset Value per unit determined in accordance with Part 14 of the National Instrument and the Net Assets per unit as shown on the Statements of Net Assets. The difference between these amounts represents the valuation difference of securities resulting from the application of Section 3855.

| June 30 | 2010 | 2009 |
|--------------------------|--------|--------|
| Net Asset Value per unit | \$3.58 | \$4.23 |
| Net Assets per unit | \$3.58 | \$4.22 |

4. FINANCIAL INSTRUMENTS

Management of financial risks

In the normal course of business, the Trust is exposed to various types of risks, including market risk (consisting of currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Trust's overall risk management programme seeks to minimize potentially adverse effects of those risks on the Trust's financial performance. The Trust may use derivative financial instruments to mitigate certain risk exposures.

The Trust is an actively managed investment trust. The investment objectives are to provide unitholders with monthly distributions and to achieve long-term capital appreciation through global exposure to businesses operating in the supply and demand chains of the agriculture sector, including crop and animal productions, agrichemicals and fertilizers, farm machinery, equipment and transportation, food processing, distribution and retailing, biofuels and other agribusinesses (collectively referred to herein as "Agribusiness Issuers"). The Trust may invest in nonpublic issuers, but is limited to a maximum of 10% of total net assets at the time of such investment.

Portfolio concentration risk

Portfolio concentration risk is the risk associated with the exposure to any one or more particular country or security. The Manager believes that there is no significant concentration risk of the Trust due to diversification by country and security. The following is a summary of portfolio concentration as of June 30, 2010 and December 31, 2009:

| June 30 | 2010 | 2009 |
|----------------|-------|-------|
| COUNTRY | | |
| Australia | - | - |
| Bermuda | 7.3% | 10.4% |
| Canada | 33.1% | 34.7% |
| Cayman | - | 10.0% |
| Germany | - | - |
| Singapore | 15.6% | 16.4% |
| South Africa | 11.2% | - |
| Switzerland | 7.2% | - |
| United Kingdom | - | 9.0% |
| United States | 25.6% | 19.5% |

NOTES TO FINANCIAL STATEMENTS (continued)

Fair value measurements

The following is a summary of the inputs used as of June 30, 2010 and December 31, 2009 in valuing the Fund's investments and derivatives carried at fair values:

| MARKET VALUE (June 30, 2010) | Level One | Level Two | Level Three | Totals |
|--|------------------|------------------|------------------|------------------|
| Financial Assets | | | | |
| EQUITIES | | | | |
| COMMON STOCK | 6,230,602 | 0 | 896,988 | 7,127,590 |
| FIXED INCOME | | | | |
| CONVERTIBLE BONDS | 0 | 0 | 1,062,650 | 1,062,650 |
| TOTAL FINANCIAL ASSETS | 6,230,602 | 0 | 1,959,638 | 8,190,240 |
| Other Financial Instruments | | | | |
| FORWARD CURRENCY CONTRACTS | 0 | (151,310) | 0 | (151,310) |
| TOTAL OTHER FINANCIAL INSTRUMENTS | 0 | (151,310) | 0 | (151,310) |

| MARKET VALUE (December 31, 2009) | Level One | Level Two | Level Three | Totals |
|---|------------------|---------------|----------------|------------------|
| Financial Assets | | | | |
| EQUITIES | | | | |
| COMMON STOCK | 6,986,703 | 0 | 886,263 | 7,872,966 |
| Total Financial Assets | 6,986,703 | 0 | 886,263 | 7,872,966 |
| Financial Liabilities | | | | |
| WRITTEN OPTIONS | -17,931 | 0 | 0 | -17,931 |
| Total Financial Liabilities | -17,931 | 0 | 0 | -17,931 |
| TOTAL FINANCIAL ASSETS AND LIABILITIES | 6,968,772 | 0 | 886,263 | 7,855,035 |
| Other Financial Instruments | | | | |
| FORWARD CURRENCY CONTRACTS | 0 | 70,111 | 0 | 70,111 |
| TOTAL OTHER FINANCIAL INSTRUMENTS | 0 | 70,111 | 0 | 70,111 |

NOTES TO FINANCIAL STATEMENTS (continued)

During the period ended June 30, 2010 and the year ended December 31, 2009, the reconciliation of investments measured at fair value using unobservable inputs (Level 3) is presented as follows:

| DESCRIPTION (June 30, 2010) | Market Value | Beginning Balance | Beginning Unrealized - Gain (Loss) | Realized - Gain (Loss) | Purchases | Sales @ Proceeds | Transfers In @ MV | Transfers Out @ MV | Amortization Prem/Disc | Ending Unrealized Gain (Loss) | Market Value Ending Balance | Change in Unrealized Gain (Loss) |
|---|--------------|-------------------|------------------------------------|------------------------|-----------|------------------|-------------------|--------------------|------------------------|-------------------------------|-----------------------------|----------------------------------|
| Assets | | | | | | | | | | | | |
| Equities | | | | | | | | | | | | |
| FERONIA INC COM | 786,263 | (26,212) | 0 | 0 | 0 | 0 | 0 | 0 | 10,725 | 796,988 | 10,725 | |
| OCEAN HARVEST TECHNOLOGY INC COM | 100,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 100,000 | 0 | |
| Total Equities | 886,263 | (26,212) | 0 | 0 | 0 | 0 | 0 | 0 | 10,725 | 896,988 | 10,725 | |
| Fixed Income | | | | | | | | | | | | |
| PHC DU CONGO FIX 12 CONV DEB (26JUNE11) | 0 | 0 | 0 | 1,066,450 | 0 | 0 | 0 | 0 | (3,800) | 1,062,650 | (3,800) | |
| Total Assets | 886,263 | (26,212) | 0 | 1,066,450 | 0 | 0 | 0 | 0 | 6,925 | 1,959,638 | 6,925 | |

| DESCRIPTION (December 31, 2009) | Market Value | Beginning Balance | Beginning Unrealized - Gain (Loss) | Realized - Gain (Loss) | Purchases | Sales @ Proceeds | Transfers In @ MV | Transfers Out @ MV | Amortization Prem/Disc | Ending Unrealized Gain (Loss) | Market Value Ending Balance | Change in Unrealized Gain (Loss) |
|----------------------------------|--------------|-------------------|------------------------------------|------------------------|-----------|------------------|-------------------|--------------------|------------------------|-------------------------------|-----------------------------|----------------------------------|
| Assets | | | | | | | | | | | | |
| Equities | | | | | | | | | | | | |
| FERONIA INC COM | 0 | 0 | 0 | 812,475 | 0 | 0 | 0 | 0 | (26,212) | 786,263 | (26,212) | |
| OCEAN HARVEST TECHNOLOGY INC COM | 0 | 0 | 0 | 100,000 | 0 | 0 | 0 | 0 | 0 | 100,000 | 0 | |
| Total Equities | 0 | 0 | 0 | 912,475 | 0 | 0 | 0 | 0 | (26,212) | 886,263 | (26,212) | |
| Total Assets | 0 | 0 | 0 | 912,475 | 0 | 0 | 0 | 0 | (26,212) | 886,263 | (26,212) | |

The potential impact of using reasonable possible alternative assumptions for valuing level 3 financial assets or liabilities is insignificant.

Market price risk

The Trust may take positions in traded instruments, which may include derivatives. Therefore, within defined limits, the Trust may buy or sell call or put options and financial futures or other derivatives.

All investments in securities present a risk of loss of capital. The Portfolio Manager mitigates this risk through a careful selection of securities and other financial instruments, within specified limits. The maximum risk for financial instruments held by the Trust is determined by the fair value thereof. The Trust's overall market positions are monitored on a daily basis by the Portfolio Manager, weekly by the Manager, and are reviewed semi-annually by the Board of Directors of the Manager.

Recognizing the investment objectives of the Trust and its investment focus, market price risk is managed through a diversification of the investment portfolio across agribusiness sub-sectors and by diversifying across geographies and individual securities. As at June 30, 2010 and December 31, 2009, 1% (December 31, 2009 - 9%) of the Trust's total Net Assets is represented by cash or cash equivalents, net of current liabilities. Substantially all of the remaining 99% (December 31, 2009 - 91%) of shareholders' equity is invested in equity instruments located in Canada, United States of America, Europe, Singapore, Bermuda, and South Africa.

Short sales the Trust may make in the future could involve certain risks and other considerations. Potential losses from short sales differ from potential losses from securities held (long positions), because losses from short sales might be unlimited, whereas losses from long positions can never exceed the total amount invested.

As at June 30, 2010 and December 31, 2009, the Trust's market risk is potentially affected by two main components, being changes in actual market prices and changes in foreign currency rates. The Trust's sensitivity to foreign currency movements is reported below under currency risk. During the 2010 period, the changes in fair values of portfolio investments decreased at a greater rate than the referenced S&P/TSX Composite Index. If market prices of each of the investments had strength-

ened or weakened by 1% with all other variables remaining constant, Net Assets of the Trust for the period would have increased or decreased by approximately \$81,902 (December 31, 2009 - \$78,550).

Interest rate risk

As at June 30, 2010 and December 31, 2009, the Trust held no short term deposit notes or other interest-bearing securities. The Trust also has no interest-bearing liabilities. As a result of this, the Trust had minimal risk due to the changes in prevailing market interest rates. Market prices of the equity securities may be affected by changes in market interest rates or in interest rate policies of Canada, the United States of America or other countries.

Credit risk

Credit risk is the risk that a counterparty would be unable to pay amounts due to the Trust in accordance with the terms and conditions of the debt instruments. As at June 30, 2010, the Trust has exposure to credit risk through the forward currency contracts outstanding held with State Street. In the opinion of management, the Trust has no significant credit risk exposure for the forward currency contracts due to the AA- credit rating of State Street as counterparty to the contracts (see note 10). The maximum exposure to credit risk relating to receivables for securities sold and accrued investment income is represented by the carrying value on the Statement of Net Assets. In the future, the Trust may invest in other debt instruments for investment purposes.

Liquidity risk

As at June 30, 2010 and December 31, 2009, the majority of the Trust's investment holdings are considered readily realizable, as they are actively traded on public exchanges. The Trust is restricted from investing in public securities with a market capitalization of less than US\$150 million, to help reduce liquidity risk to the portfolio. The Trust's investment restrictions do allow up to 10% of total assets to be invested in securities of issuers that are not publicly traded, based on value at cost.

NOTES TO FINANCIAL STATEMENTS (continued)

Currency risk

In the normal course of business, the Trust may hold assets or have liabilities denominated in currencies other than the Canadian dollar, the reporting currency of the Trust. Therefore, the Trust is exposed to currency risk, as the value of any assets or liabilities denominated in currencies other than the Canadian dollar will vary due to changes in foreign exchange rates. The following summarizes the Trust's exposure to currency risks, as at June 30, 2010 and December 31, 2009:

| June 30, 2010 | Financial Assets | Other Assets | Foreign Forward Currency Contracts | Financial Liabilities | Other Liabilities | Total | % of Net Assets |
|------------------|------------------|--------------|------------------------------------|-----------------------|-------------------|-----------|-----------------|
| Euro Currency | - | 1,880 | - | - | - | 1,880 | 0.02% |
| Singapore Dollar | 1,114,424 | - | (1,127,379) | (37,967) | - | (50,922) | (0.61)% |
| Swiss Franc | - | 3,193 | - | - | - | 3,193 | 0.04% |
| US Dollar | 4,730,846 | 70,238 | (4,819,592) | (113,343) | - | (131,851) | (1.59)% |

| December 31, 2009 | Financial Assets | Other Assets | Foreign Forward Currency Contracts | Financial Liabilities | Other Liabilities | Total | % of Net Assets |
|-------------------|------------------|--------------|------------------------------------|-----------------------|-------------------|---------|-----------------|
| Euro Currency | - | 2,173 | - | - | - | 2,173 | 0.02% |
| Pound Sterling | 710,487 | 20,671 | (702,720) | - | - | 28,438 | 0.23% |
| Singapore Dollar | 1,290,174 | - | (1,253,799) | - | - | 36,375 | 0.30% |
| Swiss Franc | - | 3,286 | - | - | - | 3,286 | 0.03% |
| US Dollar | 4,997,401 | 50,690 | (4,258,048) | - | (10,221) | 779,822 | 6.44% |

As at June 30, 2010, had the Canadian dollar become strengthened or weakened by 1% against each of the other currencies with all other variables remaining constant, Net Assets of the Trust for the period would have decreased or increased by \$1,777 (December 31, 2009 - \$8,501).

5. TAXATION

The Trust qualifies as a “mutual fund trust” within the meaning of the Income Tax Act (Canada). The Trust is subject to applicable federal and provincial taxes on the amount of its net income for tax purposes for the year, including net realized taxable capital gains, to the extent such net income for tax purposes has not been paid or made payable to unitholders in the year.

No provision for income taxes has been recorded in the accompanying financial statements as all income and net realized capital gains are distributed to the unitholders. Capital losses realized in excess of those utilized to offset realized capital gains in the current taxation year can be carried forward indefinitely and may be applied against future years' capital gains. Non-capital losses may be carried forward for a period of 20 years and applied against future years' taxable income. As at December 31, 2009, the Trust had a capital loss carry forward balance of \$16,445,710 and a non-capital loss carry forward balance of \$1,845,663. If not utilized, the non-capital losses will expire as follow: 2028 - \$1,054,999 and 2029 - \$790,664.

6. EXPENSES OF THE TRUST

Management fees

Pursuant to the Declaration of Trust, the Manager provides all administrative services required by the Trust, including the appointment of portfolio managers to the Trust.

In return, the Manager receives a monthly fee at the annual rate of 1.10%, plus applicable taxes, of the net asset value of the Trust, calculated and payable monthly in arrears. The Manager is responsible for payment of the investment management fees of the Trust's portfolio manager out of its annual management fees.

The Trust also pays to the Manager an annual service fee equal to 0.40% annually of the net asset value of units held by clients of the sales representatives of such dealers, calculated and payable quarterly in arrears. Dealer service fees for the period were \$22,114 (2009 - \$32,004).

Other expenses

The Trust is responsible for all other expenses incurred in connection with its operation and administration, such as custodian, valuation, transfer agent, reporting, audit and legal fees. Brokerage commissions paid on securities transactions are expensed in the period in which the transaction occurred and are not considered to be part of total expenses. These commissions are included in the cost of purchasing, or netted out of the proceeds from selling securities. For the period ended June 30, 2010, brokerage commissions were \$20,784 (2009 - \$38,365). There were no soft dollar amounts included in these payments.

7. UNITHOLDERS' EQUITY

The Trust is authorized to issue an unlimited number of voting, transferable, redeemable Trust Units of one class, each of which represents an equal, undivided interest in the net assets of the Trust. On termination of the Trust, unitholders will be entitled to receive their pro rata share of all of the assets of the Trust remaining after payment of all debts, liabilities and liquidation expenses.

The Trust may be terminated at any time upon not less than 90 days' written notice to the Trustee provided that the prior approval of unitholders has been obtained by a majority vote at a meeting of unitholders called for that purpose. In addition, the Trustee may, in its discretion, on 60 days' notice to unitholders, terminate the Trust without the approval of unitholders if, in its opinion, the net asset value of the Trust is reduced as a result of redemptions or otherwise so that it is no longer economically feasible to continue the Trust or the Trustee determines to terminate the Trust in connection with a permitted merger. In case the Trust is terminated, the Trust shall, to the extent possible, convert its assets to cash and, after paying or making adequate provision for all of the Trust's liabilities, distribute the net assets of the Trust, on a pro rata basis, to the unitholders.

Trust Units may be surrendered annually for redemption during the period from April 15th until 5:00 p.m. (Toronto time) on the 20th business day before the last business day in May in each year subject to the Trust's right to suspend redemptions in certain circumstances. Trust Units surrendered for redemption during this period will be redeemed on the second last business day of May of each year. Redeeming Unitholders will be entitled to receive a redemption price per Trust Unit equal to the net asset value per Trust Unit less any costs and expenses incurred by the Trust in connection with funding the redemption.

In addition, Trust Units may be surrendered for redemption in any month. Trust Units properly surrendered for redemption by a unitholder prior to 5:00 p.m. (Toronto time) on the tenth business day before the last business day of a month will be redeemed on the second last day of that month (“Monthly Redemption Date”) at a redemption price equal to the lesser of:

- (a) 96% of the weighted average trading price of the Trust Units on the Toronto Stock Exchange during the 15 trading days preceding the applicable Monthly Redemption Date; and
- (b) an amount equal to:
 - i. the closing unit market price on the applicable Monthly Redemption Date, if there was trading on the applicable Monthly Redemption Date and the stock exchange provides a closing price;

- ii. an amount equal to the average of the highest and lowest prices of units on the applicable Monthly Redemption Date if there was trading on the applicable Monthly Redemption Date and the stock exchange provides only the highest and lowest trading prices of units on a particular day;
- or
- iii. the average of the last bid and ask prices on the applicable Monthly Redemption Date on the stock exchange if there was no trading on the applicable Monthly Redemption Date.

8. NET CAPITAL TRANSACTIONS

Net capital transactions for the Trust for the period ended June 30, 2010 and fiscal year ended December 31, 2009 consisted of the following:

| | TRUST UNITS (#) | | WARRANTS (#) | |
|--|-----------------|-------------|--------------|-----------|
| | 2010 | 2009 | 2010 | 2009 |
| Number of units outstanding, beginning of period | 2,868,985 | 4,198,500 | 4,212,642 | 4,212,642 |
| Issuance of Units | - | - | - | - |
| Issuance of Trust Units | (547,868) | (1,329,515) | - | - |
| Issuance of Warrants | - | - | - | - |
| Issue costs (including agent's fees) | - | - | - | - |
| Number of units outstanding, end of period | 2,321,117 | 2,868,985 | 4,212,642 | 4,212,642 |

Warrants

Each Warrant entitles the holder to purchase one Trust Unit at the subscription price of \$10.00 per Trust Unit by notifying Computershare Trust Company of Canada (the "Warrant Trustee") between the first business day of any month and 5:00 p.m. (Toronto time) on the tenth business day of such month ("Warrant Notice Period") up until November 30, 2010. Such Warrants will be exercised effective as at 5:00 p.m. on the tenth business day of the applicable month. Holders who exercise the Warrants will become holders of Trust Units issued through the exercise of the Warrants. Warrants not exercised prior to 5:00 p.m. (Toronto time) on November 30, 2010 will be void and of no value. Upon the exercise of a Warrant, the Trust will pay a fee equal to \$0.15 per Warrant to the broker whose client is exercising the Warrant and \$0.10 per Warrant to the Agents.

As at June 30, 2010 there were 4,212,642 (2009 - 4,212,642) Warrants outstanding. The diluted NAV per unit is not presented as the impact of the warrants would have been anti-dilutive.

Capital Management

Unitholders equity is considered to be the source of capital for the Trust. The Trust's objectives are managing capital to safeguard the Trust's ability to continue as a going concern, to provide financial capacity and flexibility to meet its strategic objectives, to provide an adequate return to unitholders commensurate with the level of risk while maximizing the distributions to unitholders.

Since both the revenues and expenses of the Trust are reasonably predictable and stable and since the Trust does not have any externally imposed capital requirements, the Manager believes that the current level of distributions, capital and capital structure is sufficient to sustain ongoing operations. The Manager actively monitors the cash position and financial performance of the Trust to ensure there are resources to meet current distribution levels.

9. LOAN FACILITY

The Manager, on behalf of the Trust, may enter into a revolving term credit facility (the "Loan Facility") with a lender in order to add leverage to the portfolio of investments. The Portfolio Manager would draw down on the Loan Facility when market conditions provide opportunities to attempt to increase the potential returns of the Trust. The aggregate amount of borrowings under any Loan Facility and other forms of leverage may not exceed 25% of the total net assets of the Trust at the time of the borrowing or other transaction is entered into.

During 2009 the Manager terminated a revolving term credit facility for which a standby expense was being paid. No funds had been drawn from the facility during 2010.

10. FORWARD FOREIGN CURRENCY CONTRACTS

| June 30, 2010 Contracts | | Sold | | Bought | | Settlement Date | Unrealized Gain (Loss) | Counterparty | Credit Rating |
|----------------------------|-----|-----------|-----|-----------|--------------|--------------------|---------------------------|--------------|------------------|
| 1 | SGD | 1,430,000 | CAD | 1,053,523 | Sep 09, 2010 | (35,656) | State Street | AA- | |
| 1 | SGD | 100,000 | CAD | 73,855 | Sep 09, 2010 | (2,311) | State Street | AA- | |
| 1 | USD | 100,000 | CAD | 102,100 | Sep 10, 2010 | (4,213) | State Street | AA- | |
| 1 | USD | 100,000 | CAD | 103,000 | Sep 10, 2010 | (3,313) | State Street | AA- | |
| 1 | USD | 4,440,000 | CAD | 4,614,492 | Sep 10, 2010 | (105,817) | State Street | AA- | |
| Totals | | | | | | | \$(151,310) | | |

| December 31, 2009 Contracts | | Sold | | Bought | | Settlement Date | Unrealized Gain (Loss) | Counterparty | Credit Rating |
|--------------------------------|-----|-----------|-----|-----------|--------------|--------------------|---------------------------|--------------|------------------|
| 1 | SGD | 1,650,000 | CAD | 1,253,799 | Mar 10, 2010 | 22,709 | State Street | AA- | |
| 1 | GBP | 410,000 | CAD | 702,719 | Mar 10, 2010 | 8,905 | State Street | AA- | |
| 1 | USD | 4,025,000 | CAD | 4,258,048 | Mar 10, 2010 | 38,497 | State Street | AA- | |
| Totals | | | | | | | \$70,111 | | |

CAD - Canadian Dollar
GBP - Pound Sterling

SGD - Singapore Dollar
USD - U.S. Dollar

11. SECURITIES LENDING

In order to generate additional returns, the Trust may engage in securities lending with borrowers deemed acceptable to the Trust. Although it will receive collateral for the loans and such collateral will be marked-to-market, the Trust will be exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and the collateral be insufficient to reconstitute the portfolio of loaned securities.

There were no securities lending transactions during 2010 and 2009.

12. DISTRIBUTIONS

The Trust endeavours to make monthly cash distributions to unitholders consisting primarily of distributions received on securities in the investment portfolio and, in certain circumstances, of net realized capital gains from the investment portfolio. The Trust will not have a fixed monthly distribution but will determine and announce each December an expected distribution amount for the following calendar year. Monthly distributions will be paid to unitholders on or about the 15th of each month following the month in which they are declared. The monthly distribution declared to unitholders of record, at the end of each month in the period, was \$0.0167 (2009 - \$0.04167) per unit.

13. MARKET PURCHASES

The Portfolio Manager may purchase Trust Units on the stock exchange if it determines that such purchases are in the best interest of unitholders, and will be subject to compliance with any applicable regulatory requirements and limitations. As at June 30, 2010 and 2009, no Trust Units had been purchased by the Portfolio Manager.

14. SUBSEQUENT EVENT

On June 7, 2010 Aston Hill Financial Inc. ("Aston Hill") and Navina Asset Management Inc ("NAMI") announced the execution of a share purchase agreement. Pursuant to the agreement Aston Hill acquired 100% of the common shares of NAMI. The acquisition was completed on August 6, 2010. This will result in a change of control of NAMI.



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