



Report of the Independent Review Committee
to Securityholders of the
frontierAlt Group of Funds
December 31, 2007

Letter from the Independent Review Committee

In accordance with National Instrument 81-107 Independent Review Committee for Investment Funds (“NI 81-107”), the Manager has established an independent review committee (the “IRC”) for the Funds. The IRC is composed of three individuals, each of whom is independent of the Funds, the Manager and its affiliates.

The IRC became fully operational on November 1, 2007 and, after that date, has functioned in accordance with the applicable securities laws, including NI 81-107. The IRC has adopted a written charter that includes its mandate, responsibilities and functions, and the policies and procedures it will follow when performing its functions.

As members of the IRC, we represent the best interest of the Funds in any matter where the Manager has a conflict of interest. In respect of any Conflict of Interest Matter (COIM) referred to us, we have sought to ensure that the Manager’s proposed course of action represents a fair and reasonable result for the relevant Fund(s).

We are now pleased to publish this annual report for the securityholders of the Funds, to describe the IRC and its activities during the last financial year.

Sincerely,

Independent Review Committee

Mandate of the IRC

In accordance with NI 81-107, the mandate of the IRC is to consider and provide recommendations to the Manager on conflicts of interest to which the Manager may be subject when managing The frontierAlt Group of Funds listed at the end of this report (collectively the “Funds” and individually a “Fund”). The Manager is required under NI 81-107 to identify conflicts of interest inherent in its management of the Fund, and request input from the IRC on how it manages those conflicts of interest, as well as on its written policies and procedures outlining its management of those conflicts of interest.

The Manager must refer its proposed course of action in respect of any such conflict of interest matters to the IRC for its review. Certain matters require the IRC’s prior approval, but in most cases the IRC will provide a recommendation to the Manager as to whether, 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.

This report is available on the Manager’s website at www.frontieralt.com or you may request a copy, at no cost to you, by contacting the Manager at (866) 745-5545 Ext. 3173.

The IRC

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

<i>Name and municipality of residence</i>	<i>Principal Occupation</i>	<i>Term of Office</i>
Andrew Jones, Toronto, Ontario Chair	Consultant	Three (3) years from May 1, 2007
Zareer Pavri, Toronto, Ontario	Accountant	Two (2) years from May 1, 2007
Michael Singer, Toronto, Ontario	Lawyer	One (1) year from May 1, 2007

There were no changes in the composition of the IRC during the financial year



Compensation and Indemnification

The initial compensation of the IRC was set by the Manager. At least annually, the IRC reviews its compensation giving consideration to the following:

1. the best interests of the Funds;
2. that each Fund must pay its reasonable allocation of the compensation of the IRC from the assets of the Fund;
3. that compensation paid to the IRC by each Fund should fairly and reasonably reflect the general and specific benefits accruing to the Fund;
4. the number, nature and complexity of the Funds for which the IRC acts; and
5. the nature and extent of the workload of each member of the IRC.

The IRC's compensation comprises the following:

Members' fees

In aggregate the IRC members are paid \$15,000 per annum plus a per meeting fee of \$1,000 after the third meeting in an annual period.

Proper Expenses

The IRC's proper expenses amount to \$7,950 per annum.

Total Costs

The total cost of operating the IRC during the last year, which has been charged to the Funds, was \$32,559.00. The proper expenses of the IRC have been allocated between the Funds in accordance with the Manager's expense allocation policy, which has been reviewed and endorsed by the IRC.

Describe any Indemnities Granted

The Fund and the Manager have provided each IRC Member with a contractual indemnity to the fullest extent permitted by NI 81-107. No indemnities were paid to the IRC Members by the Funds or the Manager during the financial year.

Disclosure of IRC Member's Holdings

As at December 31, 2007, the percentage of units of each series of the Funds beneficially owned, directly or indirectly, in aggregate, by all of the IRC Members did not exceed 10 per cent.

Conflict of Interest Matters Reviewed

The IRC is not aware of any instance in which the Manager acted in a conflict of interest matter referred to the IRC for which the IRC did not give a positive recommendation.

The IRC is not aware of any instance in which the Manager acted in a conflict of interest matter but did not meet a condition imposed by the IRC in its recommendation or approval.

Approvals and Positive Recommendations

The Manager relied on the following approvals of the IRC in the financial year:

1. The "Roll-Over" the frontierAlt 2005 Resource Flow-Through Limited Partner in to the frontierAlt Resource Capital Class Fund
2. The merger of the frontierAlt All Terrain Canada Fund into the frontierAlt All Terrain World Fund
3. The name change of the frontierAlt All Terrain World Fund to frontierAlt Opportunistic Global Fund
4. The change of portfolio management of the frontierAlt All Terrain Bond Fund from Majorica Asset Management to MAK, Allen & Day Capital Partners Inc. (an affiliate company to frontierAlt Funds Management Inc.)
5. The name change of the frontierAlt All Terrain Bond Fund to frontierAlt Opportunistic Bond Fund

Standing instructions Approved

The IRC has approved some standing instructions (SIs), which constitute a written approval or recommendation from the IRC that permits the Manager to proceed with the specific action(s) set out in the 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 Manager relied on the following SIs in the financial year. In each case, the SI required the Manager to comply with its related policy and procedures and to report periodically to the IRC:



*Standing Instruction No. 1: **COIM POLICIES AND PROCEDURES MANUAL: OMNIBUS***

*Standing Instruction No. 2: **Trade Allocations***

*Standing Instruction No. 3: **Best Executions Issues***

*Standing Instruction No. 4: **Third-Party Services***

*Standing Instruction No. 5: **Personal Trading***

*Standing Instruction No. 6: **Related Party Issues***

*Standing Instruction No. 7: **Services provided by Related Parties***

Interactions with the Manager

Pursuant to NI 81-107 and the IRC's written charter, the IRC has reviewed:

1. the adequacy and effectiveness of the Manager's written policies and procedures concerning COIM;
2. the adequacy and effectiveness of the SIs the IRC has provided to the Manager;
3. the adequacy and effectiveness of the Manager's and each Fund's compliance with any conditions imposed by the IRC in a recommendation or approval it has provided to the Manager; and
4. the Manager's and each Fund's compliance with any conditions imposed by the IRC in a recommendation or approval it has provided to the Manager."

Review of the Written Charter

The IRC reviewed its written charter on and made no changes.

Funds served by the IRC

frontierAlt All Terrain World Fund

frontierAlt All Terrain Canada Fund

frontierAlt All Terrain Bond Fund

frontierAlt Oasis Canada Fund

frontierAlt Oasis World Fund

frontierAlt Oasis Global Income Fund

frontierAlt Resource Capital Class Fund

Global Dividend Fund - GDP.UN

frontierAlt Global Commodities Fund

frontierAlt 2007 Energy & Precious Metals Flow Through LP

frontierAlt Energy 2006-II Flow-Through Limited Partnership

frontierAlt Energy 2006 Flow-Through Limited Partnership