

**INDEPENDENT REVIEW COMMITTEE
OF
SCEPTRE MUTUAL FUNDS
("Sceptre Funds")**

**REPORT TO SECURITYHOLDERS
FOR THE PERIOD FROM
JANUARY 1, 2009 TO DECEMBER 31, 2009**

Sceptre Investment Counsel Limited, as manager of the Sceptre Mutual Funds, appointed three individuals to act as the independent review committee for the Sceptre Funds as of and from May 1, 2007. All members of the Independent Review Committee are independent from Sceptre Investment Counsel Limited and persons and companies related to Sceptre Investment Counsel Limited. The Independent Review Committee carries out the mandate for independent review committees of publicly offered mutual funds required by securities regulators.

Member	Length of Service - Date First Appointed
Robert F. Kay (Chair)	2 years & 8 months – May 1, 2007
Charles R. Moses	2 years & 8 months – May 1, 2007
Jerry Patava	2 years & 8 months – May 1, 2007

Compensation and Indemnities Paid to the Independent Review Committee

The compensation paid to the members of the Independent Review Committee since their appointment was set by Sceptre Investment Counsel Limited, in its capacity as manager of the Sceptre Funds and not by the members of the Independent Review Committee. At least annually, the IRC will review compensation giving consideration to the following:

1. the best interests of the Sceptre Funds;
2. the number, nature and complexity of the Sceptre Funds for which the IRC acts;
3. 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;
4. industry best practices, including industry averages and surveys on IRC compensation;
5. the Manager's recommendations, if any; and
6. the IRC's most recent assessment, if any, of its compensation.

The aggregate compensation paid to the members of the Independent Review Committee, in their capacity as the independent review committee for the Sceptre Funds, for the year from January 1, 2009 to December 31, 2009 was \$60,500. Each Sceptre Fund paid a pro rata share of this compensation.

No payments were made to a member of the Independent Review Committee under any indemnity granted in their favour during the year ended December 31, 2009.

Ownership of Securities by the Independent Review Committee

Sceptre Funds

As at December 31, 2009, no member of the Independent Review Committee owned beneficially, directly or indirectly, any units of any class of Sceptre Funds.

Manager

As at December 31, 2009, no member of the Independent Review Committee owned beneficially, directly or indirectly, any class or series of shares of Sceptre Investment Counsel Limited, the manager of the Sceptre Funds.

Service Providers

As at December 31, 2009, no member of the Independent Review Committee owned beneficially, directly or indirectly, any securities of any person or company that provides services to any of the Sceptre Funds or Sceptre Investment Counsel Limited.

Duties of Independent Review Committee

As of and from November 1, 2007, the Independent Review Committee carried out the mandate prescribed by the Canadian securities regulators for independent review committees of publicly offered investment funds. It considers conflict of interest matters that Sceptre Investment Counsel Limited refers to it for its recommendations, and where applicable, its approval. The Independent Review Committee considers conflicts of interest matters referred to it and makes recommendations back to Sceptre Investment Counsel Limited on whether or not the Independent Review Committee believes the proposed action of Sceptre Investment Counsel Limited will achieve a fair and reasonable result for the Sceptre Funds. Where appropriate, the Independent Review Committee gives Sceptre Investment Counsel Limited standing instructions to comply with its policies and procedures established to manage any conflict of interest matter and to report periodically to the Independent Review Committee on the matter.

Under the applicable securities rules, Sceptre Investment Counsel Limited and the Independent Review Committee were required to fully comply with the rules as of November 1, 2007.

During the year from January 1, 2009 to December 31, 2009, Sceptre Investment Counsel Limited relied on positive recommendations granted by the Independent Review Committee relating to the following conflicts of interest matters referred to the Independent Review Committee:

1. Fund Operating Expenses and Allocation Policy;
2. Trading Policies – Best Execution and Trade Allocation (including broker selection);
3. Employee Personal Trading Policy;
4. Short-Term Trading Policy;
5. Soft Dollar Policy;
6. Fund Valuations/Fair Value Policy;
7. Net Asset Value Error Correction Policy;

In all cases, the Independent Review Committee gave Sceptre Investment Counsel Limited standing instructions to follow its policies and procedures related to the applicable conflict of interest matter in all material respects and to report to the Independent Review Committee on a periodic basis.

This Report to Securityholders for the year ended December 31, 2009 made by the Independent Review Committee for the Sceptre Funds is dated as of March 22 2010 and is addressed to the Securityholders of:

Sceptre Income & Growth Fund

Sceptre Bond Fund

Sceptre Canadian Equity Fund

Sceptre Equity Growth Fund

Sceptre Global Equity Fund

Sceptre Money Market Fund

Sceptre High Income Fund

Sceptre U.S. Equity Fund

Sceptre Large Cap Canadian Equity Fund