



November 10, 2008

RE: Lawrence Partners Fund to Suspend Redemptions

Following September's global market collapse, the liquidity crisis only deepened in October with equity markets experiencing declines not seen since the 1930s. The S&P/TSX fell 18% during the month of October and as at month's end was down 35% from its June highs.

Following the losses sustained by the Lawrence Partners Fund ("LPF") in September, we were optimistic that the worst was behind us. Unfortunately the month of October proved even more challenging and a weakened LPF portfolio sustained further significant losses. For the month of October the LPF was down 26%, resulting in year-to-date performance of -65%.

Besides the overall market decline, a number of external factors have contributed to the LPF's deterioration in the past few weeks. As the rate of global deleveraging hastened, inter-bank credit further tightened to unprecedented levels leading to bank failures and cash hoarding. Sudden and unforeseen changes to corporate credit terms and availability ensued. Like many other investment funds, the LPF was forced to adjust on little notice to more restrictive credit terms in an already problematic market. In addition, LPF was negatively impacted by the delay in closing and lowered pricing in the acquisition of PBS Coals, a major holding of LPF, by OAO Severstal. Days before we expected to receive proceeds from the deal it unexpectedly went into a renegotiation process that resulted in the LPF receiving less than 70% of the expected proceeds and several weeks later than anticipated. This was a legally binding agreement and we would not have entertained this 11th hour renegotiating of agreed terms in different market conditions. Despite attempts to do so we could not reduce our position in any way because we had agreed to a lock-up with Severstal in August. The reduced price constituted a large percentage of our losses in October.

With the deterioration of value in the portfolio, a significant percentage now resides in illiquid investments which we believe are impossible to appropriately value in the context of the current market. In addition, any forced liquidation of these assets would severely undermine the potential value that can be realized under less stringent time constraints. Given the challenge of valuing and exiting these holdings at this time, Lawrence Asset Management believes it to be in the best interests of all shareholders to suspend redemptions for 60 days effective immediately. This includes redemption orders submitted for the October 31st valuation date that were due to be paid mid-November. We believe there is value embedded in the illiquid public securities and in the private

equity holdings, but it will take time, management, and an improvement of market conditions for this value to be realized. The October net asset value includes the carrying value of these private investments, valued at cost unless there has been a clear change in value.

At Lawrence Asset Management we are actively reviewing the situation and expect in the upcoming weeks to present to LPF shareholders a number of alternatives. We remain solely committed to realizing value for all LPF shareholders. Including a substantial additional investment by Lawrence Asset Management employees on September 30, 2008, LPF shares continue to be the primary asset of not only Lawrence Asset Management but also of each of its key employees. As always, we are fully aligned with shareholders and are committed to value maximization.

This has been the most difficult market environment we have ever experienced and the situation is likely to remain challenging in the near future. Prior to the extraordinary events of the last two months we have had a history of consistently building value for shareholders, having grown LPF from \$5 million of our own seed capital four years ago. We remain determined to place the LPF on firm ground to move forward in a sustainable manner and expect to be able to announce structural changes to facilitate this in the near future. We are very sensitive to the losses experienced by all LPF investors and ask for your continued support and patience as we work through these challenging times.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Sood', with a stylized flourish at the end.

Ravi Sood
President & Chief Operating Officer
Lawrence Asset Management Inc.

FUND DESCRIPTION

The Lawrence Partners Fund is an open-ended mutual fund corporation, distributed on a private placement basis. The Fund was launched in July 2004, using the Manager's capital, and in July 2005, was opened to outside investors. Lawrence Principals continue to hold significant equity in the Fund and the Manager takes all fees in the form of shares to stay closely aligned with investor interest. Since inception, and as of October 31, 2008, the Fund had a total return of 111.6% net of fees. The Lawrence Partners Fund uses a unique tax structure to convert all taxable income into return of capital, thereby deferring all tax liability until such time that shares are redeemed. At redemption, investors will incur capital gains tax.

INVESTMENT STRATEGIES

Catalyst: Working with companies to unlock latent shareholder value.
Event-Driven: Capitalizing on specific events, known or anticipated, to produce returns independent of the market.
Market Neutral: Exploiting market inefficiencies to produce low risk returns.
Short-Selling: Short-selling of companies with deteriorating fundamentals.
Undervalued Securities: Using research and analysis to identify securities undervalued by the market.

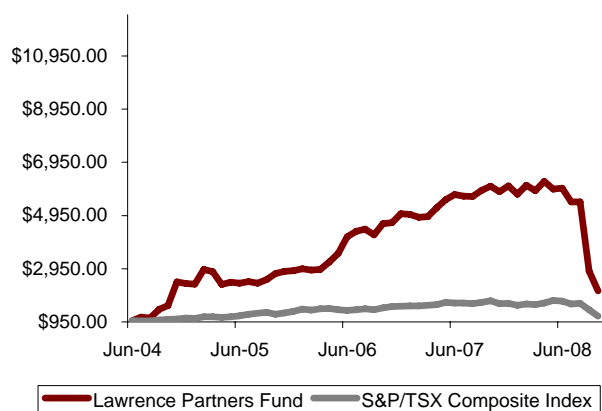
MONTHLY PERFORMANCE

Year	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Return
2004							12.6%	-2.3%	28.6%	10.6%	56.9%	-2.5%	139.2%
2005	-1.0%	23.3%	-2.8%	-17.0%	3.6%	-1.3%	2.6%	-2.4%	5.1%	9.0%	3.1%	0.8%	20.0%
2006	2.6%	-1.6%	0.8%	9.8%	10.0%	17.9%	4.9%	1.8%	-4.8%	9.9%	0.9%	7.2%	74.7%
2007	-0.4%	-2.2%	0.6%	6.8%	5.8%	3.4%	-1.1%	-0.1%	3.9%	2.7%	-3.3%	3.6%	20.9%
2008	-5.1%	5.8%	-3.3%	5.9%	-4.6%	0.6%	-8.6%	-0.3%	-47.5%	-26.0%			-65.1%

TERMS

Manager: Lawrence Asset Management Inc.
Price: Net Asset Value
FundSERV code: Class A: LAW 100 / Class F: LAW 150
Management Fee: 1.5% of NAV, payable monthly
Performance Bonus: 20%, 6% threshold
Distributions: At the discretion of the manager
Fiscal Year End: December 31
Term: No minimum hold period
Redemption: Monthly, upon 20 days notice
Additional Investments: Monthly at NAV
Maximum Leverage: 2:1
High-Water Mark: Yes
Prime Broker: BMO Nesbitt Burns / CIBC World Markets
Auditor: KPMG
Administrator: SGGG Fund Services Inc.

GROWTH OF \$1000 (net of fees)



TAX STRUCTURE

	5%	10%	15%	20%	25%	30%
5 Year Compound Return	5%	10%	15%	20%	25%	30%
LPF After-Tax Total Return	19%	44%	74%	110%	153%	203%
Fully-Taxed Total Return	14%	30%	47%	66%	87%	110%
LPF After-Tax Total Return Enhancement	5%	14%	27%	44%	66%	93%

Assumes all gains otherwise taxed as income
 Assumes a marginal tax rate of 46.41%

Structure design: CIBC World Markets & Stikeman Elliott LLP

FUND STATISTICS

	LPF	S&P/TSX
Cumulative Return (Net of Fees):	111.6%	40.3%
Compound Annualized Returns:	18.9%	8.3%
Positive/Negative Months:	31/21	32/20
Fund Assets (Million)	\$70	

LAWRENCE ASSET MANAGEMENT INC.

Lawrence Asset Management Inc. ("LAMI") is a Toronto-based investment firm with senior oversight and experience through multiple market cycles. With 9 years of utilizing absolute-return strategies, LAMI has a depth of experience in Equities, Income Trusts, and Venture Capital. This allows us to generate returns independent to markets and access investments typically not available to most hedge funds. Lawrence Principals hold approximately 20% of the equity of the Fund, and LAMI takes 100% of fees in shares - keeping our interests aligned with investors. LAMI also manages several TSX-listed closed-end funds, open-ended mutual funds and two venture capital funds.

NOTES

Lawrence Partners Fund is offered by Offering Memorandum (OM) only, to investors who meet certain eligibility or minimum purchase requirements in jurisdictions in Canada. The OM contains information about the Fund, including management fees, other charges and expenses and should be read carefully before investing. Performance data represents past performance and is not indicative of future performance. This document should not be considered as a solicitation. Private investments are held at cost until there is a clear indication of an increase or decrease in value.