



March 9, 2009

Dear Investors,

On February 2nd, 2009 the proposed restructuring of the Lawrence Partners Fund was approved by shareholders. 75% of shareholders voted and of those 95% voted in favour of Resolution 1, with approximately 65% of shareholders opting for the Re-Invest Option.

The reorganization of the Fund into Wind-Up Shares and Re-Invest Shares took place at the end of February and should now be showing in your account – either with your broker or with us if you hold your shares directly. As a result of this restructuring, there will be no redemptions until March of 2011. As we exit our various investments, proceeds will be distributed pro-rata to the Re-Invest Fund portfolio and as cash distributions to those shareholders who selected the Wind-Up Shares. The proceeds that are transferred to the Re-Invest Fund will be invested by Lawrence Asset Management Inc. according to the following investment restrictions approved by shareholders at the meeting on February 2nd:

1. ***Market capitalization of \$100 million or more***
2. ***No illiquid or unlisted investments***
3. ***No use of financial leverage***

We believe these restrictions provide us with sufficient flexibility to earn returns for shareholders in the coming two years. Currently, we intend to focus the investments in the Re-Invest portfolio in the following areas of opportunity:

1. ***Market neutral positions*** - This includes risk-arbitrage, convertible arbitrage, and capital structure arbitrage. Our objective is to earn 10% or more annualized returns from these strategies
2. ***Balance-sheet driven short-selling*** - We will not be attempting to establish market-short or sector-short positions but rather focus on companies with balance sheet issues or serious capital requirements. We believe the current lack of availability of capital on any sort of reasonable terms has put such companies in an impossible position and that they represent outstanding short-sale opportunities despite the currently depressed level of markets.
3. ***Long positions*** – focused in companies trading at unsustainably low valuations. Many great companies with no need to raise additional finance of any sort are trading below book value and far below any realistically sustainable valuation. While it is impossible to call market bottoms, we believe that positions established in great companies with strong balance sheets at today's levels will provide excellent returns to investors over any reasonable period of time.

We are targeting March 13, 2009 for the first distribution of cash to those who have selected Wind-Up Shares and similarly, to commence building the Re-Invest Portfolio. We are working diligently towards this goal. We anticipate the first payment to represent approximately 11% of the NAV of the Portfolio. We are confident that we are going to continue to have success in achieving liquidity in our portfolio in the coming quarters, and we look forward to providing you with continuous updates on our progress on this front.

The Fund registered a positive performance for each of January and February. For the month of February the Fund was up 3.2% and as at month-end was up 6.9% year-to-date.

Sincerely,

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

Ravi Sood
President
Lawrence Asset Management Inc.