

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

February 7, 2014

IRC Annual Report to: Securityholders of the Timbercreek Funds (collectively 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"), Timbercreek Asset Management Ltd. (the "Manager") established an independent review committee for the Funds in August 2011 (the "Committee" or "IRC"). The IRC has functioned in accordance with the applicable securities laws and is composed of three individuals, each of whom is independent of the Fund, 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, 2013 to December 31, 2013 ("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 Fund. The Manager is required under the Instrument to identify potential conflicts of interest inherent in its management of the Fund, 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 Fund. 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 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 members of the IRC during the reporting period and their principal occupations, are as follows:

<i>Name and municipality of residence</i>	<i>Principal Occupation</i>	<i>Term of Office</i>
Chair: Michele McCarthy, Toronto, Ontario	President, McCarthy Law Professional Corp.	Initial Appointment: October 26, 2011 until October 26, 2014.
Chris Slightham, Toronto, Ontario	President, Royal LePage Signature Real Estate Brokerage	Initial Appointment: August 11 2011 Term: Three years, from August 26, 2013
Ken Thomson, Toronto, Ontario	President, Universal Financial Corp., an Investment Holding Company	Initial Appointment: August 11 2011 Two years, from August 26, 2013.

Chris Slightham's term was renewed on July 15, 2013 for a period of two years effective August 26, 2013. Ken Thomson's term was renewed on July 15, 2013 for a period of three years effective August 26, 2013.

There were no changes in 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 \$30,000 for the Reporting Period, plus applicable taxes.

Indemnities Granted

The Funds and the Manager have provided each member of the IRC with a contractual indemnity in keeping with NI 81-107. No payments were paid to the members of 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, 2013, the IRC Members did not beneficially own, directly or indirectly:

- units in the Fund greater than 10%;
- any interests in the Manager; or
- any interests in a company or person that provides services to the Manager or the Fund.

Recommendations and Approvals

The IRC did not provide any recommendations or approvals during the Reporting Period.

Standing Instruction Approved

The IRC has approved two Standing Instructions (SI), which constitute a written approval or recommendation 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 both of the SIs during the Reporting Period.

Standing Instruction No. 1: Mortgage Allocation Policy.

Standing Instruction No. 2: Omnibus.

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

1. Expense allocations
2. Net asset value error correction
3. Other material transaction error
4. Broker Selection Issues
5. Favouritism and Proxy Voting
6. Changing service providers
7. Personal Trading
8. Complaints
9. Investing in Securities of Related Issuers

Manager's Report on its Standing Instruction

In accordance with the Instrument, the Manager provided written reports to the IRC describing its reliance on the SIs during the Reporting Period.

Funds served by the IRC during 2013

Timbercreek Mortgage Investment Corporation (no longer subject to NI 81-107 as of September 13, 2013)
Timbercreek Senior Mortgage Investment Corporation (no longer subject to NI 81-107 as of September 13, 2013)
Timbercreek Global Real Estate Fund

During the Reporting Period the Manager held shareholder meetings for the Timbercreek Mortgage Investment Corporation and for the Timbercreek Senior Mortgage Investment Corporation seeking shareholder approval to convert the respective corporations from the securities regulatory regime for investment funds to the regulatory regime for non-investment funds. These meeting were held and the shareholders voted in favour of the Manager's proposal. These funds are therefore no longer under the purview of the IRC.

This report is available on the Manager's website at www.timbercreek.com or you may request a copy, at no cost to you, by contacting the Manager at 1-866-898-8868 x 230 or email the Funds at info@timbercreek.com This document and other information about the Funds are available on www.sedar.com

Yours truly,

A handwritten signature in blue ink that reads "Michele McCarthy". The signature is written in a cursive style with a large initial "M".

Michele McCarthy, Chair

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

Michèle McCarthy 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 Educators Financial Group.; and
Investment funds that are reporting issuers managed by Picton Mahoney Asset Management Inc.