



## **Annual Report of the Independent Review Committee of the Waypoint Funds**

March 2, 2023

IRC Annual Report to the Unitholders of the Waypoint Alternative Yield Fund and the Waypoint All Weather Alternative Fund (the "Funds")

Dear Unitholder,

In accordance with National Instrument 81-107 Independent Review Committee for Investment Funds ("NI 81-107" or the "Instrument"), Waypoint Investment Partners Inc. ("Waypoint" or the "Manager") established an Independent Review Committee (the "Committee" or "IRC") for the Funds on October 10, 2019. The IRC has functioned in accordance with the applicable securities laws and is composed of four individuals, each of whom is independent of the Funds, the Manager and each entity related to the Manager (as defined in the Instrument).

The IRC is pleased to publish its annual report to unitholders, covering the period from January 1, 2022, to December 31, 2022 (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 (each a "Conflict") to which the Manager may be subject when managing the Funds. The Manager is required under the Instrument to identify potential Conflicts 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.

When a Conflict 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 IARC, the Manager's proposed action provides a fair and reasonable result for the Funds. For recurring conflicts, the IRC can provide the Manager with standing instructions ("SIs"). The SIs 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 interests of the Funds in any matter where the Manager has referred a Conflict 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 Funds.

## Composition of the IRC

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

<b>Name</b>	<b>Place of residence</b>	<b>Role</b>	<b>Length of Service</b>
Alex Mitchell	Toronto ON	Chair	Since October 2019
Jeffrey White	Toronto ON	Member	Since October 2019
William O'Hara	Toronto ON	Member	Since October 2019
Michael McKenna	Toronto ON	Member	Since October 2019

## Compensation and Indemnification

### Members' Fees

In aggregate, the IRC members were paid \$8,500 plus applicable taxes, during the Reporting Period in connection with services provided to the Funds.

### 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 made to the IRC Members pursuant to this indemnity by the Funds or the Manager during the Reporting Period.

### Review of Compensation

At least annually, the IRC reviews its compensation considering the following:

- The best interest of the Fund
- The complexity of the Fund's operations
- The nature and extent of each member's role on the IRC and the frequency of meetings that are required by each member.
- Industry best practices and information available on IRC compensation
- Recommendations made by the Manager

The IRC has determined that no changes were required to its compensation.



## **Disclosure of IRC Members' Holdings**

As at December 31, 2022, and throughout the Reporting Period, the percentage of securities of each class or series of the Funds beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed 10%.

As December 31, 2022, and throughout the year then ended, the members of the IRC did not own, directly or indirectly, any interests in the Manager or any interests in any person or company that provides services to the Fund or the Manager.

## **Decisions and Approvals**

There were no decisions or approvals during the Reporting Period.

## **Standing Instructions Approved**

The IRC has approved 12 SIs. Further to NI 81-107, the SIs constitute a written approval or decision from the IRC. The SIs permit the Manager to proceed with the specific actions set out in an SI on an ongoing basis, without having to refer the Conflict or its proposed action to the IRC, provided that the Manager complies with the terms and conditions of the SIs. The SIs required the Manager to comply with their related policies and procedures and to report periodically to the IRC.

The SIs deal with several conflict of interest matters, including:

- a. Allocation of Fund Expenses
- b. Brokerage Selection (Trading in Securities policy)
- c. Allocation of Investment Opportunities (Fairness policy)
- d. Proxy Voting
- e. Complaint Handling
- f. Gifts and Entertainment (Code of Ethics)
- g. Sales Practices
- h. Correction of NAV, Trade Errors and Failed Trades
- i. Valuation of Fund Portfolio Securities and Calculation of Net Asset Value
- j. Market Timing and Short-Term Trading
- k. Personal Trading by Employees
- l. Outside Activities
- m. Cross Trading



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

In accordance with the Instrument, the Manager provided a written report to the IRC describing its reliance on the SIs during the Reporting Period. The Manager relied on all of the SIs during the Reporting Period, other than the Cross Trading SI, as no cross trades were carried out during the Reporting Period.

## **Compliance**

The IRC is not aware of any instance when the Manager acted on a Conflict referred by the Manager to the IRC with respect to the Funds but did not meet a condition imposed by the IRC in its recommendation or approval.

The IRC is not aware of any instance when the Manager acted in a Conflict referred by the Manager to the IRC in respect of the Funds, for which the IRC did not give a positive recommendation.

This report is available on the Manager's website at [www.waypointinvestmentpartners.com](http://www.waypointinvestmentpartners.com) or you may request a copy, at no cost to you, by contacting the Manager at 416-960-7690. This document and other information about the Funds are available on [www.sedar.com](http://www.sedar.com)

Yours truly,

*"Alex Mitchell"*

Chair, Waypoint Independent Review Committee