

Financial Statements

Integra Emerging Markets Equity Fund

December 31, 2011

INDEPENDENT AUDITORS' REPORT

To the Unitholders of
Integra Emerging Markets Equity Fund

We have audited the accompanying financial statements of **Integra Emerging Markets Equity Fund** (the "Fund"), which comprise the statement of portfolio investments as at December 31, 2011 and statements of net assets as at December 31, 2011 and 2010, and the statements of operations and changes in net assets for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2011 and 2010, and the results of the operations and the changes in the net assets for the years then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
March 23, 2012

Ernst & Young LLP

Chartered Accountants
Licensed Public Accountants

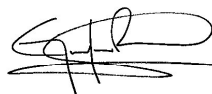
Integra Emerging Markets Equity Fund

Statement of Net Assets

	2011	2010
ASSETS		
Investments at fair value	\$48,008,167	\$45,730,797
Cash	464,409	442,530
Accrued dividend receivable	30,885	24,373
Subscriptions receivable	—	100,737
Receivable for securities sold	86,153	—
Total assets	48,589,614	46,298,437
LIABILITIES		
Accrued expenses	151,494	30,609
Payable for securities purchased	69,239	—
Redemptions payable	663	—
Total liabilities	221,396	30,609
NET ASSETS REPRESENTING UNITHOLDERS' EQUITY	\$48,368,218	\$46,267,828
UNITS OUTSTANDING (note 3)	5,760,720	4,574,197
NET ASSETS PER UNIT (note 11)	\$8.40	\$10.11
NET ASSET VALUE PER UNIT - INDUSTRY STANDARD FOR TRANSACTIONS (note 11)	\$8.41	\$10.18

(See accompanying notes)

On behalf of the Manager,
Integra Capital Limited:



Graham Rennie
Director



Craig Honey
Director

Integra Emerging Markets Equity Fund

Statement of Operations

Year ended December 31

	2011	2010
INCOME		
Dividend	\$1,493,736	\$100,128
Interest	—	623
Revenue from securities lending	632	1,135
	1,494,368	101,886
EXPENSES		
Custodial fees	103,920	21,373
Operating expenses	9,446	1,878
Audit fees	33,567	6,575
Legal fees	—	376
Securityholder reporting costs	953	376
Investment performance monitoring fees	7,138	940
Harmonized Sales Tax	20,153	4,097
	175,177	35,615
NET INVESTMENT INCOME	1,319,191	66,271
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized gain (loss) on sale of investments	(4,177,911)	48,097
Net realized loss on foreign exchange	(94,354)	(193,296)
Net unrealized gain (loss) on foreign exchange	(2,951)	489
Transaction costs (note 6)	(253,488)	(109,028)
Change in unrealized appreciation (depreciation) of investments	(4,489,748)	752,182
NET GAIN (LOSS) ON INVESTMENTS AND TRANSACTION COSTS	(9,018,452)	498,444
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	(\$7,699,261)	\$564,715
Increase (decrease) in net assets from operations per unit (Based on the average number of units outstanding during the year)	(\$1.51)	\$0.62

(See accompanying notes)

Statement of Changes in Net Assets

Year ended December 31

	2011	2010
NET ASSETS, BEGINNING OF YEAR	\$46,267,828	\$10
Increase (decrease) in net assets from operations	(7,699,261)	564,715
DISTRIBUTIONS TO UNITHOLDERS		
Distribution from net investment income	(1,318,012)	(41,958)
	(1,318,012)	(41,958)
CAPITAL UNIT TRANSACTIONS (note 3)		
Proceeds from issuance of units	15,571,345	48,082,911
Reinvested distributions	1,318,012	41,958
Payments on redemptions	(5,771,694)	(2,379,808)
	11,117,663	45,745,061
Increase in net assets for the year	2,100,390	46,267,818
NET ASSETS, END OF YEAR	\$48,368,218	\$46,267,828

(See accompanying notes)

Integra Emerging Markets Equity Fund

Statement of Investments

As at December 31, 2011

	Number of Shares	Average Cost \$	Fair Value \$
COMMON AND PREFERRED SHARES — 99.26%			
Argentina — 0.27%			
Arcos Dorados Holdings Inc., Class 'A'	6,371	119,646	132,730
		119,646	132,730
Brazil — 16.99%			
Banco Bradesco SA, Preferred	17,995	355,770	301,584
Banco do Brasil SA	33,800	684,309	436,565
BRF - Brasil Foods SA	19,600	367,279	389,685
Cia. Hering	11,000	209,409	194,921
Cielo SA	14,900	372,328	391,489
Companhia de Bebidas das Americas, ADR, Preferred	21,041	631,478	772,585
Companhia Energetica de Minas Gerais, Preferred	5,100	84,575	92,154
Companhia Paranaense de Energia-Copel, Preferred, Series 'B'	11,600	284,839	246,334
Cosan SA Industria e Comercio	25,300	372,524	372,908
Even Construtora e Incorporadora SA	52,200	255,351	173,827
lochpe-Maxion SA	13,200	185,029	180,725
Itau Unibanco Holding SA	33,700	752,439	622,187
M Dias Branco SA	3,700	93,695	96,165
Marcopolo SA, Preferred	22,600	89,461	87,226
Multiplus SA	6,575	118,444	115,648
OdontoPrev SA	13,500	190,024	196,035
Petróleo Brasileiro SA, ADR	54,536	1,709,071	1,374,955
Souza Cruz SA	25,380	273,974	317,420
Sul America SA	13,900	142,636	114,428
Tecnisa SA	7,087	55,668	38,727
Telefonica Brasil SA, Preferred	12,790	364,441	362,093
Tim Participações SA, ADR	5,782	127,584	151,780
Vale SA, Preferred, Series 'A'	54,100	1,618,789	1,187,093
		9,339,117	8,216,534
Chile — 0.34%			
Banco Santander Chile SA, ADR	2,135	196,357	162,672
		196,357	162,672
China — 10.29%			
ACC Technologies Holding Inc.	62,000	142,834	141,112
Bank of China Ltd., Class 'H'	713,300	369,805	267,462
China Citic Bank, Class 'H'	388,000	225,121	222,298
China Communications Construction Co. Ltd., Class 'H'	353,000	287,257	279,997
China Construction Bank, Class 'H'	671,640	593,651	475,504
China National Building Material Co. Ltd., Class 'H'	96,000	146,239	110,884
China National Materials Co. Ltd., Class 'H'	115,000	102,583	41,613
China Petroleum and Chemical Corp. (Sinopec), Series 'H'	348,000	347,231	372,756
China Railway Construction Corp., Class 'H'	126,000	74,571	70,373
Dongyue Group	151,000	130,966	101,361
ENN Energy Holdings Ltd.	78,000	253,112	253,101
Great Wall Motor Co. Ltd., Class 'H'	188,500	284,367	279,263
Harbin Power Equipment Co. Ltd., Series 'H'	116,000	134,996	102,656
Industrial and Commercial Bank of China, Class 'H'	1,119,300	856,880	676,505
Intime Department Store Group Co. Ltd.	153,500	228,952	158,986
Jiangxi Copper Co. Ltd., Series 'H'	68,000	177,237	149,241
Maanshan Iron & Steels Co. Ltd., Series 'H'	366,000	123,175	119,003
PetroChina Co. Ltd., Series 'H'	442,000	588,908	560,367
PICC Property and Casualty Co. Ltd., Series 'H'	173,800	247,600	238,800
Ping An Insurance (Group) Co. of China Ltd.	42,000	434,071	281,380
Yanzhou Coal Mining Co. Ltd., Class 'H'	34,000	90,819	73,818
		5,840,375	4,976,480

Integra Emerging Markets Equity Fund

Statement of Investments

As at December 31, 2011

	Number of Shares	Average Cost \$	Fair Value \$
Hong Kong — 6.18%			
Air China Ltd., Class 'H'	434,000	427,100	326,607
China Everbright Ltd.	169,000	260,654	268,099
China Mobile Ltd.	111,000	1,115,575	1,103,830
China Unicom Ltd.	138,000	293,507	295,996
CNOOC Ltd.	261,000	535,681	464,690
Lenovo Group Ltd.	782,000	511,259	530,055
		3,143,776	2,989,277
India — 4.31%			
HDFC Bank Ltd., ADR	10,285	340,620	275,223
ICICI Bank Ltd., ADR	19,329	836,351	519,795
Infosys Technologies Ltd., ADR	13,567	796,399	709,656
Mahindra & Mahindra Ltd.	20,607	335,830	270,367
Sterlite Industries (India) Ltd.	15,962	217,847	109,710
Tata Motors Ltd., ADR	11,622	288,591	199,996
		2,815,638	2,084,747
Indonesia — 0.91%			
PT Bank Mandiri	232,688	172,663	175,071
PT Bank Negara Indonesia (Persero) TBK	317,000	142,107	135,272
PT International Nickel Indonesia TBK	359,500	200,686	128,177
		515,456	438,520
Luxembourg — 0.32%			
Ternium SA, ADR	8,378	151,584	156,713
		151,584	156,713
Malaysia — 2.10%			
Genting BHD	118,700	423,357	417,122
Malayan Banking BHD	76,700	223,322	204,242
Telekom Malaysia BHD	245,900	330,883	391,774
		977,562	1,013,138
Mexico — 5.13%			
Alfa SA, Series 'A'	26,200	277,596	290,002
America Movil SA de CV, Series 'L', ADR	21,371	568,788	490,711
Fomento Economico Mexicano SAB de CV	43,900	252,604	309,105
GRUMA SAB de CV, Class 'B'	63,657	119,559	121,738
Grupo Aeroportuario del Sureste SA de CV, ADR, Series 'B'	1,383	79,911	78,594
Grupo México SAB de CV, Series 'B'	162	1,014	430
Grupo Modelo SA de CV, Series 'C'	67,800	403,471	434,942
Industrias Penoles SA de CV	13,020	430,848	581,401
Mexichem SAB de CV	55,400	210,693	176,646
		2,344,484	2,483,569
Peru — 1.40%			
Compañía de Minas Buenaventura SA, ADR, Series 'B'	9,706	424,458	378,524
Credicorp Ltd.	2,688	289,998	297,135
		714,456	675,659
Philippines — 0.19%			
Alliance Global Group Inc.	388,000	103,519	92,791
		103,519	92,791

Integra Emerging Markets Equity Fund

Statement of Investments

As at December 31, 2011

	Number of Shares	Average Cost \$	Fair Value \$
Poland — 0.59%			
KGHM Polska Miedz SA	8,751	424,972	285,437
		424,972	285,437
Russia — 6.65%			
Gazprom OAO, ADR	101,794	1,231,857	1,104,928
Novatek OAO, GDR	1,623	211,760	206,082
OAO LUKOIL, ADR	13,350	755,577	719,103
OJSC Rosneft Oil Co., GDR	44,526	326,841	299,008
Sberbank	166,070	533,176	380,477
Severstal, GDR, Registered	16,087	255,798	184,937
Sistema, GDR, Registered	18,769	439,369	319,545
		3,754,378	3,214,080
Singapore — 0.83%			
Golden Agri-Resources Ltd.	715,000	395,588	401,461
		395,588	401,461
South Africa — 9.62%			
ABSA Group Ltd.	20,311	381,610	357,973
Exxaro Resources Ltd.	10,291	225,616	217,341
FirstRand Ltd.	117,861	287,584	308,302
Gold Fields Ltd.	27,166	433,426	421,844
Imperial Holdings Ltd.	22,187	364,999	344,920
Kumba Iron Ore Ltd.	6,497	421,018	409,714
Lewis Group Ltd.	11,530	132,045	115,901
Mr. Price Group Ltd.	12,618	111,069	126,996
MTN Group Ltd.	41,944	802,056	759,136
Sanlam Ltd.	115,803	453,688	421,370
Sasol Ltd.	11,094	551,285	539,399
Vodacom Group Ltd.	40,117	421,519	447,987
Woolworths Holdings Ltd.	37,133	148,972	182,417
		4,734,887	4,653,300
South Korea — 18.36%			
Asiana Airlines Inc.	16,810	168,359	95,836
CJ CheilJedang Corp.	944	243,734	241,559
Daelim Industrial Co. Ltd.	2,243	164,020	178,036
Duksan Hi-Metal Co. Ltd.	6,284	168,466	141,082
GS Holdings Corp.	1,921	120,142	86,087
Hana Financial Group Inc.	17,100	576,082	536,570
Hankook Tire Co. Ltd.	5,280	214,945	210,947
Honam Petrochemical Corp.	896	283,053	236,008
Hyundai Motor Co. Ltd.	4,686	800,754	882,234
Industrial Bank of Korea	28,870	414,445	317,701
KB Financial Group Inc.	16,613	725,099	533,036
Kia Motors Corp.	13,007	580,667	766,840
Korea Zinc Co. Ltd.	564	199,913	151,300
KT&G Corp.	6,031	392,871	433,393
LG Chem Ltd.	655	206,493	183,818
LG Corp.	1,687	91,060	91,407
LIG Non-Life Insurance Co. Ltd.	650	15,517	13,128
POSCO, ADR	3,953	390,742	330,424
Samsung Electronics Co. Ltd.	2,748	2,029,992	2,569,830
Samsung Fire & Marine Insurance	945	193,229	175,827
Samsung Heavy Industries Co. Ltd.	7,210	206,659	177,804
SK Corp.	4,975	696,134	529,886
		8,882,376	8,882,753

Integra Emerging Markets Equity Fund

Statement of Investments

As at December 31, 2011

	Number of Shares	Average Cost \$	Fair Value \$
Taiwan — 9.46%			
Career Technology (MFG.) Co. Ltd.	210,000	299,557	276,127
Catcher Technology Co. Ltd.	22,000	129,645	103,947
Far EasTone Telecommunications Co. Ltd.	268,000	527,145	510,110
Formosa Plastics Corp.	46,000	150,391	124,992
Fubon Financial Holding Co. Ltd.	188,888	273,886	203,585
Hon Hai Precision Industry Co. Ltd.	112,400	333,850	312,975
Mega Financial Holding Co. Ltd.	249,720	183,890	169,636
Phison Electronics Corp.	38,000	223,561	232,578
Powertech Technology Inc.	7,200	38,211	15,520
Prime View International Co. Ltd.	102,000	202,960	135,491
Radiant Opto-Electronics Corp.	123,000	357,615	357,795
Simplo Technology Co. Ltd.	41,800	307,040	248,807
Taiwan Mobile Co. Ltd.	143,500	394,877	455,551
Taiwan Semiconductor Manufacturing Co. Ltd.	500,000	1,166,576	1,271,173
Unimicron Technology Corp.	67,000	79,549	80,099
USI Corp.	95,000	90,030	77,632
		4,758,783	4,576,018
Thailand — 2.98%			
Advanced Info Service Public Co. Ltd., Registered	70,300	243,703	318,777
Bangkok Bank Public Co. Ltd., Registered	76,000	402,896	374,058
Charoen Pokphand Foods Public Co. Ltd.	321,100	303,401	339,396
Kasikornbank Public Co. Ltd.	103,000	436,432	407,219
		1,386,432	1,439,450
Turkey — 0.46%			
Tupras-Turkiye Petrol Rafinerileri AS	10,287	221,962	220,188
		221,962	220,188
United Kingdom — 0.88%			
Antofagasta PLC	16,102	343,649	309,592
Mondi PLC	16,365	162,681	117,831
		506,330	427,423
United States — 1.00%			
Bunge Ltd.	4,777	311,492	277,647
Southern Copper Corp.	6,775	215,735	207,580
		527,227	485,227
TOTAL EQUITIES — 99.26%		51,854,905	48,008,167
TRANSACTION COSTS		(109,174)	
TOTAL INVESTMENT PORTFOLIO — 99.26%		51,745,731	48,008,167
OTHER ASSETS, NET OF LIABILITIES — 0.74%			360,051
NET ASSETS — 100.00%			48,368,218

(See accompanying notes)

Integra Emerging Markets Equity Fund

Risk Disclosures

Financial Instruments Risk

Investment activities of the Integra Emerging Markets Equity Fund (the "Fund") expose it to some financial risks. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objectives and long-term investment time horizon.

Risk Management

The Fund's objective is to achieve long-term capital appreciation through a portfolio of stocks in various emerging or developing countries around the world. This will include stocks in both large and small capitalization issuers. The portfolio is sufficiently diversified to reduce some of the investment risk inherent in investing in Emerging Market countries, which can be potentially volatile.

The Fund may hold up to an aggregate of 10% in cash and cash equivalents.

Principal Global Investors LLC, the Fund's sub-advisor (the "Sub-Advisor"), believes superior stocks are characterized by companies with three key attributes

- improving and sustainable business fundamentals
- rising investor expectations
- attractive relative valuation

The Sub-Advisor believes bottom-up stock selection is the most reliable and repeatable source of out-performance.

The Fund may enter into securities lending transactions. Securities lending transactions will be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate by Integra Capital Limited (the "Manager") to achieve the Fund's investment objectives and to enhance the Fund's returns.

To assist with managing risk, the Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations.

Credit Risk

Credit risk on financial instruments is the risk of a loss occurring as a result of the default of an issuer on its obligation to a Fund. Credit risk is managed by dealing with issuers that are believed to be creditworthy and by regular monitoring of credit exposures. Additionally, credit risk is reduced by diversification of issuer, industry and geography.

As at December 31, 2011 and December 31, 2010, the Fund had no significant investments in debt instruments and/or derivatives.

Counterparty Credit Risk

Counterparty credit risk primarily emanates from the use of over-the-counter derivatives. This risk is minimized by selecting counterparties who have a minimum of "A" credit rating. Ongoing monitoring of credit events/rating developments occurs to ensure the sustainable credit quality of the counterparty. Various factors are considered in the assessment process including fundamental components of the counterparty's profile (such as capital adequacy, asset quality, profitability and liquidity) and credit ratings assigned to the counterparty.

Currency Risk

Changes in the value of the Canadian dollar compared to foreign currencies will affect the value, in Canadian dollars, of any foreign securities held in the Fund. From time to time, the Fund may manage currency risk through foreign currency hedging strategies.

The tables below indicate the currencies to which the Fund had exposure on its trading monetary assets and liabilities as well as the underlying principal amount of foreign exchange contracts.

Integra Emerging Markets Equity Fund

Risk Disclosures

Currency (As at December 31, 2011)	Currency Risk Exposed Holdings*	Foreign Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	\$10,133,873	(\$21,915)	\$10,111,958	20.91%
South Korean Won	8,552,329	—	8,552,329	17.68%
Hong Kong Dollar	7,967,725	24,602	7,992,327	16.52%
Brazilian Real	6,025,880	(200)	6,025,680	12.46%
Taiwan Dollar	4,665,945	—	4,665,945	9.65%
South African Rand	4,655,652	—	4,655,652	9.63%
Mexican Peso	1,914,264	—	1,914,264	3.96%
Thai Baht	1,439,450	—	1,439,450	2.98%
Malaysian Ringgit	1,026,853	(13,714)	1,013,139	2.09%
Indonesian Rupiah	438,520	—	438,520	0.91%
British Pound	427,423	—	427,423	0.88%
Singapore Dollar	401,461	—	401,461	0.83%
Polish Zloty	285,437	—	285,437	0.59%
New Turkish Lira	220,215	—	220,215	0.46%
Philippine Peso	92,791	—	92,791	0.19%

*Amounts include monetary items.

Currency (As at December 31, 2010)	Currency Risk Exposed Holdings*	Foreign Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	\$11,123,364	—	\$11,123,364	24.04%
Hong Kong Dollar	7,956,485	—	7,956,485	17.20%
South Korean Won	6,467,599	—	6,467,599	13.98%
Taiwan Dollar	6,002,296	—	6,002,296	12.97%
Brazilian Real	5,383,376	—	5,383,376	11.64%
South African Rand	2,931,892	—	2,931,892	6.34%
Mexican Peso	1,209,121	—	1,209,121	2.61%
Polish Zloty	1,070,900	—	1,070,900	2.31%
Thai Baht	1,065,859	—	1,065,859	2.30%
Malaysian Ringgit	717,485	—	717,485	1.55%
New Turkish Lira	671,131	—	671,131	1.45%
Indonesian Rupiah	656,138	—	656,138	1.42%
British Pound	431,462	—	431,462	0.93%
Czech Koruna	97,908	—	97,908	0.21%

*Amounts include monetary items.

As at December 31, 2011, had the Canadian dollar strengthened or weakened by 5% in relation to all currencies, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$2,411,829 (December 31, 2010 - \$2,289,251). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Interest Rate Risk

Changes in market interest rates expose fixed income securities, such as bonds, to interest rate risk. Funds that hold income investments are exposed to this risk since changes in prevailing market interest rates will affect the value of fixed income securities.

The majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Integra Emerging Markets Equity Fund

Risk Disclosures

Liquidity Risk

Unitholders may redeem their units on each valuation date. Therefore, the Fund is invested in securities that are traded in active markets and can be readily disposed. The Fund retains sufficient cash and cash equivalent positions to maintain liquidity.

Other Market Risk

Other market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Sub-Advisor moderates this risk through a careful selection of investment strategies and selection of securities and other financial instruments within the parameters of the investment strategy developed by the Manager of the Fund.

As at December 31, 2011, a 5% change in stock prices would have changed the Fund's net assets by \$2,400,408 (December 31, 2010 - \$2,286,540) with all other factors held constant. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

The impact on net assets of the Fund as at December 31, 2011, due to a 5% increase or decrease in the Fund's benchmark (MSCI Emerging World ND Index), with all other variables held constant, would have been \$3,477,675 (December 31, 2010 - \$4,925,118). This calculation is based on the beta of the Fund since its inception in December 2009. The short period of data available for analysis deems this calculation statistically insignificant. In practice, the actual results may differ from the sensitivity analysis indicated above and the difference could be material.

Fair Value Measurements

CICA Section 3862 establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments. The hierarchy of inputs is summarized below:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Changes in valuation methods may result in transfers into or out of an investment's assigned level.

The tables below summarize the inputs used in valuing the Fund's financial assets and liabilities carried at fair values:

Classification (As at December 31, 2011)	Level 1	Level 2	Level 3	Total
Equities	\$48,008,167	—	—	\$48,008,167
Total Financial Assets	\$48,008,167	—	—	\$48,008,167

Classification (As at December 31, 2010)	Level 1	Level 2	Level 3	Total
Equities	\$45,730,797	—	—	\$45,730,797
Total Financial Assets	\$45,730,797	—	—	\$45,730,797

Integra Emerging Markets Equity Fund

Risk Disclosures

Summary of Investment Portfolio

The Fund's summary of investment portfolio appears in the following table:

	Percentage of Net Assets (%)	
	December 31, 2011	December 31, 2010
COMMON AND PREFERRED SHARES		
Argentina	0.27	—
Brazil	16.99	17.68
Chile	0.34	0.40
China	10.29	11.15
Hong Kong	6.18	6.42
India	4.31	5.67
Indonesia	0.91	1.42
Luxembourg	0.32	0.30
Malaysia	2.10	1.55
Mexico	5.13	4.15
Netherlands	—	0.37
Peru	1.40	0.61
Philippines	0.19	—
Poland	0.59	2.32
Russia	6.65	6.77
Singapore	0.83	—
South Africa	9.62	6.34
South Korea	18.36	15.09
Taiwan	9.46	12.89
Thailand	2.98	2.30
Turkey	0.46	1.45
United Kingdom	0.88	0.93
United States	1.00	1.03
TOTAL EQUITIES	99.26	98.84
TOTAL INVESTMENT PORTFOLIO	99.26	98.84
OTHER ASSETS, NET OF LIABILITIES	0.74	1.16
NET ASSETS	100.00	100.00

Integra Emerging Markets Equity Fund

Notes to Financial Statements

1. Establishment of the Fund

The Integra Emerging Markets Equity Fund (the "Fund") was created under the laws of the Province of Ontario by a Declaration of Trust. The Fund was established on December 10, 2009 and commenced operations on this date.

The Fund is not a reporting issuer and is exempt, pursuant to National Instrument 81-106, from the requirement to file its financial statements with the regulatory authorities and has notified the Ontario Securities Commission that it is relying on this exemption. The Fund has prepared its financial statements in accordance with National Instrument 81-106.

2. Summary of Significant Accounting Policies

These financial statements, prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), include estimates and assumptions made by management that affect the reported amounts of assets, liabilities, income, and expenses during the reporting periods. Actual results may differ from such estimates.

CICA Section 3862, "Financial Instruments - Disclosures" of the CICA Handbook ("Section 3862") and Section 3863, "Financial Instruments - Presentation" ("Section 3863") established standards for comprehensive disclosure and presentation requirements for financial instruments. The standards include requirements to quantify certain risk exposures and to provide sensitivity analysis for certain risks. The disclosure requirements of Sections 3862 and 3863 are contained after the Fund's Statement of Investments.

- [a] Investments are recorded at their fair value in Canadian currency with the difference between this amount and the average cost being shown as unrealized appreciation (depreciation) of investments, net of unrealized gains (losses) resulting from foreign currency translations.
- [b] The fair values of foreign investments and other foreign denominated assets and liabilities are translated into Canadian dollars at exchange rates prevailing on the reporting date.
- [c] Purchases and sales of foreign securities and income and expenses are translated into Canadian dollars at the exchange rates prevailing on the dates of the transactions.
- [d] The gain or loss on sale of investments, net of realized gains (losses) resulting from foreign currency translations, is calculated with reference to the average cost of the related investments, excluding transaction costs.
- [e] Income and expenses are recorded on an accrual basis. Foreign income and expenses are translated into Canadian dollars at the rates of exchange applicable on the valuation date. Security transactions are recorded on the trade date and related transaction costs are charged to income. Dividends are accrued as of the ex-dividend date. Stock dividends are recorded in income based on the fair value of the security.
- [f] Short-term notes are recorded at fair value. The fair value of short-term notes approximates the accrued interest added to the average cost.
- [g] For each Fund unit sold, the Fund receives an amount equal to the net asset value per unit at the date of sale, which amount is included in unitholders' equity. Fund units are redeemable at the option of unitholders at their net asset value on the redemption date. For each Fund unit redeemed, unitholders' equity is reduced by the net asset value of the Fund unit at the date of redemption.
- [h] The fair value of a forward contract is the gain or loss that would be realized if, on the valuation date, the positions were closed out. The forward contract is valued using an interpolation of the forward exchange rate based on the length of the forward contract. It is reflected in the Statement of Operations as change in unrealized appreciation (depreciation) on foreign exchange forward contracts. When the forward contracts are closed out, any gains or losses realized are included in net realized gain or loss on foreign exchange forward contracts.

Integra Emerging Markets Equity Fund

Notes to Financial Statements

- [i] Commissions and other transaction costs are incremental costs that are directly attributable to the acquisition, issue, or disposal of an investment, which include fees and commissions paid to agents, advisors, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Commissions and transaction costs are included as expenses in the Statement of Operations.
- [j] The cost of investments represents the amount paid for each security and is determined on an average cost basis excluding commissions and other transaction costs.

3. Unitholders' Equity

Unit transactions during the year were as follows:

	December 31, 2011		December 31, 2010	
	Number of Fund units	Amount \$	Number of Fund units	Amount \$
Subscriptions	1,643,376	15,571,345	4,805,499	48,082,911
Reinvestments	157,770	1,318,012	4,123	41,958
Redemptions	614,623	5,771,694	235,426	2,379,808

The number of issued and outstanding units as at December 31, 2011 is 5,760,720 (December 31, 2010 - 4,574,197).

4. Foreign Exchange Forward Contracts

The Fund utilizes foreign exchange forward contract hedging in the management of currency risk associated with its investment in foreign securities. The objective is to protect the Fund from the possibility of capital losses on foreign currency denominated investments due to increases in the value of the Canadian dollar. However, credit and market risks associated with foreign exchange forward contracts potentially expose the Fund to losses.

In order to minimize the possibility of losses arising from credit risk, the Fund deals only with large financial institutions with a minimum of "A" credit rating.

Currency risks relates to the possibility that foreign exchange forward contracts change in value due to fluctuations in currency prices. The foreign exchange forward contracts are marked-to-market daily and the resulting unrealized gains or losses are recognized in the Statement of Net Assets.

The result of employing foreign exchange forward contracts is that the foreign exchange gains and losses in the securities portfolio move substantially in opposite directions from the gains and losses in the hedging portfolio.

As at December 31, 2011 and December 31, 2010, the Fund held no foreign exchange forward contracts.

5. Income Taxes

The Fund qualifies as a unit trust under the provisions of the Income Tax Act (Canada). The Fund is subject to tax on its income, including net realized capital gains, for the calendar year which is not paid or payable to the unitholders at the end of the calendar year. Sufficient distributions of income and of net realized capital gains are made to unitholders of record for the Fund, so that no provision for income taxes is required in the financial statements.

Capital losses incurred by the Fund cannot be allocated to unitholders but may be carried forward indefinitely to apply against realized capital gains. As at December 31, 2011, the Fund had \$2,186,967 (December 31, 2010 - \$73,493) in net capital loss carryforwards.

6. Brokerage Commissions

Brokerage commissions ("soft dollar commissions") on portfolio transactions may also include research services provided to the investment manager. The value of the research services paid to certain brokers for the years ended December 31, 2011 and 2010 is nil.

Integra Emerging Markets Equity Fund

Notes to Financial Statements

7. Securities Lending

The Fund lends portfolio securities from time to time in order to earn additional income. The Fund has entered into a securities lending program with its custodian, CIBC Mellon Global Securities Services. The aggregate market value of all securities cannot exceed 50% of the net assets of the Fund. The Fund receives collateral in the form of debt obligations of the Government of Canada and any other Sovereign States and Canadian provincial government, against the loaned securities. The Fund maintains a minimum collateral requirement of 102% for North American equities and 105% for Non-North American equities of the market value of the loaned securities during the period of the loan. At December 31, 2011, certain securities shown in the Statement of Net Assets with a market value of \$755,121 (December 31, 2010 - \$134,311) had been loaned as part of the securities lending program. The Fund held securities with a market value of \$796,819 (December 31, 2010 - \$141,158) as collateral for such loans. Under the terms of the program, the Fund may instruct that securities be returned within three days.

8. Capital Management

CICA Section 1535, "Capital Disclosures", establishes standards for disclosing information about an entity's capital and how it is managed. The adoption of this standard results in additional disclosures relating to the redeemable units of the Fund but does not affect the Fund's results or financial position. The capital of the Fund is represented by issued redeemable units with no par value. The units of the Fund are entitled to distributions, if any, and any redemptions are based on the Fund's net asset value per unit. The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of units. The relevant movements are shown on the Statement of Changes in Net Assets. The Fund endeavours to invest its subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

9. Management Fees

The trustee has appointed Integra Capital Limited (the "Manager") as manager to administer and regulate the day-to-day operations of the Fund. In return for the services provided, the Manager's parent company, Integra Capital Management Corporation, receives management fees from the Fund's unitholders, based on the net asset value of the Fund. These management fees are paid either by a redemption of units or the unitholder, if an institution, may be invoiced and payment will be delivered to the Manager.

10. Trustee and Other Fees

The Fund is responsible for its operating expenses relating to the carrying on of its business, including custodial services, legal, Independent Review Committee fees (if applicable), audit fees, transfer agency services relating to the issue and redemption of units, and the cost of financial and other reports in compliance with all applicable laws, regulations and policies. Such expenses are calculated and accrued daily based on the average net asset value. The Manager pays for such expenses on behalf of the Fund, except for certain expenses such as interest and taxes, and is then reimbursed by the Fund.

11. Comparison of Net Asset Value Per Unit - Industry Standard for Transactions to Net Assets Per Unit

NI 81-106, issued by the Canadian Securities Administrators, requires investment funds to value their investments using fair value measures as defined in NI 81-106. NI 81-106 requires that fair value prices be based on bid prices, whereas subscriptions and redemptions from the Fund are based on closing prices. Consequently, the method by which the net asset value is calculated for subscription and redemption purposes will be different from the net assets calculated for financial reporting purposes. In accordance with NI 81-106, a comparison of net assets, calculated in accordance with CICA Section 3855 of an investment fund, and net asset value, calculated in accordance with the Manager's fair value policies and procedures for unit pricing, as at December 31 are as follows:

December 31, 2011		December 31, 2010	
Net Asset Value per Unit - Industry Standard for Transactions	Net Assets per Unit	Net Asset Value per Unit - Industry Standard for Transactions	Net Assets per Unit
\$8.41	\$8.40	\$10.18	\$10.11

Integra Emerging Markets Equity Fund

Notes to Financial Statements

12. Transition to International Financial Reporting Standards

International Financial Reporting Standards (“IFRS”) will replace Canadian GAAP for publicly accountable enterprises, which include investment funds and other reporting issuers. Under the general transition rules for publicly accountable enterprises the Fund would adopt IFRS for its fiscal period beginning January 1, 2011. On December 12, 2011, the Canadian Accounting Standards Board amended the requirement to prepare financial statements in accordance with IFRS as issued by the International Accounting Standards Board, permitting investment companies, which include investment funds, to defer adoption of IFRS to fiscal years beginning on or after January 1, 2014. The Fund has elected to defer adoption of IFRS to January 1, 2014.

In preparing to meet the requirements, the Manager has taken the following steps in managing the transition to IFRS:

- Established a working group to identify key differences between Canadian GAAP and IFRS and to coordinate the implementation of the transition plan,
- Identified areas where changes in disclosure will be required under IFRS standards,
- Evaluated current information technology and reporting systems for readiness in IFRS implementation,
- Assessed the likely impacts on business activity and operational areas such as internal controls, staffing and training requirements.

The major changes identified for IFRS financial statements include the addition of a Statement of Cash Flows and the classification of unitholders' equity (puttable instruments) as a liability within the Statement of Net Assets, unless certain conditions are met.

Based on the current evaluation of the differences between Canadian GAAP and IFRS, the adoption of IFRS is expected to have no impact on the calculation of net assets or net asset value. IFRS is expected to affect the overall presentation of financial statements and result in additional disclosure in the accompanying notes. However, the Manager's assessment may change if new standards are issued or if the interpretations of current standards are revised.