



### *Letter from the Independent Review Committee:*

The members of the Timbercreek Mortgage Investment Corporation's Independent Review Committee ("IRC") are pleased to submit their first 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](http://www.timbercreekfunds.com) or you may request a copy, at no cost to you, by contacting the Manager at 416-306-9967 x250.

Sincerely,

*"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 32, 2008 (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

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 voting or equity securities in the Fund, 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.

## 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 \$15,000. 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

For the Period, the Manager has not submitted to the IRC any conflict of interest matters for its review, nor is the IRC aware of any conflicts of interest matters over this Period.

This report is respectfully submitted to you on behalf of the IRC of the Fund.

Toronto, Ontario  
March 27, 2009

"W. Glenn Shyba"

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W. Glenn Shyba  
Chair of the Independent Review Committee