

Financial Statements

Lincluden Private Trust

December 31, 2010

INDEPENDENT AUDITORS' REPORT

To the Unitholders of
Lincluden Private Trust

We have audited the accompanying financial statements of **Lincluden Private Trust** (the "Fund"), which comprise the statement of net assets as at December 31, 2010, and the statements of operations and changes in net assets for the year 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 audit. We conducted our audit 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 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 net assets of the Fund as at December 31, 2010, and the results of its operations and the changes in its net assets for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
March 25, 2011

Ernst & Young LLP

Chartered Accountants
Licensed Public Accountants

Lincluden Private Trust

Statement of Net Assets

As at December 31

	2010	2009
ASSETS		
Investments at fair value	\$91,251,450	\$88,822,262
Cash	495,816	958,672
Accrued dividend and interest receivable	355,469	372,244
Subscriptions receivable	3	1,382
Net unrealized gain on foreign exchange forward contracts (note 4)	32,777	—
Total assets	92,135,515	90,154,560
LIABILITIES		
Accrued expenses	53,057	67,668
Redemptions payable	285,923	310,049
Total liabilities	338,980	377,717
NET ASSETS REPRESENTING UNITHOLDERS' EQUITY	\$91,796,535	\$89,776,843
UNITS OUTSTANDING (note 3)	8,142,334	8,393,295
NET ASSETS PER UNIT (note 11)	\$11.27	\$10.70
NET ASSET VALUE PER UNIT - INDUSTRY STANDARD FOR TRANSACTIONS (note 11)	\$11.29	\$10.72

(See accompanying notes)

On behalf of the Manager,
Integra Capital Financial Corporation:



Gary Cook
Director



Peter Volpe
Director

Lincluden Private Trust

Statement of Operations

Year ended December 31

	2010	2009
INCOME		
Interest	\$1,490,959	\$1,484,657
Dividend	1,419,678	1,646,039
Revenue from securities lending	16,675	11,465
	2,927,312	3,142,161
EXPENSES		
Custodial fees	55,495	49,075
Operating expenses	83,445	54,769
Audit fees	21,449	19,049
Legal fees	705	—
Securityholder reporting costs	1,913	4,512
Investment performance monitoring fees	1,201	4,275
Goods and Services Tax	3,589	6,584
Harmonized Sales Tax	12,016	—
	179,813	138,264
NET INVESTMENT INCOME	2,747,499	3,003,897
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized gain (loss) on sale of investments	1,658,697	(2,390,495)
Net realized gain (loss) on foreign exchange forward contracts	(7,950)	3,745
Net realized loss on foreign exchange	(38,351)	(65,036)
Net unrealized gain (loss) on foreign exchange	5,775	(17,873)
Transaction costs (note 6)	(35,452)	(60,286)
Change in unrealized appreciation of investments	2,982,658	12,379,697
Change in unrealized appreciation on foreign exchange forward contracts	32,776	—
NET GAIN ON INVESTMENTS AND TRANSACTION COSTS	4,598,153	9,849,752
INCREASE IN NET ASSETS FROM OPERATIONS	\$7,345,652	\$12,853,649
Increase in net assets from operations per unit (Based on the average number of units outstanding during the year)	\$0.88	\$1.51

(See accompanying notes)

Statement of Changes in Net Assets

Year ended December 31

	2010	2009
NET ASSETS, BEGINNING OF YEAR	\$89,776,843	\$79,744,379
Increase in net assets from operations	7,345,652	12,853,649
DISTRIBUTIONS TO UNITHOLDERS		
Distribution from net investment income	(2,582,348)	(3,097,470)
	(2,582,348)	(3,097,470)
CAPITAL UNIT TRANSACTIONS (note 3)		
Proceeds from issuance of units	3,195,662	6,438,081
Reinvested distributions	2,582,348	3,097,470
Payments on redemptions	(8,521,622)	(9,259,266)
	(2,743,612)	276,285
Increase in net assets for the year	2,019,692	10,032,464
NET ASSETS, END OF YEAR	\$91,796,535	\$89,776,843

(See accompanying notes)

Lincluden Private Trust

Statement of Investments

As at December 31, 2010

	Number of Shares / Par Value \$	Average Cost \$	Fair Value \$
COMMON AND PREFERRED SHARES — 56.79%			
Canadian Equities — 33.25%			
Consumer Discretionary — 1.62%			
Shaw Communications Inc.	43,635	853,667	929,426
Thomson Reuters Corp.	15,105	554,820	561,151
		1,408,487	1,490,577
Consumer Staples — 1.10%			
Shoppers Drug Mart Corp.	25,600	1,103,363	1,011,200
		1,103,363	1,011,200
Energy — 8.07%			
Cameco Corp.	16,975	362,724	683,244
Canadian Natural Resources Ltd.	27,045	674,269	1,197,282
EnCana Corp.	40,250	1,161,689	1,168,860
Ensign Energy Services Inc.	40,670	518,125	611,270
Husky Energy Inc.	33,650	925,740	892,062
Suncor Energy Inc.	46,899	1,512,551	1,790,604
Talisman Energy Inc.	48,145	627,005	1,064,486
		5,782,103	7,407,808
Financials — 11.23%			
Bank of Montreal	17,275	703,735	992,276
Bank of Nova Scotia	20,795	645,768	1,185,939
Brookfield Properties Corp.	58,540	791,425	1,023,865
Intact Financial Corp.	23,610	784,979	1,198,444
Manulife Financial Corp.	93,870	1,999,709	1,605,177
Royal Bank of Canada	33,665	1,471,565	1,757,313
Sun Life Financial Inc.	35,740	1,279,417	1,072,915
Toronto-Dominion Bank (The)	19,880	1,077,498	1,473,108
		8,754,096	10,309,037
Health Care — 0.69%			
CML Healthcare Income Fund	55,740	712,326	636,551
		712,326	636,551
Industrials — 2.43%			
Bombardier Inc., Class 'B'	130,540	719,052	652,700
CAE Inc.	73,400	495,950	841,164
WestJet Airlines Ltd.	52,400	616,550	735,172
		1,831,552	2,229,036
Information Technology — 1.43%			
Research In Motion Ltd.	22,580	1,320,875	1,309,188
		1,320,875	1,309,188
Materials — 3.60%			
Barrick Gold Corp.	29,795	1,060,330	1,580,029
Inmet Mining Corp.	9,685	512,087	748,263
Yamana Gold Inc.	77,000	789,843	980,980
		2,362,260	3,309,272

Lincluden Private Trust

Statement of Investments

As at December 31, 2010

Telecommunication Services — 3.08%			
BCE Inc.	32,190	725,136	1,137,273
Rogers Communications Inc., Class 'B'	31,910	1,055,775	1,101,214
TELUS Corp.	12,870	474,846	585,328
		2,255,757	2,823,815
Total Canadian Equities — 33.25%		25,530,819	30,526,484
United States Equities — 11.95%			
Consumer Discretionary — 0.85%			
Comcast Corp., Class 'A'	19,164	489,458	418,550
Lowes Cos. Inc.	14,500	446,818	361,351
		936,276	779,901
Consumer Staples — 1.00%			
Coca-Cola Co. (The)	6,761	347,699	442,049
Walgreen Co.	12,397	401,178	479,674
		748,877	921,723
Energy — 1.51%			
Chevron Corp.	5,036	365,384	456,417
Devon Energy Corp.	4,825	317,966	376,118
ExxonMobil Corp.	7,625	551,397	554,303
		1,234,747	1,386,838
Financials — 1.40%			
Bank of America Corp.	33,393	491,630	442,634
MetLife Inc.	10,106	494,622	446,259
Wells Fargo & Co.	12,750	356,130	392,613
		1,342,382	1,281,506
Health Care — 2.03%			
Eli Lilly and Co.	8,135	291,907	283,079
Johnson & Johnson	4,280	317,791	263,037
Pfizer Inc.	31,719	767,987	551,873
Quest Diagnostics Inc.	5,890	329,360	315,631
Zimmer Holdings Inc.	8,540	501,276	455,177
		2,208,321	1,868,797
Industrials — 1.52%			
Brink's Co. (The)	7,685	211,201	205,032
Danaher Corp.	5,659	192,208	265,015
Honeywell International Inc.	9,979	399,298	526,520
Pitney Bowes Inc.	16,565	399,886	397,834
		1,202,593	1,394,401
Information Technology — 2.49%			
Applied Materials Inc.	27,382	426,770	381,730
Cisco Systems Inc.	21,583	467,106	433,637
Microsoft Corp.	17,528	487,814	485,926
Oracle Corp.	19,550	413,787	607,835
Texas Instruments Inc.	11,630	289,525	375,575
		2,085,002	2,284,703

Lincluden Private Trust

Statement of Investments

As at December 31, 2010

Materials — 0.33%			
Monsanto Co.	4,345	304,577	300,664
		304,577	300,664
Telecommunication Services — 0.55%			
Verizon Communications Inc.	14,271	517,955	507,374
		517,955	507,374
Utilities — 0.27%			
Southern Co. (The)	6,485	220,075	246,218
		220,075	246,218
Total United States Equities — 11.95%		10,800,805	10,972,125
International Equities — 11.59%			
Brazil — 0.46%			
Petróleo Brasileiro SA, ADR	11,205	402,829	420,859
		402,829	420,859
Finland — 0.35%			
Nokia OYJ, ADR	31,121	500,453	319,129
		500,453	319,129
France — 1.84%			
Alstom SA	4,535	211,079	216,482
AXA, ADR	13,030	359,045	215,572
Carrefour SA	8,210	403,802	337,573
France Télécom SA, ADR	14,767	360,709	309,165
Sanofi-Aventis, ADR	8,552	303,400	272,861
TOTAL SA, ADR	6,311	391,100	335,244
		2,029,135	1,686,897
Germany — 0.80%			
Munchener Rueckversicherungs-Gesellschaft AG, Registered	2,550	394,865	387,002
Siemens AG, ADR	2,849	189,962	351,457
		584,827	738,459
Hong Kong — 0.34%			
China Mobile Ltd., ADR	6,255	325,395	308,278
		325,395	308,278
Ireland — 0.42%			
Accenture PLC, Class 'A'	8,070	341,576	388,268
		341,576	388,268
Japan — 2.48%			
Keyence Corp.	1,646	343,977	474,300
Murata Manufacturing Co. Ltd.	5,010	244,538	349,863
Nintendo Co. Ltd.	1,425	404,415	415,681
NTT DoCoMo Inc., ADR	11,314	182,710	195,838
Panasonic Corp., ADR	31,419	554,102	439,258
SECOM Co. Ltd.	8,440	388,080	397,063
		2,117,822	2,272,003

Lincluden Private Trust

Statement of Investments

As at December 31, 2010

Netherlands — 0.66%			
ING Groep NV, ADR	32,498	555,078	315,489
Koninklijke Philips Electronics NV, NY Registry Shares	9,720	278,597	293,612
		833,675	609,101
South Korea — 0.60%			
Samsung Electronics Co. Ltd., GDR	1,305	437,345	545,916
		437,345	545,916
Switzerland — 0.73%			
ABB Ltd., ADR	15,329	259,511	341,951
Nestlé SA, ADR, Registered	5,694	235,588	331,550
		495,099	673,501
United Kingdom — 2.91%			
Barclays PLC, ADR	20,351	466,889	333,861
BG Group PLC	15,965	312,429	321,886
GlaxoSmithKline PLC, ADR	8,950	392,760	348,790
Home Retail Group	112,325	397,192	327,647
HSBC Holdings PLC, ADR	5,805	372,535	294,406
Standard Life PLC	100,145	401,643	336,520
Vodafone Group PLC, ADR	14,010	323,697	367,933
Wolseley PLC	10,788	278,512	343,380
		2,945,657	2,674,423
Total International Equities — 11.59%		11,013,813	10,636,834
TOTAL EQUITIES — 56.79%		47,345,437	52,135,443
BONDS — 37.27%			
Government of Canada — 10.47%			
Canada Housing Trust No. 1, 4.55%, 2012/12/15	1,075,000	1,150,162	1,131,113
Canada Housing Trust No. 1, Variable Rate, 2014/09/15	1,595,000	1,614,691	1,612,546
Canada Housing Trust No. 1, 3.75%, 2020/03/15	1,125,000	1,113,971	1,156,078
Canada Housing Trust No. 1, Series '25', Variable Rate, 2014/03/15	4,250,000	4,323,297	4,311,074
Canada Housing Trust No. 1, Series '23', 4.10%, 2018/12/15	1,295,000	1,340,563	1,373,885
Government of Canada, 3.50%, 2013/06/01	30,000	31,188	31,192
		9,573,872	9,615,888
Provincial Government — 9.30%			
Hydro One Inc., 6.40%, 2011/12/01	300,000	318,450	312,393
Hydro One Inc., Callable, 6.35%, 2034/01/31	265,000	279,208	317,716
Province of Manitoba, 5.70%, 2037/03/05	540,000	625,862	654,816
Province of New Brunswick, 4.55%, 2037/03/26	880,000	853,902	893,481
Province of Ontario, 4.50%, 2015/03/08	619,000	662,738	665,145
Province of Ontario, 4.20%, 2020/06/02	490,000	495,047	505,259
Province of Ontario, 4.70%, 2037/06/02	855,000	845,137	897,106
Province of Ontario, Series 'KJ', 7.60%, 2027/06/02	790,000	1,074,243	1,106,348
Province of Quebec, 4.50%, 2018/12/01	2,460,000	2,440,044	2,619,846
Province of Quebec, 5.00%, 2038/12/01	520,000	534,919	565,295
		8,129,550	8,537,405

Lincluden Private Trust

Statement of Investments

As at December 31, 2010

Corporate — 14.84%			
Bank of Montreal, 4.65%, 2013/03/14	900,000	910,008	944,351
Bank of Montreal, 5.45%, 2017/07/17	235,000	242,574	258,502
Bank of Nova Scotia, 4.56%, 2013/10/30	166,000	161,445	175,023
Bank of Nova Scotia, 4.10%, 2017/06/08	335,000	334,960	342,838
Bank of Nova Scotia, Variable Rate, Callable, 2019/04/15	230,000	229,929	243,771
Bell Aliant Regional Communications L.P., 4.37%, 2017/09/13	260,000	259,984	257,801
Bell Canada, Callable, 4.85%, 2014/06/30	400,000	409,042	422,614
Cameco Corp., Series 'D', Callable, 5.67%, 2019/09/02	170,000	176,889	182,054
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 2020/04/30	365,000	366,672	376,647
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 2020/11/02	200,000	199,578	195,772
Canadian Tire Corp. Ltd., Callable, 5.65%, 2016/06/01	50,000	49,980	54,744
Citigroup Finance Canada Inc., 4.90%, 2012/11/13	200,000	199,768	205,770
Citigroup Finance Canada Inc., 6.75%, 2014/09/22	190,000	189,833	206,806
CU Inc., Callable, 4.80%, 2021/11/22	150,000	138,345	156,396
CU Inc., Callable, 5.56%, 2028/05/26	100,000	100,000	108,382
Enbridge Inc., Callable, 5.00%, 2016/08/09	200,000	197,696	214,685
Enbridge Pipelines Inc., Callable, 4.49%, 2019/11/12	300,000	299,760	312,303
Golden Credit Card Trust, Series '2008-1', 5.11%, 2011/04/15	150,000	150,000	151,433
Greater Toronto Airports Authority, 6.25%, 2012/12/13	200,000	210,822	215,502
Greater Toronto Airports Authority, Series '2004-1', 6.47%, 2034/02/02	220,000	243,234	261,530
Honda Canada Finance Inc., 5.68%, 2012/09/26	200,000	200,000	211,114
HSBC Financial Corp. Ltd., 4.80%, 2011/04/13	150,000	145,974	151,132
Husky Energy Inc., Callable, 5.00%, 2020/03/12	190,000	192,989	193,691
Loblaws Cos. Ltd., 6.15%, 2035/01/29	275,000	290,667	277,518
Manulife Financial Corp., Callable, 5.51%, 2018/06/26	695,000	728,287	734,401
Master Credit Card Trust, Class 'A', Series '2006-2', 4.44%, 2011/11/21	250,000	248,515	255,891
NAV Canada, Floating Rate, 2013/04/29	200,000	200,000	199,979
Nova Scotia Power Inc., Series 'X', Callable, 5.61%, 2040/06/15	80,000	79,930	85,227
Rogers Communications Inc., Callable, 5.80%, 2016/05/26	266,000	265,380	291,442
Royal Bank of Canada, 4.53%, 2012/05/07	200,000	194,770	206,856
Royal Bank of Canada, 5.00%, 2014/01/20	110,000	114,678	117,758
Royal Bank of Canada, 5.95%, 2103/06/18	170,000	172,802	184,409
Royal Bank of Canada, Variable Rate, Callable, 2018/06/06	255,000	257,455	268,835
Royal Bank of Canada, Variable Rate, Callable, 2020/06/15	260,000	259,906	268,758
Scotiabank Tier I Trust, Variable Rate, Callable, 2108/06/30	80,000	80,000	91,846
Shaw Communications Inc., Callable, 5.65%, 2019/10/01	350,000	348,890	361,576
Shaw Communications Inc., Callable, 5.50%, 2020/12/07	150,000	149,452	151,842
Shoppers Drug Mart Inc., 5.19%, 2014/01/20	180,000	179,969	192,274
TELUS Corp., Series 'CD', 4.95%, 2017/03/15	400,000	397,900	418,149
TELUS Corp., Series 'CG', Callable, 5.05%, 2019/12/04	270,000	268,431	275,092
Teranet Holdings L.P., Callable, 4.81%, 2020/12/16	470,000	470,000	474,508
Thomson Reuters Corp., Callable, 5.25%, 2011/07/15	180,000	179,577	183,376
Toronto-Dominion Bank (The), 4.85%, 2013/02/13	500,000	504,365	526,678
Toronto-Dominion Bank (The), Variable Rate, Callable, 2020/04/02	505,000	545,707	549,337
TransCanada PipeLines Ltd., 11.10%, 2014/06/20	400,000	527,556	498,774
TransCanada PipeLines Ltd., 7.90%, 2027/04/15	70,000	81,382	90,539
TransCanada PipeLines Ltd., Series 'W', 9.45%, 2018/03/20	160,000	210,109	212,799
Wells Fargo Financial Canada Corp., Callable, 4.33%, 2013/12/06	380,000	364,645	394,282
Westcoast Energy Inc., 6.75%, 2027/12/15	400,000	381,804	471,641
		13,111,659	13,626,648
Foreign Bonds — 2.66%			
Bank of America Corp., 5.45%, 2014/09/17	200,000	199,816	206,092
Bank of America Corp., 4.36%, 2015/09/21	200,000	186,638	195,562
United States Treasury Bond, 4.25%, 2040/11/15	2,080,000	2,050,052	2,036,720
		2,436,506	2,438,374
TOTAL BONDS — 37.27%		33,251,587	34,218,315

Lincluden Private Trust

Statement of Investments

As at December 31, 2010

CANADIAN SHORT-TERM NOTES — 5.34%			
Treasury Bills — 5.34%			
Government of Canada Treasury Bill, 0.70%, 2011/01/20	4,900,000	4,891,364	4,897,692
		4,891,364	4,897,692
TOTAL SHORT-TERM NOTES — 5.34%		4,891,364	4,897,692
TRANSACTION COSTS		(61,567)	
TOTAL INVESTMENT PORTFOLIO — 99.40%		85,426,821	91,251,450
OTHER ASSETS, NET OF LIABILITIES — 0.60%			545,085
NET ASSETS — 100.00%			91,796,535

Lincluden Private Trust

Risk Disclosures

Financial Instruments Risk

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

Risk Management

The Trust's actively managed balanced portfolio is designed to earn an attractive long-term rate of return utilizing a value approach. The valuation and building process incorporates a "top-down" approach to determine asset mix, and a "bottom-up" process to determine individual security selection. This methodology factors in the fundamental long-term earning power of corporations, long-term interest rates and the dynamics of rapid asset pricing. The process is not designed to generate frequent changes in asset mix but rather to indicate when asset classes and securities are significantly mis-priced. The neutral asset mix target for the Trust is 55% equities and 40% fixed income and 5% cash and short-term investments.

The Sub-Advisor of the Trust is Lincluden Management Limited (the "Sub-Advisor").

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

To assist with managing risk, the Manager also maintains a governance structure that oversees the Trust's investment activities and monitors compliance with the Trust'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 the Trust. 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.

The table below summarizes the Trust's exposure to the credit ratings of debt securities.

Debt Securities by Credit Rating	As a % of Total Bonds	
	December 31, 2010	December 31, 2009
AAA	35.24%	41.91%
AA	26.94%	25.36%
A	25.52%	23.78%
BBB	12.30%	8.60%
Below BBB	0.00%	0.35%
Total	100.00%	100.00%

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 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 Trust. From time to time, the Trust may manage currency risk through foreign currency hedging strategies.

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

Lincluden Private Trust

Risk Disclosures

Currency (As at December 31, 2010)	Currency Risk Exposed Holdings*	Foreign Exchange Forward Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	\$19,848,346	(\$1,933,261)	\$17,915,085	19.52%
Japanese Yen	1,724,338	—	1,724,338	1.88%
British Pound	1,427,147	—	1,427,147	1.55%
Euro Currency Unit	1,023,502	—	1,023,502	1.11%

*Amounts include monetary items.

Currency (As at December 31, 2009)	Currency Risk Exposed Holdings*	Foreign Exchange Forward Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	\$17,603,091	\$ —	\$17,603,091	19.61%
British Pound	1,628,511	—	1,628,511	1.81%
Euro	1,217,074	—	1,217,074	1.36%
Japanese Yen	983,219	—	983,219	1.10%

*Amounts include monetary items.

As at December 31, 2010, 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 \$1,104,504 (December 31, 2009 - \$1,071,595). 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. Trusts 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 table below summarizes the Trust's exposure to interest rate risks. It includes the Trust's assets and trading liabilities at fair values, categorized by the earlier of contractual re-pricing or maturity dates. The interest rate risk associated with short-term notes is minimal and therefore not included in the table below.

Bonds	December 31, 2010	December 31, 2009
Less than 1 year	\$1,054,225	\$688,213
1-3 years	4,241,860	11,639,937
3-5 years	8,613,054	4,226,925
> 5 years	20,309,176	18,740,552
Total	\$34,218,315	\$35,295,627

As at December 31, 2010, had the prevailing interest rates raised or lowered by 1%, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$2,219,243 (December 31, 2009 - \$2,275,326).

Liquidity Risk

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

Lincluden Private Trust

Risk Disclosures

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 Trust.

As at December 31, 2010, a 5% change in stock prices would have changed the Trust's net assets by \$2,606,772 (December 31, 2009 - \$2,488,878) 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 Trust as at December 31, 2010, due to a 5% increase or decrease in the Trust's benchmark (35% S&P/TSX, 20% MSCI World GD, 40% DEX Universe, 5% Government of Canada Treasury Bills Indices), with all other variables held constant, would have been \$4,296,537 (December 31, 2009 - \$4,095,620). This calculation is based on the beta of the Trust over the past 36 months. In practice, the actual results may differ from the sensitivity analysis indicated above and the difference could be material.

Fair Value Measurements

The Trust adopted the amendments to CICA Section 3862, "Financial Instruments – Disclosures", on January 1, 2009. CICA Section 3862 establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Trust'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 Trust's financial assets carried at fair values:

Classification (As at December 31, 2010)	Level 1	Level 2	Level 3	Total
Equities	\$52,135,443	\$ —	\$ —	\$52,135,443
Short-term notes	—	4,897,692	—	4,897,692
Bonds	—	34,218,315	—	34,218,315
Foreign exchange forward contracts	—	32,777	—	32,777
Total Financial Assets	\$52,135,443	\$39,148,784	\$ —	\$91,284,227

Classification (As at December 31, 2009)	Level 1	Level 2	Level 3	Total
Equities	\$49,777,559	\$ —	\$ —	\$49,777,559
Short-term notes	—	3,749,076	—	3,749,076
Bonds	—	35,295,627	—	35,295,627
Total Financial Assets	\$49,777,559	\$39,044,703	\$ —	\$88,822,262

Lincluden Private Trust

Risk Disclosures

Summary of Investment Portfolio

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

	Percentage of Net Assets (%)	
	December 31, 2010	December 31, 2009
EQUITIES		
Canadian Equities		
Consumer Discretionary	1.62	2.46
Consumer Staples	1.10	1.01
Energy	8.07	9.88
Financials	11.23	11.33
Health Care	0.69	0.82
Industrials	2.43	2.23
Information Technology	1.43	0.54
Materials	3.60	1.18
Telecommunication Services	3.08	3.09
Total Canadian Equities	33.25	32.54
United States Equities		
Consumer Discretionary	0.85	0.93
Consumer Staples	1.00	0.97
Energy	1.51	1.26
Financials	1.40	1.12
Health Care	2.03	1.99
Industrials	1.52	1.42
Information Technology	2.49	2.80
Materials	0.33	0.36
Telecommunication Services	0.55	0.55
Utilities	0.27	0.48
Total United States Equities	11.95	11.88
International Equities		
Brazil	0.46	—
Finland	0.35	0.27
France	1.84	1.71
Germany	0.80	1.30
Hong Kong	0.34	—
Ireland	0.42	—
Japan	2.48	2.58
Netherlands	0.66	0.86
South Korea	0.60	0.38
Switzerland	0.73	1.09
United Kingdom	2.91	2.84
Total International Equities	11.59	11.03
TOTAL EQUITIES	56.79	55.45
BONDS		
Government of Canada	10.47	15.73
Provincial	9.30	9.11
Corporate	14.84	13.94
Foreign Bonds	2.66	0.53
TOTAL BONDS	37.27	39.31
SHORT-TERM NOTES	5.34	4.18
TOTAL INVESTMENT PORTFOLIO	99.40	98.94
OTHER ASSETS, NET OF LIABILITIES	0.60	1.06
NET ASSETS	100.00	100.00

Lincluden Private Trust

Notes to Financial Statements

1. Establishment of the Trust

The Lincluden Private Trust (the "Trust") was created under the laws of the Province of Ontario by a Declaration of Trust. The Trust was established on March 5, 2003 and commenced operations on this date.

The Trust 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 Trust 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.

On January 1, 2008, the Trust adopted CICA Section 3862, "Financial Instruments - Disclosures" of the CICA Handbook ("Section 3862") and Section 3863, "Financial Instruments - Presentation" ("Section 3863"). These sections establish standards for comprehensive disclosure and presentation requirements for financial instruments. The standards include new 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 Trust'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 Trust unit sold, the Trust receives an amount equal to the net asset value per unit at the date of sale, which amount is included in unitholders' equity. Trust units are redeemable at the option of unitholders at their net asset value on the redemption date. For each Trust unit redeemed, unitholders' equity is reduced by the net asset value of the Trust 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.

Lincluden Private Trust

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, 2010		December 31, 2009	
	Number of Trust units	Amount \$	Number of Trust units	Amount \$
Subscriptions	296,063	3,195,662	678,095	6,438,081
Reinvestments	235,203	2,582,348	296,639	3,097,470
Redemptions	782,227	8,521,622	907,409	9,259,266

The number of issued and outstanding units for the year ended December 31, 2010 is 8,142,334 (December 31, 2009 - 8,393,295).

4. Foreign Exchange Forward Contracts

The Trust 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 Trust 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 contracts potentially expose the Trust to losses.

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

Currency risks relate 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, 2010 (\$Nil in 2009), the Trust held the following foreign exchange forward contract.

Currency to Purchase	Amount \$	Market Value to Purchase \$	Currency to Deliver	Amount \$	Market Value to Deliver \$	Fair Value Unrealized Gain \$	Expiry Dates
CAD	575,684	575,684	USD	565,000	561,590	14,094	Jan. 2011
CAD	423,730	423,729	USD	420,000	417,465	6,264	Jan. 2011
CAD	482,045	482,045	USD	480,000	477,103	4,942	Jan. 2011
CAD	484,579	484,579	USD	480,000	477,103	7,477	Jan. 2011
						<u>32,777</u>	

5. Income Taxes

The Trust qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and has a taxation year-end of December 15. The Trust 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 as at the end of the calendar year. Income taxes on net realized gains not paid or payable by the mutual fund trusts are generally recovered by virtue of refunding provisions contained in the Income Tax Act (Canada) and provincial income tax acts, as redemptions occur. Sufficient distributions of income and of net realized capital gains are made to unitholders of record for the Trust, so that no provision for income taxes is required in the financial statements.

Capital losses incurred by the Trust cannot be allocated to unitholders but may be carried forward indefinitely to apply against realized capital gains. As at December 31, 2010, the Trust had \$1,488,819 (December 31, 2009 - \$2,039,866) in net capital loss carryforwards.

Lincluden Private Trust

Notes to Financial Statements

6. Brokerage Commissions

Brokerage commissions on portfolio transactions may also include research services provided to the investment manager ("soft dollar commissions"). The value of the research services paid to certain brokers for the years ended December 31, 2010 and December 31, 2009 is nil.

7. Securities Lending

The Trust lends portfolio securities from time to time in order to earn additional income. The Trust 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 Trust. The Trust 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 Trust 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, 2010, certain securities shown in the Statement of Net Assets with a market value of \$11,684,292 (December 31, 2009 - \$6,400,369) had been loaned as part of the securities lending program. The Trustee, on behalf of the Trust, held securities with a market value of \$12,279,896 (December 31, 2009 - \$6,744,794) as collateral for such loans. Under the terms of the program, the Trust 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 Trust but does not affect the Trust's results or financial position. The capital of the Trust is represented by issued redeemable units with no par value. The units of the Trust are entitled to distributions, if any, and any redemptions are based on the Trust's net asset value per unit. The Trust 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 Trust 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 Financial Corporation (the "Manager") as manager to administer and regulate the day-to-day operations of the Trust. In return for the services provided, the Manager's parent company, Integra Capital Management Corporation, receives management fees from the Trust's unitholders, based on the net asset value of the Trust. 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 Trust 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 Trust, except for certain expenses such as interest and taxes, and is then reimbursed by the Trust.

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 ["CSA"] 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 Trust 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, for the year ended December 31 were as follows:

December 31, 2010		December 31, 2009	
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
\$11.29	\$11.27	\$10.72	\$10.70

Lincluden Private Trust

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 January 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, 2013. The Fund has elected to defer adoption of IFRS to January 1, 2013.

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.