

**Annual Report of the Independent Review Committee to the Securityholders of the  
Hamilton Group of Funds**

March 21, 2022

Dear Securityholder,

In accordance with **National Instrument 81-107 *Independent Review Committee for Investment Funds*** (“NI 81107” or the “Instrument”), the Manager established an Independent Review Committee (the “Committee” or “IRC”) for the Funds on January 19, 2016. The IRC has functioned in accordance with the applicable securities laws and is composed of three individuals, each of whom is independent of the Fund, the Manager and each entity related to the Manager (as defined in the Instrument).

The IRC is pleased to publish its annual report to securityholders, covering the period from January 1, 2021 to December 31, 2021 (the “Reporting Period”).

**Mandate of the IRC**

In accordance with the Instrument, the mandate of the IRC is to consider and provide decisions to the Manager on conflicts of interest to which the Manager may be subject when managing the Fund. The Manager is required under the Instrument to identify potential conflicts of interest inherent in its management of the Fund, develop written policies and procedures guiding its management of those conflicts and request input from the IRC on those written policies and procedures, (hereinafter referred to as the “Conflict of Interest Matters manual”).

When a conflict matter arises, the Manager must refer its proposed course of action in respect of such conflict to the IRC for its review. While certain matters require the IRC's prior approval, in most cases the IRC will provide a decision to the Manager as to whether or not, in the opinion of the IRC, the Manager's proposed action provides a fair and reasonable result for the Fund. For recurring conflict of interest matters, the IRC can provide the Manager with Standing Instructions (“SIs”) that enable the Manager to proceed with certain matters without having to refer them to the IRC each time for approval, providing the Manager deals with the conflicts in accordance with the SIs.

The IRC is empowered to represent the best interest of the Funds in any matter where the Manager has referred a conflict of interest matter to it. In those cases, the IRC has sought to ensure that the Manager's proposed course of action represents a fair and reasonable result for the Fund.

The IRC has engaged Independent Review Inc. to assist it in its duties in accordance with the provisions of the Instrument and the IRC's written charter, to provide certain administrative and record keeping functions, and to act as the IRC's independent secretariat.

## **Composition of the IRC**

The current members of the IRC, and their principal occupations, are as follows:

<b>Name and Municipality of Residence</b>	<b>Principal Occupation</b>	<b>Term of Office</b>
Chair: R. Warren Law, Toronto, Ontario	Financial Services Lawyer	Initially Appointed January 19, 2016  Re-appointment Term: Three years from January 1, 2022
Sue Fawcett, Calgary, Alberta	Chartered Financial Analyst	Initially Appointed: January 19, 2016  Resigned effective December 31, 2021
Geoff Salmon, Barrie, Ontario	Managing Director, Independent Review Inc.	Initially Appointed: January 19, 2016  Re-appointment Term: Three years, from January 1, 2020
Bruce Friesen, Oakville, Ontario	President, Global Investments Solutions Inc.	Initially Appointed January 1, 2022 until December 31, 2024

Sue Fawcett resigned effective December 31, 2021. The IRC interviewed several candidates and on October 4, 2021, the IRC met and appointed Bruce Friesen to the IRC for a period of three years effective January 1, 2022.

Warren Law' term was renewed on March 21, 2022 for a period of three years effective January 1, 2022. The re-appointment extended Mr. Law's total years of service beyond the 6 year term limit set out in the Instrument. However, the Manager has provided its consent to and agreement with the re-appointment beyond the 6 year term limit in accordance with the provisions of the Instrument.

## **Compensation and Indemnification**

### **Review of Compensation**

At least annually, the IRC reviews its compensation considering the following:

- the nature and extent of the workload of each member of the IRC, including the commitment of time and energy expected from each member;
- the number of meetings required by the IRC including special meetings to consider conflict issues brought to the committee;

- industry best practices, including industry averages and surveys on IRC compensation; and,
- the complexity of the conflict issues brought to the IRC.

The IRC reviewed comparable benchmarks and the above factors with the Manager and agreed to increase the fees for the IRC to \$30,000 annually, effective January 1, 2022.

### **Members' Fees**

In aggregate, the IRC members were paid \$16,000 in 2021, plus applicable taxes.

### **Indemnities Granted**

The Funds and the Manager have provided each IRC Member with a contractual indemnity in keeping with NI 81-107. No payments were paid to the IRC Members pursuant to this indemnity by the Funds or the Manager during the Reporting Period.

### **Disclosure of IRC Members' Holdings**

As of December 31, 2021, the IRC Members did not beneficially own, directly or indirectly:

- any units of any of the Hamilton Funds;
- any interests in the Manager; or,
- any interests in a company or person that provides services to the Manager or the Fund.

### **Decisions and Approvals**

There were no decisions or approvals during the Reporting Period.

### **Standing Instructions Approved**

The IRC has approved one SI, which constitute a written approval or decision from the IRC that permits the Manager to proceed with the specific action(s) set out in an SI on an ongoing basis, without having to refer the conflict of interest matter or its proposed action to the IRC, provided that the Manager complies with the terms and conditions of the SI. The SI required the Manager to comply with its related policy and procedures and to report periodically to the IRC.

### **Standing Instruction No. 1: Omnibus**

This SI deals with a number of conflicts of interest matters including:

1. Fees and Expenses
2. Trade Allocations
3. Portfolio Pricing Issues

4. Pricing Errors and other Errors
5. Broker Selection
6. Showing Favoritism
7. Outsourcing to Third-party Services
8. Personal Trading
9. Client Complaints
10. Capacity Issues

### **Manager's Report on its Standing Instructions**

In accordance with the Instrument, the Manager provided a written report to the IRC describing its reliance on the SI during the Reporting Period. The Manager relied on the SI during the Reporting Period.

### **Funds Served by the IRC**

Hamilton Global Financials ETF  
Hamilton U.S. Mid/Small-Cap Financials ETF  
Hamilton Canadian Bank Mean Reversion Index ETF  
Hamilton Australian Bank Equal-Weight Index ETF  
Hamilton Financials Innovation ETF  
Hamilton Enhanced Canadian Bank ETF  
Hamilton Enhanced Multi-Sector Covered Call ETF  
Hamilton Enhanced Canadian Financials ETF

Hamilton Enhanced U.S. Covered Call ETF This report is available on Manager's website at <http://www.hamiltonetfs.com> or you may request a copy, at no cost to you, by contacting the Manager at 416-941-9888 or by emailing the Funds [info@hamiltonetfs.com](mailto:info@hamiltonetfs.com). This document and other information about the Funds are available on [www.sedar.com](http://www.sedar.com).

Yours truly,

Warren Law  
Warren Law,  
Chair Hamilton IRC

## **Schedule of all the Independent Review Committees that the IRC Members Sit on**

### **Warren Law serves as a member of the Independent Review Committees for the following funds:**

Investment funds that are reporting issuers managed by Hamilton Capital Partners Ltd.;

Investment funds that are reporting issuers managed by the Horizons Group; and,

Investment funds that are reporting issuers managed by Manulife Asset Management Limited

### **Sue Fawcett serves as a member of the Independent Review Committees for the following funds:**

Investment funds that are reporting issuers managed by Hamilton Capital Partners Ltd.;

*(Resigned effective December 31, 2021)*

Investment funds that are reporting issuers managed by the Horizons Group.; and,

*(Resigned effective December 31, 2021)*

Investment funds that are reporting issuers managed by Willoughby Asset Management Inc.

*(Resigned effective December 31, 2021)*

### **Geoff Salmon serves as a member of the Independent Review Committees for the following funds:**

Investment Funds that are reporting issuers managed by Accelerate Financial Technologies Inc.;

Investment Funds that are reporting issuers managed by Algonquin Capital Corp.;

Investment Funds that are reporting issuers managed by Edgehill Partners.;

Investment funds that are reporting issuers managed by Federated Investors Canada ULC.;

*(Ceased to be a member November 12, 2021)*

Investment funds that are reporting issuers managed by Genus Capital Management Inc.

Investment funds that are reporting issuers managed by Hamilton Capital Partners Ltd.;

Investment funds that are reporting issuers managed by Integra Capital Limited;

Investment Funds that are reporting issuers managed by McElvaine Investment Management Ltd.;

and,

Investment funds that are reporting issuers managed by Next Edge Capital Corp.

### **Bruce Friesen serves as a member of the Independent Review Committees for the following funds:**

Investment funds that are reporting issuers managed by Emerge Canada Inc.;

Investment funds that are reporting issuers managed by NewGen Asset Management Limited; and,

Investment funds that are reporting issuers managed by Hamilton Capital Partners Limited.

*(Appointed as a member effective January 1, 2022)*