

Financial Statements

Integra Strategic Allocation Fund

December 31, 2009

AUDITORS' REPORT

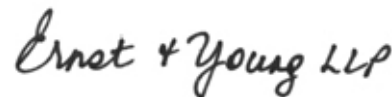
To the Unitholders of
Integra Strategic Allocation Fund:

We have audited the statements of net assets and investment portfolio of **Integra Strategic Allocation Fund** as at December 31, 2009 and the statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Fund's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets and investments of the Fund as at December 31, 2009 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 24, 2010.



Chartered Accountants
Licensed Public Accountants

Integra Strategic Allocation Fund

Statement of Net Assets

As at December 31

	2009	2008
ASSETS		
Investments at fair value	\$21,731,830	\$43,980,554
Cash	93	50,004
Net unrealized gain on foreign exchange forward contracts (note 4)	—	39,743
Total assets	21,731,923	44,070,301
LIABILITIES		
Accrued expenses	33,599	38,948
Redemptions payable	26,081	22,283
Net unrealized loss on foreign exchange forward contracts (note 4)	—	341
Total liabilities	59,680	61,572
NET ASSETS REPRESENTING UNITHOLDERS' EQUITY	\$21,672,243	\$44,008,729
UNITS OUTSTANDING (note 3)	1,745,761	3,974,375
NET ASSETS PER UNIT	\$12.41	\$11.07

(See accompanying notes)

On behalf of the Manager,
Integra Capital Management Corporation:



Graham Rennie
Director



Craig Honey
Director

Integra Strategic Allocation Fund

Statement of Operations

Year ended December 31

	2009	2008
INCOME		
Interest	\$591,372	\$1,388,681
Dividend	733,005	1,099,271
	1,324,377	2,487,952
EXPENSES		
Custodial fees	41,609	39,051
Operating expenses	32,925	50,104
Audit fees	4,763	4,767
Filing fees	955	1,824
Securityholder reporting costs	7,134	12,099
Investment performance monitoring fees	6,664	11,160
Goods and Services Tax	4,703	5,950
	98,753	124,955
NET INVESTMENT INCOME	1,225,624	2,362,997
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized loss on sale of investments	(2,097,130)	(4,565,504)
Net realized gain (loss) on foreign exchange forward contracts	445,971	(57,088)
Change in unrealized appreciation of investments	6,841,725	(11,984,530)
Change in unrealized depreciation on foreign exchange forward contracts	(39,402)	39,402
NET GAIN (LOSS) ON INVESTMENTS	5,151,164	(16,567,720)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$6,376,788	(\$14,204,723)
Increase (decrease) in net assets from operations per unit (Based on the average number of units outstanding during the year)	\$1.77	(\$2.40)

(See accompanying notes)

Integra Strategic Allocation Fund

Statement of Changes in Net Assets

Year ended December 31

	2009	2008
NET ASSETS, BEGINNING OF YEAR	\$44,008,729	\$94,714,108
Increase (decrease) in net assets from operations	6,376,788	(14,204,723)
DISTRIBUTIONS TO UNITHOLDERS		
Distribution from net investment income	(1,225,624)	(2,303,162)
	(1,225,624)	(2,303,162)
CAPITAL UNIT TRANSACTIONS (note 3)		
Proceeds from issuance of units	2,056,689	3,714,314
Reinvested distributions	1,225,624	2,303,162
Payments on redemptions	(30,769,963)	(40,214,970)
	(27,487,650)	(34,197,494)
Decrease in net assets for the year	(22,336,486)	(50,705,379)
NET ASSETS, END OF YEAR	\$21,672,243	\$44,008,729

(See accompanying notes)

Statement of Investments

As at December 31, 2009

	Number of Units	Average Cost \$	Fair Value \$
Integra Canadian Value Growth Fund	481,502	6,335,514	6,658,306
Integra International Equity Fund	155,154	1,962,365	1,701,407
Integra Bond Fund	523,969	8,568,858	8,527,597
Acadian Core International Equity Fund	475,716	2,167,768	1,722,997
Integra U.S. Value Growth Fund	486,143	3,881,033	3,121,523
TOTAL INVESTMENT PORTFOLIO — 100.27%		22,915,538	21,731,830
OTHER ASSETS, NET OF LIABILITIES — (0.27%)			(59,587)
NET ASSETS — 100.00%			\$21,672,243

(See accompanying notes)

Integra Strategic Allocation Fund

Summary of the Investments of the Indirect Holdings

	% of Net Assets		% of Net Assets	
	2009	2008	2009	2008
Integra Canadian Value Growth Fund				
Consumer Discretionary	4.27	5.50		
Consumer Staples	1.73	1.17		
Energy	25.93	25.95		
Financials	28.15	24.92		
Health Care	1.91	1.45		
Industrials	5.02	6.89		
Information Technology	6.46	5.82		
Materials	15.99	16.50		
Telecommunication Services	6.45	9.00		
Utilities	0.60	0.80		
	96.51	98.00		
Cash and Cash Equivalents	2.90	0.96		
Other Assets, Net of Liabilities	0.59	1.04		
Total	100.00	100.00		
Integra International Equity Fund				
Australia	5.56	3.62		
Austria	0.80	0.73		
Brazil	5.44	5.13		
Chile	0.71	—		
China	—	0.26		
Finland	—	0.68		
France	6.22	4.40		
Germany	5.58	7.03		
Hong Kong	2.92	3.45		
Ireland	—	0.72		
Japan	24.44	25.22		
Liechtenstein	—	0.57		
Luxembourg	2.41	0.79		
Macau	0.93	—		
Malaysia	—	0.80		
Netherlands	1.78	3.45		
Norway	—	2.10		
Peru	—	0.99		
Poland	0.56	—		
Russia	—	0.66		
Singapore	1.25	0.48		
South Africa	1.94	1.29		
South Korea	0.54	0.54		
Spain	0.85	—		
Switzerland	14.01	14.29		
Thailand	1.45	0.60		
United Kingdom	20.07	20.80		
	97.46	98.60		
Cash and Cash Equivalents	2.50	3.68		
Other Assets, Net of Liabilities	0.04	(2.28)		
Total	100.00	100.00		
Integra Bond Fund				
Government of Canada	35.26	35.89		
Provincial Government	24.62	21.64		
Municipal Government	0.38	0.33		
Supranational	0.07	0.07		
Corporate	33.28	33.17		
Foreign Bonds	1.76	1.22		
	95.37	92.32		
Cash and Cash Equivalents	3.54	6.05		
Other Assets, Net of Liabilities	1.09	1.63		
Total	100.00	100.00		
Acadian Core International Equity Fund				
Argentina			0.08	—
Australia			4.72	2.11
Austria			0.49	0.32
Belgium			0.26	1.42
Bermuda			0.05	0.32
Brazil			1.19	0.44
Chile			0.03	—
China			1.00	0.27
Denmark			0.31	0.43
Finland			0.93	0.09
France			7.50	12.91
Germany			10.86	11.66
Greece			0.33	0.19
Hong Kong			3.60	0.78
Italy			2.03	2.36
Japan			24.22	27.74
Luxembourg			0.01	0.01
Malaysia			0.20	0.03
Mexico			1.14	0.19
Netherlands			5.15	3.33
Norway			0.82	0.45
Pakistan			0.17	0.01
Poland			—	0.26
Portugal			—	0.03
Singapore			4.68	0.43
South Africa			—	0.35
South Korea			3.21	3.01
Spain			1.12	2.32
Sweden			1.55	1.30
Switzerland			4.41	5.44
Taiwan			0.92	2.90
Thailand			0.36	0.03
United Kingdom			17.81	15.50
			99.15	96.63
Cash and Cash Equivalents			0.32	1.65
Other Assets, Net of Liabilities			0.53	1.72
Total			100.00	100.00
Integra U.S. Value Growth Fund				
Consumer Discretionary			11.48	9.52
Consumer Staples			4.61	5.54
Energy			7.21	10.06
Financials			11.26	9.60
Health Care			16.01	18.53
Industrials			13.63	13.24
Information Technology			17.30	14.00
Materials			2.41	1.67
Telecommunication Services			2.60	4.87
Utilities			3.09	3.98
International Equities			7.26	6.27
			96.86	97.28
Cash and Cash Equivalents			3.17	4.15
Other Assets, Net of Liabilities			(0.03)	(1.43)
Total			100.00	100.00

Integra Strategic Allocation Fund

Risk Disclosures

Financial Instruments Risk

Investment activities of the Integra Strategic Allocation 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 investment objective of the Fund is to provide long-term capital appreciation and income through a constant mix of stocks and bonds while managing short-term preservation of capital. To achieve its objectives, the Fund invests in a number of underlying funds that have holdings in a range of different asset classes.

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 Annual Report or available on the internet at 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 to achieve the underlying funds' investment objectives and to enhance the underlying funds' returns.

To assist with managing risk, Integra Capital Management Corporation (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.

As the Fund invests in underlying funds it has various risk exposures attributable to its investments in these underlying funds. The types of risks outlined below reflect the risks of the underlying funds.

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.

The Fund invested through indirect holdings in debt securities with the following credit rating:

Debt Securities by Credit Rating	As a % of Total Bonds	
	December 31, 2009	December 31, 2008
AAA	40.49%	44.16%
AA	23.69%	30.15%
A	27.24%	20.76%
BBB	8.28%	3.62%
Below BBB	0.30%	1.31%
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.

Integra Strategic Allocation Fund

Risk Disclosures *(continued)*

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.

December 31, 2009

Currency	Currency Risk Exposed Holdings*	Foreign Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	3,213,310	71,155	3,284,465	15.16%
Euro Currency Unit	844,380	42,713	887,093	4.09%
Japanese Yen	833,914	(55,817)	778,097	3.59%
British Pound	559,027	(92,495)	466,532	2.15%
Swiss Franc	313,569	(609)	312,960	1.44%
Australian Dollar	176,365	3,599	179,964	0.83%
Hong Kong Dollar	125,166	—	125,166	0.58%
Singapore Dollar	107,267	17,987	125,254	0.58%
Brazilian Real	64,415	—	64,415	0.30%
South Korean Won	64,346	—	64,346	0.30%
South African Rand	52,263	—	52,263	0.24%
Norwegian Krone	14,158	32,957	47,115	0.22%
Swedish Krona	47,392	—	47,392	0.22%
Thai Baht	30,789	—	30,789	0.14%
Mexican Peso	20,004	—	20,004	0.09%
Polish Zloty	9,743	—	9,743	0.04%
Danish Krone	5,290	—	5,290	0.02%
Malaysian Ringgit	3,489	—	3,489	0.02%
Pakistan Rupee	2,874	—	2,874	0.01%
Indonesian Rupiah	—	—	—	—
New Zealand Dollar	8	—	8	—
Peruvian Nuevo Sol	13	—	13	—
Philippine Peso	—	—	—	—

*Amounts include monetary items.

December 31, 2008

Currency	Currency Risk Exposed Holdings*	Foreign Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	7,191,395	(3,544,472)	3,646,923	8.38%
Euro Currency Unit	1,901,105	216,163	2,117,268	4.87%
Japanese Yen	1,782,555	127,485	1,910,040	4.39%
British Pound	1,066,351	(111,418)	954,933	2.19%
Swiss Franc	685,157	(49,974)	635,183	1.46%
Australian Dollar	200,663	5,023	205,686	0.47%
South Korean Won	118,425	—	118,425	0.27%
Hong Kong Dollar	98,374	2,376	100,750	0.23%
Norwegian Krone	85,957	2,220	88,177	0.20%
Swedish Krona	81,544	—	81,544	0.19%
South African Rand	55,348	1,816	57,164	0.13%
Brazilian Real	42,992	1,121	44,113	0.10%
Singapore Dollar	32,310	—	32,310	0.07%
Malaysian Ringgit	29,018	—	29,018	0.07%
Thai Baht	22,637	—	22,637	0.05%
Mexican Peso	15,435	—	15,435	0.04%
Polish Zloty	14,511	—	14,511	0.03%
Danish Krone	14,452	—	14,452	0.03%
New Zealand Dollar	451	—	451	—

Integra Strategic Allocation Fund

Risk Disclosures *(continued)*

Indonesian Rupiah	298	—	298	—
Pakistan Rupee	160	—	160	—
Peruvian Nuevo Sol	30	—	30	—

*Amounts include monetary items.

As at December 31, 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 \$325,364 (December 31, 2008 - \$504,476). 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 table below summarizes the Fund's exposure to interest rate risks. It includes the Fund'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, 2009	December 31, 2008
Less than 1 year	156,589	372,623
1-3 years	2,504,080	4,197,869
3-5 years	1,307,367	3,032,678
> 5 years	4,153,744	9,453,983
Total	8,121,780	17,057,153

As at December 31, 2009, 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 \$543,556 (December 31, 2008 - \$1,187,147).

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-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, 2009, a 5% change in stock prices would have changed the Fund's net assets by \$639,284 (December 31, 2008 - \$2,511,701) 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, 2009, due to a 5% increase or decrease in the Fund's benchmark (30% TSX, 15% Russell 1000, 15% MSCI EAFE, 40% DEX Universe Indices), with all other variables held constant, would have been \$1,093,690 (December 31, 2008 - \$2,244,000). 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 Strategic Allocation Fund

Risk Disclosures *(continued)*

Fair value measurements

The Fund adopted the amendments to CICA 3862, "Financial Instruments – Disclosures", on January 1, 2009. CICA 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 following is a summary of the inputs used as of December 31, 2009 in valuing the Fund's financial assets carried at fair values:

Classification	Level 1	Level 2	Level 3	Total
Investments in funds	\$21,731,830	—	—	\$21,731,830
Total Financial Assets				\$21,731,830

Summary of Investment Portfolio as at December 31, 2008

The Fund's summary of investment portfolio for December 31, 2008 appears in the following table:

	Percentage of Net Assets (%)
Integra Canadian Value Growth Fund	27.19
Integra International Equity Fund	7.71
Integra Bond Fund	42.07
Acadian Core International Equity Fund	7.59
Integra U.S. Value Growth Fund	15.38
TOTAL INVESTMENT PORTFOLIO	99.94
OTHER ASSETS, NET OF LIABILITIES	0.06
NET ASSETS	100.00

Integra Strategic Allocation Fund

Notes to Financial Statements

1. Establishment of the Fund

The Integra Strategic Allocation Fund [the "Fund"] was created under the laws of the Province of Ontario by a Declaration of Trust. The Fund was established on November 24, 1998 and commenced operations on November 30, 1998.

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

The Fund invests substantially all of its assets in the Integra Canadian Value Growth Fund, the Integra International Equity Fund, the Integra Bond Fund, the Acadian Core International Equity Fund and the Integra U.S. Value Growth Fund [the "underlying funds"], which are mutual funds under common management as the Fund.

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 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 Investments.

- [a] Investments in the underlying funds are recorded at their fair value in Canadian currency, which is represented by net asset value per unit 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.
- [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 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.
- [f] The cost of investments represents the amount paid for each security and is determined on an average cost basis.

Integra Strategic Allocation Fund

Notes to Financial Statements

3. Unitholders' Equity

Unit transactions during the year were as follows:

	December 31, 2009		December 31, 2008	
	Number of Fund units	Amount \$	Number of Fund units	Amount \$
Subscriptions	176,996	2,056,689	285,800	3,714,314
Reinvestments	101,627	1,225,624	183,773	2,303,162
Redemptions	2,507,237	30,769,963	3,323,945	40,214,970

The number of issued and outstanding units for the year ended December 31, 2009 is 1,745,761 (December 31, 2008 - 3,974,375).

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 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 A credit rating.

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 December 31, 2009, the Fund did not directly hold any foreign exchange 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 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 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, 2009, the Fund had \$1,676,302 (December 31, 2008 - \$1,944,400) in net capital loss carryforwards.

6. 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.

Integra Strategic Allocation Fund

Notes to Financial Statements

7. Management Fees

The trustee has appointed Integra Capital Management Corporation (the "Manager") as manager to administer and regulate the day-to-day operations of the Fund. In return for the services provided, the Manager receives annual management fees directly from the Fund's unitholders, based on the net asset value of the Fund.

8. 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.

9. Transition to International Financial Reporting Standards

The Canadian Accounting Standards Board has confirmed January 1, 2011 as the date International Financial Reporting Standards ("IFRS") will replace Canadian GAAP for publicly accountable enterprises, which include investment funds and other reporting issuers. Accordingly, the Fund will adopt IFRS for its fiscal period beginning January 1, 2011.

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,
- Identify areas where changes in disclosure will be required under IFRS standards,
- Evaluate current information technology and reporting systems for readiness in IFRS implementation, and
- Assess the likely impacts on business activity and operational areas such as internal controls, staffing and training requirements.

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.