

**REPORT TO SECURITY HOLDERS, March 28, 2008**

**INDEPENDENT REVIEW COMMITTEE (“COMMITTEE”)  
MERITAS FINANCIAL INC.**

1. The Committee held its initial meeting on September 27, 2007
2. The names and positions of the Committee members are as follows:

Dave Cornies  
President  
Energy Source Canada Inc.  
Guelph, Ontario

Monique Gervais  
Finance Analyst  
METAFORE IT Solutions  
Waterloo, Ontario

Ernie Regehr  
Senior Policy Advisor  
Project Ploughshares  
Waterloo, Ontario  
and  
Adjunct Associate Professor  
Peace and Conflict Studies  
Conrad Grebel University College  
University of Waterloo  
Waterloo, Ontario

Each of the Committee members has served since the inception of the Committee. None of the Committee members serve on the Committee of any other fund family.

3. None of the Committee members own any securities in any class or series of voting or equity securities of the investment fund or its manager. Monique Gervais and Ernie Regehr each own ownership benefit shares in Mennonite Savings and Credit Union (Ontario) Ltd. in which they constitute two members out of a total credit union membership in excess of sixteen thousand persons and other entities.
4. David Cornies is the Chair of the Committee.
5. There have been no changes in the composition or membership of the Committee since its inception.

6. There is no compensation paid to the members of the Committee however the members are indemnified by the manager which indemnity is supported by insurance in order to limit each member's financial exposure.

7. There have been no instances where the manager acted in a conflict of interest matter referred to the Committee for which the Committee did not give a positive recommendation.

8. There have been no instances when the manager acted in a conflict of interest matter but did not meet a condition imposed by the Committee in its recommendation or approval.

9. At the September 27, 2008 meeting the Committee i) approved its Charter, ii) reviewed Management's Policies and Procedures related to the Committee, iii) approved the appointment of Mennonite Mutual Aid, Inc. as the provider of research and consultation related to SRI compliance by the Meritas US Equity Fund, notwithstanding that Mennonite Mutual Aid Inc. is a shareholder of Meritas Financial Inc., iv) approved the provision of general banking services consisting primarily of fund transfer services and bank accounts for all Meritas funds by Mennonite Savings And Credit Union (Ontario) Ltd., notwithstanding that the latter is a shareholder of Meritas Financial Inc. and v) approved the purchase by Meritas Financial Inc. of the asset backed commercial paper owned by Meritas Canadian Bond Fund and Meritas Money Market Fund. There was general discussion regarding the general responsibilities of the Committee which, without limiting the generality of the foregoing, included reiteration of the need to deal with conflict issues presented by the CEO, the need to report regularly to security holders and the need to ensure the Committee's Charter is updated as necessary.

Respectfully submitted by  
David Cornies, Chair  
March 28, 2008