RAVENSOURCE
FUND

SEMI-ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

JUNE 30, 2026

THE RAVENSOURCE FUND

This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the interim or annual financial statements of the investment fund. You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling (416) 250-2845, by writing to us at Stornoway Portfolio Management Inc., 30 St. Clair Avenue West, Suite 901, Toronto, ON M4V 3A1, by e-mailing us at info@stornowayportfolio.com, by visiting our website at www.ravensource.ca, or through the SEDAR+ website at www.sedarplus.ca. Ravensource's net asset value per unit is published weekly and can be found on our website at www.ravensource.ca.

Unitholders may also contact us using one of the above methods to request a copy of the investment fund's Annual Information Form, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

A Note on Forward-Looking Statements

This document may contain forward-looking statements relating to anticipated future events, results, decisions, opportunities, risks or other matters. Forward-looking statements are predictive in nature, requiring us to make assumptions and subject to inherent risks and uncertainties. Our forward-looking statements may not prove to be accurate, and a number of factors could cause actual events and results to differ materially from expectations, estimates or intentions. These risk factors include market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the fund may invest, and others as detailed in Ravensource's Annual Information Form. Forward-looking statements are not guarantees of future performance. For these reasons, it is important that readers do not place undue reliance on our forward-looking statements and should be aware that the Trust may not update any forward-looking statements.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

THE TRUST

The Ravensource Fund ("Ravensource" or the "Trust") is a closed-end investment trust whose units are listed on the Toronto Stock Exchange under the symbol RAV.UN and can be purchased / sold like other publicly listed securities. As of June 30, 2026, the net assets of the Trust were $22.2 million with 1,296,075 units outstanding, the net asset value ("NAV") per unit was $17.16. The closing bid for Ravensource units as of June 30, 2026, was $16.25 and the last trade was $16.41.

THE INVESTMENT MANAGER

By way of a special meeting of unitholders, Stornoway Portfolio Management Inc. ("Stornoway" or "Investment Manager") was appointed as the investment manager to the Ravensource Fund effective July 1, 2008. Stornoway's responsibilities for Ravensource include the evaluation, selection, negotiation, and ongoing monitoring of investments, the recommendation of the appropriate timing and structure for disposition of such investments, and of course, reporting to you, Ravensource investors.

INVESTMENT OBJECTIVE AND STRATEGIES

The principal objective of Ravensource is to achieve superior absolute long-term returns, with an emphasis on capital gains, primarily through investments in selected under-followed / out-of-favour North American debt instruments, creditor claims and equity securities that are typically off the radar screen of most traditional investors. The investment objectives of the Trust are stated in the Declaration of Trust and on the Trust's website.

To achieve its investment objectives, Ravensource's investments primarily fall into three strategies:

1. *Distressed Opportunities:* investing in corporate debt, creditor claims and/or equity securities of companies that are in, perceived to be in, or emerging from financial distress at a price materially different from what we believe to be the underlying fundamental value of the securities.
2. *Alternative Credit:* investing in corporate debt, on either a primary or secondary basis, that is reasonably expected to be repaid at or above par at or before its stated maturity in a manner consistent with the terms of its indenture and to earn a yield that we believe is attractive given the underlying credit risk.
3. *Special Situations Equities:* investing primarily in Canadian and U.S. small- and mid-cap equities that are attractively valued with catalysts to unlock value.

RISK

The Trust has not altered its stated investment strategies or implemented significant changes during 2026 that would have materially affected the overall risk of investing in Ravensource. The risks of the Trust remain as discussed in the most recent Annual Information Form and notes to its financial statements.

Ravensource invests primarily in out-of-favour, illiquid and often complex securities, including securities of issuers experiencing financial, operational or other distress. These investments may be more volatile, less liquid and more difficult to value than securities of larger, more widely followed issuers. In addition, the realization of value from certain investments may depend on events that are uncertain in timing and outcome, including restructurings, asset sales, litigation outcomes, regulatory developments and changes in market conditions.

Ravensource is more concentrated than most funds, typically holding ten or fewer positions. As at June 30, 2026, its investment in the Crystallex senior notes represented 39.3% of net assets. Concentration of this degree means that the outcome of a single position can determine the Trust's results. In the case of Crystallex, a single ruling in a single proceeding will determine what the Senior Noteholders are owed, and while there are buyers for the Senior Notes, the Trust does not rely on that liquidity.

Unexpected volatility or illiquidity could also result from broader legal, political, regulatory, economic or market developments, including public health events, natural disasters, war and related geopolitical risks, and may impair the Investment Manager's ability to carry out the Trust's investment objectives or cause the Trust to incur losses. Neither the duration nor the ultimate effect of such conditions, nor the degree to which they may worsen, can be predicted.

An investment in the Trust continues to be appropriate only for investors who have the capacity to absorb a loss of some or all of their investment, who seek long-term capital growth, have a long-term investment horizon, and possess a medium- to high-risk tolerance. Further, because Ravensource does not currently make distributions, an investment in the Trust may not be appropriate for investors who prioritize current income from their investments.

A more complete discussion of the risks associated with an investment in units of Ravensource is set out in the Annual Information Form and in the notes to the financial statements, which are available on the SEDAR+ and Ravensource websites.

Results of Operations

Size of the Trust

Ravensource's net assets were $22.2 million at June 30, 2026, an increase of $0.9 million, or 4.34%, during the first half of 2026. By comparison, Ravensource's net assets increased by $0.8 million, or 3.93%, over the same period in 2025. During 2026, the Trust did not make any distributions or raise additional capital.

Investment Performance

Ravensource's net asset value per unit ("NAV") increased by $0.71 or 4.34% over the first half of 2026, reflecting an increase in the market value of its investment portfolio, net of fees and expenses. Performance over the first half was led by positive contributions from investments in Gold Reserve Ltd., which was sold during the period, and Crystallex International Corp., partially offset by negative performance from our investments in Algoma Steel Group Inc. and Logan Energy Corp. Given Ravensource's concentrated portfolio, individual investments can have a meaningful impact on our results.

Recent Developments

During the first half of 2026, the Trust purchased investments totalling $0.7 million, or 2.98% of net assets, including initiating a new position in Logan Energy Corp. The Trust sold investments totalling $2.0 million, or 8.96% of net assets, reflecting the sale of its position in Gold Reserve Ltd.

As of June 30, 2026, the Trust's total net liquidity — cash net of margin loans, plus short-term Government of Canada T-bills and net working capital — was 47.78% of net assets, versus 46.44% at December 31, 2025. The Trust held a margin balance equal to 13.80% of net assets, fully offset by short-term Government of Canada T-bills; on a net basis, the Trust employed no leverage.

The Investment Manager views the current environment as one of tightening credit conditions and widening discounts, with fewer investors willing or able to commit capital to companies in distress. The Trust's liquidity is held deliberately against that backdrop, positioning the Trust to capitalize on opportunities as they arise without becoming a forced seller of existing positions to fund them. However, the Trust's elevated cash position will not shorten the Investment Manager's diligence process or lower the standard an investment must meet before capital is committed.

On July 9, 2026, the Trustee for the Crystallex Senior Notes filed various proof of claims in Crystallex International's Companies' Creditors Arrangement Act ("CCAA") proceedings, and the Court is scheduled to hear the Senior Notes Trustee and its Ad Hoc Committee's motion to determine what the Senior Noteholders are owed this December. The Investment Manager's priorities for the balance of 2026 are to: advance the Senior Noteholders' claim in Crystallex's CCAA proceedings; accelerate the sale of Firm Capital Apartment REIT's ("FCA") remaining properties and return the proceeds to FCA's unitholders; and hunt for and diligence new investment opportunities that it finds compelling.

For a more detailed discussion of the Trust's investments and developments during the period, unitholders should refer to Ravensource's Letter to Unitholders, available at www.ravensource.ca.

Related Party Transactions

Investment Manager Compensation

Stornoway Portfolio Management Inc. (the "Investment Manager"), receives compensation for services provided to Ravensource, consisting of a management fee, an administrative fee, an investor relations fee and, if applicable, an incentive fee.

Management Fee

The management fee is based on the Trust's average weekly net assets and is payable monthly in arrears at the following annual rates, plus HST:

Average weekly net assets	Management Fee
Up to and including $250,000,000	0.65% of net asset value plus HST
Between $250,000,001 and $500,000,000	0.60% of net asset value plus HST
$500,000,001 and more	0.55% of net asset value plus HST

Management fees for the period ended June 30, 2026 amounted to $82,395 including HST (June 30, 2025 - $74,413). Management fees payable as at June 30, 2026 amounted to $13,783 including HST (December 31, 2025 - $25,918).

Administrative Fee

Subject to the supervision of the Trustee, the Investment Manager provides certain administrative services to the Trust. The administrative fee is based on the Trust's average weekly net assets and is payable monthly in arrears at the following annual rates, plus HST:

Average weekly net assets	Administrative Fee
Up to and including $250,000,000	0.35% of net asset value plus HST
Between $250,000,001 and $500,000,000	0.30% of net asset value plus HST
$500,000,001 and more	0.25% of net asset value plus HST

Administrative fees for the period ended June 30, 2026 amounted to $44,367 including HST (June 30, 2025 - $40,069). Administrative fees payable as at June 30, 2026 amounted to $7,206 including HST (December 31, 2025 - $13,737).

Investor Relations Fee

The Investment Manager receives a monthly investor relations fee of $1,000, plus HST, for unitholder reporting and other services. For the period ended June 30, 2026, this fee amounted to $6,724, including HST (2025 - $6,724). The investor relations fee payable as at June 30, 2026 amounted to $1,074 including HST (December 31, 2025 - $2,260).

Incentive Fee

The Investment Manager is entitled to an incentive fee equal to 20% of the amount by which the net asset value per unit at year-end, adjusted for contributions, distributions and redemptions during the year, exceeds the beginning net asset value per unit by more than 5%, plus any shortfalls from prior years.

As at June 30, 2026, the net asset value per unit would have had to exceed $20.93 before any incentive fee became payable. As its net asset value per unit was below $20.93, the incentive fee for the period ended June 30, 2026 amounted to nil (June 30, 2025 - nil).

Employee Ownership

Employees of the Investment Manager own 146,663 units, representing 11.3% of the outstanding units of Ravensource as at June 30, 2026 (December 31, 2025 – 146,663 units, representing 11.3%).

FINANCIAL HIGHLIGHTS

For the six months ended June 30, 2026 and years ended December 31, 2021 to December 31, 2025

The following tables show selected key financial information about the Trust and are intended to help you understand the Trust's financial performance for the past 5 years.

The Trust's Net Assets per Redeemable Unit ($) (1)	**YTD 2026**	**2025**	**2024**	**2023**	**2022**	**2021**
Opening Net Assets per Redeemable Unit	**$16.45**	**$15.90**	**$16.85**	**$14.93**	**$17.43**	**$15.85**
Increase (decrease) from operations:						
Total revenue	0.11	0.32	0.31	0.25	0.41	0.09
Expenses	(0.27)	(0.55)	(0.52)	(0.44)	(0.53)	(0.40)
Realized gains (losses) for the period	(0.56)	1.39	(0.53)	1.35	(0.70)	0.39
Unrealized gains (losses) for the period	1.43	(0.61)	(0.21)	0.76	(1.38)	1.80
Total increase (decrease) from operations (2)	**$0.71**	**$0.55**	**($0.95)**	**$1.92**	**($2.20)**	**$1.88**
Distributions:						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	(0.30)	(0.30)
Total distributions (3)	**$ --**	**$ --**	**$ --**	**$ --**	**($0.30)**	**($0.30)**
Net Assets per Redeemable Unit, end of period	**$17.16**	**$16.45**	**$15.90**	**$16.85**	**$14.93**	**$17.43**

(1) This information is derived from the Trust's unaudited interim financial statements and audited annual financial statements. The net assets per unit presented in the financial statements may differ from the net asset value calculated for fund pricing purposes.

(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.

(3) Distributions were paid in cash.

Ratios and Supplemental Data	**YTD 2026**	**2025**	**2024**	**2023**	**2022**	**2021**
Total net asset value (000's) (1)	$22,243	$21,318	$20,603	$21,841	$15,690	$20,864
Number of units outstanding (1)	1,296,075	1,296,075	1,296,075	1,296,075	1,050,695	1,197,334
Management expense ratio (2)	3.09%	3.40%	2.95%	3.07%	3.30%	2.38%
Management expense ratio before waivers or absorptions	3.09%	3.40%	2.95%	3.07%	3.30%	2.38%
Trading expense ratio (3)	0.09%	0.00%	0.14%	0.04%	0.08%	0.07%
Portfolio turnover rate (4)	2.95%	0.43%	13.66%	2.35%	15.98%	8.76%
Net asset value per redeemable unit	$17.16	$16.45	$15.90	$16.85	$14.93	$17.43
Closing market price (5)	$16.41	$15.84	$16.80	$15.50	$11.86	$15.35

(1) This information is provided as at December 31 and June 30 of each year.

(2) Management expense ratio is based on total expenses (excluding commissions and transaction costs) for the stated period and is expressed as an annualized percentage of weekly average net asset value.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of weekly average net asset value during the period.

(4) The Trust's portfolio turnover rate indicates how actively the Trust's portfolio adviser manages its investments and is based on the lesser of investment purchases or sales, excluding short-term treasury bills maturing in less than one year, for the stated period expressed as a percentage of weekly average net asset value. A portfolio turnover rate of 100% is equivalent to the Trust buying and selling all of the securities in the portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the fund.

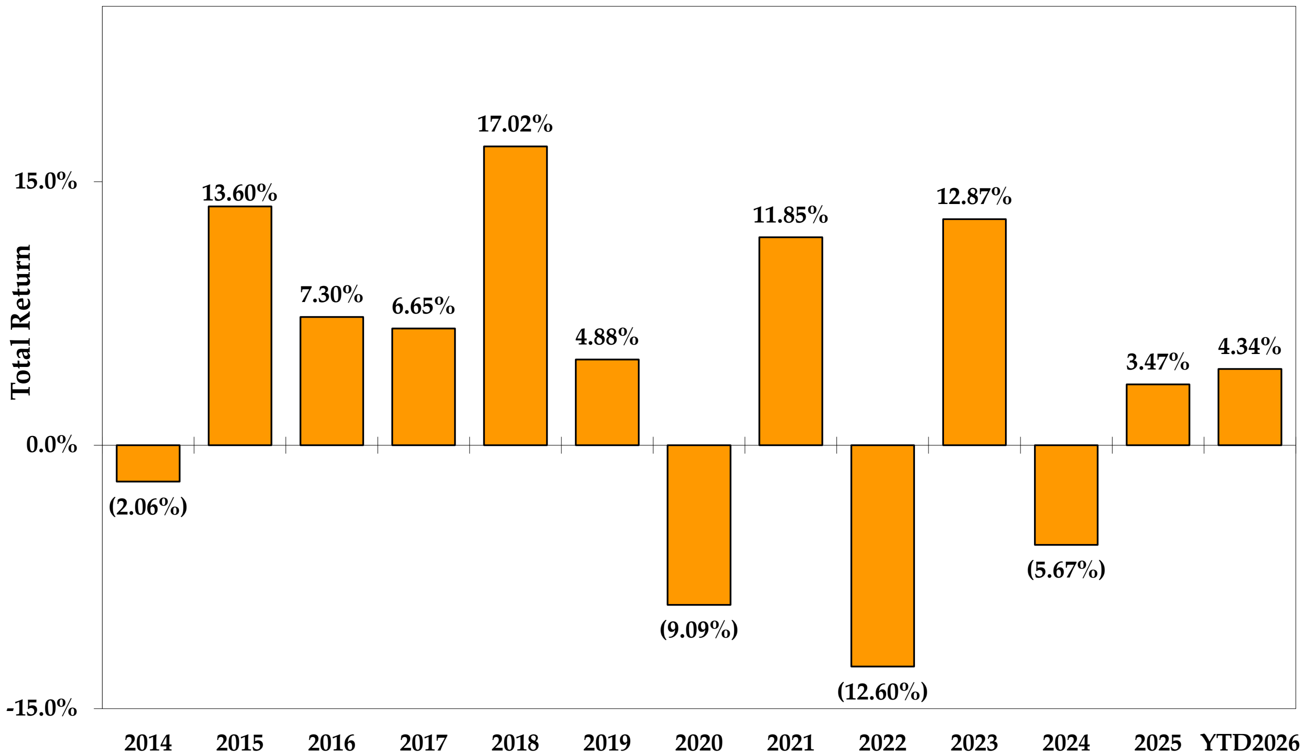
(5) The Closing market price refers to the last trade for a given period end.

PAST PERFORMANCE

The following performance information is based on the net asset value of the Trust, after all fees and expenses have been considered. Past performance is not indicative of future performance.

Year-by-Year Trust Returns

The following bar chart shows the performance of the Trust for each of the financial years ended 2014 to 2025 and the six months ended June 30, 2026. This chart shows in percentage terms how an investment in the Trust made on the first day of each financial year would have increased or decreased, by the last day of each financial year.



Annual Compounded Returns

The table below compares the Trust's historical annual compound returns to various Comparable Indices. The performance information presented assumes that distributions made by the Trust are used to purchase additional units of the Trust. Please read the Appendix for further information on Ravensource's use of Comparable Indices.

As at June 30, 2026 (1)	YTD 2026	1 Year	3 Years	5 Years	10 Years	Since (2) July 1, 2008
Ravensource Fund - RAV.UN (1)	**4.3%**	**3.9%**	**4.3%**	**0.4%**	**3.2%**	**5.9%**
S&P/TSX Composite Total Return Index	11.2%	32.9%	23.5%	14.8%	12.8%	8.2%
S&P/TSX Small Cap Total Return Index	18.0%	57.2%	30.3%	15.0%	11.1%	6.8%
ICE BofAML US High Yield Index	1.9%	5.7%	8.8%	4.1%	5.7%	6.8%
HFRI Distressed/Restructuring Index	7.2%	16.6%	11.3%	6.4%	7.7%	5.6%

(1) Based on net asset value per unit, assuming all distributions are reinvested in Units at net asset value. Returns are net of all fees and expenses.

(2) Stornoway Portfolio Management was appointed as Manager of Ravensource Fund effective July 1, 2008.

(3) Returns are annualized except YTD returns.

(4) Past performance is no guarantee of future results.

SUMMARY OF INVESTMENT PORTFOLIO

As at June 30, 2026

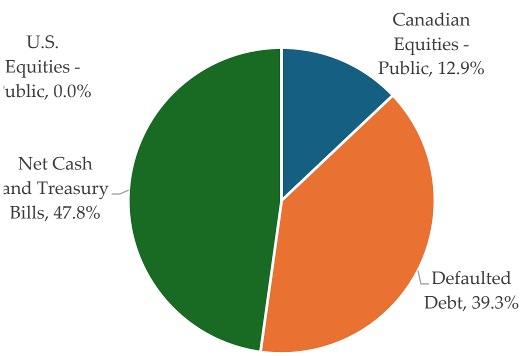
The summary of investment portfolio may change due to ongoing portfolio transactions of the Trust. The Trust publishes its 25 largest holdings quarterly on its website.

By Industrial Group **	% of Portfolio
Litigation Finance	75.2%
Real Estate	11.0%
Steel	8.4%
Oil & Gas	5.3%
Total % of Investment Portfolio	**100.0%**

Top 25 Holdings Issuer/Security	% of Net Assets
Canadian Treasury Bills	62.0%
Crystallex International Corp. 9.375% 23DEC2011 *	39.3%
Firm Capital Apartment Real Estate Investment Trust	5.7%
Algoma Steel Group Inc.	4.4%
Logan Energy Corp.	2.8%
Spanish Broadcasting System Inc.	0.0%
Brookfield DTLA Fund Office Trust Investor Inc.	0.0%
Total % of Net Assets	**114.2%**

* Not publicly traded. Valued by independent third parties, valuation model, and/or last transaction price.

By Security Type - % of Net Assets



By Investment Strategy **	% of Investment Portfolio 2026-06-30	2025-06-30
Distressed Opportunities	94.7%	91.1%
Special Situations Equities	5.3%	8.9%
Alternative Credit	0.0%	0.0%
Total % of Investment Portfolio	**100.0%**	**100.0%**

** Note that Treasury Bills are excluded from "By Industrial Group" and "By Investment Strategy" tables as they are held for liquidity/cash management purposes rather than for investment purposes.

ADDITIONAL INFORMATION

Ravensource Independent Review Committee

To adhere to National Instrument 81-107 and to provide an arms-length vehicle to deal with matters that involve potential conflicts of interest between the Trust and the Investment Manager, Ravensource established and maintains an Independent Review Committee (“IRC”). The role, composition and responsibilities of the IRC can be summarized as follows:

- The size of the IRC is 4 members that are independent from the Investment Manager with no material relationships to the Investment Manager;
- Its mandate is to consider and provide impartial judgment on any conflict of interest referred to it by the Investment Manager;
- When a conflict of interest is referred, the IRC will review and recommend to the Investment Manager what action it should take to achieve a fair and reasonable result for Ravensource;
- Report to the relevant securities regulators any instance where the Investment Manager acted in a conflict of interest matter in such a way that did not comply with conditions imposed by securities legislation or the IRC;
- Meet at least annually with at least one of the meetings to be held “in camera”;
- For each calendar year, the IRC must prepare a report that describes the IRC and its activities for the fiscal year. This report is posted on the Trust’s website (www.ravensource.ca).

The IRC is comprised of Steven Schaus (Chairman), Michael Siskind, Joanne Horibe and Noah Goldstein. The fees and other reasonable expenses of members of the IRC are paid by the Trust. For 2026, the annual compensation for ordinary IRC members is $10,000 while the Chair of the IRC is entitled to $13,000. In addition, IRC members are entitled to $600 per meeting for any additional meetings other than the annual meeting that occur during the year.

Access to Information

Ravensource Fund continues to be in compliance with the requirements of National Instrument 81-106 and publishes its 25 largest holdings quarterly and its net asset value weekly. All of the key Trust documents along with further information on the Trust and the investment team that manages your investments can be accessed through the website (www.ravensource.ca). Stornoway is committed to keeping the website current and you are encouraged to make use of this resource tool. Aside from the website, Trust documents can also be retrieved through SEDAR+ (www.sedarplus.ca).

Trust Information

Trustee, Registrar and Transfer Agent
Computershare Trust Company of Canada

Auditor
KPMG LLP

Investment Manager
Stornoway Portfolio Management Inc.
30 St. Clair Avenue West, Suite 901
Toronto, ON M4V 3A1

Investor Relations
Scott Reid
416-250-2845
sreid@stornowayportfolio.com

Ravensource's Use of Comparable Indices

Given the idiosyncratic nature of the Trust's investment strategy, the Investment Manager does not believe there is an index that sufficiently resembles the Trust to the degree it should be considered or used as a "benchmark". However, the Investment Manager provides historical performance data for several indices in addition to the results of the Trust for comparison purposes. The Investment Manager has chosen indices that it believes are relevant to the investment mandate of the Trust and / or to capital markets in general. However, while each of these indices overlap with certain aspects of the Trust's mandate, none of them share significant similarities with the Trust's investment portfolio:

- The S&P/TSX Composite Total Return Index ("S&P/TSX") is the principal broad-based measure commonly accepted by investors to measure the performance of Canadian equity markets. The S&P/TSX is a relevant index for comparison purposes as the Trust's investment portfolio contains Canadian equity investments and the Trust's debt investments are frequently converted into equity securities as part of the restructuring process. However, the performance of the S&P/TSX will vary greatly from the Trust as its investment portfolio is primarily comprised of securities that are not included in the S&P/TSX.

- The S&P/TSX Small Cap Total Return Index ("TSX Small Cap") tracks the performance of the Canadian small cap equity market. The TSX Small Cap is a relevant index for comparison purposes as the Trust invests in Canadian small cap companies that are attractively valued with catalysts to unlock value. However, the performance of the TSX Small Cap will vary greatly from the Trust as its investment portfolio is primarily comprised of securities that are not included in the TSX Small Cap.

- The ICE BofAML US High Yield Index ("BAMLHY") is a USD-denominated index that tracks the performance of USD, sub-investment grade rated corporate debt. BAMLHY is a relevant index for comparison purposes as the Trust invests in corporate debt securities that are rated below investment grade. However, the Trust's investment portfolio also includes defaulted debt and equity securities which are not included in the BAMLHY and thus the Trust's performance may vary greatly from BAMLHY.

- The HFRI Distressed/Restructuring Index ("HFRIDSI") tracks the performance of investment funds focused on the credit instruments of companies trading at significant discounts to par value due to formal bankruptcy proceedings or the expectation of near-term proceedings. The HFRIDSI is a relevant index for comparison purposes as Fund's mandate broadly overlaps that of the funds that make up the HFRIDSI. However, it is likely that the composition of the Fund's investment portfolio is unique from these peers and thus the Fund's performance may vary greatly from the HFRIDSI.

As the Trust makes idiosyncratic investments in securities which are overlooked by the capital markets, the Trust's investment portfolio contains investments that are not likely included in any of the above indices and thus an investment in the Trust should not be considered a substitute or proxy for the underlying index. For the reasons stated above, these indices should not be considered a benchmark for the Trust and there can be no assurance that any historical correlation or relationship will continue in the future. Index data is provided by Hedge Fund Research and ICE Data Services.