



Navina Capital

Global Agribusiness Trust

Annual Management Report of
Fund Performance and
Financial Statements

For the year ended December 31, 2008



LAWRENCE
& COMPANY INC.

Global Agribusiness Trust

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Annual Management Report of Fund Performance

For the Period Ended December 31, 2008

This annual management report of fund performance for Global Agribusiness Trust (the "Trust") contains financial highlights and is included with the annual audited financial statements in the annual report 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 Capital Corp., by calling 1-800-513-3868, by writing to us at Brookfield Place, 181 Bay Street, Suite 2040, Toronto, Ontario, M5J 2T3, or by visiting our website at www.navinacapital.com or SEDAR at www.sedar.com.

The annual MRFP and accompanying financial statements have been prepared by the manager and trustee of the Trust, Navina Capital Corp. and approved by the Board of Directors of the Manager. The financial statements were audited by Ernst & Young LLP, the external auditors of the Trust.

The Trust's proxy voting disclosure record for the period ending June 30, 2009 will be available free of charge upon request at any time after August 31, 2009, by visiting our website at www.navinacapital.com.

MANAGEMENT DISCUSSION 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.

Warrants

(a) Warrant Trustee

The Warrant Trustee has been appointed the agent of the Trust to receive subscriptions and payments from holders of Warrants, to act as registrar and transfer agent for the Warrants and to perform certain services relating to the exercise and transfer of Warrants pursuant to the Warrant indenture.

(b) Dilution to existing unitholders

If a Trust unitholder wishes to retain its current percentage ownership in the Trust and assuming that all Warrants are exercised, it should purchase all of the Trust Units for which it may subscribe pursuant to the Warrants delivered under the offering. If that

Trust unitholder does not do so and other holders of Warrants exercise any of their Warrants, that Trust unitholder's current percentage ownership in the Trust will be diluted.

Navina Capital Corp. is the manager (the "Manager") and trustee (the "Trustee") of the Trust.

Investment Objectives 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, Lawrence Asset Management Inc. (the "Portfolio Manager" or "Lawrence") 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

The 2008 calendar year was the first full year of operations for the Trust.

Portfolio

As at December 31, 2008, the Trust held 27 equity securities in its Portfolio.

A discussion by the Portfolio Manager of the Trust – Lawrence Asset Management Inc.



Annual Management Report of Fund Performance (continued)

For the Period Ended December 31, 2008

Market Review

The agriculture industry managed the global credit crisis relatively well until September 2008. A crisis in confidence and forced selling from hedge funds spread from banking and credit throughout all asset classes. Despite strong fundamentals in the agriculture industry the Global Agribusiness Trust has not escaped the severe correction in global equity and credit markets. As the global market continues to search for its lows we remain cautious while continuing to assess buying opportunities that present themselves in a rapidly changing economic environment. Currently, the Global Agribusiness Trust has approximately 61% of the portfolio in foreign equities, 27% in Canadian equities and 14% in cash. The recession that began in 2008 has not changed our long term view that growth drivers are still in place and the fundamentals behind agriculture investment remain in tact. We therefore believe that global agriculture consumption will not experience a big drop as a result of a global recession.

Outlook & Strategy

For 2009, Lawrence believes that the coordinated fiscal and stimulus packages will help stabilize markets and anticipate them to become range bound. While we remain cautious, investors will be moving out of cash and adding to positions as market conditions clear up and as they get a better picture of soft-commodity pricing. From an investment perspective, Lawrence has made no changes to their investment thesis of focusing on inputs that enhance or improve productivity across the food chain. Food production companies continue to see a reversal of 2008's margin compression as input costs fall. As well, food retailers have benefitted from strong margins as input costs come down and prices are generally maintained. The defensive nature of this sub-sector of the agriculture complex and its relative strength during economic downturns is expected to provide some stability to the portfolio over the next period. We are committed to the investment process and will exercise patience while selectively adding to positions over the upcoming year.

Net Asset Value

The net asset value per unit of the Trust as at December 31, 2008 was \$4.05 compared to \$9.39 as at December 31, 2007. Net assets decreased to \$17.0 million at the end of 2008 from \$39.4 million at the end of 2007. 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 \$2.1 million to unitholders during the period (2007 - \$0.3 million).

Redemptions

Commencing in 2009, units may be redeemed annually 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 of each year. Therefore, there were no redemptions via annual redemption rights for the period ended December 31, 2008.

In addition, in accordance with the Declaration of Trust, 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 10th business day before the last business day of a month will be redeemed on the second last day of that month. During the period, there were 1,500 Trust Units surrendered for redemption via monthly redemption rights, for gross proceeds of \$10,410.

Revenue and Expenses

For the year ended December 31, 2008, the Trust generated income from investments in the form of interest and dividends in the amount of \$286,986. This amount includes losses from derivatives.

The Trust paid management fees and operating expenses of \$789,311. The management expense ratio ("MER") for the Trust was 2.54% (2.42% excluding one-time costs associated with the offering of the Trust).

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 2008 the Manager entered into a revolving term credit facility for which a standby expense is being paid, however no funds have been drawn from the facility during 2008.

Recent Developments

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 is being assessed.

Related Party Transactions

The Manager provides all administrative services required by the Trust, including the appointment of the Portfolio Manager. 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 Manager is responsible for payment of the investment management fee of the Trust to the Portfolio Manager out of its annual management fees. For additional information, see Management Fees.

Annual Management Report of Fund Performance (continued)

For the Period Ended December 31, 2008

Independent Review Committee

National Instrument 81-107 – Independent Review Committee for Investment Funds (“NI 81-107”), came into force on November 1, 2006. NI 81-107 requires all publicly offered investment funds, such as the Trust, to establish an independent review committee (the “IRC”). The Manager must refer all conflict of interest matters for review or approval to the IRC. NI 81-107 will also impose obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, to maintain records in respect of these matters and to provide the IRC with guidance and assistance in carrying out its function and duties.

Complete compliance with NI 81-107 was required by November 1, 2007. As a result of this, the Manager has established an IRC for the Trust. The IRC is composed of three individuals, each of whom will be independent of the Manager and its affiliates. The initial members of the IRC are John Crow, Amar Bhalla and John Mills. The committee will be subject to requirements to conduct regular assessments of its members and provide reports, at least annually, to the Trust and to its unitholders in respect of those functions. The report, along with biographies of each IRC member, will be available on the Manager’s website at www.navinacapital.com, or at the unitholder’s request at no cost, by contacting the Manager at 181 Bay Street, Brookfield Place, Suite 2040, Toronto, Ontario M5J 2T3, or by email at info@navinacapital.com.

The compensation and other reasonable expenses of the IRC will be paid *pro-rata* out of the assets of the Trust, as well as out of the assets of the other investment funds for which the IRC acts as an independent review committee.

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.

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

	2008	2007
Net assets per unit, beginning of period ⁽¹⁾	\$9.38	\$10.00
Issue costs	(0.01)	(0.65)
Increase (decrease) from operations:		
Total revenue	(0.47)	0.04
Total expenses	(0.19)	(0.02)
Realized gains (losses) for the period	(1.68)	0.04
Unrealized gains (losses) for the period	(2.50)	0.04
Total increase (decrease) from operations⁽²⁾	(4.84)	0.10
Distributions:		
From capital gains	–	(0.04)
From return of capital	(0.50)	(0.02)
Total annual distributions⁽³⁾	(0.50)	(0.06)
Net assets per unit, end of period^{(4) (5)}	\$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.

⁽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

	2008	2007
Net asset value (000’s) ⁽¹⁾	17,022	39,445
Number of units outstanding (000’s) ⁽¹⁾	4,199	4,200
Management expense ratio ⁽²⁾	2.54%	9.15%
Management expense ratio excluding issue costs ⁽²⁾	2.42%	2.00%
Portfolio turnover rate ⁽³⁾	102.02%	7.44%
Trading expense ratio ⁽⁴⁾	0.36%	0.10%
Transaction net asset value per unit	\$4.05	\$9.39
Closing market price ⁽⁵⁾	\$3.49	\$9.60

⁽¹⁾ This information is provided as at December 31 of the year shown. Net asset value assumes Transaction NAV calculation. Net asset value is equal to net asset value per unit multiplied by the number of units outstanding.

⁽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 assets 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



Annual Management Report of Fund Performance (continued)

For the Period Ended December 31, 2008

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

MANAGEMENT EXPENSE RATIO

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 fees that are calculated as a percentage of the net asset value of the Trust. These are the Manager and Dealer Service fees. Highlights of the key components of the Trust's MER are listed in the table below:

Description	% of Net Asset Value (NAV)	2008	2007
Management Fee ⁽¹⁾	1.10%	\$375	\$55
Dealer Service Fee	0.40%	\$130	\$19

(1) 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.

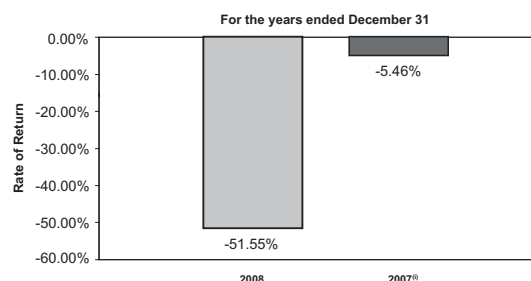
PAST PERFORMANCE

General

The performance information shown does not take into account sales, redemption or other optional charges that would have reduced returns on performance. 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 inception. The chart shows in percentage terms how an investment made at inception would have increased or decreased by December 31 for the period.



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

Annual Compound Returns

The following table shows the Trust's annual compound return for the period ended December 31, 2008 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⁾
Global Agribusiness Trust	(51.6%)	(50.0%)
S&P/TSX Composite Index ⁽²⁾	(37.1%)	N/A

(1) Return from November 16, 2007.

(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.

Annual Management Report of Fund Performance (continued)

As at December 31, 2008

SUMMARY OF INVESTMENT PORTFOLIO

Below is a summary of the Trust's investment portfolio as at December 31, 2008. 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 25 Holdings	Fair Value⁽¹⁾	% of (\$) Net Asset Value
Syngenta AG	1,798,205	10.6
Corn Products International, Inc.	1,780,766	10.5
Dean Foods Company	1,109,198	6.5
Potash Corporation of Saskatchewan Inc.	895,400	5.3
Del Monte Foods Company	881,433	5.2
Agrium Inc.	829,400	4.9
Chiquita Brands International, Inc.	729,836	4.3
Archer-Daniels-Midland Company	711,813	4.2
George Weston Limited	599,500	3.5
Bunge Limited	479,325	2.8
Viterra, Inc.	475,000	2.8
MagIndustries Corp.	457,920	2.7
Monsanto Company	434,235	2.6
The Mosaic Company	427,137	2.5
AG Growth Income Fund	393,400	2.3
Associated British Foods PLC	388,704	2.3
Migao Corporation	370,500	2.2
Metro Inc. Cl. A Sub-Voting	370,000	2.2
Smithfield Foods, Inc.	347,388	2.0
Wal-Mart Stores, Inc.	346,030	2.0
Australian Agricultural Company Limited	322,760	1.9
BASF AG	237,926	1.4
Lindsay Corporation	196,224	1.2
Sunkar Resources PLC	150,867	0.9
Hanfeng Evergreen Inc.	140,750	0.8
Top 25 Holdings	14,873,717	87.6
Cash and Cash Equivalents	2,325,576	13.7
Liabilities less other assets	(177,337)	(1.3)
Total Net Asset Value	17,021,956	100.0

Portfolio Composition	Fair Value⁽¹⁾	% of (\$) Net Asset Value
Equities		
United States	8,413,611	49.4
Canada	4,585,484	26.9
United Kingdom	539,570	3.2
Bermuda	479,325	2.8
Switzerland	348,655	2.0
Australia	322,760	1.9
Germany	237,926	1.4
Total Equities	14,927,331	87.6
Cash and Cash Equivalents	2,325,576	13.7
Liabilities less other assets	(230,951)	(1.3)
Total Net Asset Value	17,021,956	100.0

⁽¹⁾ Based on the last trade at market prices for securities (Net Asset Value per Unit) as at December 31, 2008 (See Note 3 to Financial Statements.)



Management's Responsibility for Financial Reporting

The accompanying financial statements of Global Agribusiness Trust (the "Trust") are the responsibility of Navina Capital Corp., the manager of the Trust (the "Manager"). They have been prepared in accordance with Canadian generally accepted accounting principles using information available and include certain amounts that are based on the Manager's best estimates and judgements.

The Manager is responsible for the information and representations contained in the financial statements and other sections of the Annual Report. The Manager is also responsible for the selection of the accounting principles that are most appropriate for the Trust's circumstances and for the judgements and estimates made in the financial statements. The Manager maintains appropriate processes to ensure that accurate, relevant and reliable financial information is produced.

These financial statements have been approved by the Board of Directors of the Manager and have been audited by Ernst & Young LLP, Chartered Accountants, on behalf of the unitholders. The auditors' report outlines the scope of their audit and their opinion on the financial statements.



Andrew Bentley
Chief Executive Officer
Navina Capital Corp.



Larry Guy
Chief Financial Officer
Navina Capital Corp.

March 17, 2009

Auditors' Report

TO THE UNITHOLDERS OF GLOBAL AGRIBUSINESS TRUST

We have audited the statement of investments of Global Agribusiness Trust (the "Trust") as at December 31, 2008 and the statements of net assets as at December 31, 2008 and 2007 and the statements of operations, changes in net assets and cash flows for the year ended December 31, 2008 and the period from October 29, 2007 ("Date of Inception") to December 31, 2007. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform audits to obtain reasonable assurance whether the financial statements are free of material misstatement. Audits include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Audits also include assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the investments of the Trust as at December 31, 2008 and December 31, 2007 and the statement of net assets as at December 31, 2008 and 2007 and the results of its operations, changes in its net assets and its cash flows for the year ended December 31, 2008 and the period from the Date of Inception to December 31, 2007 in accordance with Canadian generally accepted accounting principles.



Toronto, Canada

March 17, 2009

Chartered Accountants

Licensed Public Accountants

Annual Financial Statements

Statement of Net Assets

As at December 31,	2008	2007
Assets		
Investments, at fair value	\$ 14,842,070	\$ 16,364,385
Cash and cash equivalents	2,325,576	24,599,266
Receivable on foreign currency contracts	–	21,198
Receivable for securities sold	281,160	–
Accrued investment income	32,565	13,136
Prepaid expenses	–	3,252
	17,481,371	41,001,237
Liabilities		
Payable for written covered call options	–	349,010
Payable on foreign currency contracts (Note 10)	290,020	–
Payable for securities purchased	–	625,630
Distributions payable	174,952	262,521
Accounts payable and accrued liabilities	79,704	358,138
	544,676	1,595,299
Net assets representing unitholders' equity	\$ 16,936,695	\$ 39,405,938
Number of units outstanding (Note 8)	4,198,500	4,200,000
Net assets per unit	\$ 4.03	\$ 9.38

Approved on behalf of the Board of Directors of the Manager:



Andrew Bentley
Director



Larry Guy
Director

The accompanying notes are an integral part of these financial statements.



Annual Financial Statements (continued)

Statement of Operations

For the year ended December 31, 2008 and for the period October 29, 2007
(Date of Inception) to December 31, 2007

	2008	2007
Investment Income		
Dividends	\$ 212,959	\$ 11,081
Interest	74,027	137,015
	286,986	148,096
Expenses		
Management fees (Note 6)	375,143	54,889
Dealer service fees (Note 6)	129,713	18,830
Audit fees (Note 2)	72,568	2,908
Fund accounting	49,999	6,164
Directors' fees	34,287	4,187
Legal fees	31,721	1,745
Administration fees	23,713	1,794
Unitholder reporting costs	19,120	2,150
Custody fees	16,111	740
Filing fees	16,033	1,048
Loan facility standby fees (Note 9)	5,520	-
Transfer agent fees	11,708	1,518
Trustee fees	3,675	432
	789,311	96,405
Net investment income (loss)	\$ (502,325)	\$ 51,691
Net realized and unrealized gain (loss) on investments		
Net realized gain (loss) on investments	(6,685,258)	131,060
Net realized gain (loss) from derivatives	(2,252,782)	-
Net realized gain (loss) on foreign exchange	(217,865)	25,598
Change in unrealized appreciation (depreciation) on investments	(10,249,428)	215,240
Change in unrealized appreciation (depreciation) on foreign exchange	(295,457)	6,810
Transaction costs (Note 2)	(118,229)	(36,732)
Net gain (loss) on investments	(19,819,019)	341,976
Increase (decrease) in net assets from operations	\$(20,321,344)	\$ 393,667
Increase (decrease) in net assets from operations per unit	\$ (4.84)	\$ 0.10

The accompanying notes are an integral part of these financial statements.

Annual Financial Statements (continued)

Statement of Changes in Net Assets

For the year ended December 31, 2008 and for the period October 29, 2007
(Date of Inception) to December 31, 2007

	2008	2007
Net assets, beginning of period	\$ 39,405,938	\$ -
Increase (decrease) in net assets from operations	(20,321,344)	393,667
Capital unit transactions (Note 8)		
Proceeds from issuance of trust units	-	42,005,057
Agents' fees and expenses of issue	(37,571)	(2,730,265)
Payments on redemption	(10,410)	-
	(47,981)	39,274,792
Distributions to unitholders		
Capital gains	-	(192,262)
Return of capital	(2,099,918)	(70,259)
	(2,099,918)	(262,521)
Increase (decrease) in net assets	(22,469,243)	39,405,938
Net assets, end of period	\$ 16,936,695	\$ 39,405,938

The accompanying notes are an integral part of these financial statements.



Annual Financial Statements (continued)

Statement of Cash Flows

For the year ended December 31, 2008 and for the period October 29, 2007
(Date of Inception) to December 31, 2007

	2008	2007
OPERATING ACTIVITIES		
Increase (decrease) in net assets from operations	\$(20,321,344)	\$ 393,667
Add (deduct) items not affecting cash		
Net realized (gain) loss on investments	6,685,258	(131,060)
Change in unrealized (appreciation) depreciation on investments	10,249,428	(215,240)
	<u>(3,386,658)</u>	<u>47,367</u>
Net change in non-cash working capital		
Change in other assets and liabilities	16,607	583,073
Cash provided by (used in) operating activities	<u>(3,370,051)</u>	<u>630,440</u>
FINANCING ACTIVITIES		
Proceeds from issuance of Trust Units and Warrants	–	42,005,057
Cost of issuing units	(37,571)	(2,730,265)
Redemption	(10,410)	–
Distributions	(2,187,487)	(262,521)
Cash provided by (used in) financing activities	<u>(2,235,468)</u>	<u>39,012,271</u>
INVESTING ACTIVITIES		
Purchases of investments	(40,291,889)	(16,293,445)
Proceeds on sale of investments	23,623,718	1,250,000
Cash used in investing activities	<u>(16,668,171)</u>	<u>(15,043,445)</u>
Net increase (decrease) in cash and cash equivalents during the period	<u>(22,273,960)</u>	<u>24,599,266</u>
Cash and cash equivalents, beginning of period	24,599,266	–
Cash and cash equivalents, end of period	\$ 2,325,576	\$ 24,599,266

The accompanying notes are an integral part of these financial statements.

Annual Financial Statements (continued)

As at December 31, 2008

Statement of Investments

As at December 31, 2008

Number of Shares	Security	Average Cost (\$)	Fair Value (\$)	% of Net Assets
EQUITIES				
Australia				
200,000	Australian Agricultural Company Limited	570,890	313,292	1.8
Bermuda				
7,500	Bunge Limited	955,444	478,122	2.8
Canada				
20,000	AG Growth Income Fund	420,666	387,800	2.3
20,000	Agrium Inc.	2,024,890	829,400	4.9
1,100	Empire Company Limited Cl. A	53,339	53,350	0.3
10,000	George Weston Limited	541,887	596,400	3.5
25,000	Hanfeng Evergreen Inc.	325,000	140,250	0.8
1,761,229	MagIndustries Corp.	3,000,000	457,919	2.7
10,000	Metro Inc. Cl. A Sub-Voting	300,020	369,500	2.2
65,000	Migao Corporation	614,715	367,900	2.2
10,000	Potash Corporation of Saskatchewan Inc.	2,243,712	895,200	5.3
50,000	Viterra, Inc.	700,000	474,000	2.8
		10,224,229	4,571,719	27.0
Germany				
5,000	BASF AG	360,131	235,695	1.4
Switzerland				
1,500	Syngenta AG	385,061	348,307	2.1
United Kingdom				
30,000	Associated British Foods PLC	539,915	384,178	2.3
1,000,000	Sunkar Resources PLC	2,398,091	124,243	0.7
		2,938,006	508,421	3.0



Annual Financial Statements (continued)

As at December 31, 2008

Statement of Investments

As at December 31, 2008

Number of Shares	Security	Average Cost (\$)	Fair Value (\$)	% of Net Assets
United States				
20,000	Archer-Daniels-Midland Company	912,319	711,072	4.2
40,000	Chiquita Brands International, Inc.	795,953	726,380	4.3
50,000	Corn Products International, Inc.	1,846,646	1,764,100	10.4
50,000	Dean Foods Company	1,311,978	1,107,964	6.5
100,000	Del Monte Foods Company	902,259	878,964	5.2
5,000	Lindsay Corporation	277,202	196,162	1.2
5,000	Monsanto Company	478,477	433,927	2.6
20,000	Smithfield Foods, Inc.	604,605	345,907	2.0
30,000	Syngenta AG	1,585,905	1,449,179	8.6
10,000	The Mosaic Company	399,409	427,137	2.5
5,000	Wal-Mart Stores, Inc.	327,744	345,722	2.0
		9,442,497	8,386,514	49.5
TOTAL INVESTMENTS		\$24,876,258	14,842,070	87.6
Foreign Currency Contracts (Note 10)			(290,020)	(1.7)
Cash and cash equivalents			2,325,576	13.7
Other assets, net of liabilities			59,069	0.4
NET ASSETS, AT FAIR VALUE			\$ 16,936,695	100.0

The accompanying notes are an integral part of the financial statements.

Notes to Financial Statements

December 31, 2008

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.

Navina Capital Corp. is the manager (the “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:

(a) 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.

(b) Valuation of investments

Investments are deemed to be categorized as held-for-trading in accordance with Canadian Institute of Chartered Accountants (“CICA”) 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.

Listed options are valued at ask 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 using fair valuation techniques. 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 cost plus accrued interest which approximates fair value.

(c) Other assets and liabilities

For the purpose of categorization in accordance with the CICA Handbook Section 3862, Financial Instruments – Disclosures (“Section 3862”), receivables on foreign currency contracts, accrued investment income and prepaid expenses deemed to be loans and receivables 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 amortized cost.

(d) 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 statement 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.

(e) 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.

(f) 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.



Notes to Financial Statements (continued)

December 31, 2008

(g) Forward foreign currency contracts

Forward foreign currency contracts (see Note 10) are valued at current market value on each valuation date. The value is determined as the gain or loss that would be realized, if on the valuation date, the position of the futures contract was 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 statement of operations.

(h) Futures contracts

The value of a futures contract is the gain or loss that would be realized if, on the valuation date, the position in the futures contract was closed out. Margin paid or deposited in connection with futures contracts is reflected on the statement of investments. The unrealized gains or losses on futures contracts are reported as part of the change in unrealized appreciation or depreciation on investments until the contracts are closed out. Realized gains and losses from futures contracts that are specific hedges are accounted for in the same manner as the underlying instrument being hedged. All other realized gains and losses on futures contracts are accounted for as gains or losses and are included in net realized gain (loss) on investments in the statement of operations.

(i) Accounting 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.

(j) 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 period is based on the weighted average number of units outstanding during the period.

(k) 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

On April 1, 2005, the CICA issued Section 3855: Financial Instruments – Recognition and Measurement (“Section 3855”) of the CICA Handbook – Accounting which establishes standards for the fair valuation and recording of portfolio investments for financial statement purposes. For financial reporting purposes, the Trust must comply with Canadian GAAP and these new rules require the use of bid price for securities purchased long and ask price for securities sold short, where the securities are traded in an active market (“Net Assets”).

The Canadian securities regulatory authorities have published amendments to NI 81-106, in final form, that remove the requirement that net asset value be calculated in accordance with Canadian GAAP (other than in financial statements) effective September 8, 2008. As a result of the amendments, the net asset value of investment funds (other than in financial statements) will continue to be calculated using the fair value of the assets and liabilities of the investment funds, as calculated by applying the close or last trade price to obtain securities values (“Net Asset Value”).

The adoption of Section 3855 results in the Trust valuations being different for daily transactions and financial reporting purposes because of the valuation methodology used in determining Fair Values. The Net Asset Value per unit and Net Assets per unit is presented as follows:

	Dec. 31 2008	Dec. 31 2007
Net Asset Value per unit	\$4.05	\$9.39
Net Assets per unit	\$4.03	\$9.38

Notes to Financial Statements (continued)

December 31, 2008

4. FINANCIAL INSTRUMENTS

(a) Fair value of financial instruments

The Trust's financial instruments include cash and cash equivalents, investments, receivables on foreign currency contracts, accrued investment income, liabilities payable for options, securities purchased and distributions to investors and accrued liabilities, due to broker, due to Manager, and related GST. Investments designated as held-for-trading are valued at fair value, using the policies described in Note 2 (Summary of Significant Accounting Policies – Valuation of Investments). All other financial instruments are carried at amortized cost. The fair value of all other financial instruments closely approximates their carrying values, given their short-term maturities.

(b) Management of financial risks

In the normal course of business, the Trust is exposed to various financial risks, including market risk (consisting of currency risk, fair value interest rate risk, cash flow interest rate risk and 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.

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.

As at December 31, 2008, the Trust owns equity securities of Agribusiness Issuers whose securities

are traded on recognized public exchanges. However, the Trust did own equity securities of privately held Issuers for various periods throughout the year. These positions were purchased within the guidelines of managing financial risks for Financial Instruments (see Note 4a). Each of these privately held positions were either sold, or converted into publicly-traded affiliates prior to year-end. All equities are susceptible to market price risk arising from uncertainties about future prices of those instruments.

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 December 31, 2008, 12% of the Trust's total net assets are represented by cash or cash equivalents, net of current liabilities. Substantially all of the remaining 88% of shareholders' equity is invested in equity instruments of publicly traded securities located in Canada, United States of America, Europe, and Australia.

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 December 31, 2008, 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 2008 year, the changes in the fair values of portfolio investments decreased at a greater rate than the referenced S&P/TSX Composite Index. With all other variables remaining constant, a 5% increase or decrease in the market would have increased or decreased net assets of the Trust by approximately 6.9%. If bid prices of each of the investments had increased by 1% with all other variables remaining constant, net asset of the Trust for the period would have increased by \$167,173. Conversely, if the bid prices of the investments had decreased by 1% with all other variables remaining constant, net assets of the Trust for the period would have decreased by \$167,174.

Interest rate risk

As at December 31, 2008, 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



Notes to Financial Statements (continued)

December 31, 2008

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 December 31, 2008, 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 small number of contracts, 5, the May 15, 2009 settlement date for 5 of the 5 contracts and the AA- credit rating of State Street as counterparty to the contracts. 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 December 31, 2008, 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.

If holders of a substantial number of Trust Units exercise their monthly or annual redemption rights, the number of Trust Units outstanding and the net asset value of the Trust could be significantly reduced. A significant number of redemptions would decrease the liquidity of the Trust Units in the market and increase the management expense ratio of the Trust. The Manager may terminate the Trust upon notice to Unitholders prior to the termination date if, in the opinion of the Manager, 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.

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 December 31, 2008:

	Financial Assets	Other Assets	Financial Liabilities	Other Liabilities	Total	% of Net Assets
Australian						
Dollar	313,292	–	(8,597)	–	304,695	1.80%
Euro						
Currency	235,695	2,479	(584)	–	237,590	1.40%
Norwegian						
Krone	317	–	–	–	317	0.00%
Pound						
Sterling	508,421	7,188	8,828	–	524,437	3.10%
Swiss						
Franc	348,307	1,670	(16,172)	–	333,805	1.97%
US						
Dollar	8,864,636	9,427	(273,495)	–	8,600,568	50.78%

As at December 31, 2008, had the Canadian dollar become stronger 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 by \$27,127. Conversely, had the Canadian dollar become weaker by 1% against each of the other currencies with all other variables remaining constant, net assets of the Trust for the period would have increased by \$26,589.

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 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 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 arising in tax years ending after 2005 may be carried forward for a period of 20 years and applied against future years' taxable income. In years before 2004, the carry forward period was seven years. As at December 31, 2008, the Trust had a capital loss carry forward balance of \$8,615,033 and a non-capital loss carry forward balance of \$1,054,999 (expiring in 2028).

6. EXPENSES OF THE TRUST

(a) 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.

Notes to Financial Statements (continued)

December 31, 2008

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.

(b) 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 December 31, 2008, brokerage commissions were \$118,229 (2007 – \$36,732).

The Trust will pay 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 \$129,713 (2007 – \$18,830).

(c) Issue costs

Certain offering expenses such as the costs of creating the Trust, the cost of printing and preparing the prospectus, legal expenses of the Trust, marketing expenses and legal and other out-of-pocket expenses incurred by the agents, subject to a maximum of 1.5% of the gross proceeds of the offering, are, together with the agents' fees, payable by the Trust.

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.

Commencing in 2009, 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, in accordance with the Declaration of Trust, 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 10th 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 TSX 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.



Notes to Financial Statements (continued)

December 31, 2008

8. NET CAPITAL TRANSACTIONS

Net capital transactions for the Trust for the year ended December 31, 2008 consisted of the following

	Trust Units (#)		Warrants (#)		\$	
	2008	2007	2008	2007	2008	2007
Number outstanding, beginning of period	4,200,000	–	4,212,642	–	39,274,792	–
Issuance of Units	–	4,000,000	–	4,000,000	–	40,000,000
Issuance of Trust Units	(1,500)	200,000	–	–	(10,410)	1,920,000
Issuance of Warrants	–	–	–	212,642	–	85,057
Issue costs (including agent's fees)	–	–	–	–	–	(2,730,265)
Number outstanding, end of year	4,198,500	4,200,000	4,212,642	4,212,642	39,264,382	39,274,792

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 10th 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 10th 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 December 31, 2008 there were 4,212,642 (2007 – 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 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 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 weekly 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 2008, the Manager entered into a revolving term credit facility for which a standby expense is being paid, however no funds have been drawn from the facility during 2008.

Notes to Financial Statements (continued)

December 31, 2008

10. FORWARD FOREIGN CURRENCY CONTRACTS

As at December 31, 2008, the Trust had entered into forward foreign currency contracts to deliver currencies at specified future dates as follows:

Contracts		Sold		Bought	Settlement Date	Unrealized Gain (Loss)	Counterparty	Credit Rating
1	AUD	336,300	CAD	277,616	May 15, 2009	\$ (8,597)	State Street	AA-
1	CHF	322,000	CAD	357,659	May 15, 2009	(16,172)	State Street	AA-
1	EUR	132,100	CAD	224,966	May 15, 2009	(584)	State Street	AA-
1	GBP	290,000	CAD	522,000	May 15, 2009	8,827	State Street	AA-
1	USD	7,156,000	CAD	8,548,915	May 15, 2009	(273,494)	State Street	AA-
Totals		8,236,400		9,931,156		\$(290,020)		

AUD – Australian Dollar

EUR – Euro Dollar

GBP – Pound Sterling

CHF – Swiss Franc

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 the year.

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, commencing in December 2008, 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 year, was \$0.04167 per unit. For the year end December 31, 2008, the Trust paid \$0.50004 per Trust Unit (2007 – \$0.062505).

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 December 31, 2008 and December 31, 2007, no Trust Units had been purchased by the Portfolio Manager.

14. 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.

At December 31, 2008, the Manager is taking the following steps to transition to IFRS:

- Identification of areas where 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 still in the early stages of the transition plan.



Corporate Information

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Listing

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Ticker Symbol

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