

# Annual Report of the Independent Review Committee of the Genus Group of Funds

January 22<sup>nd</sup>, 2025

Dear Securityholder,

The Manager established an Independent Review Committee (the "Committee" or "IRC") for the Manager's funds on August 14, 2017. The Committee's mandate includes the funds listed at the end of this Report (the "Funds"). The IRC operates in accordance with **National Instrument 81-107 *Independent Review Committee for Investment Funds*** ("NI 81-107" or the "Instrument"). The IRC is composed of a panel of three industry experts and senior executives, each of whom is independent of the Funds, of the Manager and each entity related to the Manager (as defined in the Instrument). The IRC and the Manager have agreed that the IRC will report to the Securityholders each year on the IRC's activities and findings.

The IRC is pleased to publish its annual report to securityholders, covering the period from January 1, 2024 to December 31, 2024 (the "Reporting Period").

## 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 as the "Conflict of Interest Matters manual").

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, 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. It may do so provided 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, the IRC has sought to ensure that the Manager's proposed course of action represents a fair and reasonable result for the Fund.

The IRC has engaged Independent Review Inc. to assist it in its duties in accordance with the provisions of the Instrument and the IRC's written charter, to provide certain administrative and record keeping functions, and to act as the IRC's independent secretariat.

## **Composition of the IRC**

The current members of the IRC, and their principal occupations, are as follows:

<b>Name and Municipality of Residence</b>	<b>Principal Occupation</b>	<b>Term of Office</b>
Chair: Kevin Drynan, Clarksburg, Ontario	Consultant, Retired Financial Services Executive	Appointed August 14, 2017  Re-appointed for a three year term from January 1, 2023
Eamonn McConnell, Toronto, Ontario	Consultant, Managing Director, Kensington Capital	Appointed August 14, 2017  Re-appointed for a three year term from January 1, 2025
Geoff Salmon, Barrie, Ontario	Managing Director, Independent Review Inc.	Appointed August 14, 2017  Re-appointed for a three year term from January 1, 2024

On October 29, 2023, Eamonn McConnell was re-appointed to the IRC with effect from January 1, 2025, for a period of three years. The re-appointment extended Mr. McConnell's total years of service beyond the six-year term limit set out in the Instrument; however, the Manager provided its consent to, and agreement with, the re-appointment in accordance with the provisions of the Instrument.

## **Compensation and Indemnification**

### **Review of Compensation**

At least annually, the IRC reviews its compensation considering 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 determined that its compensation is adequate.

### **Members' Fees**

In aggregate, the IRC members were paid \$40,000 plus applicable taxes, during the Reporting Period.

## **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 of December 31, 2024, the IRC Members did not beneficially own, directly or indirectly:

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

## **Decisions and Approvals**

**June 18/19, 2024:** The Manager proposed executing several inter-fund trades whereby it transferred all of the assets from the Closing Fund to the Receiving Fund as set out below:

	<b>Closing Fund</b>	<b>Receiving Fund</b>
1	Genus Short Term Bond Fund	Genus Canadian Income Fund (newly established)
2	Fossil Free Canadian Bond Fund	Genus Strategic Bond Fund renamed the Genus Corporate Bond Fund
3	Genus Fossil Free Plus Div Equity Fund	All the Securities in the Fund were sold for cash and distributed to unitholders. The distribution was then reallocated to the following Funds: 1. Genus Fossil Free Plus CanGlobe Equity Fund 2. Genus High Impact Equity Fund 3. Genus Canadian Income Fund

The Manager considered merging the funds but noted that it was more transparent and fairer to close the above-noted funds so that any tax liability from the closing fund belonging to each unitholder was proportionately maintained via a distribution. Then after the distribution, a re-balancing was performed to an appropriate asset mix for each unitholder which met their investment mandate.

After reviewing the materials presented orally and in writing by the Manager, before and at the meeting and after reasonable enquiry, the IRC determined that the Manager's course of action to execute the inter-fund trades set out above provided a fair and reasonable result for each of the funds set out in the table.

## **Standing Instructions Approved**

The IRC has approved three (3) SIs. The Manager can proceed with the specific action(s) set out in an SI 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. The SI required the Manager to comply with its related policy and procedures and to report periodically to the IRC.

### **Standing Instruction No. 1: Omnibus.**

This SI deals with several conflicts of interest matters including:

1. Fees and Expenses
2. Trade Allocations
3. Portfolio Pricing Issues
4. Pricing Errors and other Errors
5. Broker Selection
6. Showing Favoritism
7. Outsourcing to Third-party Services

8. Personal Trading
9. Client Complaints
10. Capacity Issues

**Standing Instruction No. 2: Use of Client Brokerage Commissions**

**Standing Instruction No. 3: Inter-fund Trades** (*Adopted June 24, 2024*)

**Manager's Report on its Standing Instructions**

In accordance with the Instrument, the Manager provided a written report to the IRC describing its reliance on its SIs. The Manager relied on all three of its SIs during the Reporting Period.

**Funds Served by the IRC**

*Non-Prospectus Funds*

Genus Canadian T-Bill Fund  
Genus Corporate Bond Fund  
Genus Commercial Mortgage Fund  
Genus Canadian Alpha Fund  
Genus Global Alpha Fund  
Genus CanGlobe Equity Fund  
Genus Emerging Markets Equity Fund  
Genus Global Balanced Fund  
Genus Government Bond Fund  
Genus Dividend Equity Fund  
Genus Fossil Free Plus CanGlobe Equity Fund  
Genus Canadian Income Fund  
Genus Global Macro Bond Fund  
Genus Global Impact Bond Fund

*Prospectus Fund*

Genus High Impact Equity Fund

This report is available on Manager's website at <https://genuscap.com/> or you may request a copy, at no cost to you, by contacting the Manager at 1 800 668 7366 or by emailing the Funds at [info@genuscap.com](mailto:info@genuscap.com).

Yours truly,

"Kevin Drynan"

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Chair: Kevin Drynan

## **Schedule of the Independent Review Committees on which the IRC Members Serve**

**Kevin Drynan served as a member of the Independent Review Committees for the following funds during 2023:**

Investment funds that are reporting issuers managed by Evolve Funds Group Inc.  
Investment funds that are reporting issuers managed by Genus Capital Management Inc.  
Investment funds that are reporting issuers managed by Sprott Asset Management Inc.  
Investment funds that are reporting issuers managed by Viewpoint Investment Partners Corporation  
Investment funds that are reporting issuers managed by Bristol Gate Capital Partners Inc.  
*(appointed effective January 1, 2025)*

**Eamonn McConnell served as a member of the Independent Review Committees for the following funds during 2023:**

Investment funds that are reporting issuers managed by 3iQ Corp.  
Investment funds that are reporting issuers managed by EHP Funds Inc.  
*(retired effective Dec 31, 2024)*  
Investment funds that are reporting issuers managed by Genus Capital Management Inc.  
Investment funds that are reporting issuers managed by Ninepoint Partners LP.

**Geoff Salmon served as a member of the Independent Review Committees for the following funds during 2023:**

Investment Funds that are reporting issuers managed by Accelerate Financial Technologies Inc.  
Investment Funds that are reporting issuers managed by Algonquin Capital Corp.  
Investment Funds that are reporting issuers managed by Addenda Capital Inc.  
Investment Funds that are reporting issuers managed by EHP Funds Inc.  
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 McElvaine Investment Management Ltd.  
Investment funds that are reporting issuers managed by Next Edge Capital Corp. and  
*(retired effective December 31, 2024)*  
Investment funds that are reporting issuers managed by Sprott Asset Management  
*(appointed effective January 1, 2025)*  
Investment funds managed by VanCity Investment Management  
*(appointed effective October 22, 2024)*