

Annual Report of the Independent Review Committee of the Foresters imaxx Funds (the “Funds”)

March 7, 2018

IRC Annual Report to Unitholders in the Funds

Dear Unitholder,

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 on May 4, 2016.

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 unitholders, covering the period from January 1, 2017 to December 31, 2017 (the “Reporting Period”).

During the Reporting Period, the Manager amalgamated the Fund Company (Foresters Financial Investment Management Company of Canada Inc.) and the Portfolio Manager (Foresters Asset Management Inc.). Effective January 1, 2018 the new entity is called Foresters Asset Management Inc.

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 (the Conflict of Interest Matters manual). 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.

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 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.

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>
Chair: Geoff Salmon, Barrie, Ontario	Managing Director, Independent Review Inc.	Initially Appointed: May 4, 2016. Re-appointed April 13, 2016, for 3 years with effect from May 1, 2016
Michèle McCarthy, Toronto, Ontario	President McCarthyLaw Professional Corp.,	Initially Appointed: May 4, 2016. Re-appointed November 4, 2016, for 3 years with effect from November 1, 2016
Warren Law, Toronto, Ontario	Financial Services Lawyer	Initially Appointed: May 4, 2016. Re-appointed November 4, 2016, for 2 years with effect from November 1, 2016

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

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 reviewed comparable benchmarks and has determined not to make any changes in the members' compensation at this time.

Members' Fees

In aggregate the IRC members were paid \$38,000 in fees and expenses in 2017, plus applicable taxes.

Disclosure of IRC Members' Holdings

As at December 31, 2017, the IRC Members did not beneficially own, directly or indirectly:

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

Decisions and Approvals

On April 7, 2017, the Manager proposed several changes to its funds:

Secretariat of the Foresters IRC
Independent Review Inc.
175 Bloor St. East, Suite 1316, North Tower
Toronto, M4W 3R8

i) The Manager proposed to change the investment objectives of the imaxx Money Market Fund from a money market fund to a short-term bond fund. This change will also involve selecting a different benchmark index (from the FTSE TMX Canada 91 day Treasury Bill Index to the FTSE TMX Short Term Bond Universe Index) for the imaxx Money Market Fund. The IRC reviewed the material provided and after reasonable enquiry and based on the material presented and discussion with the Manager during the meeting passed two motions:

The IRC unanimously **RESOLVED** that the Manager's course of action to change the fundamental investment objectives of the imaxx Money Market Fund, if approved by the unitholders and implemented, provided a fair and reasonable result for the imaxx Money Market Fund.

The IRC unanimously **RESOLVED** that the Manager's proposed course of action to change the benchmark for the imaxx Money Market Fund from its existing FTSE TMX Canada 91-Day Treasury Bill Index to the FTSE TMX Short Term Bond Universe Index provided a fair and reasonable result for the imaxx Money Market Fund

The fund will be renamed the imaxx Short Term Bond Fund after the investment objective change.

ii) The Manager proposed to change the Benchmark for the imaxx Canadian Dividend Fund from S&P/TSX60 to S&P/TSX Composite Dividend Index ("TXCD"). The IRC reviewed the material provided and after reasonable enquiry and based on the material presented and discussion with the Manager during the meeting:

The IRC unanimously **RESOLVED** that the Manager's proposed course of action to change the benchmark for the imaxx Canadian Dividend Fund provided a fair and reasonable result for the imaxx Canadian Dividend Fund.

After the benchmark change, the fund will be renamed the imaxx Canadian Dividend Plus Fund.

iii) The Manager proposed to change the Benchmark for the imaxx Canadian Equity Growth Fund from the S&P/TSX Composite Index to a benchmark that is comprised of 70% S&P/TSX Composite Index and 30% S&P500 Total Return Index. The IRC reviewed the material provided and after reasonable enquiry and based on the material presented and discussion with the Manager during the meeting:

The IRC unanimously **RESOLVED** that the Manager's proposed course of action to change the benchmark for the imaxx Equity Growth Fund provided a fair and reasonable result for the imaxx Equity Growth Fund.

After the benchmark change, the fund will be renamed the imaxx Equity Growth Fund.

iv) The Manager proposed to change the benchmark for the imaxx Global Equity Growth Fund from the MSCI World Index CAD to the S&P Developed BMI Index.

The IRC reviewed the material provided and after reasonable enquiry and based on the material presented and discussion with the Manager during the meeting:

The IRC unanimously **RESOLVED** that the Manager's proposed course of action to change the benchmark for the imaxx Global Equity Growth Fund provided a fair and reasonable result for the imaxx Global Equity Growth Fund.

Subsequent to the meeting and approval, the Manager did not proceed with the change in this benchmark.

On December 7, 2017, the Manager proposed not to renew its sub-advisory agreement with Clairwood Capital Management ("Clairwood") and bring the sub-advisory functions in house.

The IRC reviewed the material provided and after reasonable enquiry and based on the material presented and discussion with the Manager during the meeting:

The IRC unanimously **RESOLVED** that the Manager's course of action to terminate the sub-advisory agreement with Clairwood and bring those functions under the Manager's internal portfolio management team provides a fair and reasonable result for each of the Funds.

Standing Instructions Approved

The IRC has approved two SIs which constitute a written approval or decision from the IRC that permits 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 SI No. 1 during the Reporting Period.

Standing Instruction No. 1: Omnibus.

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

1. *Expense allocation policy*
2. *Trade allocations*
3. *Portfolio pricing issues*
4. *Pricing errors and other errors*
5. *Broker selection and trade allocation*
6. *Showing Favouritism*
7. *Personal Trading*
8. *Client complaints*
9. *Services provided by related parties*

Standing Instruction 2: Inter- fund trades between funds

Funds served by the IRC

imaxx Short Term Bond Fund (*formerly the imaxx Money Market Fund*)
imaxx Canadian Bond Fund
imaxx Canadian Fixed Pay Fund
imaxx Equity Growth Fund (*formerly the imaxx Canadian Equity Growth Fund*)
imaxx Canadian Dividend Plus Fund (*formerly the Canadian Dividend Fund*)
imaxx Global Equity Growth Fund

This report is available on the Manager's website at imaxxwealth.com/en or you may request a copy, at no cost to you, by contacting the Funds at **800-983-6439** or email the Funds at info@imaxxwealth.com. This document, and other information about the Funds, is available on sedar.com.

Yours truly,



Geoff Salmon, Chair

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 Equium Capital Management Inc.;

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.

(Effective January 1, 2018)

Investment funds that are reporting issuers managed by Next Edge Capital Corp.; and

Investment funds that are reporting issuers managed by Sphere Investment Management Inc.

(Ceased to be a member as of January 15, 2018)

Michèle McCarthy serves as a member of the Independent Review Committees for the following funds:

Investment funds that are reporting issuers, managed by Alignvest Management Corporation

Investment funds that are reporting issuers managed by Educators Financial Group Inc.;

Investment funds that are reporting issuers managed by Integra Capital Limited.;

Investment funds that are reporting issuers managed by Picton Mahoney Asset Management Inc.; and

Investment funds that are reporting issuers managed by Timbercreek Asset Management Ltd.

Warren Law serves as a member of the Independent Review Committees for the following funds:

Investment funds that are reporting issuers managed by Auspice Capital Advisors Ltd.;

Investment funds that are reporting issuers managed by Hamilton Capital Partners Inc.;

Investment funds that are reporting issuers managed by the Horizons Group; and

Investment funds that are reporting issuers managed by Manulife Asset Management Limited.