



**Northern Rivers Monthly Income and Capital Appreciation Fund
Northern Rivers Monthly Income and Capital Appreciation Trust Pool
Northern Rivers Conservative Growth Fund
Northern Rivers Evolution Fund
(the "Funds")**

IRC 2008 Report to Securityholders
March 2009

The Independent Review Committee ("IRC") consists of three members, each initially appointed by Northern Rivers Capital Management Inc. (the "Manager"). The IRC has no material relationship with the Manager, conducts an annual review and assessment of the adequacy and effectiveness of the Manager's written policies and procedures on conflicts of interest matters and compliance by the Manager and the Funds with any conditions imposed by the IRC. The mandate of the IRC is to review conflict of interest matters identified and referred to the IRC by the Manager and to give its approval or recommendation, depending on the nature of the occurrence.

Reporting Period

The information disclosed in this report covers the period beginning January 1, 2008 and ending December 31, 2008, the financial year-end for the Funds (the "2008 Review Period").

Membership and Composition

<u>Name</u>	<u>Date of Appointment</u>
Sue Bochner, Chair	May 1, 2007
Harvey Botting	May 1, 2007
Paula David	May 1, 2007

Each member of the IRC is independent of the Funds, the Manager and other companies related to the Manager. There were no changes in the composition or membership of the IRC during the 2008 Review Period and there were no relationships that may cause a reasonable person to question a member's independence. IRC members were not serving as IRC members for any other family of funds during the 2008 Review Period.

Share Ownership

Funds

As at December 31, 2008, the percentage of securities of each series of the Funds beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed 10 per cent.

Manager

As at December 31, 2008, no shares of the Manager were beneficially owned, directly or indirectly by any member of the IRC.

Service Providers

CIBC Mellon Global Securities Services Company, the Funds' Registrar and Transfer Agent, and CIBC Mellon Trust Company, the Funds' custodian are divisions of CIBC Mellon, a 50-50 jointly owned venture by CIBC and The Bank of New York Mellon (the "Banks"). As at December 31, 2008, the members of the IRC beneficially owned, directly or indirectly, in aggregate, less than 0.01 per cent of the Banks' outstanding common shares.

Compensation and Indemnity

The aggregate compensation paid by the Company to the IRC members for the 2008 Review Period was \$9,200. Compensation consists of an annual retainer paid to each member and a fee for each meeting attended by the members. This amount was allocated on a fair basis among the Funds.

The initial compensation of the IRC was established by the Manager. Thereafter, the members of the IRC on an annual basis will have authority to establish their own compensation. This will only be done after taking into consideration any recommendations from the Manager and giving consideration to the following criteria:

- The best interests of the Funds and their securityholders;
- The number, nature and complexity of the Funds;
- Industry best practices; and
- The nature and extent of the workload of each member of the IRC

At the date of this report, the members of the IRC have agreed that their compensation for the financial year commencing on January 1, 2009 will remain unchanged.

The Manager has obtained customized IRC liability insurance in the amount of \$2,000,000 on behalf of the IRC. No indemnities were paid to members of the IRC by the Funds or the Manager during the 2008 Review Period.

Conflicts of Interest

During the period, the IRC's activities included the following: a review of the policies and procedures in respect of the conflicts of interest of the Manager and approval of the standing instructions for the Manager. Standing Instructions relied on during the period were as follows:

- (a) Personal Trading Policy;
- (b) Expense Allocations Policy;
- (c) Fair Allocation of Investment Opportunities Policy;
- (d) Soft Dollar Arrangements Policy;
- (e) Proxy Voting Policy;
- (f) Appearances on Television Policy;
- (g) Inter-fund Trading Policy;
- (h) Related Party Transaction Policy; and
- (i) Valuation Policy

The IRC is not aware of any instance in which the Manager acted in a conflict of interest matter and did not meet a condition imposed by the IRC in its recommendation and/or standing instructions, except that several of the personal trades conducted by one employee of the Manager was not in accordance with the Personal Trading Policy standing instruction. The breach in compliance was as a result of a misinterpretation of the Personal Trading Policy by the employee. The Manager has provided further training to the employee and amended the policy for clarity. The IRC is of the opinion that the Manager has taken appropriate action to deal with this matter. There were no instances

where the Manager acted in a conflict of interest matter referred to the IRC for which the IRC did not give a positive recommendation. The Manager has an obligation to notify the IRC of any such instance.

In accordance with its Charter, the IRC reviewed any and all concerns raised by the Manager and approved all recommendations made by the Manager. In instances where the IRC made its own recommendations, the Manager was in complete agreement.

On behalf of the IRC:

A handwritten signature in black ink, appearing to read "Sue Bochner". The signature is fluid and cursive, with the first name "Sue" and last name "Bochner" clearly distinguishable.

Toronto, Canada
March 12, 2009

Sue Bochner
Chair of the Independent Review Committee