

Annual Report to Security Holders
by the
*Independent Review Committee of the Mavrix
Group of Funds*
(as listed at the end of this report)

March 3, 2009.

Dear Investor,

In accordance with **National Instrument 81-107 *Independent Review Committee for Investment Funds***, the Mavrix Group of Funds established an Independent Review Committee, or IRC for the Funds. The IRC became fully operational on October 18, 2007 and, after that date, has functioned in accordance with the applicable securities laws, including NI 81-107. The IRC is composed of three individuals, each of whom is independent of the Funds, the Manager and each entity related to the Manager.

In accordance with the Instrument, the mandate of the IRC is to consider and provide recommendations to the Manager on conflicts of interest to which the Manager may be subject when managing the Fund. The Manager is required under the Instrument to identify potential conflicts of interest inherent in its management of the Fund, develop written policies and procedures guiding its management of those conflicts and request input from the IRC on those written policies and procedures.

When a conflict matter arises, the Manager must refer its proposed course of action in respect of any such conflict of interest matter to the IRC for its review. While certain matters require the IRC's prior approval, in most cases the IRC will provide a recommendation 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 ("SIs") that enable the Manager to proceed with certain

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matters without having to refer them to the IRC each time for approval, providing the Manager deals with the conflicts in accordance with the SIs.

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

The IRC is pleased to publish its annual report to the Securityholders, to describe the IRC and its activities during the year ended December 31, 2008. We are committed to working on behalf of the Mavrix Funds and look forward to assisting the Manager in dealing with any conflict matters that it faces in the coming year.

Composition of the IRC

The current members of the IRC, and their principal occupations, are as follows:

<i>Name & Municipality of Residence</i>	<i>Occupation</i>	<i>Term of Office</i>	<i>Additional IRC memberships</i>
Chair: David M. Scollard, Toronto, Ontario	Consultant	Three (3) Years from May 1, 2007.	Investment funds that are reporting issuers managed by Blumont Capital Corp.
R. (Bob) Heimler, Toronto, Ontario	Consultant	Two (2) years from May 1, 2007	None
Bruce Friesen, Toronto, Ontario	Consultant	Three (3) years from October 18, 2008	None

Bruce Friesen’s initial term was for one year from October 18, 2007. His term was renewed on September 17, 2008 for a period of three years with effect from October 18, 2008.

Compensation and Indemnification

Members’ Fees

In aggregate the IRC members were paid \$100,000 in 2008, plus applicable taxes. The IRC has engaged Independent Review Inc. to act as the IRC’s independent secretariat. IRI assists the IRC in its duties in accordance with the provisions of the Instrument and the IRC’s written charter. It also provides certain administrative and record keeping functions.

Indemnities Granted

The Funds and the Manager have provided each IRC Member with a contractual indemnity in keeping with NI 81-107. No indemnities were paid to the IRC Members by the Mavrix Funds or the Manager during the financial year.

Disclosure of IRC Members' Holdings

As at December 31, 2008, the IRC Members did not beneficially own, directly or indirectly:

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

Recommendations and Approvals

On February 26, 2008, the Manager requested an approval from the IRC for the inter-fund trades necessary to effect three Limited Partnership rollovers. MAVRIX EXPLORE 2006 - I FT LIMITED PARTNERSHIP, with Prospectus, dated March 17, 2006, ("Explore I"); MAVRIX EXPLORE 2006 - II FT LIMITED PARTNERSHIP, with Prospectus, dated September 22, 2006 ("Explore II LP"); and, MAVRIX EXPLORE QUEBEC 2006 FT LIMITED PARTNERSHIP, with Prospectus, dated September 22, 2006. ("Explore Quebec"). Although the Manager had a Standing Instruction in place to allow it to effect such rollovers as a result of the Manager's interaction with the OSC during the end of 2007, the OSC had asked the Manager to obtain a review by the IRC for the inter-fund trade. Additionally the trade related to positions in Asset Backed Commercial Paper. Since a market price could not be obtained the manager could not rely on the Standing Instruction (SI#3) that would normally apply.

The IRC discussed the above issues and the approach taken by the Manager. The IRC members were assured by the Manager that it acted in accordance with the terms of the Prospectuses and the Standing Instruction No. 5, which has been approved to deal with these matters. The IRC Resolved to approve the making of an application by the Manager to the OSC for the OSC's approval of the three proposed 2006 FTLP Rollovers (as inter-fund trades), which was subsequently granted.

On May 23, 2008, the Manager requested an approval from the IRC for a merger of its Mavrix Canada Fund and Mavrix Diversified Fund ("the terminating funds") into the Mavrix Income Fund ("the continuing fund"). Subsequently, the Mavrix Income Fund was renamed as the Mavrix Balanced Monthly Pay Fund. The Manager advised the IRC that all of the costs of the merger itself were borne by the Manager and not by any of the securityholders. Since the assets under management of the merged fund were much larger, the overall Management Expense Ratio was expected to be lower for all securityholders going forward.

Two approvals were required to effect this merger;

- i) - The Manager was required to obtain the approval of the securityholders in the terminating funds to this merger and therefore needed the written approval of the IRC to the merger before obtaining the approval of the securityholders in the terminating fund. The IRC concluded that the merger of the Mavrix Canada Fund and the Mavrix Diversified Fund into the Mavrix Income Fund was in the best interests of the Funds and this approval was given on May 23, 2008. A summary of the IRC approval was included in the written material sent to the securityholders.
- ii) - One of the Funds of the Manager, the Mavrix Multi Series Fund – Canadian Equity Series owned a significant number of units in the Mavrix Canada Fund which was now being merged into the Mavrix Balanced Monthly Pay Fund. The investment objective of the Mavrix Canada Fund was therefore changing from being a long term capital growth fund to one that will provide returns by investing in equities and income producing securities. Accordingly, the Manager required the approval of the securityholders of the Mavrix Multi Series Fund – Canadian Equity Series to this change in its fundamental investment objectives. In accordance with securities legislation, the Manager needed the written approval of the IRC before obtaining the approval of the securityholders to the change in the fundamental investment objectives. The IRC also concluded that the change in the fundamental investment objectives of the Mavrix Multi Series Fund – Canadian Equity Series was in the best interests of the Funds and this approval was given on May 23, 2008. A summary of the IRC approval was included in the written material sent to the securityholders.

On November 27, 2008, the Manager requested an approval from the IRC to conduct an inter-fund trade between Mavrix Explore Quebec 2008-I FT LP ("Quebec LP") and the Mavrix Explorer Fund (the "Explorer Fund") of 50,000 shares of Virginia Gold ("VGQ"). Due to the market volatility during the last quarter of 2008, the Manager had declines in the Quebec LP portfolio and was required to increase its cash position. The security met the investment objectives of the Explorer Fund and the portfolio manager believed that the security was undervalued. The Manager determined that it was in the best interests of both Funds to cross 50,000 shares of Virginia Gold from the Quebec LP to the Explorer Fund and gave its approval on November 27, 2008.

On December 12, 2008, the Manager requested an approval from the IRC to conduct two inter-fund trades; i) from the Mavrix Explore 2008-I FT LP ("2008 LP") to the Mavrix Explorer Fund ("Explorer Fund") of 1,050,000 shares of Terrane Metals ("TRX") and ii) from the Mavrix Explore 2008-I FT LP to the Mavrix Explore 2007 I FT LP ("2007 LP") of 450,000 shares of Terrane Metals. Due to the market volatility during the last quarter of 2008, the Manager had declines in the 2008 LP portfolio and was required to increase its cash position. Terrane Metals was a relatively liquid security trading about 50,000 shares a day and it had become over-weighted in the 2008 LP portfolio. The Portfolio Manager ("PM") still wanted to retain the position across the Group of the Mavrix Funds. The Manager determined that the position was over weighted in the Explorer Fund and it had to reduce its position.

The IRC determined that it was also in the best interests of the receiving funds for the following reasons; i) The Manager wanted to develop a position in Terrane Metals in any event and wanted it as a long term hold in both receiving funds. ii) This opportunity allowed the Manager to build a position without incurring large transaction costs and potentially less than ideal fills. ii) The Explorer Fund was holding cash and the PM believed that TRX represented good long term value. iii) The security met the investment objectives of the receiving funds. The IRC also concluded that the inter-fund trades were in the best interests of the Funds and its approval was given on December 12, 2008.

The IRC is not aware of any instance in which the Manager acted in a Conflict Of Interest Matter referred to the IRC for which the IRC did not give a positive recommendation or approval during the Reporting Period.

The IRC is not aware of any instance in which the Manager acted in a Conflict Of Interest Matter but did not meet a condition imposed by the IRC in its recommendation or approval during the Reporting Period. The IRC is working with the Manager to produce a timely review and sign off of securities that may not trade on a regular basis. The review and sign off is in keeping with the Manager's policies and procedures and in keeping with industry best practices.

Standing Instructions Approved

The IRC has approved five Standing Instructions (SIs), which constitute a written approval or recommendation from the IRC that permit the Manager to proceed with the specific action(s) set out in the SI on an ongoing basis, 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.

Standing Instruction No. 1: Omnibus. The Manager relied on SI No 1 during the reporting period. In each case, the SI required the Manager to comply with its related policy and procedures and to report periodically to the IRC. This SI deals with a number of conflict of interest matters including:

1. Expenses charged to the Mavrix Funds
2. Expense allocations
3. Trade allocations
4. Employee personal trading and accepting gifts
5. Soft dollar arrangements
6. Best execution issues
7. Net asset value error correction
8. Proxy voting
9. Short-term trading and market timing
10. Appointment and changes in sub-advisors
11. Monitoring sub-advisors
12. Complaints handling
13. Service providers
14. Related party transactions

Manager's Report on Standing Instructions

As required by NI 81-107, the Manager provided a written report to the IRC on January 21, 2009 describing its reliance on any SIs during the Reporting Period.

The Manager relied on SIs Nos. 2, 3 and 4 during the reporting period. It did not rely on SI No. 5 during the reporting period.

Standing Instruction No. 2: Portfolio Pricing Issues: Fair Valuing Securities

Standing Instruction No. 3: Related Party Issues: Inter Fund Trades

Standing Instruction No. 4: Related Party Issues: A Fund Purchases Securities (Whether Debt or Equity) Issued by a Company Related to a Sub-Advisor

Standing Instruction No. 5: Fairness Issues: Flow-Through LPs Rolling Into a Fund

Annual Assessment

In accordance with NI 81-107, the IRC conducted an annual assessment that consisted of the following elements:

1. Review of the Written Charter;
2. Review of the SIs and the Manager's Policies, Procedures ; and
3. A self-assessment review by the IRC

Review of the Written Charter

As part of the IRC's annual assessment process, it reviewed the adequacy and effectiveness of the Written Charter. Several amendments to the Written Charter were reviewed and adopted on January 21, 2009.

Review of the SIs and the Manager's Policies, Procedures

The annual assessment process with the Manager consisted of the following:

- *A review of the adequacy and effectiveness of the Manager's written policies and procedures concerning conflict of interest matters;*

As part of its annual assessment process the IRC chose to review three of its written conflict of interest policies in detail with the Manager; i) Monitoring sub-advisors, ii) Fair Valuations and iii) Best Execution. At a meeting of the IRC on January 21, 2009 these three policies were discussed in detail with the Manager. The Manager's written conflict of interest matters policies and

procedures were reviewed and several amendments were recommended by the IRC. The manager is in the process of reviewing the committee's recommendations. The amendments can be characterized as refinements to existing policy rather than material changes to policy.

- *A review of the adequacy and effectiveness of the SIs the IRC has provided to the Manager;*

Four of the Standing Instructions were adopted on October 18, 2007 and the fifth Standing Instruction was adopted on November 8, 2007. These were reviewed and after consultation with the Manager, several minor amendments were adopted by the IRC on January 21, 2009.

- *A review of the adequacy and effectiveness of the Manager's and each Fund's compliance with any conditions imposed by the IRC in a recommendation or approval it has provided to the Manager;*

The Manager has complied with conditions imposed by the IRC in the SIs granted. No conditions were attached to any of the approvals granted. The manager continues to work with the IRC in producing a timely and efficient report on pricing of illiquid securities in a format requested by the IRC.

Self-Assessment Review

The self-assessment review conducted subsequent to the Reporting Period consisted of the following steps;

- *A review of compensation*

The initial compensation of the IRC was set by the Manager. At least annually, the IRC reviews its compensation giving consideration to the following:

- i) the best interests of the Funds;
- ii) that compensation paid to the IRC by each Fund should fairly and reasonably reflect the general and specific benefits accruing to that Fund;
- iii) the nature and extent of the workload of each member of the IRC.

No changes to the IRC compensation were made over the past year.

- *The completion of questionnaires and an annual written declaration of independence.*

Each IRC member completed an individual questionnaire and a group questionnaire related to the performance of the IRC over the Reporting Period and the IRC's interaction with the Manager. Each IRC member also completed the annual declaration of independence wherein each member re-asserted his/her independence within the meaning of the Instrument.

The self assessment review was conducted at a meeting of the IRC on September 24, 2008 and confirmed at a meeting on January 21, 2008. After the completion of all of the above elements the IRC prepared its annual assessment report to the Manager which set out the results of the IRC's annual assessment review.

The IRC's annual assessment report would have included any details of any breaches by the Manager of its conflict of interest matters policies and procedures, had there been any. It would also have included any breaches of any conditions imposed by the IRC, of which the IRC was aware, and the IRC's recommendations for changes in the Manager's conflict of interest matters policies and procedures as noted above. There were no conditions imposed by the IRC other than those contained in the Standing Instructions.

Funds served by the IRC

Mavrix Asia Pacific Fund

Mavrix Balance Monthly Pay Fund

Mavrix Dividend and Income Fund

Mavrix Explorer Fund

Mavrix Global Enterprise Fund

Mavrix Global Fund

Mavrix Growth Fund

Mavrix Money Market Fund

Mavrix Sierra Equity Fund

Mavrix Small Companies Fund

Mavrix Strategic Bond Fund

Mavrix Multi Series Fund Ltd – Canadian Equity Series

Mavrix Multi Series Fund Ltd – Explorer Series

Mavrix Multi Series Fund Ltd – Global Enterprise Series

Mavrix Multi Series Fund Ltd – Growth Series

Mavrix Multi Series Fund Ltd – Income Series

Mavrix Multi Series Fund Ltd – Short Term Income Series

Mavrix Explore Quebec 2007 I FT LP

Mavrix Explore Quebec 2007 II FT LP

Mavrix Explore Quebec 2008 FT LP

Mavrix Explore Fund 2007 I FT LP

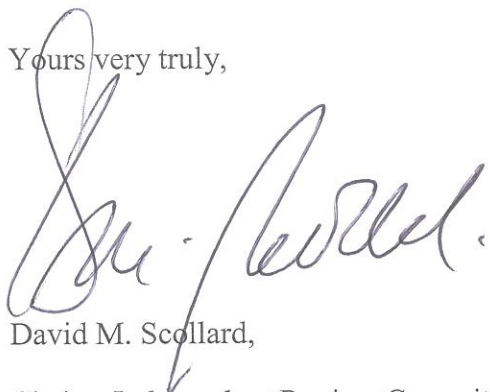
Mavrix Explore Fund 2007 II FT LP

Mavrix Explore 2008 I FT LP

Mavrix Explore 2008 II FT.LP

This report is available on the Manager's website at <http://www.mavrixfunds.com> or you may request a copy, at no cost to you, by contacting the Mavrix Funds at (416) 365 4077 or by email to the Mavrix Funds at clientservices@mavrixfunds.com. This document and other information about the Mavrix Funds are available on www.sedar.com.

Yours very truly,



David M. Scollard,

Chair – Independent Review Committee

Mavrix Group of Funds