



INDEPENDENT REVIEW COMMITTEE

Report in Respect of the Fiscal Year Ended November 30, 2018 for:

<i>Canadian Banc Corp.</i>	<i>Canadian Life Companies Split Corp.</i>	<i>Commerce Split Corp. (New Commerce Split Fund)</i>
<i>Dividend 15 Split Corp.</i>	<i>Dividend 15 Split Corp. II</i>	<i>Dividend Select 15 Corp.</i>
<i>Financial 15 Split Corp.</i>	<i>North American Financial 15 Split Corp.</i>	<i>M Split Corp.</i>
<i>Prime Dividend Corp.</i>	<i>TDb Split Corp.</i>	<i>US Financial 15 Split Corp.</i>

Report in Respect of the Fiscal Year Ended December 31, 2018 for:

Income Financial Trust

Quadravest Capital Management Inc. (“Quadravest”) is the manager (within the meaning of such term in National Instrument 81-102 *Investment Funds* (“NI 81-102”)) and portfolio adviser (within the meaning of such term in NI 81-102) of 12 investment fund corporations and one investment fund trust (each a “Fund” and collectively the “Funds”), the shares or units of which are listed on the Toronto Stock Exchange (“TSX”). Each of the Funds is subject to National Instrument 81-107 *Independent Review Committee for Investment Funds* (“NI 81-107”).

As required by NI 81-107, Quadravest has established an independent review committee (“IRC”) for the Funds, to which Quadravest must refer conflict of interest matters for review and recommendation or approval, as NI 81-107 may require. NI 81-107 imposes obligations upon Quadravest to establish written policies and procedures for dealing with conflict of interest matters, to maintain records in respect of these matters and to provide assistance to the IRC in carrying out its functions.

The IRC is required to report to securityholders of the Funds in respect of each fiscal year of the Funds. This report of the IRC relates to Canadian Banc Corp., Canadian Life Companies Split Corp., Dividend 15 Split Corp., Dividend 15 Split Corp. II, Dividend Select 15 Corp., Financial 15 Split Corp., North American Financial 15 Split Corp., M Split Corp., Commerce Split Corp. (New Commerce Split Fund), Prime Dividend Corp., TDb Split Corp. and US Financial 15 Split Corp., each of which has a fiscal year end of November 30 in each year. It also relates to Income Financial Trust, which has a fiscal year end of December 31 in each year. A “Reporting Period” for purposes of this Report is the fiscal year of each Fund commencing on December 1, 2017 and ending on November 30, 2018, or commencing on January 1, 2018 and ending on December 31, 2018, as applicable.

Composition of the IRC

A single IRC has been established in respect of all of the Funds collectively. Gordon A. M. Currie, William C. Thornhill and John D. Steep are currently the members of the IRC. Each of the members of the IRC believes he is, and has received advice of counsel that he is, “independent” of Quadrainvest for purposes of NI 81-107.

Mr. Currie, who acts as the chairman of the IRC, is the Executive Vice President and Chief Legal Officer of George Weston Limited, which he joined in 2005. Prior to that, he was the General Counsel of Direct Energy, the North American subsidiary of Centrica plc. Prior to that, he was a partner at Blake, Cassels & Graydon LLP, specializing in securities law, having joined the firm in 1983.

Mr. Thornhill is currently the President of William C. Thornhill Consulting Inc. Until July 2005, he was the Vice-Chairman of Quadrainvest. Prior to joining Quadrainvest, Mr. Thornhill spent over 30 years in the financial services business and held a number of senior positions at a major Canadian trust company including Executive Vice-President, Products, Senior Vice-President, Finance, and Vice-President, Treasury and Corporate Investments. Mr. Thornhill is a director of each of the Funds other than Income Financial Trust.

Mr. Steep is currently the President of S Factor Consulting Inc. Prior to retiring in 2002, Mr. Steep spent over 30 years in the financial services business and retired as a Senior Vice-President at a major Canadian chartered bank. Mr. Steep is a director of each of the Funds other than Income Financial Trust.

Each of the members of the IRC agreed to so act effective May 1, 2007 in respect of all Funds other than Dividend Select 15 Corp. Upon the initial public offering of securities of Dividend Select 15 Corp. in October 2010, the IRC agreed that it would act as the IRC of this Fund as well.

There have been no changes to the composition of the IRC since its formation. On June 1, 2010, Quadrainvest assumed responsibilities as manager of the Funds from its affiliate, Quadrainvest Inc., pursuant to an assignment of the relevant management contracts, and at such time the composition of the IRC was confirmed by Quadrainvest.

None of the members of the IRC owns any shares or units of any of the Funds as at the date of this report.

Compensation

Members of the IRC each currently receive compensation of \$15,000 per annum (\$25,000 per annum for the chair of the IRC) plus reimbursement of expenses. The costs of this compensation are apportioned among the Funds in Quadrainvest’s discretion but in accordance with its allocation policies in this regard. The amount of compensation so allocated to a particular Fund in a fiscal year is disclosed in the Fund’s annual information form in respect of that fiscal year.

The initial compensation for IRC members was set by the predecessor manager to Quadrainvest and applied until April 30, 2009. The IRC has been entitled to set its own compensation for periods subsequent to April 30, 2009. Decisions in this regard are based on its assessment of the amount of time and effort involved in acting as the IRC of the Funds and its understanding what other investment funds are then paying for comparable services.

No direct expenses were reimbursed to IRC members during the Reporting Periods of the Funds. While each member of the IRC has been indemnified out of the assets of each Fund, no claim was made under any such indemnity in respect of a Fund during the Reporting Period for that Fund.

Activities of the IRC During the Reporting Period

1. Meeting of February 22, 2018 (Annual Meeting)

Present at the meeting were each of the members of the IRC, Peter Cruickshank and Silvia Gomes of Quadrainvest and Michael Sharp of Blake, Cassels & Graydon LLP, counsel to Quadrainvest.

Approval of the Minutes of 2017 IRC Meetings

Minutes of the meetings of the IRC held on February 16, 2017 and September 25, 2017, being the only meetings of the IRC held in 2017, had previously been provided to and commented on by members of the IRC by email, and it was noted that copies were in the meeting materials. Members of the IRC indicated that such minutes had been reviewed by the IRC in advance of the meeting and on motion duly made and seconded, confirmed that such minutes were duly approved.

Report of Quadrainvest to the IRC

Ms. Gomes next tabled a report from Quadrainvest to the IRC relating to the Funds during 2017, which had been sent out to IRC members prior to the meeting. The members of the IRC indicated that they had read such report. In general, Ms. Gomes noted that the IRC report was very consistent with prior years and then reviewed such report.

The IRC asked if there had been any breaches of Quadrainvest's various conflict of interest policies in the past year, and Quadrainvest confirmed that there had not been.

After discussion, and on motion duly made and seconded, the report of Quadrainvest to the IRC was accepted unanimously, and such report was directed to be attached to the minutes of the meeting.

Confirmation of Existing Standing Instructions

The IRC then reviewed each of the four existing standing instructions, relating to (i) the use of soft dollars, (ii) inter-Fund trading, (iii) purchases of securities of related and connect issuers and (iv) future fund offerings. Copies of the existing standing instructions had been provided to members of the IRC in advance of the meeting.

After discussion, on motion duly made and seconded, the existing standing instructions were approved and confirmed for the then-current fiscal year of the Funds.

Review and Approval of the IRC Report to Securityholders of the Funds

The next item of business before the meeting was to review and approve the draft IRC report ("IRC report") for the Funds, in respect of their fiscal year ended November 30, 2017 (December 31, 2017 in the case of Income Financial Trust). This IRC report had been sent to all members of the IRC prior to the meeting.

Reappointment of IRC members

It was noted that pursuant to the requirements of National Instrument 81-107, members of the IRC could not continue beyond the expiration of their current term on April 30, 2017 without the approval of Quadrainvest. It was confirmed that Quadrainvest did so approve each member of the IRC continuing to so

act and that it was Quadravest's recommendation that the compensation levels remain unchanged. Each member of the IRC then confirmed his willingness to serve on the IRC for an additional year.

As each member of the IRC was able and willing to continue, it was unanimously determined that no changes would be made to the composition of the IRC for the period commencing May 1, 2018.

Annual IRC Assessment

The next item of business was a review and assessment by the IRC of its effectiveness as a committee and the contribution made by each member, including a review of the IRC charter, a consideration of the competence and knowledge each member is expected to bring, including their collective experiences and background, a consideration of the level of complexity of the issues reasonably expected to be raised by members in respect of matters under review, the ability of each member to contribute the time necessary for the IRC to function effectively, in light of the frequency of meetings and number and type of funds, the substance of meeting agendas and the quality/usefulness of the materials Quadravest provides to the IRC, and Quadravest's policies regarding when matters are to be referred to the IRC.

After discussion, which included confirmation of the continued independence of each member of the IRC and their ability to contribute the necessary time to serve effectively on the IRC, the IRC unanimously concluded that its effectiveness as a committee was satisfactory.

Compensation Review

The next item of business was a review by the IRC of its compensation, with a view to setting its compensation for the 12 month period commencing May 1, 2018. Such review included the IRC's own assessment of what its compensation ought to be, in light of (i) the number, nature and complexity of the Funds for which it acted, (ii) the nature and extent of its workload and required time commitment, (iii) industry best practices, and (iv) the best interests of the Funds, as well as Quadravest's recommendation as to the appropriate compensation to be paid. After discussion, the IRC unanimously determined that its compensation for the 12 month period commencing May 1, 2018 would remain unchanged, consistent with the recommendation of Quadravest in this regard, subject to the reappointment of the members of the IRC as discussed above.

Mr. Cruickshank, Ms. Gomes and Mr. Sharp rejoined the meeting.

Termination

There being no further business before the meeting, the IRC unanimously agreed that the meeting be terminated.

2. *Meeting of September 2018 (Special Meeting)*

Canadian Banc Corp., Prime Dividend Corp., US Financial 15 Split Corp. and Canadian Life Companies Split Corp. had scheduled termination dates of December 1, 2018, and Income Financial Trust had a scheduled termination date of January 1, 2019. As previously approved by shareholders, the termination date of each such Fund could be extended at the discretion of their respective boards of directors (at the discretion of Quadravest for Income Financial Trust). In connection with the term extensions, changes to future dividend entitlements for Preferred Shares may be considered by Quadravest and the Fund directors. As recommended by Quadravest the boards of directors of these Funds approved certain proposed term extensions as detailed below.

Company	Current Term	Current Preferred Share Rate	Proposed Term	Proposed Preferred Share Rate
Canadian Banc Corp.	5 years ending Dec 1, 2018	Prime + 0.75% per annum of Preferred share Minimum / Maximum Range 5 – 7%	5 years ending Dec 1, 2023	Prime + 1.50% per annum of Preferred share Minimum / Maximum Range 5 – 8%
Prime Dividend Corp.	5 years ending Dec 1, 2018	Prime + 0.75% per annum of Preferred share Minimum / Maximum Range 5 – 7%	5 years ending Dec 1, 2023	Prime + 2.35% per annum of Preferred share Minimum / Maximum Range 5 – 8%
US Financial 15 Split Corp.	6 years ending Dec 1, 2018	5.25% per annum based on the NAV per unit as at the end of the preceding month Maximum of \$0.04375 per Preferred share per month	6 years ending Dec 1, 2024	10.0% per annum based on NAV per unit as at the end of the preceding month Maximum \$0.0833 per Preferred share per month (10.00% of Notional Preferred share)
Canadian Life Companies Split Corp.	6 years ending Dec 1, 2018	6.25% per annum of Preferred share based on the original issue price	6 years ending Dec 1, 2024	Greater of: 6.5% (based on original issue price) or Prime + 2%. Maximum \$0.0667 per Preferred share per month (8% of Notional Preferred Share)

In addition Quadravest proposed that Income Financial Trust's 5 year term ending January 1, 2019 be extended for an additional 5 years ending January 1, 2024.

Quadravest referred each of these term extensions to the IRC for its review and recommendation. After considering the information provided by Quadravest, the IRC concluded that each such term extension, on the terms set forth above, achieved a fair and reasonable result for the shareholders of these Funds.

3. *Reliance upon IRC Standing Instructions*

During the Reporting Period, Quadravest relied upon standing instructions of the IRC with respect to the additional issuances by the Funds of shares or units to the public and confirms to the IRC that, for the reporting period, the following offerings were made by the following Funds in reliance on and in compliance with the terms of its conflicts of interest policy regarding future fund offerings:

<u>Name of Fund</u>	<u>Gross Proceeds Raised</u>	<u>Number and Classes of Shares Issued</u>	<u>Closing Date(s)</u>
Dividend 15 Split Corp.	\$103,893,900	4,971,000 Preferred Shares and 4,971,000 Class A Shares	January 31, 2018
Dividend Select 15 Corp.	\$7,814,700	914,000 Equity Shares	March 21, 2018
Financial 15 Split Corp.	Approximately \$38,740,000 (Class A Shares exchange offering for holders of units of SCITI Trust and Preferred Share issuance)	2,035,942 Class A Shares and 2,035,942 Preferred Shares	April 24, 2018 (issuance of Class A Shares under the exchange offer) and April 30, 2018 (issuance of Preferred Shares)
Canadian Banc Corp.	\$68,065,250	2,915,000 Preferred Shares and 2,915,000 Class A Shares	May 23, 2018
Financial 15 Split Corp.	\$104,211,800	5,159,000 Preferred Shares and 5,159,000 Class A Shares	May 31, 2018
Dividend 15 Split Corp.	Approximately \$22,200,000 (Exchange offering for holders of shares of BCE Inc. or TransCanada Corporation)	1,114,478 Preferred Shares and 1,114,478 Class A Shares	June 28, 2018
North American Financial 15 Split Corp.	\$62,888,100	3,363,000 Preferred Shares and 3,363,000 Class A Shares	August 16, 2018

Quadravest also relied upon standing instructions from the IRC with respect to its soft dollar arrangements.

Availability of this Report

This Report is required to be filed on SEDAR (the System for Electronic Document Analysis and Retrieval, found at www.sedar.com) and on each Fund's website. A copy was delivered to QuadraVest on the date hereof. A Fund is required to provide a copy of this report to securityholders of the Fund free of charge upon request to the Fund at Investor Relations, 200 Front Street West, Suite 2510, Toronto, ON M5V 3K2.

February 25, 2019