

Financial Statements

## **Integra Equity Fund**

June 30, 2009

## Integra Equity Fund

### Statement of Net Assets (unaudited)

	June 30, 2009	December 31, 2008
<b>ASSETS</b>		
Investment in Integra Canadian Value Growth Fund	\$67,214,473	\$62,730,678
Investment in NWQ U.S. Large Cap Value Fund	9,224,585	10,103,399
Investment in Integra Newton Global Equity Fund	9,394,340	10,228,158
Investment in Integra International Equity Fund	9,696,025	10,353,148
Cash	2,719	17,516
Accrued investment income	4,415	7,236
Subscriptions receivable	184,834	112,242
<b>Total assets</b>	<b>95,721,391</b>	<b>93,552,377</b>
<b>LIABILITIES</b>		
Accrued expenses	35,090	93,582
Redemptions payable	21,922	20,577
<b>Total liabilities</b>	<b>57,012</b>	<b>114,159</b>
<b>NET ASSETS REPRESENTING UNITHOLDERS' EQUITY</b>	<b>\$95,664,379</b>	<b>\$93,438,218</b>
<b>UNITS OUTSTANDING</b> (note 3)	<b>8,169,455</b>	<b>8,948,193</b>
<b>NET ASSET PER UNIT</b>	<b>\$11.71</b>	<b>\$10.44</b>

*(See accompanying notes)*

## Integra Equity Fund

### Statement of Operations (unaudited)

Six months ended June 30

	2009	2008
<b>INCOME</b>		
Interest	\$2,910	\$513,404
Dividend	33	1,911,232
Revenue from securities lending	—	30,217
	<b>2,943</b>	<b>2,454,853</b>
<b>EXPENSES</b>		
Custodial fees	19,101	56,313
Operating expenses	73,848	65,627
Audit fees	14,143	18,657
Legal fees	—	5,369
Securityholder reporting costs	9,446	7,828
Independent review committee expense	6,380	—
Investment performance monitoring service fees	5,192	—
Goods and Services Tax	6,405	7,681
	<b>134,515</b>	<b>161,475</b>
<b>NET INVESTMENT INCOME</b>	<b>(131,572)</b>	<b>2,293,378</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Net realized gain (loss) on sale of investments	(3,049,577)	2,108,871
Net realized gain on foreign exchange forward contracts	—	2,255
Net realized gain on foreign exchange	93	40,778
Net unrealized gain (loss) on foreign exchange	(601)	7,684
Transaction costs (note 6)	—	(40,497)
Change in unrealized appreciation (depreciation) of investments in		
Integra Canadian Value Growth Fund	13,367,453	—
NWQ U.S. Large Cap Value Fund	(77,830)	—
Integra Newton Global Equity Fund	376,119	—
Integra International Equity Fund	83,880	—
Change in unrealized depreciation of investments	—	(11,648,798)
<b>NET GAIN (LOSS) ON INVESTMENTS AND TRANSACTION COSTS</b>	<b>10,699,537</b>	<b>(9,529,707)</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b>\$10,567,965</b>	<b>(\$7,236,329)</b>
<b>Increase (decrease) in net assets from operations per unit</b> (Based on the average number of units outstanding during the period)	<b>\$1.23</b>	<b>(\$0.84)</b>

(See accompanying notes)

## Integra Equity Fund

### Statement of Changes in Net Assets (unaudited)

Six months ended June 30

	2009	2008
<b>NET ASSETS, BEGINNING OF PERIOD</b>	<b>\$93,438,218</b>	\$147,361,196
Increase (decrease) in net assets from operations	<b>10,567,965</b>	(7,236,329)
<b>DISTRIBUTIONS TO UNITHOLDERS</b>		
Distribution from net investment income	—	(2,007,728)
<b>CAPITAL UNIT TRANSACTIONS (note 3)</b>		
Proceeds from issuance of units	<b>2,772,418</b>	3,199,832
Reinvested distributions	—	2,007,728
Payments on redemptions	<b>(11,114,222)</b>	(11,581,033)
	<b>(8,341,804)</b>	(6,373,473)
Increase (decrease) in net assets for the period	<b>2,226,161</b>	(15,617,530)
<b>NET ASSETS, END OF PERIOD</b>	<b>\$95,664,379</b>	\$131,743,666

(See accompanying notes)

### Statement of Investments (unaudited)

As at June 30, 2009

	Number of Units	Average Cost \$	Fair Value \$
Integra Canadian Value Growth Fund	5,460,818	76,021,621	67,214,473
NWQ U.S. Large Cap Value Fund	2,253,967	11,696,234	9,224,585
Integra Newton Global Equity Fund	1,368,420	10,687,499	9,394,340
Integra International Equity Fund	920,590	11,011,083	9,696,025
<b>TOTAL INVESTMENT PORTFOLIO — 100.36%</b>		<b>109,416,437</b>	<b>95,529,423</b>
<b>OTHER ASSETS, NET OF LIABILITIES — (0.36)%</b>			<b>134,956</b>
<b>NET ASSETS — 100.00%</b>			<b>\$95,664,379</b>

(See accompanying notes)

## Integra Equity Fund

### Investments Held by Integra Equity (unaudited)

As at June 30, 2009

	Number of Units	Amount \$
<b>Investment in Integra Canadian Value Growth Fund</b>		
<b>Balance, beginning of period</b>	<b>6,023,745</b>	62,730,678
Add		
Units purchased	302,279	3,200,438
Change in unrealized appreciation	—	13,367,453
	<b>302,279</b>	16,567,891
Deduct		
Units redeemed	865,206	12,084,096
	<b>865,206</b>	12,084,096
<b>Balance, end of period</b>	<b>5,460,818</b>	67,214,473

	Number of Units	Amount \$
<b>Investment in NWQ U.S. Large Cap Value Fund</b>		
<b>Balance, beginning of period</b>	<b>2,408,324</b>	10,103,399
Add		
Units purchased	—	—
	—	—
Deduct		
Units redeemed	154,357	800,984
Change in unrealized depreciation	—	77,830
	<b>154,357</b>	878,814
<b>Balance, end of period</b>	<b>2,253,967</b>	9,224,585

	Number of Units	Amount \$
<b>Investment in Integra Newton Global Equity Fund</b>		
<b>Balance, beginning of period</b>	<b>1,523,339</b>	10,228,158
Add		
Units purchased	—	—
Distributions reinvested	—	—
Change in unrealized appreciation	—	376,119
	—	376,119
Deduct		
Units redeemed	154,919	1,209,937
	<b>154,919</b>	1,209,937
<b>Balance, end of period</b>	<b>1,368,420</b>	9,394,340

## Integra Equity Fund

### Investments Held by Integra Equity (unaudited)

As at June 30, 2009

	Number of Units	Amount \$
<b>Investment in Integra International Equity Fund</b>		
<b>Balance, beginning of period</b>	<b>982,542</b>	10,353,148
Add		
Units purchased	—	—
Distributions reinvested	—	—
Change in unrealized appreciation	—	83,880
	—	83,880
Deduct		
Units redeemed	<b>61,952</b>	741,003
	<b>61,952</b>	741,003
<b>Balance, end of period</b>	<b>920,590</b>	9,696,025

## Integra Equity Fund

### Summary of the Investments of the Indirect Holdings

Integra Canadian Value Growth Fund	% of Net Assets	Integra International Equity Fund	% of Net Assets
Consumer Discretionary	3.78	Netherlands	2.44
Consumer Staples	0.56	Norway	0.90
Energy	28.50	Russia	0.48
Financials	27.69	Singapore	0.74
Health Care	1.60	South Africa	1.43
Industrials	3.73	South Korea	0.74
Information Technology	6.65	Spain	0.75
Materials	17.18	Switzerland	9.13
Telecommunication Services	6.50	Taiwan	0.71
Utilities	0.61	Thailand	0.29
	<b>96.80</b>	United Kingdom	14.90
Cash and Cash Equivalents	0.77	United States	33.74
Other Assets, Net of Liabilities	2.43		<b>98.60</b>
<b>Total</b>	<b>100.00</b>	Cash and Cash Equivalents	1.34
		Other Assets, Net of Liabilities	0.06
		<b>Total</b>	<b>100.00</b>
<b>NWQ U.S. Large Cap Value Fund</b>			
Consumer Discretionary	7.03		
Consumer Staples	8.87		
Energy	13.53		
Financials	16.73		
Health Care	6.55		
Industrials	10.30		
Information Technology	15.91		
Materials	6.09		
Telecommunication Services	3.01		
Utilities	1.86		
International Equities	8.71		
	<b>98.59</b>		
Cash and Cash Equivalents	1.39		
Other Assets, Net of Liabilities	0.02		
<b>Total</b>	<b>100.00</b>		
<b>Integra Newton Global Equity Fund</b>			
Australia	5.44		
Austria	0.41		
Brazil	4.89		
Canada	0.70		
China	0.48		
France	4.33		
Germany	4.63		
Hong Kong	2.46		
Indonesia	0.31		
Japan	5.34		
Luxembourg	2.08		
Malaysia	1.28		

## Integra Equity Fund

### Risk Disclosures

#### Financial Instruments Risk

Investment activities of the Integra Equity Fund (the "Fund") exposes 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 investment objective of the Fund is to provide long-term capital appreciation through a portfolio of indirect holdings in Canadian, U.S. and international equities, which are sufficiently diversified to minimize investment risk. To achieve its objectives, the Fund invests in a number of underlying funds.

The Fund employs a passive investment strategy whereby investments in the underlying funds are based on target asset weightings. The target weightings allocated to each underlying fund and the selection of underlying funds are based on several factors, including impact to the Fund's volatility, asset class diversification and investment styles.

Financial statements for the underlying funds, which include discussions about their respective risk exposures, are included in the Integra Mutual Funds Semi-annual Report or available on the internet at [www.Integra.com](http://www.Integra.com).

The underlying funds may enter into securities lending transactions. Securities lending transactions will be used in conjunction with the underlying funds' other investment strategies in a manner considered most appropriate by Integra Capital Limited ("the Manager") to achieve the underlying funds' 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 June 30, 2009, 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 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 table below indicates the currencies to which the Fund had exposure as at June 30, 2009, on its trading monetary assets and liabilities as well as the underlying principal amount of foreign exchange contracts.

## Integra Equity Fund

### Risk Disclosures *(continued)*

Currency	Currency Risk Exposed Holdings*	Foreign Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	9,733,189	(3,057)	9,730,132	10.17%
Euro Currency Unit	1,975,323	(15,486)	1,959,837	2.05%
Japanese Yen	1,938,984	(25,076)	1,913,909	2.00%
British Pound	2,067,815	(211,662)	1,856,152	1.94%
Swiss Franc	1,262,202	—	1,262,202	1.32%
Australian Dollar	491,299	—	491,299	0.51%
Hong Kong Dollar	273,617	—	273,617	0.29%
Norwegian Krone	41,277	174,762	216,039	0.23%
South African Rand	192,540	—	192,540	0.20%
Thai Baht	172,389	19,315	191,704	0.20%
Swedish Krona	190,959	—	190,959	0.20%
Singapore Dollar	93,688	—	93,688	0.10%
South Korean Won	49,573	—	49,573	0.05%
Malaysian Ringgit	3,976	—	3,976	—
Indonesian Rupiah	834	—	834	—
Brazilian Real	511	—	511	—
Danish Krone	3	—	3	—

\*Amounts include monetary items.

As at June 30, 2009, 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 \$921,349. 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 amount of risk due to fluctuations in the prevailing levels of market interest rates.

#### Liquidity Risk

Unitholders may redeem their units on each valuation date. Therefore, the underlying funds held by the Fund invest in securities that are traded in active markets and can be readily disposed. The underlying funds retain 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-advisors moderate 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 June 30, 2009, a 5% change in stock prices would have changed the Fund's net assets by \$4,161,535 with all other factors held constant. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

## Integra Equity Fund

### **Risk Disclosures** *(continued)*

The impact on net assets of the Fund at June 30, 2009, due to a 5% increase or decrease in the Fund's benchmark (70% TSX, 15% Russell 1000, 15% MSCI EAFE Indices), with all other variables held constant, would have been \$4,821,000. This calculation is based on the beta of the Fund, over the past 36 months. In practice, the actual results may differ from the sensitivity analysis indicated above and the difference could be material.

## Integra Equity Fund

### Notes to Financial Statements

#### 1. Establishment of the Fund

The Integra Equity Fund (the "Fund") was created under the laws of the Province of Ontario by a Declaration of Trust. The Fund was established on June 30, 1987 and commenced operations on this date.

The Fund is a reporting issuer. The Fund has prepared its financial statements according to National Instrument 81-106 ("NI 81-106") and has advised the Ontario Securities Commission that it is relying on the exemption not to file its financial statements according to Sections 2.1 and 2.3.

The Fund invests substantially all of its assets in the Integra Canadian Value Growth Fund, NWQ U.S. Large Cap Value Fund, Integra Newton Global Equity Fund and Integra International Equity Fund (the "underlying funds"), mutual funds under common management as the Fund.

#### 2. Summary of significant accounting policies

The financial statements of the Fund have been prepared within the framework of the significant accounting policies summarized below:

On January 1, 2008, the Fund adopted the 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 to Sections 3862 and 3863 are contained after the Fund's Statement of Investment Portfolio.

- [a] Investments in the underlying funds 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.
- [b] The gain or loss on sale of investments is calculated with reference to the average cost of the related investments, excluding transaction costs.
- [c] Income is recorded by the Fund when distributions from the Fund's investments in the Underlying Funds are paid by them. All such distributions are reinvested in additional units of the underlying funds.
- [d] 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.
- [e] The 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.
- [f] The cost of investments represents the amount paid for each security and is determined on an average cost basis.

## Integra Equity Fund

### Notes to Financial Statements

#### 3. Unitholders' Equity

Unit transactions during the period were as follows:

	June 30, 2009		December 31, 2008	
	Number of Fund units	Amount \$	Number of Fund units	Amount \$
Subscriptions	264,317	2,772,418	387,068	5,423,500
Reinvestments	—	—	509,047	6,522,875
Redemptions	1,043,055	11,114,222	1,019,196	15,099,156

The number of issued and outstanding units at the period ended June 30, 2009 is 8,169,455 [December 31, 2008 - 8,948,193].

#### 4. Foreign Exchange Forward Contracts

The underlying funds held by the Fund utilize foreign exchange forward contract hedging in the management of currency risk associated with investments 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 contracts potentially expose the Fund to losses.

In order to minimize the possibility of loss arising from credit risk, the underlying funds deal only with large financial institutions.

Currency risks relate to the possibility that foreign exchange contracts change in value due to fluctuations in currency prices. The foreign exchange 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 June 30, 2009, the Fund held no foreign exchange forward contracts.

#### 5. Income Taxes

The Fund qualifies as a mutual fund 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 as at the end of the calendar year. Income taxes on net realized gains not paid or payable by the mutual fund trust is 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 is 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 realized capital gains. As at December 31, 2008, the Fund had nil 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 period ended June 30, 2009 is nil [June 30, 2008 - nil].

## Integra Equity Fund

### Notes to Financial Statements

#### 7. Capital Management

Section 1535 establishes standards for disclosing information about an entity's capital and how it is managed. The standard applies to financial statements relating to fiscal years beginning on or after October 1, 2007. 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 a 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.

#### 8. 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, Integra receives annual management fees directly from the Fund's unitholders, based on the net asset value of the Fund.

#### 9. Trustee and other fees

Under the terms of agreements with the trustee, all reasonable expenses incurred in connection with the administration and management of the Fund, including legal and audit fees, are paid by the Fund. In return for custodial and administrative services, the trustee receives a fee based on the fair value of investments held by the Fund. Additionally, the Fund pays transaction and valuation fees to the trustee.

#### 10. Future Accounting Policy Changes

At June 30, 2009 the Manager has developed a changeover plan to meet the timetable published by the CICA for changeover to International Financial Reporting Standards ("IFRS"). The key elements of the plan include disclosures of the qualitative impact in the 2009 annual financial statements, the disclosures of the quantitative impact, if any, in the 2010 financial statements and the preparation of the 2011 financial statements in accordance with IFRS with comparatives. The Manager has presently determined that there will be no significant impact to net asset value per unit from the changeover to IFRS. The impact of IFRS on accounting policies and implementation decisions will mainly be in the areas of additional disclosures in the financial statements of the Funds.