



INDEPENDENT REVIEW COMMITTEE

Report in Respect of the Fiscal Year Ended November 30, 2013 for:

<i>Canadian Banc Corp.</i>	<i>Canadian Life Companies Split Corp.</i>	<i>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>Financial 15 Split Corp. II</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, 2013 for:

Income Financial Trust

Quadravest Capital Management Inc. (“Quadravest”) is the manager (within the meaning of such term in National Instrument 81-102 – *Mutual 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. 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. 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., Financial 15 Split Corp. II, M 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, 2012 and ending on November 30, 2013, or commencing on January 1, 2013 and ending on December 31, 2013, as applicable.

On December 1, 2013, Capital Gains Income STREAMS Corporation and Income STREAMS III Corporation merged into Dividend 15 Split Corp. Accordingly, this report does not relate to Capital Gains Income STREAMS Corporation or Income STREAMS III Corporation.

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 QuadraVest 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 QuadraVest. Prior to joining QuadraVest, 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. Thornhill also serves on the IRC of the CIBC mutual funds.

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, QuadraVest assumed responsibilities as manager of the Funds from its affiliate, QuadraVest Inc., pursuant to an assignment of the relevant management contracts, and at such time the composition of the IRC was confirmed by QuadraVest.

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 chairman of the IRC) plus reimbursement of expenses. The costs of this compensation are apportioned among the Funds in QuadraVest’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 Quadravest 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

Meeting of February 21, 2013 (All Funds)

The IRC met on February 21, 2013 and was provided with a report by Quadravest on the following policies and procedures of Quadravest, which had been prepared or revised to reflect the provisions of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Responsibilities*:

- (a) the Use of Soft Dollars;
- (b) Inter-Fund Trading;
- (c) the Purchase of Securities of Related or Connected Issuers and of Certain Other Issuers;
- (d) the Fairness in the Allocation of Investment Opportunities;
- (e) Referral Arrangements;
- (f) Allocation of Common Expenses; and
- (g) Correction of Fund Valuation / Pricing Errors.

At such meeting, certain standing instructions were also considered by the IRC, following a report from Quadravest as to their use during the previous Reporting Period of the Funds, as follows:

- (a) standing instructions relating to the Statement of Policies with respect to the Use of Soft Dollars;
- (b) standing instructions relating to the Statement of Policies with respect to Inter-Fund Trading; and
- (c) standing instructions relating to the Statement of Policies regarding the Purchase of Securities of Related or Connected Issuers and of Certain Other Issuers.

Such standing instructions were confirmed by the IRC in respect of the ensuing fiscal years of the Funds.

In accordance with the requirements of NI 81-107, QuadraVest confirmed that it approved the continuing appointment of each member of the IRC beyond the expiry of their current terms on April 30, 2013. The IRC then conducted a review of its effectiveness, and concluded that its effectiveness as a committee was satisfactory. It was therefore unanimously determined that no changes to the composition of the IRC would be made for the period commencing May 1, 2013. The IRC also undertook a review of its compensation, and determined that its compensation for the period commencing May 1, 2013 would be unchanged, consistent with the recommendation of QuadraVest in this regard.

At such meeting, it was also confirmed that the three executive officers of QuadraVest had made the required statutory declarations regarding their compliance with the personal trading policies of QuadraVest in respect of the calendar year ended December 31, 2012.

Finally, at the February 21, 2013 meeting, QuadraVest provided an update to the IRC on the proposed amalgamation of Capital Gains Income STREAMS Corporation and Income STREAMS III Corporation into Dividend 15 Split Corp.

Meeting of April 5, 2013 (Dividend 15 Split Corp., Dividend 15 Split Corp. II and Income Financial Trust)

At this meeting, the IRC concluded and so advised QuadraVest that:

- (a) calling a special meeting of the unitholders of Income Financial Trust to consider the merger of such Fund into Dividend Select 15 Corp. on the basis discussed at the April 5 meeting would achieve a fair and reasonable result for such unitholders;
- (b) calling a special meeting of the shareholders of Dividend 15 Split Corp. II to consider the extension of the term of such Fund on the basis discussed at the April 5 meeting would achieve a fair and reasonable result for such shareholders;
- (c) calling a special meeting of the shareholders of Dividend 15 Split Corp. to consider the extension of the term of such Fund and the merger of Capital Gains Income STREAMS Corporation and Income STREAMS III Corporation into Dividend 15 Split Corp. on the basis discussed at the April 5 meeting would achieve a fair and reasonable result for such shareholders; and
- (d) calling a special meeting of the shareholders of Capital Gains Income STREAMS Corporation and Income STREAMS III Corporation to consider a merger of such Funds into Dividend 15 Split Corp. on the basis discussed at the April 5 meeting would achieve a fair and reasonable result for such shareholders.

Meeting of May 17, 2013 (Income Financial Trust)

At a meeting of the IRC held on April 5, 2013, the IRC had considered and approved the calling of a special meeting of unitholders of Income Financial Trust to consider the merger of the Fund into Dividend Select 15 Corp. At a subsequent meeting held May 17, 2013, Mr. Cruickshank informed the IRC that QuadraVest had recently made a decision not to seek unitholder approval for such a merger, but rather to seek an extension to the term of Income Financial Trust, as a

result of the improving market performance of U.S. financial companies relative to Canadian financial stocks as measured by the S&P 500 Financial Index and the S&P TSX Financial Index, respectively.

Following discussion, the IRC unanimously concluded and so advised QuadraVest that calling a special meeting of unitholders of Income Financial Trust to consider the extension of the term of the Fund on the basis discussed at the May 17 meeting would achieve a fair and reasonable result for such unitholders.

Meeting of September 23, 2013 (Dividend 15 Split Corp.)

At a meeting held on September 23, 2013, IRC was advised that Dividend 15 Split Corp. was proposing to do a further offering of Preferred Shares and Class A Shares, using a short form prospectus (the “Public Offering”), on a basis which would not be dilutive to existing shareholders. Members of the IRC were also informed that it was intended that there be a concurrent private placement of Class A Shares of Dividend 15 Split Corp. (the “Private Placement”), with the number of Class A Shares to be sold in the Public Offering being reduced by the number of Class A Shares sold in the Private Placement. After discussion, the IRC unanimously concluded and so advised QuadraVest that the Public Offering proposed to be undertaken by the Fund, on the terms discussed at the September 23 meeting and as reflected in the draft preliminary short form prospectus reviewed by the IRC, and the Private Placement, together achieved a fair and reasonable result for shareholders of the Fund.

Meeting of October 22, 2013 (Dividend 15 Split Corp.)

At the meeting held October 22, 2013, the IRC unanimously concluded and so advised QuadraVest as follows:

Having considered the proposed amalgamation of Dividend 15 Split Corp., Capital Gains Income STREAMS Corporation and Income STREAMS III Corporation (the “Proposed Amalgamation”), and in particular having regard to (i) the similarities between Dividend 15 Split Corp. today and the corporation resulting from the Proposed Amalgamation (“New Dividend 15 Split Corp.”), (ii) the fact that the assets of Capital Gains Income STREAMS Corporation and Income STREAMS III Corporation to be contributed on the Proposed Amalgamation and to be received by New Dividend 15 Split Corp. will consist entirely of cash, and (iii) the other terms of the Proposed Amalgamation, the Independent Review Committee of Dividend 15 Split Corp. is of the opinion, after reasonable enquiry, that the Proposed Amalgamation achieves a fair and reasonable result for the shareholders of Dividend 15 Split Corp.

Having further considered the Proposed Amalgamation from the perspective of Capital Gains Income STREAMS Corporation and Income STREAMS III Corporation, and in particular having regard to (i) the special retraction right afforded to shareholders of Capital Gains Income STREAMS Corporation and Income STREAMS III Corporation, which provides such shareholder with the right to exit their investment in those corporations on November 30, 2013 on the same basis as if such corporations were to be terminated in accordance with their terms on December 1, 2013, and (ii) the other terms of the Proposed Amalgamation, the Independent Review Committee of Capital Gains Income STREAMS Corporation and Income STREAMS III

Corporation is of the opinion, after reasonable enquiry, that the Proposed Amalgamation achieves a fair and reasonable result for the shareholders of each of Capital Gains Income STREAMS Corporation and Income STREAMS III Corporation.

Meeting of October 29, 2013 (Financial 15 Split Corp.)

At a meeting held on October 29, 2013, IRC was advised that Financial 15 Split Corp. was proposing to do a further offering of Preferred Shares and Class A Shares, using a short form prospectus (the "Offering"), on a basis which would not be dilutive to existing shareholders. After discussion, the IRC unanimously concluded and so advised Quadrainvest that the Offering proposed to be undertaken by the Fund, on the terms discussed at the October 23 meeting and as reflected in the draft preliminary short form prospectus reviewed by the IRC, achieved a fair and reasonable result for shareholders of the Fund.

Meeting of November 8, 2013 (Financial 15 Split Corp.)

Members of the IRC were advised by email that as part of the final regulatory filing to complete the offering of Financial 15 Split Corp. that raised \$25,012,000 on October 31, 2013 (such offering having been approved by the IRC at the meeting held on October 29, 2013), the Ontario Securities Commission asked Quadrainvest to confirm that the IRC would approve the calling of a shareholders meeting of this Fund to extend its termination date, otherwise scheduled for December 1, 2015.

The members of the IRC then each approved a resolution that the calling and holding of a meeting of the shareholders of Financial 15 Split Corp. for the purpose of having such shareholders consider an extension of the termination date of this Fund achieves a fair and reasonable result for such shareholders.

Meeting of November 17, 2013 (Dividend 15 Split Corp. II)

At the meeting held on November 17, 2013, members of the IRC were advised that Dividend 15 Split Corp. II was proposing to do a further offering of Preferred Shares and Class A Shares, using a short form prospectus (the "Offering"), on a basis which would not be dilutive to existing shareholders. After discussion, the IRC unanimously concluded and so advised Quadrainvest that the Offering proposed to be undertaken by the Fund, on the terms discussed at the November 17 meeting and as reflected in the draft preliminary short form prospectus reviewed by the IRC, achieved a fair and reasonable result for shareholders of the Fund.

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 Quadrainvest 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, Royal Trust Tower, 77 King Street West, P.O. Box 341, Toronto, Ontario M5K 1K7.

February 26, 2014