

February 21st, 2012

**THIRD ANNUAL REPORT TO THE UNITHOLDERS OF FORMULA GROWTH
FUND FOR THE YEAR ENDED DECEMBER 31, 2011**

Dear Investor:

Effective February 1st, 2008, the Independent Review Committee (IRC) of Formula Growth Fund was established pursuant to the provisions of National Instruments 81-107. Securities regulators have given the (IRC) a specific role to review mutual fund conflict of interest matters identified by the Manager, Formula Growth Limited (FGL) and referred to the (IRC) for its recommendations or, in certain circumstances its approval.

The (IRC) comprises three members, all of whom have a good working knowledge of the mutual fund industry. The initial members' compensation was set by (FGL) and is presently considered adequate by the members.

The (IRC) meets at least once a year to review and assess the adequacy and effectiveness of the policies and procedures relating to conflict of interest matters in respect of the Fund. The (IRC) also reviews and assesses annually the independence of its members, their effectiveness as well as the adequacy of their compensation.

For the year ended December 31st, 2011, (FGL) has fully cooperated with the (IRC), providing the (IRC) with all requested documentations and satisfactorily answering all the members' queries.

For the year ended December 31st, 2011, (FGL) did not identify any conflict of interest matter, which required either the recommendation or the approval of the (IRC).



Scott Taylor

Chair of the Independent Review Committee

Members of the Independent Review Committee

Name	Residence	Member Since
Ian Soutar	Montreal, Quebec	Feb. 1, 2008
Scott Taylor	Montreal, Quebec	Feb. 1, 2008
Bette Lou Reade	Montreal, Quebec	Feb. 1, 2008

There were no changes in the composition of the Independent Review Committee in the period.

The 3 Independent review committee members were past directors and past members of the advisory committee of the manager, Formula Growth Limited.

Holdings of Securities

(a) Funds

As at December 31st, 2011 the percentage of units of Formula Growth Fund beneficially owned, directly or indirectly, in aggregate, by all members of the Independent Review Committee did not exceed 10 per cent.

(b) Manager

As at December 31st, 2011, no member of the Independent Review Committee beneficially owned, directly or indirectly, any equity securities of Formula Growth Limited or its affiliates.

(c) Service Providers

As December 31st, 2011, no members of the Independent Review Committee had a material interest in any of the securities of any service provider to Formula Growth Fund.

Compensation and Indemnities

The aggregate compensation paid to the Independent Review Committee for the year ended December 31st, 2011 was \$9,000. These amounts were paid by Formula Growth Fund.