



Independent Review Committee

2016 Annual Report to the Unitholders:

On March 15, 2016, AIP Asset Management Inc. ("AIP" or the "Manager") appointed the first members of the independent review committee ("IRC") of the AIP funds listed in Schedule A at the end of this report (the "AIP Funds"), as required under National Instrument 81-107 *Independent Review Committee for investment funds* ("NI 81-107"). The following report describes the IRC and its related activities from March 15, 2016 to December 31, 2016, the financial year end of the AIP Funds.

The IRC consists of the three members initially appointed by AIP. Each member of the IRC is independent of AIP and the AIP Funds, within the meaning of NI 81-107.

The current members of the IRC as at December 31, 2016 are:

Mr. Mason Shan, Chair of the IRC. Mr. Shan is a seasoned legal professional with significant legal experience in securities, M&A and commercial law.

Mr. Jeff Cheah, a regular IRC committee member, is an economist and a Chartered Market Technician who was a former policy maker at the Bank of Canada.

Mr. Howard Ku, a regular IRC committee member, is an independent consultant in the area of regulatory compliance and governance. He has more than ten years of experience in the financial services industry and is CAMS (AML) certified.

Holding of Securities

AIP Funds

As of December 31, 2016, the percentage of securities of each class or series of the AIP Funds beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed 1 percent.

The Manager

As at December 31, 2016, the percentage of securities of each class of voting or equity securities of AIP, the manager of AIP Funds, beneficially owned, directly or indirectly, in aggregate, by all members of the IRC was less than 1 percent.

Service Providers

As at December 31, 2016, the percentage of securities of each class or series of voting or equity securities of any person or company that provides services to the AIP Funds or AIP beneficially owned, directly or indirectly, in aggregate, by all members of the IRC was less than 1 percent.

Compensation

The aggregate compensation paid by the AIP Funds, to the IRC for the period ended December 31, 2016 was \$10,000 in total for all three members. The Chair's compensation was \$4,000 and the other two members were allocated \$3,000 each.

At least annually, the IRC reviews the compensation of the IRC members giving consideration to the following:

- The best interests of the AIP Funds;
- The number and complexity of the AIP Funds for which the IRC acts;
- The time commitment to the IRC, including the frequency of meetings required;
- Industry best practices required, including industry averages and surveys on IRC compensation;
- The recommendation of AIP

Conflict of interest Matters

In accordance with National Instrument 81-105, the mandate of the IRC is to consider and provide decisions to the Manager (AIP) on conflicts of interest to which the Manager may be subject when managing the Funds. The Manager is required under the instrument to identify potential conflicts of interests inherent in its management of Funds to the IRC. 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.

AIP as the Manager, has an obligation to notify the IRC of any conflict. For the period ending December 31, 2016, the IRC was not made aware of, nor believed there was any instance in which AIP acted in a conflict of interest manner.

Positive Recommendations and Standing Instructions

AIP is required to advise the IRC its proposed actions, and its related policies and procedures, for situations in which AIP or a related party has or could be perceived to have an interest that may conflict with its ability to act in the best interest of AIP Funds. For example, AIP may have to forgo what otherwise be a benefit to itself or a related party, or incur a cost, in order to act in accordance with its responsibilities of the AIP Funds.

AIP, the firm, relies on the procedures within the policies and procedures manual, with respect to the

1. Code of Ethics
2. Employees Conflict of Interest
3. Proxy Voting
4. Personal Trading
5. Fair Valuation
6. Trading and NAV Errors
7. Trading Practices
8. Soft Dollar Commissions

In Conclusion,

The IRC is not aware of any instance in 2016 where AIP Asset Management Inc. acted in a conflict of interest matter referred to the IRC for which the IRC did not give a positive recommendation or where AIP Asset Management did not meet a condition imposed by the IRC in its recommendation or approval.

A unitholder in either of the Funds may request a copy of this report free of charge by emailing compliance@aipassetmanagement.com or by visiting aipassetmanagement.com or www.sedar.com



(signed)

Mr. Mason Shan

Chair of the Independent Review Committee

March 30, 2017

Schedule A

Funds served by the IRC

AIP Global Macro Class Fund

AIP Canadian Enhanced Income Fund

Schedule B

The Redwood Global Macro Class Fund became the AIP Global Macro Class Fund

The inception date of the new AIP fund was March 15, 2016. The fund merger was approved by the IRC of the Redwood Global Macro Class.