



Independent Review Committee's 2010 Report to Unitholders MFi Funds

December 31, 2010

Dear Investor:

The Independent Review Committee of the MFi Funds was established in 2007 to provide the specific role of reviewing mutual fund conflict of interest matters identified and referred to us by Matco Financial Inc. and to provide our approval or recommendation(s). Our focus is on the question of whether the managers proposed action achieves a fair and reasonable result for the mutual fund and its unitholders.

The Independent Review Committee has established a written Charter pursuant to the provisions of the new *National Instrument 81-107, Independent Review Committee for Investment Funds*. The Charter can be viewed on Matco Financial Inc.'s website at www.matcofinancialinc.com

At least once per year the Independent Review Committee will also review and assess the adequacy and effectiveness of the policies and procedures relating to conflict of interest matters in respect of the MFi Funds. The Independent Review Committee members also assume the responsibility for reviewing and self assessment of; committee independence, compensation, and effectiveness.

We are pleased to publish the third annual report to unitholders of the MFi Funds under the requirements of the National Instrument 81-107 as designed by the Canadian securities regulators. This report covers the period January 1, 2010 to December 31, 2010.

We commend Matco Financial Inc. for its accomplishments in 2010 as the growth of the Matco Funds collectively exceeded 37%. We look forward to the continuation of open communications and an effective working relationship for the benefit of the MFi Funds investors.

(signed) Alan Akers

Alan Akers
Chair of the Independent Review Committee

Members of the Independent Review Committee

Name	Background	Residence	First Appointment
Alan Akers* Chairperson	Chartered Accountant	Calgary	November 2007
Bob Wilkinson Member	Retired investment Banker	Calgary	March 2009
Lorne Gartner Member	Retired Investment Banker	Calgary	November 2007

*Alan Akers position renewed as chair until November 1, 2013

Holdings of Securities

(a) MFi Funds

As at December 31, 2010, the percentage of units or shares of each series of the MFi family of funds (the "Funds") beneficially owned, directly or indirectly, in aggregate, by all members of the Independent Review Committee did not exceed 10 per cent.

(b) Manager and Service Providers

As at December 31, 2010, no member of the Independent Review Committee beneficially owned, directly or indirectly, any class or series of voting or equity securities of Matco Financial Inc. (the "Manager") or in any person or company that Matco has advised provides services to the Funds or the Manager.

Compensation and Indemnities

The annualized aggregate compensation paid by the Funds to the Independent Review Committee in 2010 was \$21,000. This amount was allocated among the Funds. No indemnities were paid on behalf of the Independent Review Committee for the period.

Compensation of the Independent Review Committee was set by the committee in 2010. At least annually, the Independent Review Committee and the Manager will review compensation levels of the Independent Review Committee and the Manager will make a recommendation regarding such compensation to the Independent Review Committee. In conducting such review and making such recommendation, consideration will be given to the following:

- (1) The best interest of the Funds
- (2) The number, nature, and complexity of the Funds
- (3) The nature and extent of the workload of each member
- (4) The fact that each Fund must pay its reasonable allocation of the compensation

- (5) The goal that compensation should fairly reflect the general and specific benefits accruing to the Fund

Conflict of Interest Matters

The Independent Review Committee is not aware of any instance in which the Manager acted in a conflict of interest matter during the 2010 year or of any instance in which the Manager acted in a conflict of interest matter but did not meet a condition imposed by the Independent Review Committee.

The Independent Review Committee has relied upon reports and/or certifications provided by the Manager in fulfilling its duties under the Independent Review Committee's Charter. For the 2010 year, the Manager has advised that it has complied with its related policies and procedures and has reported periodically to the Independent Review Committee. Copies of the current policies and procedures were reviewed by the Independent Review Committee in 2010.

MFi Funds:

MFi Balanced Fund (Series A, F, O)

MFi Canadian Equity Class Fund (Series A, F, O)*

MFi Energy Class Fund (Series A, F, O)*

MFi Small Cap Fund (Series A, F, O)*

* MFi Funds Corp. (Corporate Class)