



1 March 2012

Dear Security Holder:

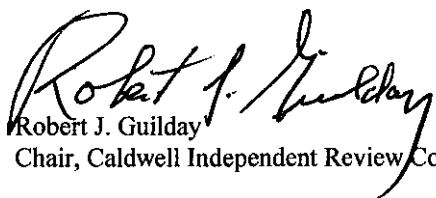
As Chair of the Independent Review Committee (IRC) for the Caldwell Mutual Funds and Urbana Corporation (collectively, the “Funds”) it is my pleasure to provide you with the annual report of the IRC to security holders.

Each member of the IRC has a duty, required by National Instrument 81-107 Independent Review Committee for Investment Funds, to review and assess all policies and procedures relating to conflict of interest matters referred to the IRC by Caldwell Investment Management Ltd. (the “Manager”). The role of the IRC is to provide recommendations or instructions to the Manager relating to any conflict of interest and to determine if the Manager's proposed action achieves a fair and equitable result for the Funds.

The members of the IRC are independent of the Manager and have a wide variety of experience and expertise in the financial and investment industries. Each year, as required by NI 81-107, the members of the IRC consider the effectiveness and adequacy of written policies and procedures, standing instructions and compliance in dealing with conflict of interest matters with the Manager. As well, the IRC reviews and assesses its own contribution and effectiveness as a committee.

Please refer to Appendix 1 of this report for information relating to: a list of IRC members, holdings of securities, compensation, conflict of interest matters, and policies and standing instructions.

The members of the IRC look forward to continuing to serve in the best interests of the Funds and working effectively with the Manager in pursuit of the objectives of the National Instrument.

  
Robert J. Guilday  
Chair, Caldwell Independent Review Committee



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## APPENDIX 1

### Reporting Period

The original members of the Independent Review Committee (IRC) were appointed on May 1, 2007 by the Manager and the IRC for the Funds became operational on November 1, 2007. The information disclosed in this annual report covers the period beginning January 1, 2011 and ending December 31, 2011, the fiscal year-end of the Funds.

### Members of the IRC

Name	Residence	Date Appointed to the IRC
Robert Guilday	Burlington, Ontario	May 1, 2007
Sharon Kent	Toronto, Ontario	May 1, 2007
F. Michael Walsh	Toronto, Ontario	June 1, 2011

### Holding of Securities

The members of the IRC do not serve on an IRC of any other investment fund. As of December 31, 2011, the percentage of securities of each of the Funds beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed 10 percent. Members of the IRC do not have any ownership interest in the Manager or in any person or company that provided services to the Funds or the Manager.

### IRC Compensation and Indemnities

The aggregate compensation paid by the Funds to the IRC for the period January 1, 2011 to December 31, 2011 was \$30,000. This amount was allocated equally among the funds.

No indemnities were paid to the IRC by the Funds or the Manager during the period ending December 31, 2011.

The initial compensation of the IRC was set by the Manager. As of the date of this report, each member of the IRC receives an annual fee of \$10,000 plus meeting expenses. At least annually, the IRC will review compensation in a manner consistent with good governance practices, giving consideration to the following factors:

- a) the best interests of the Funds;
- b) the number, nature and complexity of the Funds;
- c) the nature and extent of the workload of each IRC member, including commitment of time and energy that is expected from each member;
- d) industry best practices, including industry averages and surveys on IRC compensation, and
- e) the IRC's most recent annual self assessment, as well as any recommendation about IRC compensation and expenses made by the Manager.



The IRC concluded that the compensation was reasonable and no changes were made.

### **Conflict of Interest**

The IRC is not aware of any instance on which the Manager acted in a conflict of interest matter for which the IRC did not give a positive recommendation.

### **Policies and Standing Instructions**

The Manager has policies and procedures in the form of Standing Instructions to address the handling of conflict of interest matters. During the period ending December 31, 2011, the Manager relied on the following Standing Instructions that have been approved by the IRC:

- (1) Brokerage Policy
- (2) Fairness Policy regarding Trade Allocations
- (3) Soft Dollar Policy
- (4) Net Asset Value Error Correction Policy
- (5) Proxy Voting Policy
- (6) Fee and Expense Policy for the Funds
- (7) Complaint Handling Policy
- (8) Principal Trading of Fixed Income Securities
- (9) Policy Regarding the Fair Valuation of Securities Held Within the Funds

-----End of Report-----