

**Integra Canadian Value Growth 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](http://www.integra.com) or the SEDAR website at [www.sedar.com](http://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 30<sup>th</sup>, the Fund lost 4.53% compared to a gain of 0.16% experienced by the benchmark (100% S&P/TSX Index). The complete benchmark history of the fund is available upon request. All of the returns are presented in Canadian dollar terms and gross of fees.

Canada’s economy is largely export-driven due to the magnitude of its natural resource industries. Therefore, how the rest of the world is doing has a large influence on the health of our domestic economy.

This year began with investors exhibiting optimistic sentiment, but the mood understandably turned grim during March amid the devastating earthquake and tsunami in Japan, and the ensuing threat of nuclear disaster. Moreover, rising social unrest and a series of regime changes across the Middle East and North Africa culminated in military action by the North Atlantic Treaty Organization (NATO) coalition forces in Libya. This stoked fears of a global oil-supply shock, leading oil prices to rise more than 15%, to well above US\$100 a barrel. In Europe, sovereign debt concerns have re-emerged, with Portugal joining Greece and Ireland on the brink of insolvency. Furthermore, concerns about mounting fiscal challenges in the U.S., and the conclusion of the Federal Reserve’s second quantitative easing program contributed to investor nervousness.

As a result, following three quarters of positive results for Canadian stocks, the market settled back losing over 5% of its value during the second quarter. Investors’ revaluation of global economic prospects in the face of minimal job growth, European deficit issues and an extremely soft US housing market had a negative impact on stocks. The Materials, Energy and Financial Services sectors, which represent over 70% of the TSX, accounted for over 95% of the market’s 5.2% decline between the end of March and June 30<sup>th</sup>. Another indicator of the divergence in the market during recent months is the difference in performance between large and small company stocks. Smaller capitalization stocks fell by 8.3% while the larger stocks as represented by the S&P/TSX60 Index fell by only 5.5% during the past three months.

Within the Canadian equity market, the Information Technology sector was by far the worst performing sector, losing over 30% of its value in the first half of 2011. The other business groups to finish the January to June period in negative territory were Materials, Consumer Discretionary and Energy. The best performing areas in the market were Health Care, Telecom Services and Industrials.

The Fund fell short of its benchmark during the first half of 2011 due to stock selection in the Materials and Energy sectors, coupled with an over-weight to the information Technology sub-index. Within the Materials group, the holdings were overweight to Uranium stocks – based upon expected demand from China’s increasing power requirements. With the Fukushima meltdown caused by the devastating earthquake and subsequent tsunami, public opinion quickly soured on nuclear energy and uranium stocks tumbled precipitously – despite little change occurring to existing demand levels for the underlying commodity.

Within Materials, Sino-Forest was another source of underperformance caused by fraud allegations made by research firm Muddy Waters LLC. Due to the uncertainty created and the expected prolonged period before issues including ownership of assets can be clarified, the stock has been sold out of the Fund.

Energy stocks, which under-performed, included Talisman Energy and Canadian Natural Resources. Talisman reported first quarter production growth at the low end of guidance. Canadian Natural Resources declined due to a continued delay in repairs to their Horizon upgrader project due to a major wild fire in Alberta.

The major overweight in the Information Technology sector was Research in Motion. The maker of the Blackberry witnessed its stock price fall in the face of declining market share, a weaker than expected earnings report and a gap in new product introductions. However, RIM remains a number three player in a world market that is forecast to post double digit growth each year until 2015 and trades at a very low valuation. The investment management teams continue to monitor the company closely.

It should be noted, the Canadian equity market, unlike other major stock markets, is still not rewarding quality stocks on a consistent basis. The domestic market is demonstrating a significant dispersion between economically sensitive high risk stocks and quality stocks. This trend will not continue over the long-term and there will be a return to a normal market similar to the early portion of the last decade.

The Fund experienced net subscriptions of \$24.6 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. However in 2011, custody expenses were lower year over year due to a renegotiation of fees with the Fund’s custodian.

## **Recent Developments**

Macroeconomic factors continue to dominate the outlook for investment heading into the second half of the year. Investor sentiment has become distinctly more focused on the downside risks for global growth.

While many important commodities are still rising in price, the growth rates are slowing reflecting a moderation in expectations for global economic expansion. Because commodities have become such an important barometer of investor risk preference, a slowing in commodity price inflation has important implications for equities, particularly in Canada.

In recent months, domestic economic growth has flattened. The primary reason is a sharp decline in mining production caused by unusually severe weather-related factors in the early spring that disrupted energy and mining production. In addition, following strong growth during the first quarter, retail sales volumes have fallen in most recent past three months. New motor vehicle unit sales have decreased. Home sales trailed the levels experienced during the early portion of 2011 as affordability and household balance sheets are placing constraints on demand.

On the brighter side, rising operating profits among financial and non-financial businesses and easing credit lending conditions should continue to support future business investment. The latter still has considerable scope to grow strongly considering its below-normal share of GDP. Capital expenditures are being made by Canadian businesses on new machinery and equipment which should generate further productivity growth.

The largest active weights in the Fund are Manulife Financial, Yamana Gold, Sun Life Financial and Suncor Energy.

### **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 Canadian Value Growth 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 per unit, beginning of period	\$15.82	\$13.83	\$10.41	\$16.44	\$17.87
Adjustment for new accounting standards	(0.03)	(0.04)	(0.04)	(0.03)	—
Net Assets per unit, beginning of period	\$15.79	\$13.79	\$10.37	\$16.41	\$17.87
<b>Increase (decrease) from operations:</b>					
total revenue	0.22	0.33	0.35	0.42	0.47
total expenses	(0.02)	(0.04)	(0.02)	(0.04)	(0.06)
realized gains (losses)	0.55	1.42	(0.84)	(1.86)	2.57
unrealized gains (losses)	(1.50)	0.34	4.31	(7.94)	(1.81)
<b>Total increase (decrease) from operations<sup>(1)</sup></b>	<b>(\$0.75)</b>	<b>\$2.05</b>	<b>\$3.80</b>	<b>(\$9.42)</b>	<b>\$1.17</b>
<b>Distributions:</b>					
From income (excluding dividends)	—	—	(0.03)	(0.05)	(0.04)
From dividends	(0.11)	(0.36)	(0.43)	(0.28)	(0.40)
From capital gains	—	—	—	—	(2.11)
Return of capital	—	—	—	—	—
<b>Total Annual Distributions<sup>(2)</sup></b>	<b>(\$0.11)</b>	<b>(\$0.36)</b>	<b>(\$0.46)</b>	<b>(\$0.33)</b>	<b>(\$2.55)</b>
<b>Net Assets per unit, end of period</b>	<b>\$14.95</b>	<b>\$15.79</b>	<b>\$13.79</b>	<b>\$10.37</b>	<b>\$16.41</b>

### Ratios and Supplemental Data (Based on trading NAV)

	2011	2010	2009	2008	2007
Net Asset Value (000's)	\$131,506	\$113,001	\$132,073	\$140,484	\$59,558
Number of units outstanding	8,778,532	7,144,639	9,550,980	13,489,967	3,623,031
Management expense ratio	2.26%	2.17%	2.03%	2.14%	2.18%
Management expense ratio before waivers or absorptions	2.26%	2.17%	2.03%	2.14%	2.18%
Portfolio turnover rate <sup>(3)</sup>	51.43%	96.84%	80.90%	141.35%	90.34%
Trading expense ratio <sup>(4)</sup>	0.43%	0.36%	0.35%	0.37%	0.28%

### 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.
5. The increase in portfolio turnover ratio for 2008 is due to manager and structural changes made to the fund in September 2008. The turnover is expected to return to more normal levels during 2009.

**Integra Canadian Value Growth 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.

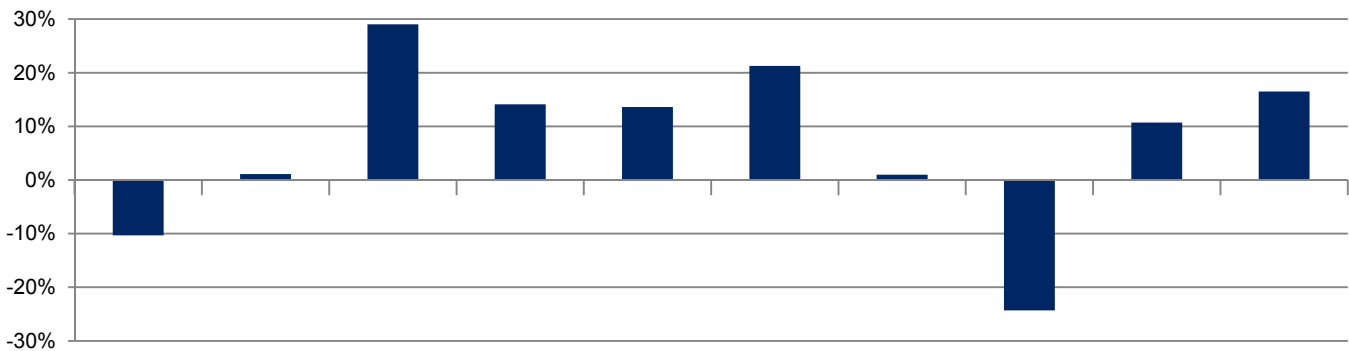
**Fund Inception** - March 12, 1999 (Prior to this date, the Fund was a non-public mutual fund)  
**Year-by-Year Returns**

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
-10.32%	1.10%	29.02%	14.12%	13.60%	21.27%	0.97%	-24.31%	10.70%	16.49%



**Integra Canadian Value Growth Fund**  
**Summary of Investment Portfolio as at June 30, 2011**

<b>Asset Mix</b>		<b>Top 25 Holdings</b>	
	<b>% of Fund's Net Assets</b>	<b>(excluding cash equivalents)</b>	<b>% of Fund's Net Assets</b>
Canadian Equities	95.03%	1 Suncor Energy Inc.	4.79%
Other Assets, Net of Liabilities	4.97%	2 Toronto-Dominion Bank (The)	4.79%
		3 Royal Bank of Canada	4.23%
		4 Manulife Financial Corp.	4.03%
		5 Barrick Gold Corp.	3.57%
		6 Sun Life Financial Inc.	2.73%
		7 Yamana Gold Inc.	2.43%
		8 Goldcorp Inc.	2.30%
		9 BCE Inc.	2.27%
		10 Talisman Energy Inc.	2.00%
		11 Canadian Natural Resources Ltd.	2.00%
		12 Teck Resources Ltd., Class 'B'	1.98%
		13 Magna International Inc., Class 'A'	1.87%
		14 Potash Corp. of Saskatchewan Inc.	1.85%
		15 Research In Motion Ltd.	1.80%
		16 Canadian Imperial Bank of Commerce	1.57%
		17 TELUS Corp.	1.55%
		18 Agrium Inc.	1.51%
		19 Canadian National Railway Co.	1.40%
		20 Enbridge Inc.	1.34%
		21 Inmet Mining Corp.	1.34%
		22 Bank of Montreal	1.31%
		23 Bombardier Inc., Class 'B'	1.29%
		24 WestJet Airlines Ltd.	1.22%
		25 Ensign Energy Services Inc.	1.18%
		Total Fund Net Assets \$ 131,249,905	

**Sector Mix**

	<b>% of Fund's Net Assets</b>
Consumer Discretionary	4.37%
Consumer Staples	1.36%
Energy	23.64%
Financials	25.45%
Health Care	1.18%
Industrials	6.38%
Information Technology	3.63%
Materials	23.01%
Telecommunication Services	5.35%
Utilities	0.66%

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](http://www.integra.com)

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