LAWRENCE PARTNERS FUND
LAWRENCE ASSET MANAGEMENT INC.

Series 1 NAV per share	Monthly Performance	Year-to-Date Performance	Since Inception Performance
$198.8446	+0.6%	-2.1%	+391.0%

Shares of Lawrence Partners Fund were up 0.6% net of all fees and accruals in the month of March. This compares to a gain of 1.0% on the S&P500 and a gain of 0.9% on the S&P/ TSX Composite Index. For the quarter ended March 30th, the fund returned -2.1%. This compares to a return of 2.0% on the quarter, on the S&P / TSX Composite Index.

Market Update

Canadian markets had a mediocre first quarter but managed to register a positive return. Basic materials stocks performed well in the quarter, albeit with tremendous volatility. Energy related equities started to show some life although some sub-sectors such as junior natural gas, and oil and gas services stocks continue to languish. The income trust market in general crawled ahead with the oil and gas royalty trust sub-sector continuing to suffer, now with little hope of a reprieve from the so-called Tax Fairness Plan put forth by Canada's Federal Government in October of 2006.

There continues to be a significant supply of equities withdrawn from the market. Share buy-backs in North America hit record levels in 2006 and have continued into 2007. Similarly, a parade of cash-based privatizations of public companies has further reduced the supply of equities. With both corporate profits and pools of private funds continuing to grow, albeit at a decelerated pace, and cash-flow yields on equities vastly exceeding those that can be realized on bonds, it appears likely that this trend will continue at least in the near term. This continues to be a major theme underlying our portfolio.

Emerging markets are also inexpensive. In fact, in aggregate, emerging market P/E levels are lower than the peak they achieved in the 1990's prior to the unraveling caused by the Asian Flu. Moreover, the PEG ratio of the emerging markets is approximately 1.0 versus the global average of 1.75x. Until recently, both Canada and Australia suffered discount valuations as measured by PEG ratios. Both markets have subsequently been re-rated and now trade at global average valuations. We believe emerging markets are likely to be re-rated higher – in fact at some point they are likely to command an unsustainable premium valuation. But for the time being, they remain inexpensive.

From our perspective as investors in the Canadian market, we must watch emerging markets closely. Continued growth in emerging market shares will help support growth in those economies. This in turn will help maintain demand for commodities, hard and soft. It may not lead to significantly higher commodity prices versus today's levels, however, most equities and virtually all analyst models imply commodity prices at mere fractions of today's actual spot prices. If today's prices are maintained for any period of time there is significant further upside in commodity-based economies such as Canada.

Outside of major industrial commodities such as copper and nickel, we are seeing possibilities in many smaller commodities. One of our competitors has recently highlighted the potential for profit in molybdenum – a small, seldom thought of commodity. We believe there are several such opportunities over the course of 2007 and we hope to act as the catalyst in some of them.

Strategy for Q2

As always, we have the bulk of our capital deployed in a small number of opportunities we know very well. We remain largely bullish on markets in general and Canada in particular but continue to focus on special situations, often contrarian in nature.

We held short positions in various gas-heavy trusts and equities in 2006 but have reversed our position and have selectively been buyers in this space in 2007. This was a losing strategy in Q1 but is starting to bear fruit: in particular with True Energy, where we were a large and active short in 2005 and 2006 but are now significant investors. In March we proposed a restructuring plan to the Board of Directors of True Energy that was rejected out of hand. We subsequently supported a dissident action which was not voted into effect, however we were successful in voting down management's proposed increased option grant and more importantly, their proposed reorganization back into a corporation from its current income trust structure. The shares have recovered approximately 20% since we initiated our plan. We hope to achieve similar success in the coming quarters with other companies.

The predominant theme across our portfolio continues to be consolidation. Quality equities and stable cash flows are becoming increasingly scarce. From the long side we have much of our portfolio deployed in profitable companies that we believe to be within 12 months of a re-valuation event. We have a large percentage of the long portion of our portfolio invested in income trusts with a particular focus on real estate. We have smaller but significant exposures in mining and oil and gas.

We have also deployed a small amount of capital in several near public-markets opportunities with a particular focus on biofuels. We have unearthed several opportunities in the biofuel business which we believe to be capital markets friendly and potentially very profitable businesses over time.

Thank you for your continued support.

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