

## RETURN SUMMARY

SEPTEMBER 2015	-0.6%
YEAR TO DATE	4.9%
LAST 12 MONTHS	-6.8%

September, 2015

TSX: RAV.UN

### FUND DESCRIPTION

The Ravensource Fund ("Ravensource") is a TSX listed closed-end investment fund that has been under Stornoway's management since July 1, 2008. Ravensource's investment objective is to achieve absolute long-term returns regardless of market conditions; to achieve this, Ravensource will invest in special situation, distressed and high yielding securities.

HISTORICAL RETURNS <sup>(2)(5)</sup>	Sep 2015	Year to Date	One Year	Three Years	Since July 2008 <sup>(3)</sup>
RAV.UN <sup>(1)</sup>	-0.6%	4.9%	-6.8%	9.0%	8.5%
S&P/TSX Comp Total Return Index	-3.7%	-7.0%	-8.4%	5.7%	1.8%
S&P/TSX SmallCap Index	-6.8%	-14.3%	-21.8%	-4.1%	-1.7%
Credit Suisse Distressed HF Index	-1.4%	-3.6%	-5.8%	5.8%	3.9%
ML High Yield Master II Index	-2.6%	-2.5%	-3.6%	3.5%	8.0%

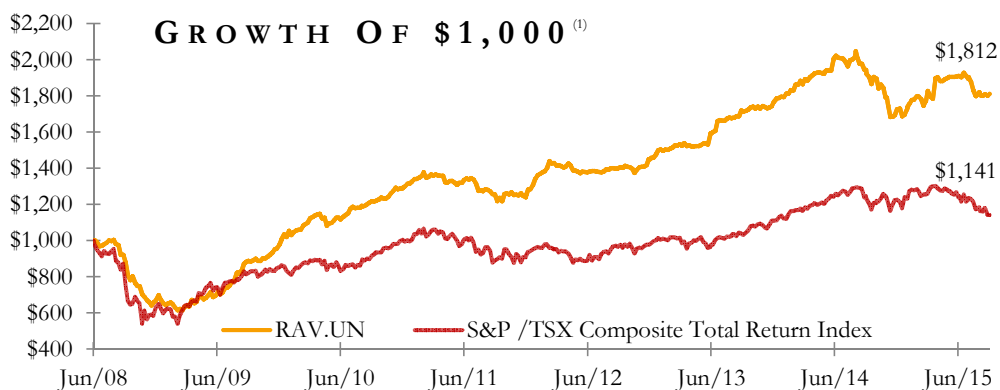
### MANAGER COMMENTARY

Ravensource Fund's NAV per unit declined by 0.6% in September but is up 4.9% thus far in 2015. Over a longer time horizon, the Fund is up a total of 29.4% (9.0% annualized) over the last 3 years and 81.2% (8.5% annualized) since Stornoway Portfolio Management was appointed Manager of the Fund on July 1, 2008.

The Fund's performance in September and thus far in 2015 stacks up favourably against the continuing headwinds in the global capital markets, as evidenced by the 3.7% loss in September and the 7% loss year-to-date in the TSX Composite Total Return Index, as well as the September and year-to-date losses in the small cap, high yield and distressed indices.

Ravensource's "Kevlar" has been a combination of our relatively high cash balance, which stood at 29.4% of the Fund's NAV at September 30th, and the high quality of our investments.

With substantial declines and volatility across the equity and credit markets, the number of opportunities on our radar screen continues to rise. We continue to balance our twin - and sometimes competing - forces of opportunism and diligence as we sort through the broad and growing spectrum of opportunities.



### FUND DETAILS

Net Asset Value ("NAV")	\$12.75
Market Price	\$12.37
Discount to NAV	3.1%
Management & Admin Fee	1.0%
Performance Fee	20% Over 5%
Redemption Rights	Annual @ NAV
Market Capitalization	20,735,460
Units Outstanding	1,676,270

#### Fund Trustee:

Computershare Trust Company Of Canada

#### Fund Administrator:

SGGG Fund Services Inc.

#### Prime Broker:

BMO Capital Markets

#### Auditor:

KPMG LLP

#### Legal Counsel:

Borden Ladner Gervais LLP

#### Investment Manager:

Stornoway Portfolio Management Inc.

### ABOUT STORNOWAY

#### PORTFOLIO MANAGEMENT

Founded in 2004, Stornoway Portfolio Management Inc. ("Stornoway") is an employee-owned asset management firm located in Toronto, Canada. Stornoway manages the Stornoway Recovery Fund LP and the Ravensource Fund.

Stornoway's investment team, comprised of Scott Reid and Steve Schaus, conduct extensive fundamental analysis and due diligence and will use their expertise, experience and network to play an active role in the investee companies and other value-enhancing initiatives in order to protect the Fund's investments and generate returns.

#### CONTACT

Scott Reid, President

416.250.2845

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## INVESTMENT PHILOSOPHY

RavenSource focuses on capturing value from the turnaround and recovery of financially distressed securities and other deep-value investments. Stornoway's investment philosophy is value-oriented, we seek to purchase securities at prices substantially below what we have identified as its margin of safety and often become actively involved with the company to ensure that our rights are upheld.

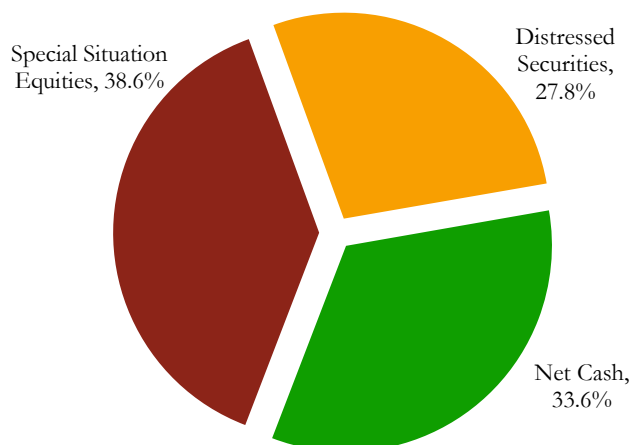
To identify these opportunities, Stornoway conducts extensive analysis and due diligence on individual companies with lesser focus on macroeconomic factors. Our focus will largely be on situations typically overlooked by traditional investors and where we can have influence and create value. While

## INVESTMENT STRATEGIES

1. Special Situation Equity: investing in Canadian and U.S. small/midcap equities that are attractively priced with catalysts to unlock value.
2. Distressed Securities: investing in securities of companies (i.e., corporate debt), which are in or perceived to be in financial distress at a significant discount to fundamental value.

## STRATEGIC ALLOCATION

AS AT JUN 30, 2015

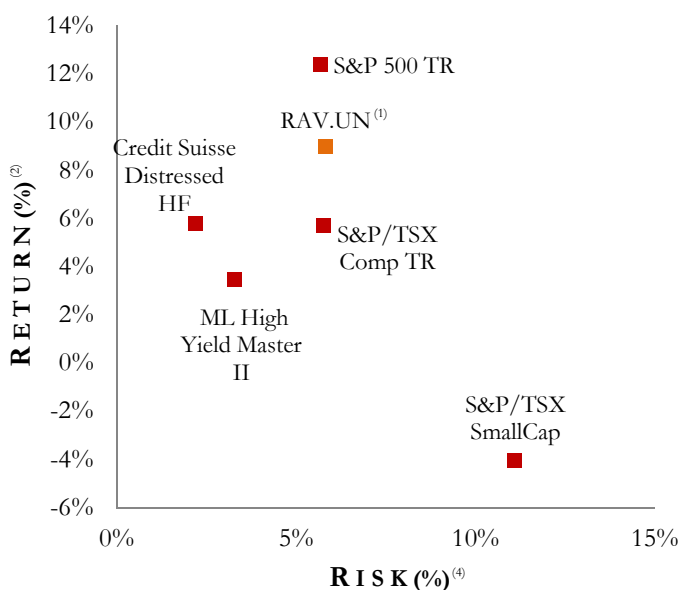


## TOP 10 HOLDINGS

AS AT SEP 30, 2015

ISSUER/SECURITY	SECURITY TYPE	% OF NAV
Net Cash	Cash	29.4%
Specialty Foods Group	Common Shares	21.1%
Crystallex International 9.375%	Senior Bonds	8.4%
Plaza Corp Retail REIT	Trust Units	5.1%
Winpak Ltd.	Common Shares	4.4%
NAPEC Inc.	Common Shares	4.3%
Supremex Inc.	Common Shares	3.8%
Delavaco Residential Properties	Common Shares	3.5%
Ten Peaks Coffee Co Inc.	Common Shares	3.4%
Kicking Horse Energy Ltd.	Common Shares	3.1%

## 3-YEAR RETURN VERSUS RISK



## NOTES

- 1) RAV.UN returns are based on NAV per unit, assuming all distributions are reinvested at NAV. Net of fees and expenses.
- 2) All returns are annualized total returns, except YTD. Performance data for 2014 is estimated and unaudited.
- 3) Stornoway Portfolio Management was appointed as Manager of the RavenSource Fund effective July 1, 2008.
- 4) Risk is annualized downward standard deviation expressed in percentage terms computed from monthly return data.
- 5) The indices listed have been selected for purposes of comparing the performance of the Fund with widely-known, broad-based benchmarks. The Fund's Performance may or may not correlate to any of these indices and should not be considered as a proxy for any of these indices. The S&P/TSX Comp Total Return is the headline index and the principal broad market measure for the Canadian equity markets. The S&P/TSX SmallCap is comprised of a representative sample of investable Canadian small cap companies. The Credit Suisse Distressed HF tracks the performance of funds that invests in distressed securities. The ML High Yield Master II tracks the performance of U.S. dollar, below investment grade rated corporate debt.

## LEGAL DISCLAIMER

This material should be read in conjunction with the Declaration of Trust, Financial Statements, Management Report on Fund Performance, and Annual Information Form. The information contained herein, while obtained from sources that we believe to be reliable, is not guaranteed as to completeness. All index performance information has been obtained from third parties and should not be relied upon as being complete or accurate. Indices are shown for comparison purpose only. This material is for information purposes only and does not constitute an offer to sell or a solicitation to buy the securities referred to herein. The information presented contains forward looking information which relates to future events or performance and reflects the Manager's expectations and assumptions which are based on information currently available to the Manager. Actual future results may differ materially. The risks, uncertainties and other factors that could influence the actual results are described in the Annual Information Form. All documents listed above can be found on [www.sedar.com](http://www.sedar.com). Any investment in the Fund involves risk, including the loss of principal. Past performance is no guarantee of future results.