



Letter from the Independent Review Committee:

The members of the Timbercreek Mortgage Investment Corporation's Independent Review Committee ("IRC") are pleased to submit Annual Report to Shareholders of the Timbercreek Mortgage Investment Corporation (the "Fund").

In accordance with National Instrument 81-107 Independent Review Committee for Investment Funds ("NI 81-107"), Timbercreek Asset Management Inc. (the "Manager"), has established an independent review committee (the "IRC") for the Fund. The IRC is composed of three individuals, each of whom is independent of the Fund, the Manager and its affiliates.

Each member of the Independent Review Committee ("IRC") of Timbercreek Mortgage Investment Corporation (the "Fund") that is managed by Timbercreek Asset Management Inc., (the "Manager") has a duty to review conflict of interest matters referred to the IRC by the Manager and to provide a recommendation, or, where required, an approval to the Manager relating to such matters.

The IRC also reviews and provides input on the Manager's written policies and procedures to address conflict of interest matters and any changes to the Manager's policies and procedures relating to conflict of interest matters that the Manager provides to the IRC to ensure the policies and procedures are adequate.

At least annually, the IRC must review and assess the independence, effectiveness and compensation of its members.

This report is available on the Manager's website at www.timbercreekfunds.com or you may request a copy, at no cost to you, by contacting the Manager at 416-306-9967 x250.

Sincerely,

"W. Glenn Shyba"

W. Glenn Shyba
Chair of the Independent Review Committee

INTRODUCTION

This report was prepared and delivered by the Independent Review Committee (the “IRC”) for the Timbercreek Mortgage Investment Corporation (the “Fund”).

Timbercreek Asset Management Inc. (the “Manager”) is the Fund’s manager.

This report was prepared in accordance with Section 4.4 of the National Instrument 81-107, Independent Review Committee for Investment Funds (“NI-81-107”).

The following report describes the IRC, its compensation and indemnities, its shareholdings in the Fund and conflict of interest matters for the period ended December 31, 2009 (the “Period”).

THE IRC

The current members of the IRC are as follows:

Name	Municipality of Residence	Term of Office
W. Glenn Shyba <i>Chair</i>	Toronto, Ontario	July 7, 2008 – Present
Zelick L. Altman	Thornhill, Ontario	July 7, 2008 – Present
Edward W. Boomer	Toronto, Ontario	July 7, 2008 – Present
Craig A. Geier	Vancouver, British Columbia	August 20, 2008 - Present

None of the IRC members serve as members of an independent review committee for investment funds managed by another manager.

No changes have been made to the membership of the IRC during the period.

OWNERSHIP OF SECURITIES

In aggregate, the IRC members owned no equity or voting securities in the Manager or any entity that supplies services to the Fund or the Manager or to affiliates of the Manager at any time during the period.

As at December 31, 2009 the percentage of equity securities in the Fund beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed 0.1 percent for any Portfolio.

COMPENSATION

Members of the IRC receive compensation as directors of the Fund (initially, \$10,000 per annum per director), but do not receive additional compensation as members of the IRC other than reimbursement for out-of-pocket expenses for attending meetings of the IRC.

The aggregate compensation paid to the IRC from the Fund for the Period was \$40,000. Members of the IRC are also entitled to reimbursement from the Fund of reasonable expenses incurred in the performance of their duties. There were no such expenses claimed or paid for the period.

Members of the IRC are also entitled to be indemnified by the Fund in the limited circumstances described in subsection 3.14(5) of NI 81-107, but no such amount was claimed or paid for the Period.

The initial compensation of the IRC members was set by the Manager and reviewed and accepted by the IRC as stipulated in NI 81-107. Pursuant to its charter, the IRC reviews and assesses its compensation based on the following factors:

- a) the number, nature and complexity of the Fund;
- b) the nature and extent of the workload of each member of the IRC, including the commitment of time and energy that is expected from each member;
- c) industry best practices, including industry averages and surveys on IRC compensation;
- d) the best interests of the Fund; and
- e) any recommendations by the Manager in this respect.

CONFLICT OF INTEREST MATTERS

National Instrument 81-107 Independent Review Committee for Investment Funds requires the IRC to review all conflict of interest matters identified and referred to the IRC by the Manager and to give an approval or a recommendation, depending on the nature of the conflict of interest matter. In certain cases, the IRC may also issue standing instructions to the Manager in conjunction with an approval or a recommendation to enable the Manager to act in the particular conflict of interest matter on a continuing basis.

Where standing instructions have been issued in respect of a conflict of interest matter, the Manager must present the standing instructions and its written policies and procedures on the conflict of interest matter to the IRC for the IRC's review and reaffirmation on an annual basis.

Below is a brief summary of the conflict of interest matters that have been identified by the Manager and referred by the Manager to the IRC for the IRC's review and decision:

Conflict of Interest Matter	IRC Decision	Standing Instruction Issued	Date
1. Providing a second-ranking mortgage to an entity related to the Manager*	Approval	No	February 23, 2009

* The mortgage, which was secured by three apartment buildings, was issued in February 2009 and repaid in June 2009.

COMPLIANCE

The IRC has not been informed of any instance in which the Manager acted in a conflict of interest matter but did not meet a condition imposed by the IRC in its approval, recommendation and/or standing instruction. The Manager has an obligation to notify the IRC of any such instance.