

**REPORT FROM THE INDEPENDENT REVIEW COMMITTEE**

On May 1, 2007, Friedberg Mercantile Group Ltd. (the “**Manager**”) appointed the first members of the independent review committee (“**IRC**”) of the Funds (as described below), as required under *National Instrument 81-107 – Independent Review Committee for Investment Funds (“NI 81-107”)*.

Pursuant to NI 81-107, the IRC is required to provide securityholders of the Funds a report describing the IRC and its activities for the year. The following report describes the IRC, its compensation and indemnities, its shareholdings in the Funds and conflict of interest matters for the period ended December 31, 2008 (the “**Period**”).

**Membership and Composition**

The IRC consists of three members as initially appointed by the Manager. No member of the IRC has a material relationship with the Funds, the Manager or an entity related to the Manager that could reasonably be perceived to interfere with the member’s judgment regarding a conflict of interest matter.

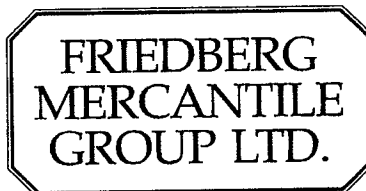
The following is a list of the current members of the IRC as at the end of the Period:

<b>Name</b>	<b>Residence</b>	<b>Date of Appointment</b>	<b>Other IRC Memberships</b>
Mark Kamstra	Toronto, ON	May 1, 2007	None
George Weinberger	Toronto, ON	May 1, 2007	None
Bernard M. Wolf	Toronto, ON	May 1, 2007	None

There have been no changes to the composition or membership of the IRC during the Period.

**Compensation and Indemnities**

The initial level of compensation and expenses for the member of the IRC was determined by the Manager and reviewed and accepted by the IRC. As compensation for their role on the IRC, the Manager has determined that each member of the IRC will receive compensation in the amount of \$10,000 per annum, payable quarterly. All IRC members are entitled to reimbursement of certain costs associated with the performance of their duties as IRC members. These amounts are paid by the Manager and not allocated as an expense of the Funds.



At least annually, the IRC reviews its compensation giving consideration to the following:

1. the number, nature and complexity of the Funds;
2. the nature and extent of the workload of each member of the IRC, including the commitment of time and energy of each member;
3. industry best practices;
4. the best interests of the Funds;
5. the results of its annual assessment of compensation and effectiveness; and
6. the recommendations of the Manager for compensation payable to the IRC, if any.

The aggregate compensation paid to the IRC members by the Manager was \$30,000 (plus GST) for the Period. No amounts were paid to the IRC members by the Funds under indemnities in their favour during Period.

### **Share Ownership**

The members of the IRC currently do not own any shares or units of the Funds, the Manager or service providers that provide services to the Funds and the Manager.

### **Conflict of Interest Matters**

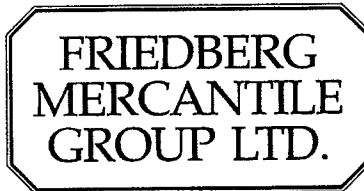
For the Period, no conflict of interest matter was referred to the IRC.

The Manager received the approval and standing instruction with respect to its Policies and Procedures Mutual Fund Conflicts of Interest (the "Conflicts Policy") from the IRC during the Period.

The standing instruction requires the Manager to comply with the Conflicts Policy and to report periodically to the IRC.

### **The Funds**

- Friedberg Global-Macro Hedge Fund
- Friedberg Foreign Bond Fund
- The Friedberg Currency Fund
- The First Mercantile Currency Fund



This report is respectfully submitted to you on behalf of the Independent Review Committee of the Funds.

Toronto, Ontario

March 17, 2009

A handwritten signature in black ink, appearing to read "Mark Kamstra", is written over a solid horizontal line.

Chair of the Independent Review Committee