

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 10, 2010

Dear Investor,

In accordance with National Instrument 81-107, the Manager established an Independent Review Committee for the Funds in April, 2007. Since that time the IRC has functioned in accordance with the applicable securities laws. It is composed of three individuals, each of whom is independent of the Funds, the Manager and each entity related to the Manager.

The IRC is pleased to publish its annual report for you the funds Securityholders, covering the reporting period from January 1, 2009 to December 31, 2009.

Mandate of the IRC

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 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.

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 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 Funds. 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, providing 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, it has sought to ensure that the Manager's proposed course of action represents a fair and reasonable result for the Funds.

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	One Year from June 30, 2009	Investment funds that are reporting issuers managed by Blumont Capital Corp.
R. (Bob) Heimler, Toronto, Ontario	Consultant	One Year from June 30, 2009	
Bruce Friesen,	Consultant	One Year from June 30, 2009	C. A. Bancorp Canadian Realty Finance Corporation

On June 30, 2009 Growthworks Ltd. acquired the Manager. Pursuant to change of control provisions outlined in NI 81-107 the term of the IRC members ceased automatically. The Manager subsequently re-appointed the IRC as constituted for a one year term.

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.

Members' Fees

In aggregate the IRC members were paid \$100,000 in 2009, plus applicable taxes.

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, 2009, 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 May 28, 2009, the Manager requested an approval from the IRC for four inter-fund trades. The inter-fund trades were:

- i) from the Mavrix Growth Fund (the "Growth Fund") to the Mavrix Small Companies Fund (the "Companies Fund") of 200,000 shares of Spectral Diagnostics ("SDI"),
- ii) from the Growth Fund to the Companies Fund of 97,000 shares of Radiant Communications Corp ("RDN"),
- iii) from the Growth Fund to the Companies Fund of 900,000 shares of Selectcore Ltd ("SCG") and
- iv) from the Growth Fund to the Strategic Small Cap Fund (the "Small Cap Fund") of 500,000 shares of SCG.*

The Manager reviewed the reasons in detail as to why the trades were in the best interests of both the selling and the receiving Funds. The IRC Members carefully considered the rationale for each the inter-fund trade set out herein and gave their approval for the trades on May 28, 2009.

**Subsequent to the IRC's approval of this inter-fund trade it was made aware by the Manager that the Strategic Small Cap fund was not a prospectus offering and thus not part of its oversight mandate. Consequently the trade was reversed and regulators were made aware of the unintended breach. No adverse impact was realized by either fund.*

On June 18, 2009, the Manager requested and received an approval from the IRC for a change in auditors from PriceWaterhouseCoopers to Smith Nixon for the Northern Rivers Monthly Income and Capital Appreciation Fund (now renamed the Mavrix Tax Deferred Income Fund. Smith Nixon (now Collins Barrow) is the auditor for all the other Mavrix Funds and therefore the change in auditors was considered to achieve a fair and reasonable result for the Fund.

On November 27, 2009 The Manager requested a decision from the IRC regarding the appointment of Seamark Asset Management Ltd. (“Seamark”) as the portfolio manager of two of the Manager’s funds; the Strategic Bond Fund and the Dividend and Income Fund. Seamark became a related service provider to the Manager once Growthworks completed the acquisition of Seamark.

The IRC reviewed the reasons in detail and asked the Manager several questions regarding the change in sub-advisors. On December 14, 2009 the IRC further discussed the matter and after making reasonable inquiry, determined that the Manager’s proposed course of action to appoint Seamark as the sub-advisor to the Mavrix Dividend and Income Fund and the Mavrix Strategic Bond Fund achieved a fair and reasonable result for both funds.

No other recommendations or approvals were given and the IRC did not impose any conditions on the Manager during the Reporting Period.

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. In each case, the SI required the Manager to comply with its related policy and procedures and to report periodically to the IRC. The Manager relied on SIs No. 1, 2, and 4 and 5 during the Reporting Period.

Standing Instruction No. 1: Omnibus.

This SI deals with a number of conflict of interest matters including:

1. Expenses charged
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

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 which 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. No proposed amendments to the Written Charter were made on January 25, 2010.

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

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

1. *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 several of the Manager's conflict of interest policies in detail namely;

- i) Monitoring sub-advisors,
- ii) Fair Valuations,
- iii) Broker Selection & Best Execution,
- iv) Complaints and
- v) Inter-fund Trades

At a meeting of the IRC on January 25, 2010 these policies were satisfactorily discussed and reviewed in detail with the Manager. In addition the Manager's complete written conflict of interest matters policies and procedures were reviewed and several amendments were recommended. As a result of these recommendations, the Manager is reviewing its Conflict of Interest Matters policies and procedures and will report back to the IRC regarding implementation of the committee's recommendations.

2. A review of the adequacy and effectiveness of the SIs the IRC has provided to the Manager;

These were reviewed on January 25, 2010 and after consultation with the Manager, several minor amendments were adopted by the IRC. Additionally, during the year the Manager changed its policy relating to inter-fund trading, choosing to direct all such matters to the IRC for its review. Consequently the IRC rescinded SI #3: Inter-fund Trades.

3. 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 all the conditions imposed by the IRC in the SIs granted. No conditions were attached to any of the approvals granted.

Self-Assessment Review

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

1. 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. whether fair and reasonable given 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 compensation structure were recommended by the IRC

2. 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. All IRC members are independent within the meaning of the Instrument.

The self assessment review was conducted at a meeting of the IRC on January 25, 2010. 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 North American Growth Fund
Mavrix Global Fund
Mavrix Canadian Growth Fund
Mavrix Balanced Monthly Pay 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 – North American Growth Series
Mavrix Multi Series Fund Ltd – Canadian 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
Mavrix Explore 2009 I FT LP
Mavrix Explore 2009 II FT LP
Mavrix Quebec 2009 FT LP
Mavrix Tax Deferred Income Fund

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,

A handwritten signature in black ink, appearing to read "D. Scollard". The signature is fluid and cursive, with a large initial "D" and a long, sweeping underline.

David M. Scollard,
Chair – Independent Review Committee
Mavrix Group of Funds