

Integra Bond Fund
Semi-Annual Management Report of Fund Performance
As at June 30, 2011

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 2.07% compared to a 2.20% return achieved by its benchmark (100% DEX Universe Bond Index). The complete benchmark history of the fund is available upon request. All returns are presented in Canadian dollar terms and gross of fees.

North American bond yields declined over the first half of the year after a fairly significant bump upward into early April. For example, the Government of Canada 10-year benchmark began the year at 3.12% and steadily climbed to 3.49% on April 11th, before reversing course and ending very near the levels at which they began the year. As we moved deeper into the second quarter, economic conditions in the U.S. coupled with continued sovereign debt problems in Europe gained more of investors' attention, and there was a shift away from riskier assets into bonds. By the end of the second quarter, the Canada 10-years were yielding 3.11%. The yield on the 30-year benchmark ended June at 3.55% after touching 3.36% in late June. The magnitude of the decline during the second quarter caught investors by surprise as yields, at various points along the curve, fell to levels seen during the Great Recession. Interest movements, across sectors, remained choppy as investor sentiment towards risk changed frequently over the course of the past six months.

The direction of interest rate moves in the United States were similar to Canada, however the spread between 10-year and 30-year bonds increased more in the U.S. than in Canada. The yield on the 10-year US Treasury finished at 3.16% after dropping as low as 2.86% and the 30-year Treasury stood at 4.37% at the end of June.

The spread between corporate bonds and government bonds also widened as we moved through the first half of the year as yield declines in the corporate sector did not keep pace with the broader declines in the government market. The spread between provincial bonds and government bonds widened marginally as well.

Over the past six months, corporate bonds have been the best performing sector, returning 2.7%. Federal government bond issues have generated returns of 1.8%. The Provincials sector had total returns of 2.4% to the end of June, but during the second quarter, out-performed the other sectors.

The Fund was slightly behind the return of its benchmark during the first half of 2011 largely due to its US Treasury holdings and the resulting currency effects from a strengthening Canadian dollar.

The Fund experienced net contributions of \$19.7 million during the first six months of 2011.

Fund expenses vary period over period mainly as the result of changes in average Net Asset Values and investment activity. Accordingly, due to the increase in the Fund's asset size over the first six months, expenses were higher year over year.

Recent Developments

In Canada, the economy is demonstrating signs of a slowdown due to the impact of a weaker U.S. economy and the effect of a strong Canadian dollar. On July 19th, the Bank of Canada maintained the target for the overnight rate at 1%. The Bank expects the Canadian economy to expand at 2.8% this year and 2.6% in 2012 reflecting the anticipated net exports to be weaker due to more subdued U.S. activity.

With respect to inflation, the Bank of Canada sees three upside risks: higher than projected commodity prices, stronger momentum in household spending and less excess capacity. The three main downside risks are sovereign debt concerns in Europe, headwinds from the persistent strength of the Canadian dollar and the possibility that household spending could weaken more than expected.

With extremely low interest rates levels, the Fund's duration has been strategically shortened to protect the portfolio's principal from future increases in interest rates. Term to maturity strategy is oriented toward a flattening of the yield curve with more pressure on rates anticipated at the shorter end of the curve rather than the longer end.

The duration of the Fund at the end of June was at 5.9 years versus the DEX of 6.3 years. The Fund remains over-weight 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 and 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, 2011 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, 2011	Dec 31, 2010	Dec 31, 2009	Dec 31, 2008	Dec 31, 2007
Net Asset Value, beginning of period	\$16.51	\$16.27	\$16.21	\$15.96	\$16.03
Adjustment for new accounting standards	(0.02)	(0.02)	(0.02)	(0.01)	–
Net Assets, beginning of period	\$16.49	\$16.25	\$16.19	\$15.95	\$16.03
Increase (decrease) from operations:					
total revenue	0.31	0.67	0.72	0.78	0.75
total expenses	(0.01)	(0.03)	(0.03)	(0.03)	(0.04)
realized gains (losses)	(0.01)	0.21	0.35	0.20	(0.16)
unrealized gains (losses)	0.05	0.03	-	0.29	0.02
Total increase (decrease) from operations⁽¹⁾	\$0.34	\$0.88	\$1.04	\$1.24	\$0.57
Distributions:					
From income (excluding dividends)	(0.28)	(0.48)	(0.79)	(0.76)	(0.72)
From dividends	–	–	–	–	–
From capital gains	–	(0.01)	(0.19)	(0.05)	–
Return of capital	–	–	–	–	–
Total Annual Distributions⁽²⁾	(\$0.28)	(\$0.49)	(\$0.98)	(\$0.81)	(\$0.72)
Net Assets, end of period	\$16.55	\$16.49	\$16.25	\$16.19	\$15.95

Ratios and Supplemental Data (Based on trading NAV)

	2011	2010	2009	2008	2007
Net Asset Value (000's)	\$182,609	\$162,562	\$115,897	\$125,713	\$73,635
Number of units outstanding	11,020,990	9,845,625	7,121,189	7,759,276	4,613,730
Management expense ratio	1.62%	1.60%	1.55%	1.58%	1.62%
Management expense ratio before waivers or absorptions	1.62%	1.60%	1.55%	1.58%	1.62%
Portfolio turnover rate ⁽³⁾	99.90%	168.36%	309.59%	174.13%	286.30%
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)

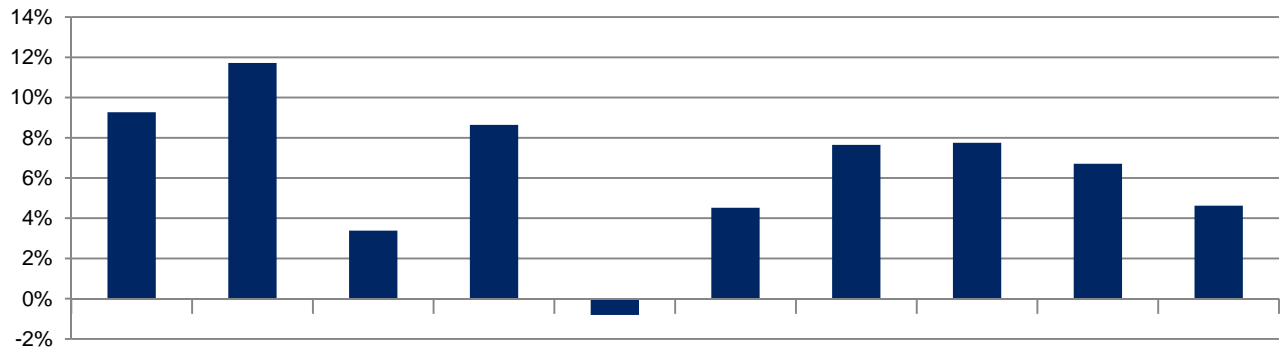
Year-by-Year Returns

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

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
9.27%	11.72%	3.38%	8.64%	-0.81%	4.52%	7.65%	7.75%	6.71%	4.62%



Integra Bond Fund
Summary of Investment Portfolio as at June 30, 2011

Asset Mix

	% of Fund's Net Assets
Bonds	91.57%
Other Assets, Net of Liabilities	8.43%

Sector Mix

	% of Fund's Net Assets
Government of Canada	30.98%
Provincial Government	23.81%
Municipal Government	0.70%
Corporate	32.89%
Foreign Bonds	3.19%

Top 25 Issuers

(excluding cash equivalents)	% of Fund's Net Assets
1 Canada Housing Trust No. 1, Floating Rate, 1.34%, 2016/09/15	7.84%
2 Province of Ontario, 4.20%, 2020/06/02	5.21%
3 Province of Quebec, 4.50%, 2018/12/01	3.09%
4 Government of Canada, 2.00%, 2016/06/01	2.70%
5 United States Treasury Bond, 4.25%, 2040/11/15	2.54%
6 Government of Canada, 2.50%, 2015/06/01	2.41%
7 Government of Canada, 2.00%, 2014/03/01	2.24%
8 Canada Housing Trust No. 1, 4.55%, 2012/12/15	2.00%
9 Province of Ontario, 4.70%, 2037/06/02	1.81%
10 Government of Canada, 5.75%, 2029/06/01	1.45%
11 407 International Inc., Series '09-A2', Callable, 5.10%, 2014/01/20	1.40%
12 Canadian Imperial Bank of Commerce, Variable Rate, Callable, 4.11%, 2020/04/30	1.32%
13 Bank of Nova Scotia, 4.10%, 2017/06/08	1.31%
14 Government of Canada, 2.00%, 2013/08/01	1.24%
15 Canada Housing Trust No. 1, Series 'MAR', 2.95%, 2015/03/15	1.20%
16 Canada Housing Trust No. 1, Series '28', 3.15%, 2014/06/15	1.20%
17 Province of New Brunswick, 4.55%, 2037/03/26	1.17%
18 Royal Bank of Canada, Variable Rate, Callable, 4.35%, 2020/06/15	1.13%
19 Province of Ontario, 4.65%, 2041/06/02	1.12%
20 Toronto-Dominion Bank (The), Variable Rate, Callable, 5.48%, 2020/04/02	1.09%
21 Greater Toronto Airports Authority, Callable, 5.26%, 2018/04/17	1.02%
22 Province of Manitoba, 5.70%, 2037/03/05	1.01%
23 Government of Canada, 3.00%, 2015/12/01	0.98%
24 Enbridge Pipelines Inc., Callable, 4.49%, 2019/11/12	0.96%
25 Government of Canada, 3.25%, 2021/06/01	0.95%

Total Fund Net Assets \$ 182,417,606

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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