

**Integra Bond Fund
Semi-Annual Management Report of Fund Performance
As at June 30, 2010**

This semi-annual report of fund performance contains financial highlights but does not contain the complete semi-annual financial statements for the Investment Fund. You may request a copy of the semi-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 Fund's proxy voting policies and procedures, proxy voting disclosure record, or portfolio disclosure relating to the Fund.

**Management Discussion of Fund Performance
Results of Operations**

For the six months ended June 30th, the Fund gained 3.8% compared to a 4.2% return achieved by the DEX Bond Universe and a 3.8% return by the Fund's benchmark (95% Scotia Capital Bond Universe plus 5% Scotia Capital 91-day Government of Canada Treasury Bill Total Return Index). All returns are gross of fees.

The returns generated by North American bonds accelerated during the second quarter after a fairly steady first three months of 2010. Investors' appetite for risk decreased causing government bond yields to drop over the past three months. (Bond prices will rise, when yields are falling.) As credit conditions in Europe deteriorated, the sustainability of the global economic recovery came into question and equity markets declined as investors sought refuge in the fixed income market. Although a financial support package was agreed to by the European Union along with the IMF, there remains a high degree of skepticism as to whether Greece, Spain, Portugal, Italy and Iceland can, in fact, implement the strong austerity measures that are required in order to reduce the high debt levels that currently exist.

Since the end of March, the yield on the ten-year Government of Canada bond has decreased by almost one-half of one percent to 3.08% at the end of the quarter while the thirty year bond yield decreased by 42 basis points to 3.65%.

Interest rate movements in the United States were more significant as the American government bond market is perceived as a safe haven for investors in times of crises and yield movements are often exaggerated. The ten year U.S. Treasury yielded 2.93% at the end of June.

Over the past six months, the provincial government bond sector has been the best performing sector, returning 4.6%. Federal government issues have generated returns of 3.8%. Corporate bonds, which generated very strong returns in 2009, had total returns of 4.5% to the end of June, but during the second quarter, under-performed the other sectors, as investors became more risk averse.

There was a fair amount of new issuance that was well received in both the corporate and provincial bond markets in recent months.

The Fund matched the return of its benchmark during the first half of 2010, by being overweight corporate and provincial bonds while having a slightly shorter duration (sensitivity to changes in interest rates) than the DEX.

The Fund experienced net redemptions of \$3.6 million during the first six months of 2010.

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 fewer transactions occurring within the Fund. Additionally, Operating and Audit expenses were also down during the first half of 2010. This is partially due to a variance between the budgeted amount of expense accrued in the latter portion of 2009 versus the actual expense that was incurred during that period.

Recent Developments

June's core CPI was slightly lower than expectations. Clothing and footwear items surprised to the downside. Despite the increased demand for seasonal items due to the warmer than normal June, retailers still seemed willing to offer discounts. Other broad core categories such as personal care items, household items and recreational goods and services saw the expected price increases, which more than offset the drag from clothing, allowing the core rate to rise 0.1% on a seasonally adjusted basis. The year over year core rate, at 1.7%, remains close enough to the Bank of Canada's 2% target for the recovering economy to warrant raising interest rates.

On July 20th, the Bank of Canada raised its target overnight rate by a further 25 basis points (one-quarter of 1%) to 3/4 percent.

With the HST coming into effect in July, inflation should spike above the Bank's 2% target and remain there for the balance of the year and early 2011. But core prices are not likely to demonstrate similar upward pressure. Economic growth has retreated from the stronger levels that were evidenced earlier in the year. On-going concerns in Europe, in addition to moderately weaker growth in North America, has led to a debate amongst G20 leaders as to whether the required course of action needs to be a continuation of further fiscal and monetary stimulus or whether deficit reduction strategies should be employed.

The U.S. housing and labour markets will continue to be key barometers for the strength of the private sector and its ability to pick up the slack when governments eventually reduce the amount of stimulus in the economy. Signs continue to point to a slow, gradual economic recovery.

The duration of the Fund at the end of June was at 5.9 years versus the DEX of 6.1 years. The Fund remains over-weight provincial and corporate bonds while maintaining an overall AA credit rating consistent with the DEX.

Related Party Transactions 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.

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 or future events, prior to the release of the next Management Report on Fund Performance.

Integra Bond 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 six-month period ended June 30, 2010 and for the remaining financial years ended December 31, as indicated. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements.

The Fund's Net Asset Value (NAV) per [Unit Data]

For the periods ended	June 30, 2010	Dec 31, 2009	Dec 31, 2008	Dec 31, 2007	Dec 31, 2006
Net Asset Value, beginning of period	\$16.27	\$16.21	\$15.96	\$16.03	\$16.18
Adjustment for new accounting standards	(0.02)	(0.02)	(0.01)	—	—
Net Assets, beginning of period	\$16.25	\$16.19	\$15.95	\$16.03	—
Increase (decrease) from operations:					
total revenue	0.35	0.72	0.78	0.75	0.76
total expenses	(0.01)	(0.03)	(0.03)	(0.04)	(0.04)
realized gains (losses)	0.08	0.35	0.20	(0.16)	0.04
unrealized gains (losses)	0.21	—	0.29	0.02	(0.11)
Total increase (decrease) from operations⁽¹⁾	\$0.63	\$1.04	\$1.24	\$0.57	\$0.65
Distributions:					
From income (excluding dividends)	(0.36)	(0.79)	(0.76)	(0.72)	(0.73)
From dividends	—	—	—	—	—
From capital gains	—	(0.19)	(0.05)	—	(0.07)
Return of capital	—	—	—	—	—
Total Annual Distributions⁽²⁾	(\$0.36)	(\$0.98)	(\$0.81)	(\$0.72)	(\$0.80)
Net Assets, end of period	\$16.51	\$16.25	\$16.19	\$15.95	\$16.03

Ratios and Supplemental Data (Based on trading NAV)

	2010	2009	2008	2007	2006
Net Asset Value (000's)	\$116,687	\$115,897	\$125,713	\$73,635	\$85,270
Number of units outstanding	7,057,778	7,121,189	7,759,276	4,613,730	5,318,237
Management expense ratio	1.55%	1.55%	1.58%	1.62%	1.64%
Management expense ratio before waivers or absorptions	1.55%	1.55%	1.58%	1.62%	1.64%
Portfolio turnover rate ⁽³⁾	93.28%	308.59%	174.13%	286.30%	184.73%
Trading expense ratio ⁽⁴⁾	—	—	—	—	—

Ratios and Supplemental Data

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 period.
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 period.

Integra Bond Fund Past Performance

The performance information shown assumes that all distributions made by the investment fund in the periods shown were reinvested in additional securities of the investment fund. Note that the performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the investment fund has performed in the past does not necessarily indicate how it will perform in the future.

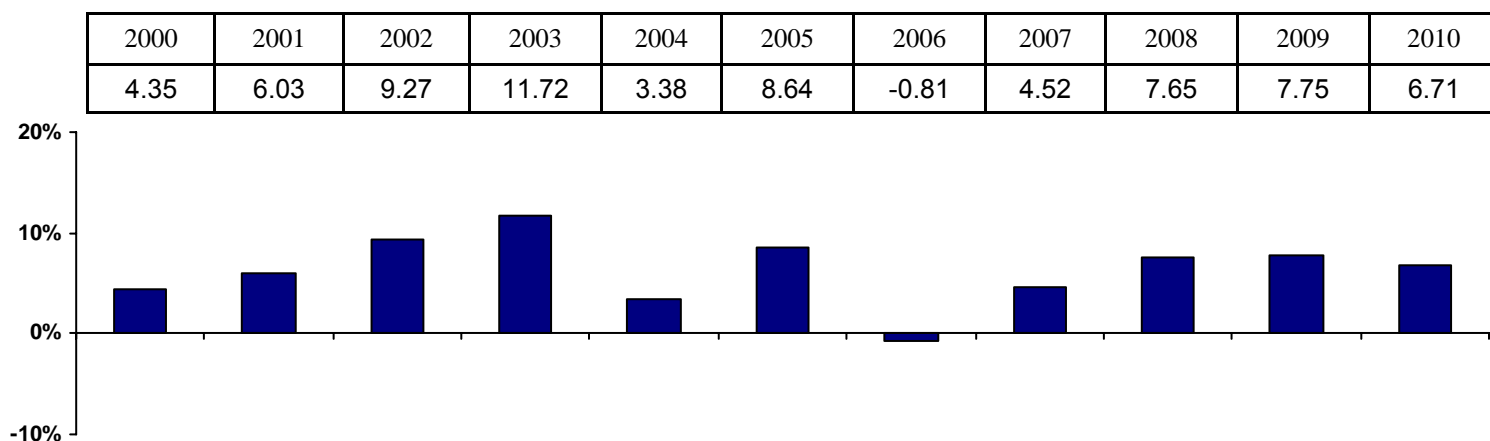
Fund Inception - November 27, 1996 (Prior to this date, the Fund was a non-public mutual fund)

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.

Annual Returns Chart

Annual Returns ending June 30



Integra Bond Fund
Summary of Investment Portfolio as at June 30, 2010

Asset Mix

	% of Fund's Net Assets
Bonds	97.51%
Other Assets, Net of Liabilities	2.23%

Sector Mix

	% of Fund's Net Assets
Government of Canada	36.73%
Provincial Government	25.87%
Municipal Government	0.79%
Supranational	2.18%
Corporate	31.94%

Top 25 Issuers

(excluding cash equivalents)		% of Fund's Net Assets
1	Canada Housing Trust, Series '27', Variable Rate, 2014/09/15	8.71%
2	Canada Housing Trust No. 1, 4.550%, 2012/12/15	6.27%
3	Canada Housing Trust No. 1, 3.750%, 2020/03/15	4.82%
4	Province of Quebec, 4.500%, 2018/12/01	3.85%
5	Financement-Québec, 5.000%, 2012/11/01	3.07%
6	Province of Manitoba, 5.700%, 2037/03/05	2.26%
7	Province of Ontario, 4.200%, 2018/03/08	2.17%
8	Government of Canada, 5.750%, 2029/06/01	2.11%
9	Province of Ontario, Series 'KJ', 7.600%, 2027/06/02	2.09%
10	Canada Housing Trust No. 1, Series '28', 3.150%, 2014/06/15	1.91%
11	Canada Housing Trust No. 1, Series 'MAR', 2.950%, 2015/03/15	1.91%
12	Government of Canada, 3.500%, 2013/06/01	1.82%
13	Province of Ontario, 4.700%, 2037/06/02	1.79%
14	Government of Canada, Series 'ZF48', 3.000%, 2015/12/01	1.45%
15	Canada Housing Trust No. 1, Series '23', 4.100%, 2018/12/15	1.26%
16	Manulife Financial Corp., Callable, 5.505%, 2018/06/26	1.17%
17	Bank of Montreal, 5.450%, 2017/07/17	1.12%
18	Government of Canada, Series 'YR94', 3.750%, 2019/06/01	1.02%
19	Government of Canada, 5.000%, 2037/06/01	1.01%
20	Cards II Trust, Class '4A', Series '2005-5', 3.869%, 2010/10/15	0.98%
21	Government of Canada, 1.250%, 2011/06/01	0.88%
22	TransCanada PipeLines Ltd., Variable Rate, Callable, Retractable, 2028/07/18	0.87%
23	Royal Bank of Canada, Variable Rate, Callable, 2020/06/15	0.84%
24	Bank of Nova Scotia, 4.100%, 2017/06/08	0.82%
25	Province of Ontario, 4.600%, 2039/06/02	0.77%

Total Fund Net Assets \$ 116,552,865

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the investment fund. The most recent 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

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