



Annual Management Report of Fund Performance As at December 31, 2009 Integra Balanced Fund

This annual report of fund performance contains financial highlights but does not contain the complete annual financial statements for the investment fund. You may request a copy of the annual financial statements at no cost, by calling 1-800-363-2480, by writing to us at Integra Capital Limited (“Integra”), 2020 Winston Park Drive, Suite 200, Oakville ON L6H 6X7 or by visiting our website at www.integra.com or the SEDAR website at www.sedar.com.

Security holders may also contact us using one of these methods to request a copy of the investment fund’s proxy voting policies and procedures, proxy voting disclosure record, or portfolio disclosure relation to the investment fund.

Management Discussion of Fund Performance Investment Objectives and Strategies

The Integra Balanced Fund seeks to provide both capital appreciation and income, while maintaining a relatively low level of risk. The fund invests in a diverse mix of asset classes. The Fund may hold up to an aggregate of 10% in cash or cash equivalents.

The Fund invests in the securities of the Analytic Core U.S. Equity Fund, the Acadian Core International Equity Fund, the Integra Bond Fund, the Integra Canadian Value Growth Fund and the Integra Newton Global Equity Fund. The target weighting of the Fund’s investment in each of the Analytic Core U.S. Equity Fund and the Acadian Core International Equity Fund is 8.5%, in the Integra Bond Fund 40.0%, in the Integra Canadian Value Growth Fund 28.0% and in the Integra Newton Global Equity Fund 15.0% of net assets (exclusive of cash and cash equivalents), subject to a permitted deviation of 2.5% above or below the target weighting to account for market fluctuations.

The Fund employs a strategic 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 this Integra Mutual Funds Annual Report.

The Integra Balanced Fund may enter into securities lending transactions. Securities lending transactions will be used in conjunction with the Fund’s other strategies in an appropriate manner to achieve the Fund’s investment objectives.

Risk

A significant portion of the Fund’s assets will be invested in common shares. As a result, the Fund is exposed to stock market risk and specific issuer risk. Equity risk can be described as the potential for a decline in stock prices. The share price of a company will be impacted by various factors including profit growth, dividend policy, balance sheet leverage, quality of management, market share, product development, and technology investment.

Stock prices are also influenced by external factors such as economic and political events.

The Fund also invests in fixed income securities. As a result, the Fund is exposed to interest rate risk and credit risk. When interest rates rise, generally bonds will lose value.

Some of the Fund’s assets will be invested in foreign securities issued by U.S. and international companies. As the Fund invests outside of Canada it will also be subject to foreign security risk and currency risk.

The Fund may also invest in American Depository Receipts and would therefore be exposed to ADR risk.

The Fund may participate in securities lending. Accordingly, it may be subject to securities lending risks.

Looking ahead, many developed countries saddled with aging populations and slow growth must now deal with large government deficits created by the substantial stimulus programs introduced during the past few years. In the short run, a high budget deficit is appropriate in the context of weak private sector economic activity. Conditions are cyclically favourable for financing deficits, with historically low interest rates and inflationary threats minimal.

Integra Balanced Fund

Management Discussion of Fund Performance

Risk—*continued*

Longer term, deficits are much more worrisome, with the aging demographics and the demand for new government spending programs. Interest rates will rise to more normal levels over time, increasing the service costs on the debt financing the budget shortfalls.

In the interim however, budget deficits should not interfere with the global economic recovery.

Results of Operations

For the quarter, six- month and one-year periods ended December 31st, the Fund gained 1.5%, 8.5% and 16.2%, respectively. In comparison, the Fund's benchmark (28% S&P/TSX Composite Index, 38% DEX Bond Universe Index, 32% MSCI World (free) Index plus 2% DEX 91-day Government of Canada Treasury Bill Total Return Index) returned 1.6%, 8.5% and 15.3%, for the same periods.

During the first two months of 2009, global stock markets were down approximately 20% as investors shunned risk and thus sold out of equities. In early March, stock markets around the world touched bottom and sentiment reversed dramatically, partly on the back of support commitments and tremendous injections of liquidity into the financial services sector by governments around the world. While many indicators within the global economy indicate these are difficult times, the equity markets' sharp rise reflected a common belief that the worst is behind us. However, it should be noted that the rally which began late in the first quarter left many high quality companies behind.

In Canada, the strongest sectors were Financial Services, Information Technology and Energy, closely followed by Materials. On the other hand, as evidence that investors became much less defensive in early March, the worst performing sectors for 2009 were Telecom Services and Consumer Staples.

There was tremendous dispersion within the American stock market in 2009. The Information Technology, Materials and Consumer Discretionary sectors had returned ranging between 23% and 38%. These business groupings tend to be the most economic sensitive. On the other hand, four of the ten sub-indices within the market: Telecom Services, Utilities, Consumer Staples and Financial Services, the more defensive sectors, all lost money in Canadian dollar terms.

The strongest performing areas outside of North America were the Emerging Markets, particularly Brazil (an economy leveraged towards commodities) and China. In the Far East, Australia (benefitting from its proximity to China's booming economy) and Singapore enjoyed the best returns while Japan, in spite of a rally late in the year, was down over the 12-month period.

Within Europe, Norway and Sweden reported the largest gains during the year, while Finland and Ireland suffered losses during 2009. The Materials sector was far and away the best performing business group in the international stock market during 2009, generating a return of 44.3%. Other sub-indices rewarding investors during the year were Financial Services and Consumer Discretionary stocks. On the other hand, the Utilities and Telecom Services industry groups lost money during 2009.

Within the bond market there was a divergence of returns. The corporate sector performed exceedingly well as credit spreads narrowed dramatically in 2009. The corporate component of the DEX Universe Bond Index had a return of 16.3% during the year, versus 4.7% for provincial bonds and a negative 1.5% return for Government of Canada bonds. As investors renewed their appetite for risk, the worst performers the previous year, became the stars of 2009 and visa versa.

As a consequence of the collateral damage from the U.S. credit crisis created by imprudent lending policies, many regions around the world have plunged into recessions. The pain has spread to job markets and, in turn, to consumer spending as well as business investment. In response, central banks around the world aggressively reduced short-term interest rates during the second half of 2008. Short-term interest rates remained at historic lows throughout 2009.

Integra Balanced Fund

Management Discussion of Fund Performance - *continued*

Results of Operations - *Continued*

Additionally, governments have expanded lending facilities to financial intermediaries and have made numerous investments, both equity and debt, in financial institutions in order to preserve confidence in financial systems.

During the latter portion of 2009, consumer spending data in Canada turned positive on a year-over year basis and is now back in the range of where it was mid-2007. However, while the pace of job losses has slowed, there was no net job creation during 2009.

The U.S. economy's recovery is somewhat more muted due to the high debt levels and continued weakness in the housing market. The softness in the U.S. coupled with the recent strength of the loonie hurts Canadian exports.

Over the 12 months ended December 31st, the Integra Balanced Fund out-performed its benchmark largely to its Canadian stock holdings and bonds as well as underweight in short-term securities. On the other hand, foreign stock investments, particularly overseas hampered relative performance.

With respect to its Canadian holdings the Fund did well, with the relative returns being positively impacted by stock selection in the Financial Services and Materials sectors. To a lesser extent, stock selection in the Consumer Staples sector also generated value added.

The Fund's out-performance also was partially due to over-weight to Emerging Markets. Within in the developing markets, the Fund benefited from an overweight in Brazil and its commodity-based economy.

The past year was an extremely difficult period for quantitative investment strategies such as the ones used for selecting a portion of U.S. and International holdings in the Fund. The types of stocks favoured by the Fund's quantitative investment teams trailed the market because investors prized risk and cheapness over the more typical emphasis on earnings prospects, financial quality and favourable price characteristics. Momentum in particular realized its worst performance in decades, as some stocks reversed in price by huge margins.

With respect to bonds, the Fund performed well, by being over-weight corporate and provincial bonds but without taking undue risk. The Fund's duration (sensitivity to changes in interest rates) was slightly longer than that of the benchmark. Thus, the portfolio was more sensitive to falling interest rates (bond prices move inversely with changes in interest rates).

Fund expenses vary period over period mainly as the result of changes in average Net Asset Values and investment activity. Custodial fees decreased year over year due to the change in the structure of the Fund (to a Fund on Funds) coupled with a new fee scale negotiated with the Fund custodian which took effect in late 2008. Additionally, Operating expenses were lower during 2009. This is partially due to a variance between the budgeted amount of expense accrued in the latter portion of 2008 versus the actual expense that was incurred during that period.

The Fund had net capital subscriptions of \$2.8 million during 2009 as investors began moving money out of capital preservation investments and began seeking more of a balance between growth and income.

Recent Developments

Although the global recession ended during the summer of 2009, the outlook for the economy recovery appears mixed. Developed economies, restrained by the consequences of both property and credit bubbles, are likely to grow at rates meaningfully below those of prior economic recoveries.

Canada's labour market is relatively strong relative to the U.S. The unemployment rate is currently slightly in excess of 8%, while the American jobless rate is closer to 10%. If businesses continue to hire at the rate they have over the past few months, all of the Canadian jobs lost since the beginning of the recession will have been restored. However, those workers who have entered the workforce since the economic slowdown began would not have jobs. (The labour force has increased 1% annually since the slowdown began.) Corporations are likely to maximize productivity gains, making due with what they have, before beginning aggressive hiring.

Improving economic data, a continuation of low short-term interest rates and growth in corporate profits coupled with reasonable valuations will push stock markets higher in 2010. While the equity markets have traded in a fairly narrow range over the past few months, there has been churning activity as investors begin to transition away from the "junk" rally and move money into quality stocks that did not fully participate in the run-up over the past three quarters. The quality stocks are the shares of those companies with proven growth records, healthy balance sheets, generate abundant free cash flow and have reasonable valuations.

Integra Balanced Fund

Management Discussion of Fund Performance - continued

In past market cycles, low quality leadership begins to wane after about six to nine months. The most important determinant in the equity market outlook is likely to be corporate earnings. Actual profits mattered less in the robust returns of 2009, yet in the coming year and those to follow, as the economic recovery progresses, the environment is likely to see a return where corporate earnings matter.

Within Canada, through its underlying funds, the Fund has established new stock positions in Canadian Western Bank, Fairfax Financial, Magna, Rogers Communications, SNC Lavalin and Husky Energy. Outside of Canada, recent acquisitions include Mitsubishi Corp. and Nomura Holdings. On a geographic basis, the Fund is over-weight Emerging Markets and the Pacific Region excluding Japan.

In terms of bonds, the duration of the Fund at the end of December was 5.94 years versus the DEX Bond Universe Index of 5.91 years. The Fund's yield at year-end was 3.4% as compared to the DEX Bond Universe's 3.3%. The underlying funds of the Fund continue to favour Corporate bonds, with some exposure to the U.S. and Maple bonds. The average credit quality of the Fund however remains AA.

Caution Regarding Forward-looking Statements

This report may contain forward-looking statements about the Fund, including its strategies and expected performance. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to potential future events or market and economic conditions.

In addition, any statement that may be made concerning future performance, strategies or prospects and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to risks, uncertainties and assumptions about the Fund and capital market and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results may differ materially from those expressed or implied in any forward-looking statements made by the Fund. A wide range of factors may contribute to these variances, including general economic, geopolitical and market influences in Canada or globally, interest rates and currencies, capital markets, technology innovations, regulations and catastrophic events.

Investors are encouraged to consider these and other factors including their own investment objectives carefully before making any investment decisions and are urged to avoid placing undue reliance on forward-looking statements.

Additionally, investors should be aware that the Fund has no specific intention to update any forward-looking statements whether as a result of new information and future events, prior to the release of the next Management Report on Fund Performance.

Related Party Transactions

Manager, Portfolio Manager and Transfer Agent

The Fund is managed by Integra. Integra provides or arranges for the provision of all general management and administrative services rendered by the Fund in its day-to-day operations, including providing or arranging the provision of investment advice and record-keeping services for the Fund.

As a result of providing investment advisory and management services, Integra is entitled to receive a monthly fee from investors in the Fund.

Benchmark Change

During September 2008, changes were introduced to the Integra Balanced Fund as the Fund's strategic asset mix was shifted to 28% Canadian Equities, 32% Foreign Equities, 38% Bonds and 2% Cash and Cash Equivalents. This change is consistent with our long term themes of reducing volatility, improving diversification, and broadening the opportunity set for our investment teams. The change to the benchmark is consistent with the changes to the Fund's structure and better aligns it with that strategic policy of the fund going forward.

Benchmark - Prior to Q4 2008	
20.0%	S&P/TSX Composite Index
15.0%	BMO Small Cap Index
40.0%	S&P/TSX DEX Universe Bond Index
5.0%	Russell 1000 Index
5.0%	Russell 2000 Index
5.0%	MSCI EAFE Index
10.0%	S&P/TSX DEX 91 Day T-Bill Index

New Benchmark	
28.0%	S&P/TSX Composite Index
32.0%	MSCI World Index
38.0%	S&P/TSX DEX Universe Bond Index
2.0%	S&P/TSX DEX 91 Day T-Bill Index

Integra Balanced Fund

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years. This information is derived from the Fund's audited annual financial statements.

Integra Balanced Fund					
	2009	2008	2007	2006	2005
Net Asset Value, Beginning of Year	\$11.79	\$14.82	\$15.78	\$14.70	\$14.22
Adjustment for New Accounting Standards	—	(0.02)	—	—	—
Net Assets, Beginning of Year	\$11.79	\$14.80	\$15.78	—	—
Increase (Decrease) From Operations:					
Total revenue	0.44	0.52	0.54	0.48	0.41
Total expenses	(0.02)	(0.03)	(0.03)	(0.03)	(0.03)
Realized gains (losses) for the year	0.08	(0.20)	0.62	0.69	0.65
Unrealized gains (losses) for the year	1.38	(2.81)	(1.08)	0.92	0.39
Total Increase (Decrease) From Operations ⁽¹⁾	\$1.88	(\$2.52)	\$0.05	\$2.06	\$1.42
Distributions:					
From income (excluding dividends)	(0.30)	(0.41)	(0.42)	(0.31)	(0.27)
From dividends	(0.10)	(0.09)	(0.08)	(0.11)	(0.08)
From capital gains	—	—	(0.52)	(0.51)	(0.54)
Return of capital	—	—	—	—	—
Total Annual Distributions ⁽²⁾	(\$0.40)	(\$0.50)	(\$1.02)	(\$0.93)	(\$0.89)
Net Asset Value, End of Year	\$13.26	\$11.79	\$14.80	\$15.78	\$14.70
Ratios and Supplemental Data (Based on Trading NAV)					
Net assets values(000's)	\$197,029	\$173,331	\$216,326	\$219,522	\$176,141
Number of units outstanding	14,858,285	14,700,100	14,595,864	13,909,117	11,982,069
Management expense ratio (%)	2.20%	2.15%	2.07%	2.11%	2.14%
Management expense ratio before waivers or absorptions (%)	2.20%	2.15%	2.07%	2.11%	2.14%
Portfolio turnover rate (%) ⁽³⁾	22.48%	162.27%	56.28%	49.59%	53.47%
Trading expense ratio (%) ⁽⁴⁾	0.00%	0.11%	0.08%	0.08%	0.08%

Supplementary information to the Financial Highlights calculations are based on the following:

1. Net asset and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the year.
2. Distributions were paid in cash/reinvested in additional units of the Fund, or both.
3. The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.
4. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average Net Asset Values during the year.

Management Fees

The Fund pays no management fees to Integra. For management services provided to them by Integra, clients of Integra will pay an investment management fee directly to Integra, as set out in their agreement with Integra. The amount of the investment management fee is negotiable between the client and Integra.

*The maximum annual management fee before GST (expressed as a % of assets under management by Integra) payable by the client to Integra for the Integra Balanced Fund is 1.75%. Accordingly, the Management Expense Ratio includes this maximum annual management fee.

Integra Balanced Fund

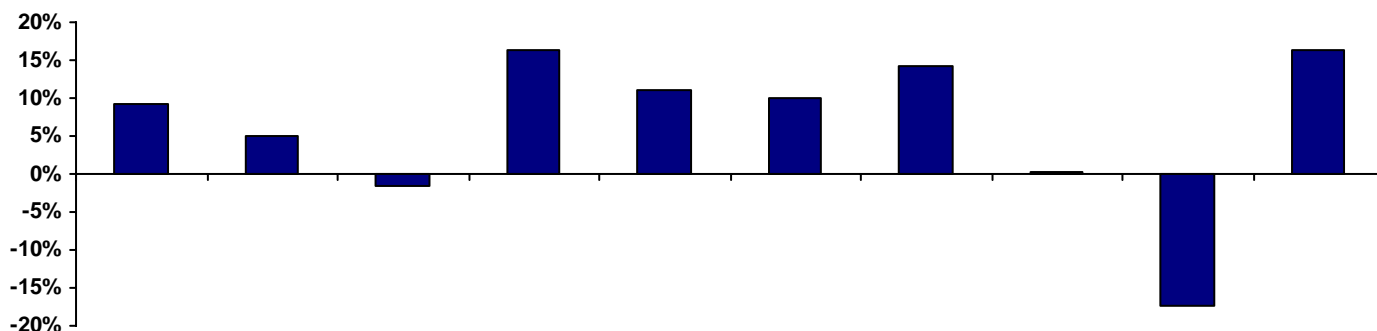
Past Performance

Fund Inception - December 1, 1987

Year-by-Year Returns

The following bar chart shows the investment fund's annual performance for each of the years shown, and illustrates how the investment fund's performance was changed from year to year. In percentage terms, the bar chart shows how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
9.33%	4.88%	-1.48%	16.38%	10.97%	10.04%	14.11%	0.29%	-17.43%	16.19%



Annualized Returns

This table shows the fund's historical annualized returns for the period ending December 31, 2009

Annualized Returns	Past 1 year	Past 3 years	Past 5 years	Past 10 years
Integra Balanced Fund	16.19%	-1.28%	3.86%	5.83%
Benchmark	15.30%	0.37%	4.58%	5.45%

Benchmark

The Balanced Benchmark reflects the market sectors in which the Fund invests and was created by using the assumptions that a portfolio was invested as to 28% in the securities in the S&P/TSX Composite Index, as to 32% in the securities in the MSCI World Index, as to 38% in the securities in the Dex Universe Bond Index, and 2% of the securities in the Dex 91-day Treasury Bill Total Return Index .

28.0%	S&P/TSX Composite Index
32.0%	MSCI World Index
38.0%	DEX Universe Bond Index
2.0%	DEX 91 Day T-Bill Total Return Index

Integra Balanced Fund

Summary of Investment Portfolio as at December 31, 2009

Asset Mix		EAFE Country Mix	
	% of Fund's Net Asset Values	(Acadian Core International Equity Fund)	% of Fund's Net Asset Values
Canadian Equities	28.89%	Argentina	0.01%
U.S. Equities	8.21%	Australia	0.38%
International Equities	8.09%	Austria	0.04%
Global Equities	14.64%	Belgium	0.02%
Bonds	39.85%	Bermuda	0.00%
Other Bonds	0.12%	Brazil	0.10%
Other Assets, Net of Liabilities	0.20%	Chile	0.00%
Canadian Sector Mix		China	0.08%
(Integra Canadian Value Growth Fund)	% of Fund's Net Asset Values	Denmark	0.02%
Consumer Discretionary	1.23%	Finland	0.07%
Consumer Staples	0.50%	France	0.61%
Energy	7.49%	Germany	0.88%
Financials	8.12%	Greece	0.03%
Health Care	0.55%	Hong Kong	0.29%
Industrials	1.45%	Italy	0.16%
Information Technology	1.87%	Japan	1.96%
Materials	4.63%	Luxembourg	0.00%
Telecommunication Services	1.86%	Malaysia	0.02%
Utilites	0.17%	Mexico	0.09%
Cash and Cash Equivalents	0.83%	Netherlands	0.42%
Other Assets, Net of Liabilities	0.17%	Norway	0.07%
US Sector Mix		Pakistan	0.01%
(Analytic Core US Equity Fund)	% of Fund's Net Asset Values	Singapore	0.38%
Consumer Discretionary	0.55%	South Korea	0.26%
Consumer Staples	0.87%	Spain	0.09%
Energy	1.02%	Sweden	0.13%
Financials	1.27%	Switzerland	0.36%
Health Care	1.10%	Taiwan	0.07%
Industrials	0.84%	Thailand	0.03%
Information Technology	1.73%	United Kingdom	1.44%
Materials	0.15%	Cash and Cash Equivalents	0.03%
Telecommunication Services	0.34%	Other Assets, Net of Liabilities	0.04%
Utilites	0.24%		
International Equities	0.02%		
Cash & Cash Equivalents	0.07%		
Other assets, net of liabilities	0.005%		

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund. The most recent annual report, semi-annual report or quarterly report is available at no cost, by calling 1-800-363-2480, by writing to us at Integra Capital Limited, 2020 Winston Park Drive, Suite 200, Oakville, ON, L6H 6X7 or by visiting our website at www.integra.com.

Global Country Mix

(Integra Newton Global Equity Fund)	% of Fund's Net Asset Values
Australia	0.72%
Austria	0.07%
Bermuda	0.11%
Brazil	0.50%
Canada	0.24%
China	0.06%
France	0.73%
Germany	0.65%
Hong Kong	0.32%
Indonesia	0.06%
Japan	1.07%
Luxembourg	0.27%
Malaysia	0.19%
Netherlands	0.30%
Norway	0.15%
Russia	0.07%
Singapore	0.13%
South Africa	0.21%
South Korea	0.11%
Spain	0.10%
Switzerland	1.34%
Taiwan	0.10%
Thailand	0.24%
United Kingdom	1.95%
United States	4.81%
Cash and Cash Equivalents	0.00%
Other Assets, Net of Liabilities	0.15%

Top 6 Issuers

(excluding cash equivalents)		% of Fund's Net Asset Values
1	Integra Bond Fund	39.85%
2	Integra Canadian Value Growth Fund	28.89%
3	Integra Newton Global Equity Fund	14.64%
4	Analytic Core U.S. Equity Fund	8.21%
5	Acadian Core International Equity Fund	8.09%
6	TransCanada PipeLines Ltd., 11.100%, 2014/06/20	0.12%
Total Fund Net Asset Values		\$ 197,029,186

Integra Capital Limited
2020 Winston Park Drive, Suite 200
Oakville, Ontario
L6H 6X7

Manager, Portfolio Manager, Transfer Agent and Registrar
Integra Capital Limited, Oakville, Ontario

Auditors
Ernst & Young LLP, Toronto, Ontario

Legal Counsel
Torys LLP, Toronto, Ontario