

Dear Securityholder:

As Chair of the Independent Review Committee (“IRC”) for the investment funds (collectively, the “Funds” and individually, a “Fund”) managed by CADO Investment Fund Management Inc. (the “Manager”), I am pleased to provide you with the third annual report to security holders of the Funds as required under National Instrument 81-107 *Independent Review Committee for Investment Funds* (“NI 81-107”) covering the year ended November 30, 2012 for the Maple Leaf Resource Class and the Maple Leaf Income Class and the year ended December 31, 2012 for all other Funds .

The IRC was established on October 22, 2010. The members of the IRC have expertise in a number of relevant fields, including financial services, investment management, other investment businesses, law and securities regulation. The mandate of the IRC is to provide advice to the Manager regarding any conflict of interest matter in mutual fund management that is referred to the IRC by the Manager and to give their approval or make a recommendation after considering the matter. A “conflict of interest matter” is a situation where a reasonable person would consider the Manager or an entity related to the Manager to have an interest that may conflict with the Manager’s ability to act in good faith and in the best interests of the Fund’s unitholders.

The IRC’s function is to determine whether a proposed action that the Manager refers to it as a potential conflict of interest, as defined in NI 81-107, achieves a fair and reasonable result for the investment fund. The IRC will, at least annually, review and assess the adequacy and effectiveness of the policies and procedures relating to conflict of interest matters in respect of the Funds, and will also conduct a self-assessment of the IRC’s independence, compensation and effectiveness. Under subsection 4.5(1) of NI 81-107, the IRC is required to report directly to the Funds’ principal regulator if the members become aware that the Manager has acted in a conflict of interest matter listed in subsection 5.2(1) contrary to a condition imposed by the IRC or by securities legislation. To date, no matter of this nature has come to the attention of the IRC.

The IRC looks forward to continuing to serve in the best interests of the Funds and working effectively with management for the Funds.

Liisa Atva

Chair of the Independent Review Committee
of investment funds managed by CADO Investment Management Inc.

February 28, 2013

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Members of the IRC

The IRC consists of the following members: Liisa Atva, Greg Reed and Melisa Attisha. Each member has served on the IRC since October 22, 2010. Liisa Atva has served as the Chair of the IRC since its inception. Each of these members is independent from the Funds and the Manager within the meaning of National Instrument 81-107.

Holdings of Securities

Funds

As at December 31, 2012, the percentage of units of each class of the Funds covered by this report beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed 0.1 per cent for any Fund.

Manager

As at December 31, 2012, the percentage of each class or series of voting or equity securities of the Manager beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed 0.1 per cent.

Service Providers

As at December 31, 2012, no member of the IRC beneficially owned, directly or indirectly, any class or series of voting or equity securities of a person or company that provides services to the Funds or the Manager of the Funds with respect to their respective fund businesses.

IRC Compensation and Indemnities

The aggregate compensation paid by the Funds to the IRC for the year ended December 31, 2012, was \$16,000 including HST where applicable. This amount was allocated among the Funds managed by the Manager in a manner that is considered by the Manager to be fair and reasonable to the Funds. The initial annual compensation of IRC members and their terms of appointment are as follows:

Name	Annual Compensation	Initial Term	Additional Term
Liisa Atva	\$6,000.00	1 year	1 year
Greg Reed	\$5,000.00	1 year	1 year
Melisa Attisha	\$5,000.00	1 year	1 year

Compensation for additional services by an IRC member may be charged from time to time with the approval of both the IRC and the Manager.

At least annually, the IRC will review the compensation of its members in a manner consistent with good governance practices, giving consideration to a number of factors, including:

- (a) The best interests of the Funds;

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- (b) The number, nature and complexity of the Funds;
- (c) The nature and extent of the workload of each IRC member, including the 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 recommendations about IRC compensation and expenses made by the Manager.

No amounts were paid to the IRC by the Funds pursuant to indemnities given by the Funds to the IRC during the Period. The IRC participated in an education session arranged by the Manager with its legal counsel.

Conflict of Interest Matters

The IRC is not aware of any instance in which the Manager, when acting in a conflict of interest matter, did not follow a recommendation of the IRC or meet a condition imposed by the IRC in its approval. The Manager has an obligation to notify the IRC of any such instances.

When a conflict of interest matter arises, the Manager of the Funds must refer the matter, along with its proposed action, to the IRC for its review and decision, unless there is a standing instruction to deal with it.

There were no conflict of interest matters not dealt with by way of standing instructions identified by the Manager for the IRC to consider during the year ended December 31, 2012.

Standing Instructions

The Manager has relied on the positive recommendations and standing instructions of the IRC with respect to certain activities of the Manager as follows;

- (a) **Mutual Fund Sales Practices**
These policies and procedures set out the sales and business practices to be followed by the Manager and the principal distributors of its publicly offered mutual funds, and by registered dealers and their sales representatives in connection with the distribution of mutual funds to ensure that any recommendations made by mutual fund distributors and their sales persons are based solely on considerations of a client's best interest and are not inappropriately influenced by any compensation, incentives or benefits to be received by such parties.
- (b) **Mutual Fund Operating Costs and Allocation**
This policy sets out the procedures to be followed by the Manger to ensure that only appropriate costs and expenses are charged to the Funds as operating costs and that costs and expenses that are not appropriate or prohibited are not charged. The

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manager has also established procedures to allocate operating costs that are applicable to more than one Fund amongst the Funds.

(c) Client, Unitholder, and Dealer Complaints

This policy sets out the procedures to be followed by the Manager to ensure that client complaints (which includes unitholders in the Funds) and complaints of dealers and their representatives are dealt with appropriately and fairly and in the best interests of those clients, dealers and the Funds.

(d) Monitoring of Services Provided by Portfolio Managers

This policy sets out the procedures to be followed by the Manager to ensure that the Portfolio Advisors are meeting their obligations to act in the best interests of the Funds, honestly and in good faith with the appropriate care, attention and skill.

(e) Gift and Business Entertainment

This policy sets out the consideration and limits that employees of the Manager must adhere to before accepting gifts, travel and entertainment opportunities from clients, brokers, vendors or other organizations with whom the Manager transacts business.

(f) Mutual Fund Rollover Transaction

This policy sets out the procedures to be followed by the Manager to ensure that Mutual Fund Transactions (as described in the original prospectus of Maple Leaf Short Duration 2010 Flow Through Limited Partnership) , a) have been proposed by the Fund Manager free from any influence by an entity related to the Fund Manager and without taking into account any consideration relevant to an entity related to the Fund Manger, b) represent the business judgment of the Fund Manager uninfluenced by considerations other than the best interests of the Funds, and achieve a fair and reasonable result for the Funds.

The Manager relied on this standing instruction to transfer the assets of the 2011 Flow-Through Partnerships to the Maple Leaf Resource Class on May 8, 2012.

In each case, the positive recommendation of the IRC and related standing instruction requires the Manager to proceed with any conflict of interest matter in accordance with the policies and procedures reviewed by the IRC and to report to the IRC any instances in which the Manager did not act in accordance with the standing instruction. The IRC has requested that the Manager provide to the IRC any proposed changes to the policies and procedures prior to the change. The Manager has informed the IRC that, for the period of this report, there have been no changes to the policies and procedures other than those brought to the attention of the IRC.

Funds

Funds covered by this report, for the periods noted:

- Maple Leaf Short Duration 2011 Flow-Through Limited Partnership – for the period from January 1, 2012 to May 8, 2012 (the rollover date)

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- Maple Leaf Short Duration 2011-II Flow-Through Limited Partnership – for the period from January 1, 2012 to May 8, 2012 (the rollover date)
- Maple Leaf Short Duration 2012 Flow Through Limited Partnership – for the period beginning July 12, 2012 to December 31, 2012
- Maple Leaf Resource Class, a separate class of the mutual fund shares of Maple Leaf Corporate Funds Ltd. – for the period from December 1, 2011 and ending November 30, 2012
- Maple Leaf Income Class, a separate class of the mutual fund shares of Maple Leaf Corporate Funds Ltd. – for the period from December 1, 2011 and ending November 30, 2012