



March 30, 2011

Dear Securityholder:

This is the Report to Securityholders of the Independent Review Committee (the “**IRC**”) for the BNP Paribas Global Equity Exposure Fund (the “**Fund**”) managed by BNP Paribas Investment Partners Canada Ltd. (the “**Manager**”).

The IRC was formed pursuant to National Instrument 81-107—Independent Review Committee for Investment Funds (“**NI 81-107**”) issued by the Canadian Securities Administrators. NI 81-107 requires that conflict of interest matters (the “**Conflicts**”) identified by the Manager be referred to the IRC for its recommendation or approval, depending on the nature of the Conflict. Conflict of interest matters arise when the interests of the Manager and those of the securityholders of the Funds are not necessarily the same. In such circumstances, the Manager is required to establish Policies and Procedures that will ensure that any potential Conflicts will be appropriately resolved and that the Manager will act in the best interests of the securityholders of the Funds. For each Conflict referred to the IRC by the Manager, the IRC’s responsibility is to determine if the Manager’s proposed action achieves a fair and reasonable result for the Funds. The Manager is not required to refer Conflicts to the IRC each time one arises if it complies with the terms of standing instructions from the IRC that are then in effect.

The members of the IRC have a broad range of expertise in a variety of areas including law, corporate governance and asset management. The IRC has reviewed the day-to-day Conflicts referred by the Manager and the Manager’s Policies and Procedures related to such Conflicts. The Manager has not referred any Conflicts out of the ordinary course of business to the IRC. Following its review, the IRC concluded that compliance with the Manager’s proposed Policies and Procedures with respect to the Conflicts would achieve a fair and reasonable result for the Fund.

Because the Fund does not engage in transactions with underwriters that are related parties to the Manager, it was not necessary for the Manager to seek the IRC’s approval to participate in securities offerings underwritten by related parties. In addition, the Manager does not invest on behalf of the Fund in the securities of its parent company or related parties, so no approval was necessary for transactions in such securities.

NI 81-107 requires the IRC to conduct an annual assessment of certain matters including the adequacy and effectiveness of the Manager’s Policies and Procedures relating to Conflicts and to conduct a self-assessment of the IRC’s independence, compensation and effectiveness.

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

The information in this report is for the period from January 1, 2010 to December 31, 2010.



## **IRC Members**

### Name

Karen Fisher (Chair)

Michael Tourond

George Isley

The IRC meets periodically with representatives of the Manager and at least annually, holds a meeting without the Manager being present to discuss matters affecting the Manager's policies and procedures, Standing Instructions and conflict of interest matters referred to the IRC. During 2010 the IRC held two meetings with representatives of the Manager, and also held a meeting at which representatives of the Manager were not present.

Karen Fisher serves as Chair for the IRC of the Excel Funds and is a member of the IRC for the funds managed by the Jovian Group of Companies and the PIMCO Canada Funds, none of which have any relationship to the Fund or the Manager. Otherwise, none of the IRC members serve on the independent review committee for any other mutual fund family and none of the members of the IRC have any relationships which would compromise their independence with respect to the Fund.

## **Holdings of Securities**

### *Funds*

As at December 31, 2010, the percentage of each class or series of voting or equity securities beneficially owned directly or indirectly, in aggregate, by all members of the IRC in any Fund did not exceed 10 percent.

### *Manager*

As at December 31, 2010 the Manager was indirectly, majority owned and controlled BNP Paribas SA.

### *Service Providers*

The following entities (the "**Service Providers**") provide services to the Funds:

- CIBC Mellon provides accounting, custodian, back office and administrative services to the Funds.
- Deloitte & Touche LLP provides accounting services to the Fund and the Manager.

As at December 31, 2010, none of the members of the IRC beneficially own directly or indirectly any securities of any person or company that provides services to the Funds or to the Manager.



## **IRC Compensation and Indemnities**

The aggregate compensation and expenses paid by the Fund for 2010 was \$26,458.

No indemnities were paid to the IRC members by the Funds during the period.

The initial compensation of the IRC members was set by the Manager. In accordance with its Charter, at least annually, the IRC will review its compensation, giving consideration to the following factors:

1. the best interests of the Fund;
2. the number, nature, size and complexity of the Fund;
3. the nature and extent of the workload of each IRC member, including the commitment expected from each IRC member;
4. industry best practices, including industry averages and trends in the compensation of the IRC members;
5. the IRC's most recent assessment of its members' compensation and expenses;
6. the aggregate compensation paid to each IRC member; and
7. the recommendations of the Manager, if any.

The IRC has reviewed its compensation in light of the abovementioned factors, and in concert with the Manager's recommendations has set the IRC's remuneration.

## **Charter**

The IRC adopted a written charter that includes its mandate, responsibilities and functions and the policies and procedures it will follow when performing its functions.

## **Conflict of Interest Matters**

### *Standing Instructions*

When a conflict of interest matter arises, the Manager must, with the input of the IRC, establish written Policies and Procedures with respect to that type of matter and refer the matter, along with its proposed action, to the IRC for its review and recommendation or approval, depending on the nature of the conflict. As of December 31, 2010, the conflict of interest matters identified by the Manager that to for which the IRC provided standing instructions to the Manager, based on the Policies and Procedures presented by the Manager, were:

1. Portfolio Management
2. Trading
3. Personal Trading and Conflicts of Interest
4. Disclosure
5. Prospectus
6. Safeguarding of Client Information and Assets
7. Retention Policies
8. Marketing
9. Valuation of Client Holdings and Client Billing
10. Account Reconciliation
11. Error Correction
12. Client Accounts



13. Business Continuity
14. Compliance Program
15. Registration

The standing instructions provided by the IRC for each of the above-noted matters require the Manager to comply with the Policies and Procedures presented to the IRC in respect of those matters and to provide periodic reports to the IRC in accordance with NI 81-107.

### **Conclusion**

During the period, there was no instance when the Manager acted in a conflict of interest matter referred to the IRC for which the IRC did not give a positive recommendation. The IRC is not aware of any instance when the Manager acted in a conflict of interest matter referred by the Manager to the IRC but did not meet a condition imposed by the IRC in its recommendation.