

Annual Report of the Independent Review Committee of the Webb Group of Funds

March 9, 2012

IRC Annual Report to: Securityholders in the Webb 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"), the Manager established an Independent Review Committee (the "Committee" or "IRC") for the Funds in February, 2008. 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, 2011 to December 31, 2011 ("the Reporting Period").

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 and municipality of residence</i>	<i>Principal Occupation</i>	<i>Term of Office</i>
R. W. Law: Chair, Toronto, Ontario	Financial services lawyer	Initial Appointment: February 4, 2008. Renewed on January 18, 2011 for a period of three years with effect from February 4, 2011.
Eamonn B.P. McConnell, Toronto, Ontario	Consultant, former Managing Director of Deutsche Bank, Europe and Asia	Initial Appointment: February 4, 2008. Renewed on January 29, 2009 for a period of three years with effect from February 4, 2009.
W. William Woods, Toronto, Ontario	Consultant, Lawyer, Independent Director, former CEO of the Bermuda Stock Exchange	Initial Appointment: February 4, 2008. Renewed on January 28, 2010 for a period of two years and ten months with effect from February 4, 2010.

Warren Law's term was for three years from February 4, 2008. His term was renewed on January 18, 2011 for a period of three years with effect from February 4, 2011.

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 concluded that its fees were adequate at present.

Members' Fees

In aggregate the IRC members were paid \$24,000 in 2011, 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, 2011, the IRC members did not beneficially own, directly or indirectly any:

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

Recommendations and Approvals

There were no recommendations or approvals requested by the Manager during the Reporting Period.

Standing Instructions Approved

The IRC has approved two 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 and 2 during the Reporting Period.

Standing Instruction No. 1: Omnibus.

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

1. Expenses charged to the Fund
2. Allocating of expenses
3. Charging a short-term trading fee or redemption penalty
4. Allocation of investments between Funds
5. Correcting Portfolio NAV errors.
6. Correcting other material unitholder transaction errors.
7. Seeking best execution for the portfolios of the Funds.
8. Soft Dollars arrangements.
9. Favouring certain investors
10. Voting proxies
11. Changing Sub-advisors.
12. Monitoring sub-advisors
13. Changes to terms, fees and service levels of outsourced
14. Personal Trading.
15. Individual staff of sub advisors and access staff of the Manager investing in the
16. Late trading and market timing.
17. Handling complaints.
18. inter-fund trading
19. Services are provided to a Fund by related parties

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

Manager's Report on Standing Instructions

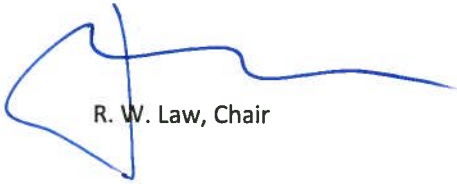
As required by NI 81-107, the Manager provided written reports to the IRC describing its reliance on the SIs during the Reporting Period.

Funds served by the IRC

Webb Enhanced Income Fund
Webb Enhanced Growth Fund

This report is available on the Manager's website at www.wamfunds.com or you may request a copy, at no cost to you, by contacting the Webb Funds at (416) 646-0975 or toll free at (866) 611-9590 or email the Webb Funds at info@WAMfunds.com. This document and other information about the Webb Funds are available on www.sedar.com.

Yours truly,

A handwritten signature in blue ink, appearing to be 'R. W. Law', written over a horizontal line. The signature is stylized and extends to the right.

R. W. Law, Chair

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

R.W. Law serves as a member of the Independent Review Committees for the following funds:

Investment funds that are reporting issuers managed by Elliott & Page Limited.
Investment funds that are reporting issuers managed by Horizons Exchange Traded Funds

Eamonn McConnell serves as a member of the Independent Review Committees for the following funds:

Investment funds that are reporting issuers managed by Integra Capital Limited;
Investment funds that are reporting issuers managed by Northwest & Ethical Investments L.P.;
Investment funds that are reporting issuers managed by O'Leary Funds Management L.P.;
Investment funds that are reporting issuers managed by Man Investments Canada Corp.;
Investment funds that are reporting issuers managed by Onex Credit Partners, LLC;
The Goodwood Capital Fund;
Investment funds that are reporting issuers managed by Russell Investments Canada Limited;
and
Investment funds that are reporting issuers managed by Sprott Asset Management LP.

W. William Woods serves as a member of the Independent Review Committees for the following funds:

Investment funds that are reporting issuers managed by Integra Capital Limited;
Investment funds that are reporting issuers managed by O'Leary Funds Management L.P.;
The Acker Finley Canada Focus Fundⁱ
The Goodwood Capital Fund;
Investment funds that are reporting issuers managed by Russell Investments Canada Limited;
Investment funds that are reporting issuers managed by The Knowledge First Foundation;
Investment funds that are reporting issuers managed by Man Investments Canada Corp.;
Investment funds that are reporting issuers managed by Onex Credit Partners, LLC; and
Investment funds that are reporting issuers managed by Sprott Asset Management LP.

ⁱ Ceased to be a reporting issuer as of December 16, 2011.