



## **Ravensource Fund Independent Review Committee 2024 Report to Securityholders**

Dear Securityholder,

In response to National Instrument 81-107 and to provide an arms-length body to deal with matters involving potential conflicts of interest between the Ravensource Fund (“Ravensource” or “Fund”) and the Investment Manager – Stornoway Portfolio Management Inc. (“Stornoway”) – Ravensource has established and maintained an Independent Review Committee (“IRC”) since 2007.

Under NI 81-107, the Ravensource IRC’s mandate is to review and consider potential conflicts of interests referred to us by the Investment Manager and make approvals and recommendations on whether a proposed course of action achieves a fair and reasonable result for Ravensource. On an annual basis, the IRC will review whether the policies and procedures of the Investment Manager related to conflicts of interest are effective and adequate. We are guided by the responsibility of the Investment Manager to place the interests of the investment funds that it manages, including Ravensource, above its own interests and the interests of its officers and employees at all times. To fulfill our role, we note that all three members of the IRC are independent of Stornoway and its affiliates and have extensive experience in investing and general business matters.

On March 21, 2024, the Canadian Securities Administrators (“CSA”) published CSA Multilateral Staff Notice 81-337, outlining its findings and guidance from a targeted review by the Ontario Securities Commission (“OSC”) and the Autorité des marchés financiers (“AMF”) of investment funds with Independent Review Committees (the “CSA Report”). Ravensource’s IRC and Investment Manager have thoroughly reviewed the CSA Report and will implement select recommendations in 2025 to further strengthen our oversight.

We’re pleased to serve Ravensource’s investors and share this annual report for the year ended December 31, 2024. You can access the report at [www.ravensource.ca](http://www.ravensource.ca), or request a copy at no cost by contacting Stornoway at 416-250-2845 or [info@stornowayportfolio.com](mailto:info@stornowayportfolio.com). Additional information is also available on [www.sedar.com](http://www.sedar.com).

Michael Siskind

Chair of the Ravensource Fund Independent Review Committee  
March 26, 2025

## **Ravensource Independent Review Committee 2024 Report to Securityholders**

The Independent Review Committee (IRC) is required to annually report its activities to Ravensource's securityholders each fiscal year. The IRC held its 2024 annual meeting (the "2024 Annual Meeting") on November 19, 2024, in person at Stornoway's office at 30 St Clair Avenue West, Suite #901, Toronto Ontario. This report summarizes the IRC's activities over 2024.

### **Composition of the Independent Review Committee**

The composition of the IRC did not change in 2024.

The membership of Ravensource's IRC as of December 31, 2024, is as follows:

<b>Name and municipality of residence</b>	<b>Principal Occupation</b>	<b>Term of Office</b>
Michael Siskind, Chair Toronto, Ontario	Founder, Decade Capital Corporation	Initially Appointed: May 2007  Re-appointed in December 2023 for a 3-year term with effect from December 28, 2023.
David Magahey London, Ontario	Founder and Managing Director, FourCourt Advisors Ltd	Initially Appointed: May 2007  Re-appointed in November 2024 for a 1-year term with effect from December 31, 2025.
Steve Schaus Aurora, Ontario	President and Global COO, People 2.0	Initially Appointed: September 2018  Re-appointed in December 2022 for a 3-year term with effect from December 31, 2022.

At the 2024 Annual Meeting, the Independent Review Committee ("IRC") and the Investment Manager confirmed the independence of the IRC members, the committee's overall effectiveness, and that none of the members currently serve on the IRC of another investment fund.

On March 21, 2024, the Ontario Securities Commission ("OSC") and the Autorité des marchés financiers ("AMF") published a report (the "CSA Report") summarizing their findings and recommendations following a targeted review of investment funds with an Independent Review Committee. Notably, the CSA Report recommended a six-year maximum term limit for IRC members, except in limited circumstances.

Ravensource's IRC reviewed and accepted this recommendation and will implement changes over the course of 2025 to align with the CSA's guidance. Two new members will be added to the IRC to support this transition. To maintain continuity, the Investment Manager re-appointed David Magahey to a one-year term ending December 28, 2025.

### **Ownership of Securities by IRC Members**

The Members of the IRC's beneficial ownership - directly or indirectly - of any securities of a person or company providing services to the Fund or to Stornoway Portfolio Management Inc. are as follows:

#### *In the Fund*

As at December 31, 2024, the members of the IRC did not beneficially own, directly or indirectly, in aggregate above ten (10%) percent of the units in any series or class of the Fund.

## **RavenSource Independent Review Committee 2024 Report to Securityholders**

### *In the Investment Manager*

As at December 31, 2024, none of the members of the IRC beneficially owned, directly or indirectly, any securities of the Investment Manager.

### *In any service provider*

As of December 31, 2024, Mr. David Magahey beneficially owned 180 common shares of Bank of Montreal. Bank of Montreal provides Prime Brokerage and custodial services to the Fund.

## **Compensation and Indemnities**

For the year ended December 31, 2024, compensation for IRC members was comprised of an annual retainer of \$10,000 plus an additional \$600 per meeting for any additional meetings other than the annual meeting that occur during the year. In addition, the Chair of the IRC received an incremental \$3,000 annually for his additional responsibilities.

The aggregate compensation paid to the IRC by the Fund for 2024 was \$33,000 (2023 - \$33,000).

At least annually, the IRC will review its compensation after considering the recommendation of the Investment Manager and guided by the following factors:

1. the best interests of the Fund and its securityholders;
2. the nature and complexity of the Fund;
3. the nature and extent of the workload of each member of the IRC, including the commitment of time and energy of each member; and
4. industry best practices, including industry averages and surveys on compensation paid to the IRCs of Canadian investment funds.

For its 2024 annual compensation review, the Investment Manager conducted an analysis of public fund data and a previously identified peer group of funds which have similar asset size and complexity of mandate. Based on this review, the Investment Manager concluded that the annual compensation for RavenSource's IRC members for the year ending December 31, 2024, should remain \$10,000 per member with an incremental \$3,000 for the Chair. That recommendation was accepted by the IRC at the 2024 Annual Meeting.

Since inception of the IRC in 2007, IRC members have been indemnified by the Fund under the IRC charter as well as under section 13.4.1 of the Declaration of Trust. In 2017, as part of a general review of the IRC, the Investment Manager concluded it would be prudent, appropriate and in the best interests of the Fund and IRC members to enter into formal indemnity agreements and to obtain insurance coverage. The indemnity agreements and insurance proposal were presented to the IRC at its annual meeting held on November 29, 2017, and subsequently executed by all parties in 2018. The Fund recorded \$5,863 of insurance costs in 2024 (2023 - \$5,880).

No indemnities, insurance claims or claim payments were paid or incurred by the Fund in 2024.

## **RavenSource Independent Review Committee 2024 Report to Securityholders**

### **Conflicts of Interest**

During the 2024 Annual Meeting, the Investment Manager reviewed and discussed Stornoway's Conflict of Interest Disclosure in depth to ensure the IRC was aware of all Stornoway's various relationships and conflicts of interests.

For the period ending December 31, 2024, the IRC is not aware of any instance where the Investment Manager acted in a conflict-of-interest matter referred to the IRC that was contrary to the IRC's recommendation.

The IRC is required to report to the OSC any instance where the Investment Manager did not meet a condition imposed by the IRC in its recommendation or approval. We report that no such situation existed in 2024.

### **Standing Instructions**

The IRC has issued standing instructions to the Investment Manager that require it to comply with all of its policies and procedures in respect to the conflict of interest matters, and to report to the IRC as to its compliance thereof. The standing instructions require the Investment Manager to comply with the following policies and procedures:

- Conflicts of Interest
- Related Registrants and Connected Issuers
- Complaints Process
- Selection and Oversight of Third Party Service Providers
- Referral Arrangements
- Ethical Walls
- Investment Decision Process
- Fair Allocation of Investment Opportunities
- Trading Process – Order Execution
- Trading Process – Best Order Execution
- Trading Process – Trade Dispute Resolution Process
- Soft Dollar and Commission Policy
- Early Warning and Insider Reporting Policy
- Restricted Trading Policy
- NAV and Performance Calculation Policy
- NAV Calculation Error Correction Policy
- Proxy Voting Process
- Expense Allocation Policy
- Advisory Services Fee – Investee Companies
- Personal Trading Policy
- RavenSource Fund - SPM Employee Redemptions

The Investment Manager considers and revises its Policies and Procedures Manual on an ongoing basis to address any changes in regulatory requirements or in the business practices for investment managers / investment funds. In 2024, RavenSource's Investment Manager updated the following

## **RavenSource Independent Review Committee 2024 Report to Securityholders**

policies and procedures to reflect factual changes; codify existing operating procedures already in place; and additional operating procedures:

- Personal Trading Policy

Each of the policies and procedures that make up the standing instructions were reviewed during the 2024 Annual Meeting.

For the period ending December 31, 2024, the IRC, relying upon the representations of the Investment Manager, was not aware of any instance in which the Investment Manager acted contrary to any conditions imposed by the IRC in its standing instructions.