

Annual Report of the Independent Review Committee of the Lorica Group of Funds (the "Funds")

February 20th, 2020

IRC Annual Report to: Securityholders in the Lorica Group of Funds (the "Funds") as listed at the end of this report

Dear Securityholder,

In accordance with **National Instrument 81-107 *Independent Review Committee for Investment Funds*** ("NI 81-107") or the "Instrument"), Lorica Investment Counsel Inc. (the "Manager") established an Independent Review Committee (the "Committee" or "IRC") for the Funds on December 6, 2018. The IRC has functioned in accordance with the applicable securities laws and is composed of three individuals, each of whom is independent of the Fund, 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 December 6, 2018 to December 31, 2019 (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 or not, 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 ("SI's") that enable the Manager to proceed with certain matters without having to refer them to the IRC each time for approval, providing the Manager deals with the conflicts in accordance with the SI's.

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, and their principal occupations, are as follows:

Name and Municipality of Residence	Principal Occupation	Term of Office
Chair: Geoff Salmon, Barrie Ontario	Managing Director, Independent Review Inc.	Appointed December 6, 2018 to December 5, 2021
Tony Sevsek, Mississauga, Ontario	Managing Partner, Advisor and Venture Capital Investor	Appointed December 6, 2018 to December 5, 2019 Term: Appointed for three years to December 5, 2022
David Davidson, Toronto, Ontario	Marketing and analytics consultant - financial services industry.	Appointed December 6, 2018 to December 5, 2020

Tony Sevsek was re-appointed on November 1, 2019 for a period of three years effective December 6, 2019.

Compensation and Indemnification

Review of Compensation

At least annually, the IRC reviews its compensation giving consideration to 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 determined that no changes were required in its compensation.

Members' Fees

In aggregate the IRC members were paid \$10,833 plus applicable taxes, during the Reporting Period.

Indemnities Granted

The Funds and the Manager have provided each IRC Member with a contractual indemnity in keeping 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 at December 31, 2019, the IRC Members did not beneficially own, directly or indirectly:

- any units of any of the Lorica Funds
- any interests in the Manager; or
- any interests in a company or person that provides services to the Manager or the Fund.

Decisions and Approvals

On January 21, 2019 the Manager has referred a conflict matter to the IRC to change the auditors for the Lorica Canadian Fixed Income Fund (the “Fund”) from Ernst & Young LLP (“EY”) to RSM Canada LLP (“RSM”).

After reasonable enquiry and based on the signed certification, materials provided before the meeting and discussion at the meeting, the IRC determined that the Manager’s proposed course of action to change of auditors from EY to RSM achieved a fair and reasonable result for the Fund.

Funds Served by the IRC

Lorica Canadian Fixed Income Fund

This report is available on the Manager’s website at <http://www.loricaic.com/> or you may request a copy, at no cost to you, by contacting the Manager at [\(647\) 726-8111](tel:647-726-8111) or email the Funds at info@loricaic.com. This document and other information about the Funds are available on www.sedar.com

Yours truly,

“Geoff Salmon”

Chair: Geoff Salmon

Schedule of IRC Members who sit on IRCs for other Fund Families

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.
Appointed March 12, 2019

Investment Funds that are reporting issuers managed by Algonquin Capital Corp.
Appointed September 25, 2019

Investment Funds that are reporting issuers managed by Edgehill Partners.
Investment funds that are reporting issuers managed by Federated Investors Canada ULC.
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
Investment Funds that are reporting issuers managed by Lorica Investment Counsel Inc.
Investment Funds that are reporting issuers managed by McElvaine Investment Management Ltd.
Appointed November 7, 2019

Investment funds that are reporting issuers managed by Next Edge Capital Corp.
Investment Funds that are reporting issuers managed by Coin Capital Investment Management Inc.
Ceased to be a member August 28, 2019

Investment funds that are reporting issuers managed by First Block Capital Inc.
Ceased to be a member September 17, 2019

Investment funds that are reporting issuers managed by Foresters Financial Investment Corporation of Canada Inc. *Ceased to be a member August 16, 2019*

Investment funds that are reporting issuers managed by NextEdge Man Offshore Funds
Ceased to be a member December 31, 2019;