Ravensource Fund

Ravensource Fund Independent Review Committee
2008 Report to Securityholders

Dear Securityholder,

In response to National Instrument 81-107 and to provide an arms-length vehicle to deal with matters that involve potential conflicts of interest between the Fund and the Manager, the Ravensource Fund established and maintains an Independent Review Committee ("IRC").

Under NI 81-107, the IRC reviews potential conflict of interests referred to us by the Manager and makes recommendations on whether a course of action achieves a fair and reasonable result for the Ravensource Fund. The scope of our review will include whether the policies and procedures of the Manager related to conflicts of interest is effective and adequate.

We are pleased to continue to serve the interests of the Funds and to publish the annual report to securityholders of the Ravensource Fund that describes the mandate of the IRC and its activities for the financial year ending December 31st, 2008.

Michael Siskind

Chair of the Ravensource Fund Independent Review Committee
March 31st, 2009

Ravensource Independent Review Committee
2008 Report to Securityholders

The Independent Review Committee (IRC) for Ravensource Fund (the "Fund" or "Ravensource") must annually report to the security holders its activities for each financial year. The following summarizes the activities of the IRC in 2008.

Members of the Independent Review Committee

- Michael Siskind (Chair)
- Richard Hamm
- David Magahey

The committee has reviewed, and is satisfied with the independence of its members, the compensation of the members, and the effectiveness of the committee.

Each of the members was appointed to the IRC in May 2007 for an initial term of 2 years. In the interest of creating staggered terms of the committee members, Mr. Hamm volunteered to serve out the 2nd year of his term, then resign from the committee. Mr. Magahey will continue to serve a 2nd term, and Mr. Siskind will continue to serve a 2nd term, as the committee chair. We will require a new committee member accordingly for 2010.

Ownership of securities by IRC Members

In the Fund
As at December 31, 2008, the members of the IRC did not beneficially own, directly or indirectly, in aggregate above ten (10%) per cent of the units in any series or class of the Fund.

In the Manager
As at December 31, 2008, none of the members of the IRC beneficially owned, directly or indirectly, any securities of the Manager.

In any service provider
As at December 31, 2008, none of the members of the IRC beneficially owned, directly or indirectly, any securities of a person or company providing services to the Fund or to Stornoway Portfolio Management Inc. (the "Manager"), the manager of the Fund.

Compensation and Indemnities
The aggregate compensation paid to the IRC by the Fund for 2008 was $5,800.

At least annually, the IRC will review its compensation, giving consideration to the following:

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 2009, the IRC has deemed that the existing level of compensation is fair and reasonable.

Conflicts of Interest

As approved by the IRC in 2007, the auditor of the Fund was changed in 2008 to Deloitte. Also in 2008, the unitholders appointed Stornoway Portfolio Management Inc. as the investment manager of the Fund.

The IRC discussed the Fund's investment in the Specialty Foods Group. Mr. Reid is on the board of directors. Both Ravensource and the Manager have investments in Specialty Foods Group in the form of convertible secured debentures. The IRC is satisfied that no conflict exists for the investment.

For the period ending December 31st, 2008, the IRC is not aware of any instance when the Manager acted in a conflict of interest matter referred to the IRC, where the IRC did not give a positive recommendation.

The IRC is required to report to the OSC any instance where the Manager acted in a conflict of interest matter but did not meet a condition imposed by the IRC in its recommendation or approval. We report that no such situation existed in 2008.

Standing Instructions

The IRC has issued standing instructions to the Manager that requires 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 Manager to comply with the following policies and procedures:

- the investment committee – ethical chinese walls
- Statement of Policies on Related Registrants and Connected Issuers
- Privacy Policy
- Fairness in Allocation Policy
- Complaints Process
- Investment Decision Process
- Trading Process – order execution
- trading process - trade dispute resolution process
- NAV calculation Error correction policy
- Trading process - best order execution
- Net Asset Value and performance calculation policy
- Personal Trading Policy
- Restricted Trading Policy
- Proxy Voting process
- Soft dollar and commission Policy
- Early warning and insider reporting policy
- Referral arrangements policy
- Selection and oversight of third party service providers Policy

- Conflicts of Interest Policy

For the period ending December 31st, 2008, the IRC was not aware of any instance in which the Manager acted contrary to any conditions imposed by the IRC in its standing instructions.

For 2009, the IRC has issued the additional standing instructions to the Manager:

- A quarterly email be sent to the IRC members to advise the committee of any updates. If a conference call is required, it is suggested that relevant information be sent to the committee members a week preceding the call.

- IRC requested that they be notified when either Mr. Hodgson or Mr. Reid takes a board seat for a company that Ravensource has an investment in.