

**Annual Report of the Independent Review Committee of the  
Addenda Capital Funds**

March 11, 2024

Dear Securityholder,

In accordance with **National Instrument 81-107 - *Independent Review Committee for Investment Funds*** (“**NI 81-107**” or the “**Instrument**”), Addenda Capital Inc. (the “**Manager**”) established an Independent Review Committee (the “**Committee**” or “**IRC**”) for the Addenda Capital Funds on March 23, 2022 (the “**Funds**”). The IRC has functioned in accordance with the applicable securities laws and is composed of three individuals, each of whom is independent of the Funds, the Manager and each entity related to the Manager (as defined in the Instrument).

The IRC is pleased to publish its annual report to securityholders, covering the period from January 1, 2023 to December 31, 2023 (the “**Reporting Period**”).

**Mandate of the IRC**

In accordance with the Instrument, the mandate of the IRC is to consider and provide decisions to the Manager on conflicts of interest to which the Manager may be subject when managing the Funds. The Manager is required under the Instrument to identify potential conflicts of interest inherent in its management of the Funds, develop written policies and procedures guiding its management of those conflicts and request input from the IRC on those written policies and procedures, (hereinafter referred to as the “**Conflict of Interest Matters manual**”).

When a conflict matter arises, the Manager must refer its proposed course of action in respect of such conflict to the IRC for its review. While certain matters require the IRC's prior approval, in most cases the IRC will provide a decision to the Manager as to whether, in the opinion of the IRC, the Manager's proposed action provides a fair and reasonable result for the Fund. For recurring conflict of interest matters, the IRC can provide the Manager with Standing Instructions (“**SIs**”) that enable the Manager to proceed with certain matters without having to refer them to the IRC each time for approval, provided the Manager deals with the conflicts in accordance with the SIs.

The IRC is empowered to represent the best interest of the Funds in any matter where the Manager has referred a conflict-of-interest matter to it. In those cases, the IRC has sought to ensure that the Manager's proposed course of action represents a fair and reasonable result for the Fund.

The IRC has engaged Independent Review Inc. to assist it in its duties in accordance with the provisions of the Instrument and the IRC's written charter, to provide certain administrative and record keeping functions, and to act as the IRC's independent secretariat.

## **Composition of the IRC**

The current members of the IRC (the “**IRC Members**”), and their principal occupations, are as follows:

<b>Name and Municipality of Residence</b>	<b>Principal Occupation</b>	<b>Term of Office</b>
Chair: Michele McCarthy, Toronto, Ontario	President, McCarthy Law Professional Corp.	Initial Appointment: March 23, 2022 until December 31, 2024.
Geoff Salmon, Barrie, Ontario	Managing Director, Independent Review Inc.	Initial Appointment: March 23, 2022  Re-appointed for three years effective January 1, 2024
Renée Piette, Montreal, Quebec	Corporate Director specializing in risk management and governance	Initial Appointment: January 1, 2023 to December 31, 2025

On October 4, 2023, Geoff Salmon was re-appointed to the IRC for three years effective January 1, 2024.

## **Compensation and Indemnification**

### **Review of Compensation**

At least annually, the IRC reviews its compensation considering the following:

- the nature and extent of the workload of each member of the IRC, including the commitment of time and energy expected from each member;
- the number of meetings required by the IRC including special meetings to consider conflict issues brought to the committee;
- industry best practices, including industry averages and surveys on IRC compensation; and,
- the complexity of the conflict issues brought to the IRC.

The IRC reviewed comparable compensation benchmarks and has determined not to make any changes in the Members' compensation at this time.

### **Members' Fees**

In aggregate, the IRC members were paid \$25,000 plus applicable taxes, during the Reporting Period.

### **Indemnities Granted**

The Funds and the Manager have provided each IRC Member with a contractual indemnity in accordance with NI 81-107. No payments were paid to the IRC Members pursuant to this indemnity by the Funds or the Manager during the Reporting Period.

### **Disclosure of IRC Members' Holdings**

As of December 31, 2023, the IRC Members did not beneficially own, directly or indirectly:

- any units of any of the Funds;
- any interest in the Manager; or,
- any interest in a company or person that provides services to the Manager or the Funds.

## **Decisions and Approvals**

There were no decisions or approvals during the reporting Period.

## **Standing Instruction Approved**

The IRC has approved one (1) SI. The Manager can proceed with the specific action(s) set out in an SI without having to refer the conflict of interest matter or its proposed action to the IRC, provided that the Manager complies with the terms and conditions of the SI. The SI required the Manager to comply with its related policy and procedures and to report periodically to the IRC.

### **Standing Instruction No. 1: Omnibus.**

This SI deals with several conflicts of interest matters including:

1. Fees and Expenses
2. Trade Allocations
3. Portfolio Pricing Issues
4. Correcting Portfolio NAV Errors
5. Correcting Other Material Unitholder Account Errors
6. Best Execution and Broker Selection
7. Soft Dollar Arrangements
8. Showing Favouritism
9. Voting Proxy Policy
10. Outsourcing to Third Party Services
11. Code of Ethics and Professional Conduct Policy
12. Guidelines for Accepting Gifts and Entertainment
13. Client Complaints
14. Capacity Issues

### **Standing Instruction No. 2: Inter-fund Trades *(Rescinded effective January 1, 2023)***

## **Manager's Report on its Standing Instructions**

In accordance with the Instrument, the Manager provided a written report to the IRC describing its reliance on the SIs during the Reporting Period. The Manager relied on SI No. 1 during the Reporting

## **Funds Served by the IRC**

Addenda Income Focus Fund  
Addenda Global Balanced Fund  
Addenda Globally Diversified Equity Fund

This report is available on Manager's website at [www.addendacapital.com](http://www.addendacapital.com) or you may request a copy, at no cost to you, by contacting the Manager, toll-free at 1 866 908-3488 or by emailing the Manager at [mutualfunds@addendacapital.com](mailto:mutualfunds@addendacapital.com). This document and other information about the Funds are available on [www.sedarplus.com](http://www.sedarplus.com)

Yours truly,

*"Michele McCarthy"*

Michele McCarthy  
Chair of the IRC

## **Schedule of all the Independent Review Committees of which the IRC are Members**

**Michèle McCarthy serves as a member of the Independent Review Committees for the following funds:**

Investment funds that are reporting issuers managed by Addenda Capital Inc.  
Investment funds that are reporting issuers managed by Edgehill Partners L.P.  
Investment funds that are reporting issuers managed by Hazelview Securities Inc.  
*(resigned effective August 24, 2023)*  
Investment funds that are reporting issuers managed by Horizons ETF's Management (Canada) Inc. *(appointed effective September 1st, 2023)*  
Investment funds that are reporting issuers managed by Northwest & Ethical Investments L.P.  
Investment funds that are reporting issuers managed by PIMCO Canada Corp.  
Investment funds that are reporting issuers managed by Sprott Asset Management LP  
Investment funds that are reporting issuers managed by Willoughby Asset Management  
*(ceased to be a member effective December 27, 2023)*

**Geoff Salmon serves as a member of the Independent Review Committees for the following funds:**

Investment Funds that are reporting issuers managed by Accelerate Financial Technologies Inc.  
Investment funds that are reporting issuers managed by Addenda Capital Inc.  
Investment Funds that are reporting issuers managed by Algonquin Capital Corp.  
Investment Funds that are reporting issuers managed by EHP Funds Inc.  
Investment funds that are reporting issuers managed by Evermore Capital Inc.  
Investment funds that are reporting issuers managed by Genus Capital Management Inc.  
Investment funds that are reporting issuers managed by Hamilton Capital Partners Ltd.  
Investment funds that are reporting issuers managed by Integra Capital Limited.  
*(ceased to be a member effective March 28, 2023)*  
Investment Funds that are reporting issuers managed by McElvaine Investment Management Ltd.  
Investment funds that are reporting issuers managed by Next Edge Capital Corp.

**Renée Piette serves as a member of the Independent Review Committee for the following funds:**

Investment Funds that are reporting issuers managed by the Professionals' Financial – Mutual Funds Inc.