



NAVINA GLOBAL RESOURCE FUND
(FORMERLY LONG RESERVE LIFE RESOURCE FUND)

Semi - Annual Financial Statements

June 30, 2010

NAVINA GLOBAL RESOURCE FUND

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:

LRFUN

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

This interim management report of fund performance (“MRFPP”) for Navina Global Resource Fund (the “Trust”) contains financial highlights and is included with the unaudited interim financial statements in the interim report of the Trust. You may request a copy of the Trust’s unaudited interim or audited annual financial statements or 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 SEDAR at www.sedar.com.

CHANGE OF MANAGER AND TRUSTEE

On August 7, 2009, JovFunds Management Inc. (“Jov”) transferred the responsibility for providing all administrative services, as the manager for the Trust to Lawrence Asset Management Inc. (“LAMI”). LAMI is continuing its role as the portfolio manager of the Trust.

Effective January 1, 2010, the Manager and Trustee, Lawrence Asset Management Inc. effected an amalgamation of businesses and operations with Navina Capital Corp. The combined entity as of January 12, 2010 is named Navina Asset Management Inc.

Effective June 7, 2010 Long Reserve Life Resource Fund changed its name to Navina Global Resource Fund.

FORWARD LOOKING STATEMENTS

Included in this annual Management Report of Fund Performance are matters that constitute “forward-looking” information within the meaning of Canadian securities law. Such forward-looking statements may be identified by words such as “plans”, “proposes”, “estimates”, “intends”, “expects”, “believes”, “may” or words of a similar nature. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from such statements. Factors that could cause actual results to differ materially include among others, regulatory risks, risk inherent in foreign operations, commodity prices and competition. These factors are largely outside the control of the Fund. All subsequent forward-looking statements attributable to the Fund or its agents are expressly qualified in their entirety by these cautionary comments. Except as otherwise required by applicable securities statutes or regulation, the Fund expressly disclaims any intent or obligation to update publicly forward-looking information, whether as a result of new information, future events or otherwise.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

At an adjourned Special Meeting of Unitholders, held June 21, 2007, Unitholders of the Fund approved a proposal by the Manager to enable the Fund to convert to an open-ended mutual fund in order to provide Unitholders with enhanced liquidity. Effective market close on June 25, 2010, units of the Fund were delisted and no longer posted for trading on the TSX under the symbol LRF.UN. Effective Monday, July 5, 2010, units are redeemable at their net asset value on a daily basis. Orders for purchase or redemption on units can be placed through FundSERV.

On July 5, 2010, the Fund began offering Class A, Class F and Class I units to new investors. Existing units which were previously undesignated were designated as Class A units.

In addition, client account statements will begin reporting the net asset value per unit of the Fund rather than the market price. The Fund will continue its objective to pay Unitholders monthly distributions of \$0.04167 per unit.

As a separate Special Meeting of Unitholders on October 20, 2008, Unitholders approved certain changes to the Fund’s investment strategy and management fees upon the conversion of the Fund to an open-ended mutual fund. These changes are now effective. The Manager believes that the changes to the Fund’s investment strategy will provide more flexibility and include the ability to invest in the agribusiness sector, the ability to set periodically the permitted ranges for investments in the various resource sectors and the ability to engage in a limited amount of short selling. The changes to the management fees include an increase in the annual management fee to 2.5% of the Fund’s net asset value and the addition of a performance fee, all as approved by Unitholders.

Investment Objective And Strategies

The Trust’s investment objective is to (i) achieve long-term capital appreciation; and (ii) provide unitholders with monthly distributions targeted to be \$0.04167 (\$0.50 per annum) representing an annual yield of 5.0% based on the \$10.00 per unit issue price.

In order to achieve the Trust’s investment objective, the Trust will be invested in an actively managed, broadly diversified portfolio of equity securities of issuers in the oil and gas, diversified base metal, precious metal, coal and uranium commodity sectors (collectively, “Resource Issuers”).

NAMI selects Resource Issuers based primarily on reserve life, hedging practices and the political stability of the areas where the Resource Issuer’s reserves are located. NAMI believes that Resource Issuers with a longer reserve life will have higher performance over the life of the Trust than those with a shorter reserve life.

Risk

The Fund’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, the Fund 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 Fund please refer to the Fund’s prospectus.

Results of Operations

Net Assets

The net assets per unit of the Trust as at June 30, 2010 was \$6.89 compared with \$7.20 as at December 31, 2009. Net assets decreased to 5.7 million at the end of June 2010 from 5.9 million at the end of 2009.

Average net assets for the period ending June 30, 2010 were significantly lower than the prior year. While variable expenses such as the management fee declined in proportion to the decline in average net assets, certain fixed expenses remained constant. Consequently, there was an increase in the management expense ratio.

Portfolio

As at June 30, 2010, the Trust had a portfolio with approximately 79% equities that are based in Australia, Canada, Ireland, and the United Kingdom. Approximately 10% of the portfolio is invested in Canadian income trusts. The balance of the Trust's net assets is held in cash and cash equivalents.

Distributions

During the period ended June 30, 2010, the Trust paid to unitholders distributions of \$206,653 (2009: \$499,656).

Recent Developments

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 the control of NAMI.

Portfolio Commentary

Feature Position: Niko Resources Ltd.

Niko Resources is an oil and gas exploration and development company with operations in India, Bangladesh, Thailand, Pakistan, Indonesia, and Kurdistan. Niko's principal asset is its 10% interest in the D6 block of the Krishna Godarvi basin offshore India. The 90% operating partner is Reliance Industries, India's largest company. The D6 block in the KG basin is estimated to contain 14 trillion cubic feet of gas. It is now producing gas to feed the rapidly growing Indian market place.

Niko realizes substantial cash-flow from its non-operating interest in the D6 block and will for many years to come. It has further interests in the KG basin which may also prove to be valuable and further extend the reserve life and increase cash-flow realized by Niko from this region. Moreover, the substantial, predictable, and long-life cash-flows from this asset fully fund Niko's substantial global exploration programme. They have large positions in highly prospective areas including massive offshore

concessions in Indonesia, which once explored and developed, could dwarf even the KG basin asset. Niko is in a unique position to explore these large opportunities and in all likelihood, develop them, without any equity dilution. The opportunities for long-term capital appreciation from Niko are enormous and it is likely to remain a core holding of the Fund as the company exploits its substantial exploration pipeline.

Feature Position: Kenmare Resources Plc.

Kenmare is a listed on the main board of the Irish and London Stock Exchanges, and is developing the Moma Titanium Minerals Mine located on the northern coast of Mozambique. The mine contains reserves of heavy minerals which include the economic titanium minerals ilmenite and rutile used as feedstocks to produce titanium dioxide pigment, as well as the relatively high-value zirconium silicate mineral, zircon. Titanium dioxide pigment is used in paints, paper, and plastic production. The primary applications for zircon are in the manufacture of opacifiers for ceramic tile production and for refractory products used in the steel and foundry industries. The long-term returns from heavy minerals projects, particularly titanium projects, rank among the highest of all mining operations. There are huge barriers to entry including high up-front capital expenditures that lead to unusually high profits to the owners over time. Most such projects are owned by major global mining companies which derive significant profit contributions from them over a very long-period of time.

Kenmare's Moma Titanium Minerals project is one of the largest independent heavy minerals projects in the world. In March of this year the company announced a 50-percent expansion in annual output of the mine to capitalize on improved market fundamentals. To finance this expansion, Kenmare issued GBP179,000,000 in new shares at a 42% discount to the then prevailing share price. This provided an outstanding entry point for investors and the Fund acquired a position at this price. Insiders of Kenmare increased their percentage ownership of the company on this financing which we view as a strong positive. Kenmare is highly levered but is now in production and selling into a very strong market. The financial leverage and the heavily discounted share issue have put the equity into a position of high leverage to titanium prices and the success of the Moma mine. It is our belief that this, being a world-class asset in terms of size and production costs, in a favorable jurisdiction, is a likely and highly attractive acquisition target for a global mining major. We believe that within the next 24 months Kenmare will be acquired and at a substantial premium to today's share price.

Manager Commentary

Economic indicators continue to paint a mixed picture for global growth, the primary determinant of commodity demand. Performance from the Euro-zone has been weak and will likely remain so, however this is well discounted into most forecasters analyses. Asia has surprised most forecasters to the upside and is likely to continue to register high single-digit economic growth for the next several years. However, this is equally discounted into most forecasters' models. We are therefore cautious with our directional bets and continue to take a more bottom-up approach than usual to stock selection as a result.

The commodity sector continues to be a standout in markets offering superior supply-demand fundamentals and a targeted exposure to emerging markets growth. Year-to-date important themes have been increased acquisition activity driven by emerging markets companies, particularly state-owned companies, and a particular focus on bulk commodities, specifically coal and iron ore. We have seen several large-scale equity investments particularly from Chinese state-owned companies such as China Rail and Chinalco. We expect this to be a recurring phenomenon and an increasing preference - large minority equity stakes that leave experienced management teams intact and tied to an off-take agreement versus outright acquisitions. Activity in the iron ore and coal spaces have been most frenetic. Both Chinese and Indian steel mills are hungry for iron ore and metallurgical grade coal. Chinese companies are more focused on iron ore having little domestic supply. Conversely, Indian companies are more focused on metallurgical grade coal being well supplied with domestic iron ore. Indian power companies have also become increasingly aggressive in the acquisitions market looking to add economic thermal coal reserve to feed their domestic power plants. It is increasingly apparent that thermal coal prices in Asia will remain at current levels if not higher for a long time - the demand creation is structural not cyclical and new supply is severely constrained by current infrastructure, specifically rail and port infrastructure in Australia, Indonesia, and southern Africa.

The current investment themes for the fund are:

1. Base Metals We expect copper prices to remain high and world-class copper discoveries to be decreasingly frequent. Therefore late-stage development companies and independent producers with high quality reserves are attractive acquisition targets and therefore interesting investment opportunities. The same is true but to a lesser extent for other base metals.

2. Precious Metals Gold, and increasingly silver continue to get investor mind-share globally and are increasingly being seen as a currency to be held as part of any large portfolio. Large gold companies continue to struggle to replace reserves and prices are likely to have an upward bias for years to come as governments around the world continue to run budget deficits and deflate the value of their own currencies. We believe the primary opportunities for capital appreciation are in late-stage development and mid-tier producing companies - they are the most likely consolidation targets and represent the most appropriate risk-reward potential for the Fund.

3. Energy (coal, oil & gas, uranium) The challenge to supply the world's energy needs will continue to be a dominant theme for an entire generation if not longer. The ability for global producers of fossil fuels to continue to meet demand remains questionable and prices will continue to reflect those challenges. Thermal coal is an extremely attractive sector and one we will continue to search for interesting opportunities in. The Fund will also continue to hold high-yielding Canadian oil and gas trusts which provide a consistent source of income and represent a disciplined way to participate in higher oil and gas prices.

4. Agriculture Technology continues to improve farmers' yields from existing land. It is critical that this continue as populations increase and the arable land per capita globally continues to decline in the face of higher intensity consumption as global wealth continues to rise. Increased productivity is highly dependent on increased expenditures on fertilizers, pesticides, herbicides, genetic improvements, and capital equipment. We believe this will be an important theme in global commodity markets for the foreseeable future.

The Fund has profitably liquidated its position in Tourmaline Oil Corp. We expect the position to continue to perform but given market uncertainties we chose to book the profit in this position and increase the overall liquidity of our portfolio.

Unitholder Activity

Unitholders are permitted to redeem their units on a daily basis for a redemption price equal to the Net Asset value per unit.

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 December 31, 2009 the Manager's plan for conversion to IFRS includes discussions with the Trust'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 Trust'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 Trust's financial statements, with no impact to the Trust'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. The Manager is responsible for payment of the investment management fees of the Trust to the portfolio manager out of its annual management fees.

Financial Highlights

The following tables show selected key financial information about the Trust and are intended to help you understand the Trust's financial performance for the periods ended June 30, 2010 since its inception on May 18, 2006. The information for 2006 relates to the period from May 18, 2006 to December 31, 2006.

| THE TRUST'S NET ASSETS PER UNIT ^{(1) (4)} | 2010 | 2009 | 2008 | 2007 | 2006 ⁽²⁾ |
|---|--------|--------|---------|---------|---------------------|
| Net Assets, beginning of period | \$7.20 | \$5.21 | \$10.45 | \$10.06 | \$10.00 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.06 | 0.17 | 0.20 | 0.35 | 0.15 |
| Total expenses | (0.22) | (0.26) | (0.30) | (0.27) | (0.13) |
| Realized gains (losses) for the period | 0.92 | (2.67) | 0.79 | 1.42 | 0.22 |
| Unrealized gains (losses) for the period | (0.82) | 5.22 | (5.55) | 0.69 | 0.69 |
| Total increase (decrease) from operations | (0.06) | 2.46 | (4.86) | 1.96 | 0.93 |
| Distributions ⁽³⁾ | | | | | |
| From income (excluding dividends) | | | | | |
| From dividends | | | | | |
| Return of capital | (0.25) | (0.50) | (0.35) | (0.99) | (0.05) |
| From capital gains | - | - | (0.15) | (0.50) | (0.24) |
| Total distributions | (0.25) | (0.50) | (1.50) | (1.49) | (0.29) |
| Net Assets, end of period | \$6.89 | \$7.20 | \$5.21 | \$10.45 | \$10.06 |

(1) Net assets and distributions 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.

(2) Net assets beginning of period for 2006 represents the original investment amount as at May 18, 2006, the date of the closing of the initial offering of units at \$10.00 per unit.

(3) Distributions were paid in cash or reinvested in additional units.

(4) This information is derived from the Trust's audited financial statements. The net assets per unit 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.

Ratios and Supplemental Data

| | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---------|---------|---------|----------|----------|
| Total net asset value (000's) ⁽¹⁾ | \$5,738 | \$5,977 | \$5,346 | \$13,056 | \$21,178 |
| Number of units outstanding (000's) ⁽¹⁾ | 828 | 825 | 1,014 | 1,246 | 2,106 |
| Management expense ratio ⁽²⁾ | 6.15% | 4.24% | 3.43% | 2.38% | 14.39% |
| Management expense ratio before waivers or absorptions | 6.15% | 4.24% | 3.43% | 2.38% | 14.99% |
| Portfolio turnover rate ⁽³⁾ | 99.61% | 85.26% | 244.36% | 71.79% | 170.75% |
| Trading expense ratio ⁽⁴⁾ | 0.98% | 0.30% | 1.35% | 0.50% | 1.13% |
| Closing market price | \$714 | \$6.52 | \$4.93 | \$10.40 | \$9.25 |

(1) For the 2010 period, the fees shown are for the six month period ended June 30, 2010, and as at December 31 for the remaining years shown.

(2) Management expense ratio 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 assets during the period. The management expense ratio for 2006 is calculated on an annualized basis and reflects one-time issue expenses related to the units and the fact that the Trust operated for the period from May 18, 2006 to December 31, 2006.

(3) The Trust's portfolio turnover rate indicates how actively the Trust's portfolio adviser manages its 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 a fund'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 taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

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

Management fee

The Manager is responsible for the management and operation of the Trust. In addition, the Manager monitors the Trust's investment strategy to ensure compliance with the investment guidelines. The Manager retained NAMI to provide portfolio management services to the Trust. In return for providing these services, the Manager earns a fee of 1.1% per annum calculated as a percentage of the net asset value ("NAV") of the Trust. The Manager pays the investment management fees of NAMI from the Manager's fee. The Trust also pays to registered dealers, an annual dealer service fee of 0.40% which is calculated as a percentage of the NAV of the Trust.

| DESCRIPTION | % of Net Asset Value (NAV) | 2010 (\$000's) | 2009 (\$000's) |
|--------------------|-------------------------------|----------------|----------------|
| Management Fee | 1.10% | \$34 | \$73 |
| Dealer Service Fee | 0.40% | \$11 | \$25 |

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

PAST PERFORMANCE

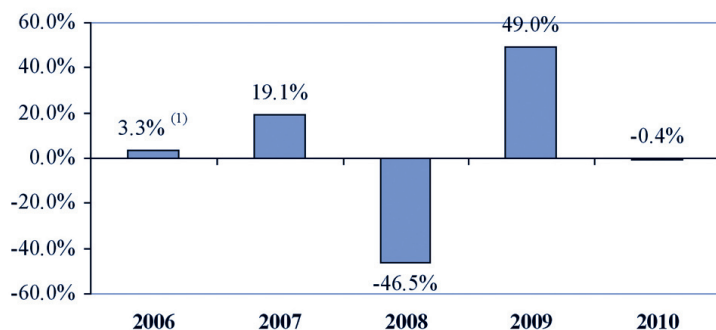
General

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

Year-by-Year Returns

The bar chart shows the Trust's performance for the periods shown, and illustrates how the Trust's performance has changed from year to year since inception to June 30, 2010 (2006 is for the return from May 18, 2006 to December 31, 2006). The bar chart shows, in percentage terms, how much an investment in the Trust's units made at inception on January 1 would have grown or decreased by December 31 of that year.

Navina Global Resource Fund



The following table shows the Fund's annual compound return for the period ended June 30, 2010 as indicated. As a basis for comparison, the annual compound return is compared to the S&P/TSX Composite Index on the same compound basis.

| PERCENTAGE RETURN: | 1-Year | Since Inception ⁽¹⁾ |
|-----------------------------|--------|--------------------------------|
| Navina Global Resource Fund | -0.4% | -0.7% |
| S&P/TSX Composite Index | -3.8% | -1.0% |

(1) Return from May 18, 2006.

(2) Source: Bloomberg

The S&P/TSX Composite Index is a capitalization-weighted index that represents some of the largest float-adjusted stocks trading on the Toronto Stock Exchange. Company size and liquidity are the chief attributes determining index membership.

| PORTFOLIO COMPOSITION | % of Net Asset Value |
|---|----------------------|
| Equities | |
| Canada | 62.82 |
| United Kingdom | 6.94 |
| Ireland | 5.12 |
| Australia | 4.25 |
| Total Equities | 79.13 |
| Income Trusts | |
| Canada | 9.70 |
| Total Income Trusts | 9.70 |
| Cash | 13.49 |
| Other assets less liabilities | (2.32) |
| | 100.00 |
| TOP POSITIONS | |
| % of Net Asset Value | |
| Elgin Mining, Inc. | 7.26 |
| Red Back Mining Inc. | 7.08 |
| Randgold Resources Limited | 6.94 |
| IAMGOLD Corporation | 6.54 |
| Equinox Minerals Limited | 5.33 |
| Kinross Gold Corp. | 5.23 |
| Niko Resources Ltd. | 5.18 |
| Kenmare Resources plc | 5.12 |
| Vermilion Energy Trust | 4.99 |
| Enerplus Resources Fund | 4.99 |
| ARC Energy Trust | 4.71 |
| BHP Billiton Limited ADR | 4.25 |
| Cameco Corporation | 4.18 |
| Potash Corporation of Saskatchewan Inc. | 4.00 |
| Agrium Inc. | 3.90 |
| Sandstorm Resources Inc., Warrants Exp. Apr 23/2014 | 3.35 |
| First Quantum Minerals Ltd. | 3.17 |
| Tourmaline Oil Corp., Restricted | 2.61 |
| Top Investments | 88.83 |
| Cash | 13.49 |
| Other assets less liabilities | (2.32) |
| Total Net Asset Value | 100.00 |

Net asset value includes the value of the assets of the Trust less liabilities of the Trust.

The summary of investment portfolio may change due to ongoing portfolio transactions of the Trust. Quarterly updates are available within 60 days of each quarter end by visiting www.navinaasset.com or contacting the Trust at 1.866.404.4999.

Manager's comments on unaudited interim financial statements

These interim financial statements of Navina Global Resource Fund (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.

NAVINA GLOBAL RESOURCE FUND

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

| | 2010 \$ | 2009 \$ |
|--|------------------|------------------|
| Assets | | |
| Investments, at fair value | 5,063,794 | 4,877,102 |
| Cash | 773,769 | 1,188,983 |
| Receivable for open forward currency contracts (note 7) | - | 10,309 |
| Accrued interest, dividends and distributions from investments | 5,214 | 13,077 |
| Prepaid insurance | 462 | 2,920 |
| Total Assets | 5,843,239 | 6,092,391 |
| Liabilities | | |
| Payable for open forward currency contracts (note 7) | 36,436 | - |
| Management fees payable | 11,420 | 12,364 |
| Accounts payable and accrued liabilities | 56,231 | 105,668 |
| Distributions payable | 34,487 | 34,376 |
| Total Liabilities | 138,574 | 152,408 |
| Total Net Assets and unitholders' equity | 5,704,665 | 5,939,983 |
| Number of units outstanding [note 6] | 827,617 | 824,952 |
| Net Assets per unit | 6.89 | 7.20 |

See accompanying notes to financial statements.

NAVINA GLOBAL RESOURCE FUND

Statements of Operations - For the six months ended June 30, (unaudited)

| | 2010 \$ | 2009 \$ |
|---|------------------|-------------|
| Revenue | | |
| Interest | 36,315 | 70,907 |
| Dividend | 13,858 | 19,589 |
| | 50,173 | 90,496 |
| Expenses | | |
| Management fees [note 4] | 45,982 | 45,603 |
| Administration fees | 28,115 | 27,677 |
| Audit fees | 25,219 | 12,397 |
| Custodial fees | 2,688 | 5,951 |
| Legal fees | 51,017 | 9,917 |
| Securityholder reporting costs | 12,379 | 12,872 |
| Transfer agency fees | 11,713 | 11,157 |
| Independent review committee fees | 3,312 | 72 |
| | 180,425 | 125,646 |
| Net investment loss | (130,252) | (35,150) |
| Realized and unrealized gain (loss) on investments | | |
| Net realized gain (loss) on sale of investments | 752,216 | (1,081,574) |
| Change in unrealized appreciation (depreciation) on investments | (624,629) | 2,387,196 |
| Net realized foreign exchange gain | 31,768 | 54,953 |
| Change in unrealized depreciation on foreign currency | (46,721) | (40,587) |
| Transaction costs [note 2] | (28,620) | (4,360) |
| | 84,014 | 1,315,628 |
| Decrease (increase) in Net Assets from operations | (46,238) | 1,280,478 |
| Decrease (increase) in Net Assets from operations per unit | \$(0.06) | \$1.26 |

See accompanying notes to financial statements.

NAVINA GLOBAL RESOURCE FUND

Statements of Changes in Net Assets - For the six months ended June 30, (unaudited)

| | 2010 \$ | 2009 \$ |
|---|------------------|------------|
| Net Assets, beginning of period | 5,939,983 | 5,277,669 |
| Increase (decrease) in net assets from operations | (46,238) | 1,280,478 |
| Capital unit transactions <i>[note 6]</i> | | |
| Proceeds from issuance of trust units | - | - |
| Reinvested trust units | 17,573 | 14,534 |
| Repurchase and cancellation of trust units <i>[notes 11 and 12]</i> | - | (8,553) |
| | 17,573 | 5,981 |
| Distributions to unitholders: | | |
| Capital gains | - | (76,460) |
| Return of capital | (206,653) | (177,110) |
| | (206,653) | (253,570) |
| Net Assets, end of period | 5,704,665 | 6,310,558 |

See accompanying notes to financial statements.

NAVINA GLOBAL RESOURCE FUND

Statements of Cash Flows - As at June 30 (unaudited)

| | 2010 \$ | 2009 \$ |
|---|--------------------|-------------|
| Operating Activities | | |
| Increase (decrease) in net assets from operations | \$(46,238) | \$1,280,478 |
| Add (deduct) items not affecting cash: | | |
| Loss (gain) on sale of investments | (752,216) | 1,081,574 |
| Change in unrealized depreciation (appreciation) on investments | 624,629 | (2,387,196) |
| Net change in non-cash assets and liabilities | (22,487) | (4,198) |
| Cash used in operating activities | (196,312) | (29,342) |
| Financing Activities | | |
| Distributions paid to unitholders | (206,542) | (253,525) |
| Net proceeds from issuance of trust units | - | - |
| Payments for redemption and/or repurchase of trust units | - | (9,049) |
| Cash used in financing activities | (206,542) | (262,574) |
| Investing Activities | | |
| Proceeds from sale of investments | 5,559,762 | 1,744,432 |
| Purchases of investments | (5,572,122) | (1,825,434) |
| Cash provided by investing activities | (12,360) | (81,002) |
| Net decrease in cash during the year | (415,214) | (372,918) |
| Cash, beginning of period | 1,188,983 | 1,059,133 |
| Cash, end of period | 773,769 | 686,215 |

See accompanying notes to financial statements.

NAVINA GLOBAL RESOURCE FUND

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

| SHARES OR UNITS HELD | SECURITY | AVERAGE COST \$ | FAIR VALUE \$ |
|-------------------------------|---|-----------------------|---------------------|
| EQUITIES (89.04%) | | | |
| Australia (4.81%) | | | |
| 3,700 | BHP Billiton Limited ADR | 199,518 | 243,536 |
| Canada (70.56%) | | | |
| 4,300 | Agrium Inc. | 294,292 | 223,557 |
| 10,600 | Cameco Corporation | 234,472 | 239,984 |
| 301,666 | Elgin Mining, Inc. | 303,175 | 416,299 |
| 12,500 | Enerplus Resources Fund | 432,319 | 286,125 |
| 82,000 | Equinox Minerals Limited | 297,660 | 303,400 |
| 3,400 | First Quantum Minerals Ltd. | 295,354 | 182,070 |
| 20,000 | IAMGOLD Corporation | 300,800 | 375,200 |
| 16,500 | Kinross Gold Corp. | 288,502 | 299,640 |
| 3,000 | Niko Resources Ltd. | 300,251 | 297,030 |
| 2,500 | Potash Corporation of Saskatchewan Inc. | 293,300 | 229,200 |
| 15,100 | Red Back Mining Inc. | 252,134 | 406,190 |
| 548,500 | Sandstorm Resources Inc., Warrants Exp. Apr 23/2014 | 87,760 | 164,550 |
| 10,000 | Tourmaline Oil Corp. | 150,000 | 150,000 |
| | | 3,530,019 | 3,573,245 |
| Ireland (5.81%) | | | |
| 1,450,000 | Kenmare Resources PLC | 325,453 | 293,920 |
| United Kingdom (7.86%) | | | |
| 3,900 | Randgold Resources Limited | 302,083 | 398,061 |
| TOTAL EQUITIES | | 4,357,073 | 4,508,762 |
| INCOME TRUST (10.96%) | | | |
| Canada (10.96%) | | | |
| 13,700 | ARC Energy Trust | 312,275 | 270,027 |
| 8,500 | Vermilion Energy Trust | 281,813 | 285,005 |
| TOTAL INCOME TRUSTS | | 594,088 | 555,032 |
| TOTAL INVESTMENTS | | 4,951,161 | 5,063,794 |

See accompanying notes to financial statements.

1. THE TRUST

Navina Global Resource Fund (the "Trust") is a closed-end investment trust established under the laws of the Province of Ontario by a Declaration of Trust dated May 18, 2006.

The Trust effectively began operations on May 31, 2006 when it completed an initial public offering of 2,000,000 units at \$10.00 per unit for gross proceeds of \$20.0 million. On June 27, 2006 an over-allotment option granted to agents was exercised for an additional 150,000 units of the Trust at \$10.00 per unit for gross proceeds of \$1.5 million.

The Trust's investment objective is to (i) achieve long-term capital appreciation; and (ii) provide unitholders with monthly distributions targeted to be \$0.04167 (\$0.50 per annum) representing an annual yield of 5.0% based on the \$10.00 per unit issue price.

As at January 1, 2009 the manager and trustee of the trust was JovFunds Management Inc. (the "Manager"). Effective August 7, 2009, the Manager and trustee of the Trust changed to Lawrence Asset Management Inc. (LAMI). Then, effective January 12, 2010, LAMI changed its name to Navina Asset Management Inc. ("NAMI"). NAMI will continue in its role as the portfolio manager.

Effective June 7, 2010 Long Reserve Life Resource Fund changed its name to Navina Global Resource Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

Valuation of financial instruments

The portfolio investments of the Trust are deemed to be classified as held for trading. Investments in publicly traded securities are valued at fair value, which is determined by the bid price for securities purchased long and ask price for securities sold short from the relevant exchange on the financial statement date. Investments in securities for which bid prices are not readily available are valued at the closing sale prices.

If no sales price can be ascertained or if the securities are not quoted on an exchange, the value is based on the average of the last bid and ask prices quoted by a major dealer in such securities. Securities for which no such information is readily available are valued at fair value as determined by the Manager using appropriate and accepted industry valuation techniques including valuation models. 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, including notes and money market instruments, are valued at current value.

The value of any bonds, debentures and other debt obligations are valued by taking the average of the bid and ask prices on the valuation date.

The fair values of other financial assets and liabilities approximate their carrying value due to the short-term nature of these instruments.

Transaction costs

Portfolio transaction costs are expensed. Average costs recorded in the Statement of Investments are net of transaction costs. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commission paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges.

Cash

Cash consists of cash on deposit. Cash is deemed to be held for trading and therefore carried at fair value.

Investment transactions and income

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 on an accrual basis.

Dividend income is recognized on the ex-dividend date.

Distributions from income trusts 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.

Foreign currency translation

Investments and other assets and liabilities at fair value 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 are valued at fair value on each valuation day. 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 foreign exchange gain (loss) 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 financial statements in accordance with Canadian GAAP requires the Manager to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in Net Assets during the reporting period. Actual results could differ from those estimates.

Net Assets per unit

The Net Assets per unit is computed by dividing the Net Assets of the Trust by the total number of units outstanding on the valuation date.

3. 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 period, 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 period.

No provision for income taxes has been recorded in the accompanying financial statements as all net income and net realized capital gains are distributed to the unitholders.

Capital losses realized over and above 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 arising in tax years ending after 2005 may be carried forward for a period of twenty years and applied against future years’ taxable income. If the non-capital losses are not applied within the relevant time frame from the taxation year in which the non-capital loss arose, the non-capital loss will expire.

As at December 31, 2009, the Trust had capital losses of \$2,793,043 and non-capital losses of \$322,508 available to offset future capital gains and income respectively. If not utilized, the non-capital losses will expire in 2029.

4. EXPENSES OF THE TRUST

Management fee

As compensation for management services rendered to the Trust, the Manager is entitled to receive an annual management fee payable by the Trust in an amount equal to 1.1% of the NAV calculated and payable monthly in arrears plus applicable taxes. The Manager is responsible for payment of the investment management fees of the portfolio manager out of its fees. Management fees for the period were \$34,458 (2009 -

\$34,021).

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. Dealer service fees for the period were \$11,524 (2009 - \$11,582) and are included in management fees in the Statement of Operations.

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.

5. 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 asset value 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.

Unitholders may have their units redeemed annually not more than 45 days, and at least 20 business days, prior to the second last business day of November in any year. The redemption price is equal to the net asset value per unit of the Trust determined as of the valuation date.

Unitholders are entitled to a monthly redemption at a redemption price equal to the lesser of:

- (a) 95% of the average of the daily weighted unit trading price for the 10 business days prior to the second last business day of the month (the ‘Redemption Date’); and
- (b) an amount equal to:
 - (i) the closing unit fair price on the applicable Redemption Date, if there was trading on the applicable 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 Redemption Date if there was trading on the applicable 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 Redemption Date on the stock exchange if there was no trading on the applicable Redemption Date.

6. NET CAPITAL TRANSACTIONS

Net capital transactions for the Trust for the year from January 1, 2010 to June 30, 2010 were the following:

| | Units | \$ |
|---|----------------|------------------|
| Number of units outstanding, beginning of period | 824,952 | 7,581,618 |
| Issuance of units | - | - |
| Distribution Reinvestment Plan | 2,665 | 17,573 |
| Redemptions | - | - |
| Repurchase and cancellation of units ^(Notes 11 and 12) | - | - |
| Number of units outstanding, end of period | 827,617 | 7,599,191 |

Net capital transactions for the Trust for the year from January 1, 2009 to December 31, 2009 were the following:

| | Units | \$ |
|--|----------------|------------------|
| Number of units outstanding, beginning of period | 1,013,701 | 8,882,800 |
| Issuance of units | 1,679 | 10,389 |
| Distribution Reinvestment Plan | 3,722 | 19,515 |
| Redemptions | (192,450) | (1,322,593) |
| Repurchase and cancellation of units ^(Notes 11, 12) | (1,700) | (8,553) |
| Number of units outstanding, end of period | 824,952 | 7,581,618 |

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 shareholders.

The Trust does not have any externally imposed capital requirements, the Fund Manager believes that the current level of distributions, capital and capital structure is sufficient to sustain ongoing operations. The Fund Manager actively monitors the cash position and financial performance of the Trust to ensure there are resources to meet distributions and redemptions.

7. FORWARD CURRENCY CONTRACTS

As at June 30, 2010 and December 31, 2009 the Trust had entered into forward currency contracts to deliver currencies at specified future dates as follows:

| 2010 Contracts | | Sold | | Bought | Settlement Date | Unrealized Gain (Loss) | Counterparty | Credit Rating |
|----------------|-----|---------|-----|---------|-----------------|------------------------|--------------|---------------|
| 1 | GBP | 422,000 | CAD | 640,090 | Sep 10, 2010 | (31,074) | State Street | AA- |
| 1 | USD | 225,000 | CAD | 233,843 | Sep 10, 2010 | (5,362) | State Street | AA- |
| Totals | | | | | | (36,436) | | |

| 2009 Contracts | | Sold | | Bought | Settlement Date | Unrealized Gain (Loss) | Counterparty | Credit Rating |
|----------------|-----|-----------|-----|-----------|-----------------|------------------------|--------------|---------------|
| 1 | AUD | 175,000 | CAD | 165,611 | Mar 10, 2010 | 616 | State Street | AA- |
| 1 | USD | 1,015,000 | CAD | 1,073,769 | Mar 10, 2010 | 9,693 | State Street | AA- |
| Totals | | | | | | 10,309 | | |

AUD - Australian Dollar
CAD - Canadian Dollar

GDP - Pound Sterling
USD - U.S. Dollar

8. 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. These monthly distributions are paid to unitholders on the eighth business day of the following month. The monthly distribution declared to unitholders of record, at the end of each month in the period, was \$0.04167 per unit.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Risk management

The Trust's investment activities expose it to a variety of financial risks. The Manager seeks to minimize potential adverse effects of these risks for the Trust's performance by employing professional, experienced portfolio advisors, by daily monitoring of the Trust's positions and market events, by diversifying the investment portfolio within the constraints of the investment objective, and possibly using derivatives to hedge certain risk exposures. To assist in managing risks, the Manager maintains a governance structure that oversees the Trust's investment activities and monitors compliance with the Trust's stated investment strategy, internal guidelines and securities regulations.

In order to achieve the Trust's investment objective, the Trust is invested in an actively managed, broadly diversified portfolio of equity securities of issuers in the oil and gas, diversified base metal, precious metal, coal and uranium commodity sectors (collectively, "Resource Issuers"). NAMI selects Resource Issuers based primarily on reserve life, hedging practices and the political stability of the areas where the Resource Issuer's reserves are located. NAMI believes that Resource Issuers with a longer reserve life will have higher performance over the life of the Trust than those with a shorter reserve life.

No changes affecting the overall level of risk of the investing in the Trust were made during the year. The risks of this Trust remain as discussed in the Trust's Prospectus and in the Trust's most recent Annual Information Form.

Currency risk

Currency risk is the risk that financial instruments which are denominated in currencies other than the Trust's reporting currency, the Canadian dollar, will fluctuate due to changes in exchange rates.

The Trust invests in securities denominated in currencies other than its reporting currency, the Canadian dollar. Consequently, the Trust is exposed to risks that the exchange rate of the Canadian dollar relative to the other currencies may change in a manner which has an adverse effect on the reported value of that portion of the Trust's assets. However, the Trust may enter into foreign exchange contracts for hedging purposes to reduce its foreign currency exposure.

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 Contract | Financial Liabilities | Other Liabilities | Total Exposure | % of Net Assets |
|----------------|------------------|--------------|-----------------------------------|-----------------------|-------------------|----------------|-----------------|
| Pound Sterling | 691,981 | - | (640,090) | (31,074) | - | 20,817 | 0.36% |
| US Dollar | 243,536 | 1,397 | (233,843) | (5,362) | - | 5,728 | 0.10% |

| December 31, 2009 | Financial Assets | Other Assets | Foreign Forward Currency Contract | Financial Liabilities | Other Liabilities | Total Exposure | % of Net Assets |
|-------------------|------------------|--------------|-----------------------------------|-----------------------|-------------------|----------------|-----------------|
| Australian Dollar | 164,572 | 615 | (165,611) | - | - | (424) | (0.007%) |
| US Dollar | 1,118,766 | 10,823 | (1,073,769) | - | - | 55,820 | 0.94% |

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 \$265 (December 31, 2009 - \$554).

Interest rate risk

Interest rate risk arises on interest-bearing financial instruments such as bonds or debentures. In general, the value of interest-bearing financial instruments will rise if interest rates fall, and conversely, will generally fall if interest rates rise. There is minimal sensitivity to interest rate fluctuation since securities are usually held to maturity and tend to be short-term in nature.

The majority of the Trust's assets and liabilities are non-interest bearing. As such, the Trust is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Credit risk

Credit risk on financial instruments is the risk of a financial loss occurring as a result of the default of a counterparty on its obligation to the Trust. Credit risk typically arises out of exposure to debt instruments, such as bonds, or derivatives. The market value of debt instruments and derivatives includes consideration of the credit worthiness of the issuer, and accordingly, represents the maximum credit exposure of the Trust.

As at June 30, 2010, the Trust has exposure to credit risk through the forward currency contracts outstanding with State Street. In the opinion of management, the Trust has no significant credit risk exposure for the forward currency contracts due to the small number of contracts, two, the total dollar amount of the contracts, CAD\$873,933, the September 10, 2010 settlement date for each contract and the AA- credit rating of State Street as counterparty to the contracts.

Liquidity risk

Liquidity risk is the possibility that investments in a Trust cannot be readily converted into cash when required to meet obligations associated with financial liabilities. The Trust invests the majority of its assets in investments that are traded in an active market and can be readily disposed of. The Trust also retains sufficient cash and cash equivalent positions and is therefore considered relatively liquid. However, unexpected heavy demand for redemptions of units could result in the Trust having to dispose of investments at a time when it is not optimal to do so in order to meet such redemption requests.

Other market risk

Other market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital.

If bid prices of each of the investments had strengthened or weakened by 1% with all other variables remaining constant, Net Assets of the Trust for the period would have increased or decreased by \$50,638 (December 31, 2009 - \$48,771).

Portfolio concentration risk

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

| | 2010 | 2009 |
|-----------------------|-------|-------|
| COUNTRY | | |
| Australia | 4.8% | 15.4% |
| Canada | 81.5% | 75.6% |
| Ireland | 5.8% | 0.0% |
| United Kingdom | 7.9% | 9.1% |
| ASSET CLASS | | |
| Equities | 89.0% | 72.4% |
| Income Trusts | 11.0% | 27.6% |
| SECURITIES | | |
| Avg position size | 5.6% | 5.5% |
| Largest position size | 8.2% | 10.3% |

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 Trust's investments and derivatives carried at fair values:

| June 30, 2010 | Level One | Level Two | Level Three | Totals |
|--|------------------|-----------------|----------------|------------------|
| Financial Assets | | | | |
| COMMON STOCK | 3,950,676 | 0 | 150,000 | 4,100,676 |
| INCOME TRUSTS | 555,032 | 0 | 0 | 555,032 |
| WARRANTS | 164,550 | 0 | 0 | 164,550 |
| DEPOSITORY RECEIPTS | 243,536 | 0 | 0 | 243,536 |
| Total Financial Assets | 4,913,794 | 0 | 150,000 | 5,063,794 |
| Other Financial Instruments | | | | |
| FORWARD CURRENCY CONTRACTS | 0 | (36,436) | 0 | (36,436) |
| Total Other Financial Instruments | 0 | (36,436) | 0 | (36,436) |

| December 31, 2009 | Level One | Level Two | Level Three | Totals |
|--|---------------------|------------------|-------------------|---------------------|
| Financial Assets | | | | |
| COMMON STOCK | 2,233,865.42 | 0 | 150,000.00 | 2,383,865.42 |
| INCOME TRUSTS | 1,345,468.00 | 0 | 0 | 1,345,468.00 |
| WARRANTS | 120,670.00 | 0 | 0 | 120,670.00 |
| DEPOSITORY RECEIPTS | 1,027,098.49 | 0 | 0 | 1,027,098.49 |
| Total Financial Assets | 4,727,101.91 | 0 | 150,000.00 | 4,877,101.91 |
| Other Financial Instruments | | | | |
| FORWARD CURRENCY CONTRACTS | 0 | 10,308.60 | 0 | 10,308.60 |
| Total Other Financial Instruments | 0 | 10,308.60 | 0 | 10,308.60 |

NOTES TO FINANCIAL STATEMENTS (continued)

During the period ended 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 | | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 | | | 0.00 |
| Common Stock | 150,000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 150,000 | 0.00 | |
| Tourmaline Oil Corp Common (RI/11MAR10) | 150,000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 150,000 | 0.00 | |
| Total Common Stock | 150,000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 150,000 | 0.00 | |
| Total Equities | 150,000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 150,000 | 0.00 | |
| Total Assets | 150,000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 150,000 | 0.00 | |

| 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 | 0.00 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 | | | 0.00 |
| Common Stock | 0.00 | 0.00 | 0.00 | 150,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 150,000.00 | 0.00 | |
| Tourmaline Oil Corp Common (RI/11MAR10) | 0.00 | 0.00 | 0.00 | 150,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 150,000.00 | 0.00 | |
| Total Common Stock | 0.00 | 0.00 | 0.00 | 150,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 150,000.00 | 0.00 | |
| Total Equities | | | 150,000.00 | | | | | | 150,000.00 | | |
| Total Assets | 0.00 | 0.00 | 0.00 | 150,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 150,000.00 | 0.00 | |

10. 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 CICA Handbook Section 3855.

| | 2010 | 2009 |
|--------------------------|--------|---------|
| Net Asset Value per unit | \$6.93 | \$ 7.25 |
| Net Assets per unit | \$6.89 | \$ 7.20 |

11. MANDATORY REPURCHASE PROGRAM

The Trust has the right (but not the obligation), exercisable in its sole discretion, at any time, to purchase (in the open market or by invitation for tenders) units for cancellation up to a maximum in any twelve-month period of up to 10% of the number of units outstanding at the commencement of such period, in all cases at prices not exceeding the net asset value per unit of the Trust on the valuation date immediately prior to the date of any such purchase. For the period ended June 30, 2010, the Trust did not repurchase any units (2009 - 1,700 units) for cancellation under its mandatory repurchase program (2009 - \$8,553). The units repurchased for cancellation under the mandatory repurchase program are included in repurchase and cancellation of trust units in the Statement of Changes in Net Assets.

12. 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.

As at June 30, 2010, the Manager had not yet entered into a revolving term credit facility.

13. NORMAL COURSE ISSUER BID

On July 23, 2008, the Manager issued a renewal notice of intention (the "Notice") to repurchase units of the Trust through a normal course issuer bid (the "NCIB"). Under the NCIB, the Trust may purchase up to approximately 10% of the public float of units. Purchases of units commenced on July 25, 2008 and must terminate on July 24, 2009, or on such earlier date as the Trust may complete its purchases pursuant to the Notice. Purchases will be made in the open market through the facilities of the TSX in accordance with its rules and policies. The price that the Trust will pay for any such units may not exceed the net asset value per unit. Any units purchased by the Trust will be cancelled. All such purchases would be accretive and enhance returns to continuing unitholders. For the period ended June 30, 2010 and 2009, the Trust did not repurchase any units for cancellation via the NCIB.

14. COMMISSIONS

Total commissions paid during the period ended June 30, 2010 in connection with portfolio transactions were \$28,620 [2009 - \$4,360]. There were no soft dollar amounts included in these payments.

15. FUTURE CHANGES IN ACCOUNTING STANDARDS

The Canadian Accounting Standards Board ("AcSB") recently confirmed the plan to adopt the International Financial Reporting Standards ("IFRS") on or by January 1, 2011. Accordingly, the Trust will adopt IFRS for the fiscal period beginning January 1, 2011. The impact of the adoption of these standards will be disclosed in future periods.

The Canadian Accounting Standards Board is proposing that investment companies applying AcG-18 continue to apply the accounting standards in Part V of the Handbook for an additional year. Adoption of IFRSs by investment companies applying AcG-18 will be mandatory for interim and annual financial statements relating to annual periods beginning on or after January 1, 2012.

At December 31, 2009, the Manager is taking the following steps to transition to IFRS:

- Identification of areas of changes in disclosure will be required under IFRS standards.
- Identification of operational areas impacted by the adoption of IFRS.
- Assessment of current reporting systems and their readiness for IFRS implementation.
- Implementation of an IFRS transition plan.

The Manager is well advanced in determining and implementing the transition plan.

16. SUBSEQUENT EVENTS

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.

At an adjourned Special Meeting of Unitholders, held June 21, 2007, Unitholders of the Fund approved a proposal by the Manager to enable the Fund to convert to an open-ended mutual fund in order to provide Unitholders with enhanced liquidity. Effective market close on June 25, 2010, units of the Fund were delisted and no longer posted for trading on the TSX. Effective today, Monday, July 5, 2010, units are redeemable at their net asset value on a daily basis. Orders for purchase or redemption on units can be placed through FundSERV.

In addition, client account statements will begin reporting the net asset value per unit of the Fund rather than the market price. The Fund will continue its objective to pay Unitholders monthly distributions of \$0.04167 per unit.

As a separate Special Meeting of Unitholders on October 20, 2008, Unitholders approved certain changes to the Fund's investment strategy and management fees upon the conversion of the Fund to an open-ended mutual fund. These changes are now effective. The Manager believes that the changes to the Fund's investment strategy will provide more flexibility and include the ability to invest in the agribusiness sector, the ability to set periodically the permitted ranges for investments in the various resource sectors and the ability to engage in a limited amount of short selling. The changes to the management fees include an increase in the annual management fee to 2.5% of the Fund's net asset value and the addition of a performance fee, all as approved by Unitholders.



220 Bay Street, Suite 1500, Toronto, ON M5J 2W4 T: 416-362-4999 1-866-404-3999 F: 416-362-0063
www.navinaasset.com