

Financial Statements

## **Growth & Income Diversified Private Trust**

June 30, 2009

## Growth & Income Diversified Private Trust

### Statement of Net Assets (unaudited)

	June 30, 2009	December 31, 2008
<b>ASSETS</b>		
Investments	\$26,344,571	\$18,783,903
Cash	5,750	25,640
Accrued investment income	97,102	100,015
Receivable for securities sold	367,724	259,164
<b>Total assets</b>	<b>26,815,147</b>	<b>19,168,722</b>
<b>LIABILITIES</b>		
Accrued expenses	35,320	62,418
Payable for securities purchased	234,050	333,727
Redemptions payable	96,256	588,914
<b>Total liabilities</b>	<b>365,626</b>	<b>985,059</b>
<b>NET ASSETS REPRESENTING UNITHOLDERS' EQUITY</b>	<b>\$26,449,521</b>	<b>\$18,183,663</b>
<b>UNITS OUTSTANDING</b> (note 3)	<b>2,294,845</b>	<b>1,890,304</b>
<b>NET ASSET PER UNIT</b> (note 10)	<b>\$11.53</b>	<b>\$9.62</b>
<b>NET ASSET VALUE PER UNIT - INDUSTRY STANDARD FOR TRANSACTIONS</b> (note 10)	<b>\$11.55</b>	<b>\$9.66</b>

(See accompanying notes)

## Growth & Income Diversified Private Trust

### Statement of Operations (unaudited)

Six months ended June 30

	2009	2008
<b>INCOME</b>		
Interest	\$176,988	—
Dividend	139,775	284,219
Revenue from securities lending	311	—
Diversified Private Trust	—	243,715
NWQ U.S. Large Cap Value Fund	—	404,504
	<b>317,074</b>	284,219
<b>EXPENSES</b>		
Custodial fees	19,531	13,871
Operating expenses	12,050	10,670
Audit fees	10,633	2,373
Legal fees	83	949
Filing fees	1,417	2,047
Security holder reporting costs	3,777	2,522
Goods and Services Tax	2,376	1,622
	<b>49,867</b>	34,054
<b>NET INVESTMENT INCOME</b>	<b>267,207</b>	250,165
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Net realized gain on sale of investments	1,237,192	87,843
Net realized loss on foreign exchange forward contracts	(18,182)	—
Net realized loss on foreign exchange	(11,067)	—
Net unrealized gain on foreign exchange	1,150	—
Transaction costs (note 6)	(66,130)	—
Change in unrealized appreciation (depreciation) of investments in		
Diversified Private Trust	—	(480,215)
Gryphon EAFE Fund	—	(222,194)
NWQ U.S. Large Cap Value Fund	—	(189,560)
Change in unrealized appreciation (depreciation) of other investments	2,211,548	—
<b>NET GAIN (LOSS) ON INVESTMENTS AND TRANSACTION COSTS</b>	<b>3,354,511</b>	(804,126)
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b>\$3,621,718</b>	(\$553,961)
<b>Increase (decrease) in net assets from operations per unit</b> (Based on the average number of units outstanding during the period)	<b>\$1.84</b>	(\$0.28)

(See accompanying notes)

### Statement of Changes in Net Assets (unaudited)

Six months ended June 30

	2009	2008
<b>NET ASSETS, BEGINNING OF PERIOD</b>	<b>\$18,183,663</b>	\$23,231,204
Increase (decrease) in net assets from operations	3,621,718	(553,961)
<b>DISTRIBUTIONS TO UNITHOLDERS</b>		
Distribution from net investment income	—	(250,712)
	—	(250,712)
<b>CAPITAL UNIT TRANSACTIONS (note 3)</b>		
Proceeds from issuance of units	5,965,785	982,445
Reinvested distributions	—	250,712
Payments on redemptions	(1,321,645)	(1,733,982)
	<b>4,644,140</b>	(500,825)
Increase (decrease) in net assets for the period	<b>8,265,858</b>	(1,305,498)

## Growth & Income Diversified Private Trust

**NET ASSETS, END OF PERIOD**

**\$26,449,521**

**\$21,925,706**

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*(See accompanying notes)*

## Growth & Income Diversified Private Trust

### Statement of Investments (unaudited)

As at June 30, 2009

	Number of Shares	Average Cost \$	Fair Value \$
<b>COMMON AND PREFERRED SHARES — 60.63%</b>			
<b>Canadian Equities — 48.44%</b>			
<b>Consumer Discretionary — 0.50%</b>			
Corus Entertainment Inc., Class 'B'	9,000	137,195	133,110
		<b>137,195</b>	<b>133,110</b>
<b>Energy — 14.63%</b>			
Cameco Corp.	14,600	398,665	434,204
Canadian Natural Resources Ltd.	10,900	570,927	666,426
EnCana Corp.	8,000	395,838	460,400
Galleon Energy Inc., Class 'A'	49,355	266,453	207,785
Nexen Inc.	22,220	405,200	559,722
Nuvista Energy Ltd.	25,000	224,666	256,000
Petro-Canada	11,500	349,955	515,660
Talisman Energy Inc.	34,000	419,741	564,740
Trinidad Drilling Ltd.	42,000	211,919	205,800
		<b>3,243,364</b>	<b>3,870,737</b>
<b>Financials — 8.45%</b>			
Bank of Montreal	9,200	270,280	450,616
Canadian Imperial Bank of Commerce	8,800	452,645	511,720
Manulife Financial Corp.	26,360	529,944	531,945
Royal Bank of Canada	8,000	267,895	379,920
Toronto-Dominion Bank (The)	6,000	240,433	360,540
		<b>1,761,197</b>	<b>2,234,741</b>
<b>Health Care — 1.21%</b>			
Biovail Corp.	20,543	268,667	320,882
		<b>268,667</b>	<b>320,882</b>
<b>Industrials — 1.14%</b>			
Aecon Group Inc.	26,170	244,177	302,002
		<b>244,177</b>	<b>302,002</b>
<b>Information Technology — 4.24%</b>			
EXFO Electro-Optical Engineering Inc.	25,100	71,211	91,615
Miranda Technologies Inc.	52,900	272,470	238,579
Research In Motion Ltd.	7,116	452,378	587,924
Sierra Wireless Inc.	30,745	234,754	203,839
		<b>1,030,813</b>	<b>1,121,957</b>
<b>Materials — 13.63%</b>			
Agnico-Eagle Mines Ltd.	5,000	242,578	305,350
Agrium Inc.	10,800	521,393	501,120
Anvil Mining Ltd.	130,000	243,445	201,500
Barrick Gold Corp.	14,000	500,344	546,420
Equinox Minerals Ltd.	60,000	79,664	160,200
Gerdau Ameristeel Corp.	24,590	147,746	195,736
Gold Wheaton Gold Corp.	868,000	215,769	234,360
Potash Corp. of Saskatchewan Inc.	3,800	393,360	411,084
Red Back Mining Inc.	31,906	244,873	323,527
Uranium Participation Corp.	56,000	356,335	413,280
Yamana Gold Inc.	29,982	253,485	308,815
		<b>3,198,992</b>	<b>3,601,392</b>
<b>Telecommunication Services — 4.64%</b>			
BCE Inc.	31,180	823,916	748,320
Rogers Communications Inc., Class 'B'	16,000	511,869	477,920
		<b>1,335,785</b>	<b>1,226,240</b>

## Growth & Income Diversified Private Trust

### Statement of Investments (unaudited)

As at June 30, 2009

	Number of Shares	Average Cost \$	Fair Value \$
<b>Total Canadian Equities — 48.44%</b>		<b>11,220,190</b>	<b>12,811,061</b>
<b>United States Equities — 10.07%</b>			
<b>Consumer Discretionary — 0.61%</b>			
Walt Disney Co. (The)	6,000	142,825	162,566
		<b>142,825</b>	<b>162,566</b>
<b>Financials — 2.94%</b>			
Financial Select Sector SPDR Fund	56,000	721,921	777,175
		<b>721,921</b>	<b>777,175</b>
<b>Health Care — 1.12%</b>			
Pfizer Inc.	17,000	298,602	296,144
		<b>298,602</b>	<b>296,144</b>
<b>Industrials — 1.57%</b>			
Caterpillar Inc.	6,000	252,563	230,226
Deere and Co.	4,000	154,968	184,887
		<b>407,531</b>	<b>415,113</b>
<b>Information Technology — 2.84%</b>			
Cisco Systems Inc.	12,000	249,150	259,353
IBM Corp.	1,500	171,338	181,519
Intel Corp.	16,200	300,508	311,370
		<b>720,996</b>	<b>752,242</b>
<b>Materials — 0.23%</b>			
Freeport-McMoRan Copper & Gold Inc., Class 'B'	990	45,530	57,613
		<b>45,530</b>	<b>57,613</b>
<b>Telecommunication Services — 0.76%</b>			
AT&T Inc.	7,000	209,933	201,936
		<b>209,933</b>	<b>201,936</b>
<b>Total United States Equities — 10.07%</b>		<b>2,547,338</b>	<b>2,662,789</b>
<b>International Equities — 2.12%</b>			
iShares MSCI Emerging Markets Index Fund	15,000	436,203	561,455
		<b>436,203</b>	<b>561,455</b>
<b>Total International Equities Owned — 2.12%</b>		<b>436,203</b>	<b>561,455</b>
<b>TOTAL EQUITIES — 60.63%</b>		<b>14,203,731</b>	<b>16,035,305</b>
	Par Value \$	Average Cost \$	Fair Value \$
<b>BONDS — 27.63%</b>			
<b>Government of Canada — 2.29%</b>			
Government of Canada, 4.500%, 2015/06/01	460,000	501,763	504,594
Government of Canada, 4.000%, 2041/06/01	100,000	98,909	101,974
		<b>600,672</b>	<b>606,568</b>
<b>Municipal Government — 0.86%</b>			
Municipal Finance Authority of British Columbia, 5.100%, 2018/11/20	220,000	219,182	228,336
		<b>219,182</b>	<b>228,336</b>

## Growth & Income Diversified Private Trust

### Statement of Investments (unaudited)

As at June 30, 2009

	Par Value \$	Average Cost \$	Fair Value \$
<b>Provincial Government — 5.70%</b>			
Financement-Quebec, 5.250%, 2034/06/01	160,000	154,917	162,660
Province of British Columbia, 4.650%, 2018/12/18	370,000	379,913	384,883
Province of British Columbia, 5.700%, 2029/06/18	140,000	149,493	153,998
Province of Ontario, 4.300%, 2017/03/08	100,000	103,432	102,737
Province of Ontario, 6.500%, 2029/03/08	210,000	238,875	250,246
Province of Ontario, Zero Coupon, 2019/12/02	200,000	117,620	120,707
Province of Quebec, 4.500%, 2019/12/01	20,000	20,115	20,144
Province of Quebec, 9.375%, 2023/01/16	100,000	139,600	144,670
Province of Quebec, Series 'OS', 6.000%, 2029/10/01	150,000	158,640	167,595
		<b>1,462,605</b>	<b>1,507,640</b>
<b>Corporate — 18.52%</b>			
AltaLink L.P., Callable, 5.249%, 2036/09/22	110,000	89,962	101,293
AltaLink L.P., Series '2008-1', Callable, 5.243%, 2018/05/29	120,000	123,089	123,179
Bank of Nova Scotia, Variable Rate, Callable, 2019/04/15	220,000	225,744	227,828
Bell Canada, Callable, 4.850%, 2014/06/30	80,000	79,874	81,151
Capital Desjardins Inc., Series 'E', Variable Rate, Callable, 2019/04/01	120,000	123,150	126,285
CU Inc., Callable, 5.580%, 2038/05/26	320,000	267,836	314,428
Enbridge Inc., Callable, 5.170%, 2016/05/19	80,000	79,954	82,043
Enmax Corp., Series '2', Restricted, Callable, 5.850%, 2014/04/08	60,000	59,933	58,529
Fortis Inc., Callable, 6.510%, 2039/07/04	120,000	119,921	120,747
Gaz Metropolitan Inc., Series 'L', Callable, 5.400%, 2013/04/15	80,000	79,960	85,281
GE Capital Canada Funding Co., Series 'A', 5.530%, 2017/08/17	350,000	328,772	342,618
Genesis Trust, Class 'A', Series '2006-2', 4.245%, 2011/09/15	100,000	100,630	103,426
Glacier Credit Card Trust, 5.027%, 2013/02/20	140,000	137,996	139,669
Great-West Lifeco Inc., Variable Rate, Callable, 2068/06/26	120,000	107,252	119,824
IGM Financial Inc., 7.350%, 2019/04/08	140,000	143,862	156,001
IGM Financial Inc., Series '1997', 6.650%, 2027/12/13	100,000	91,195	101,082
John Deere Credit Inc., 5.25%, 2010/10/18	90,000	88,610	93,379
Manulife Financial Corp., Callable, 4.896%, 2014/06/02	110,000	110,000	112,830
Master Credit Card Trust, 5.297%, 2012/08/21	170,000	175,059	180,898
Master Credit Card Trust, Class 'A', Series '2006-2', 4.444%, 2011/11/21	180,000	179,547	187,257
Molson Coors Capital Finance, Callable, 5.000%, 2015/09/22	140,000	129,813	140,565
National Bank of Canada, Variable Rate, Perpetual, Callable, 2018/06/30	250,000	208,000	251,370
NBC Asset Trust, Series '2', Variable Rate, Callable, 2020/06/30	90,000	81,765	89,956
Nova Scotia Power Inc., 5.75%, 2013/10/01	70,000	68,594	75,319
Power Corp. of Canada, Callable, 8.570%, 2039/04/22	140,000	151,550	169,586
Shaw Communications Inc., Callable, 6.500%, 2014/06/02	80,000	83,288	85,367
Shoppers Drug Mart Inc., 5.190%, 2014/01/20	100,000	100,781	105,006
Sun Life Financial Inc., Variable Rate, Callable, 2023/01/30	90,000	80,207	89,082
TD Capital Trust III, Preferred, Variable Rate, Callable, 2018/12/31	250,000	216,425	261,886
TD Capital Trust IV, Perpetual, Callable, 2108/06/30	70,000	70,000	93,464
TELUS Corp., Callable, 5.950%, 2015/04/15	100,000	91,733	105,436
Terasen Gas Inc., 5.900%, 2035/02/26	100,000	85,496	102,471
Thomson Reuters Corp., 5.700%, 2015/07/15	80,000	75,640	85,079
Toronto-Dominion Bank (The), Variable Rate, Callable, 2106/12/18	110,000	98,825	106,457
Union Gas Ltd., Callable, 4.640%, 2016/06/30	80,000	72,680	81,747
Union Gas Ltd., Series '6', Callable, 5.350%, 2018/04/27	80,000	74,576	83,669
Westcoast Energy Inc., 5.600%, 2019/01/16	110,000	99,907	114,755
		<b>4,501,626</b>	<b>4,898,963</b>
<b>Foreign Bond — 0.26%</b>			
Dexia Municipal Agency, 4.625%, 2017/05/30	70,000	65,800	69,176
		<b>65,800</b>	<b>69,176</b>
<b>TOTAL BONDS — 27.63%</b>		<b>6,849,885</b>	<b>7,310,683</b>

## Growth & Income Diversified Private Trust

### Statement of Investments (unaudited)

As at June 30, 2009

	Par Value \$	Average Cost \$	Fair Value \$
<b>SHORT-TERM NOTES — 11.34%</b>			
Bank of Montreal Bankers' Acceptance, 0.250%, 2009/07/20	310,000	309,926	309,960
Bank of Nova Scotia Bankers' Acceptance, 0.290%, 2009/07/07	420,000	419,895	419,980
Canadian Imperial Bank of Commerce Bankers' Acceptance, 0.250%, 2009/07/07	170,000	169,962	169,993
CIBC Mellon Trust Demand Deposit, Variable Rate	3,709	4,308	4,308
CPPIB Capital Inc., Discount Note, 0.230%, 2009/08/11	505,000	504,753	504,877
Government of Canada Treasury Bill, 0.210%, 2009/08/06	55,000	54,969	54,988
Government of Canada Treasury Bill, 0.230%, 2009/10/01	115,000	114,932	114,933
Province of Ontario Treasury Bill, 0.250%, 2009/09/09	730,000	729,547	729,648
Royal Bank of Canada Bankers' Acceptance, 0.240%, 2009/07/24	690,000	689,869	689,896
		<b>2,998,161</b>	<b>2,998,583</b>
<b>TOTAL SHORT-TERM NOTES — 11.34%</b>		<b>2,998,161</b>	<b>2,998,583</b>
<b>TRANSACTION COSTS</b>		<b>(44,690)</b>	
<b>TOTAL INVESTMENT PORTFOLIO — 99.60%</b>		<b>24,007,087</b>	<b>26,344,571</b>
<b>OTHER ASSETS, NET OF LIABILITIES — 0.40%</b>			<b>104,950</b>
<b>NET ASSETS — 100.00%</b>			<b>26,449,521</b>

(See accompanying notes)

## Growth & Income Diversified Private Trust

### Risk Disclosures

#### Financial Instruments Risk

Investment activities of Growth & Income Diversified Private Trust (the "Trust") exposes it to some financial risks. The Trust's overall risk management program seeks to minimize the potentially adverse effect of risk on the Trust's financial performance in a manner consistent with the Trust's investment objectives and long term-investment time horizon.

#### Risk Management

The investment objective of the Trust is to generate both capital appreciation (growth) and income, while maintaining a relatively low level of risk. To achieve its objectives, the Trust invests in both equities and fixed income instruments.

J. Zechner Associates, the sub-advisor of the Trust, develops asset mix forecasts which focus on global markets which are demanding closer scrutiny as they become more interdependent. That focus cascades down to the North American economies and more specifically to Canada. The firm examines government fiscal and monetary policies, foreign exchange, capital flows, investor psychology and projected asset class returns over a 12-18 month period and then determines the optimal asset mix.

For equities, the investment approach is a top-down active investment style, premised on the view that the Canadian stock market is cyclical rather than a growth market. This style is characterized by overweighting industry groups that are expected to outperform at various stages of the market cycle. The top-down analysis is complimented by bottom-up stock picking within each industry group.

The fixed income portfolio management employs a multi-strategy approach. Distinguishing features of the fixed income process include rigorous credit analysis and a willingness to under-weight any sector that has become over-valued.

The Trust may enter into securities lending transactions. Securities lending transactions will be used in conjunction with the Trust's other investment strategies in a manner considered most appropriate by Integra Capital Financial Corporation ("the Manager") to achieve the Trust's investment objectives and to enhance the Trust's returns.

To assist with managing risk, the Manager also maintains a governance structure that oversees the Trust's investment activities and monitors compliance with the Trust's stated investment strategy and securities regulations.

#### 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 Trust. 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 table below summarizes the Trust's exposure to the credit ratings of debt securities as at June 30, 2009.

Debt Securities by Credit Rating	As a % of Total Bonds
AAA	20.73%
AA	20.54%
A	45.44%
BBB	13.29%
<b>Total</b>	<b>100.00%</b>

## Growth & Income Diversified Private Trust

### Risk Disclosures *(continued)*

#### 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.

#### 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 Trust. From time to time, the Trust may manage currency risk through foreign currency hedging strategies.

The table below indicates the currencies to which the Trust had exposure as at June 30, 2009, on its trading monetary assets and liabilities as well as the underlying principal amount of foreign exchange contracts.

Currency	Currency Risk Exposed Holdings*	Foreign Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	3,227,906	—	3,227,906	12.20%

\*Amounts include monetary items.

As at June 30, 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 \$161,395. 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. Trusts 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 Trust's exposure to interest rate risks at June 30, 2009. It includes the Trust'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 are minimal and therefore are not included in the table below.

	Less than 1 year	1-3 years	3-5 years	> 5 years	Total
Bonds	—	384,062	842,899	6,083,722	7,310,683

As at June 30, 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 \$599,367.

#### Liquidity Risk

Unitholders may redeem their units on each valuation date. Therefore, the Trust is invested in securities that are traded in active markets and can be readily disposed. The Trust retains sufficient cash and cash equivalent positions to maintain liquidity.

## Growth & Income Diversified Private Trust

### Risk Disclosures *(continued)*

#### **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-advisors moderate 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 Trust.

As at June 30, 2009, a 5% change in stock prices would have changed the Trust's net assets by \$801,765 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 Trust at June 30, 2009, due to a 5% increase or decrease in the Trust's benchmark (29.75% TSX, 15.5% Russell 1000, 15.5% MSCI EAFE, 35% DEX Universe, 4.25% Government of Canada Treasury Bills Indices), with all other variables held constant, would have been \$1,519,000. This calculation is based on the beta of the Trust, over the past 36 months. In practice, the actual results may differ from the sensitivity analysis indicated above and the difference could be material.

## Growth & Income Diversified Private Trust

### Notes to Financial Statements

#### 1. ESTABLISHMENT OF THE Trust

The Growth & Income Diversified Private Trust [the "Trust"] was created under the laws of the Province of Ontario by a Declaration of Trust. The Trust was established on July 2, 1998 and commenced operations on September 18, 1998.

The Trust is not a reporting issuer and is exempt from the filing requirements of Sections 2.1 and 2.3 for the year ended December 31, 2008. The Trust has prepared its financial statements according to National Instrument 81-106 ("NI 81-106") and has advised the Ontario Securities Commission that it is relying on the exemption not to file its financial statements according to Sections 2.1 and 2.3.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Trust have been prepared within the framework of the significant accounting policies summarized below:

On January 1, 2008, the Trust 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 Trust's Statement of Investment Portfolio.

- [a] Investments are recorded at their fair value in Canadian currency with the difference between this amount and the average cost being shown as unrealized appreciation (depreciation) of investments, net of unrealized gains (losses) resulting from foreign currency translations.
- [b] The fair values of foreign investments and other foreign denominated assets and liabilities are translated into Canadian dollars at exchange rates prevailing on the reporting date.
- [c] Purchases and sales of foreign securities and income and expenses are translated into Canadian dollars at the exchange rates prevailing on the dates of the transactions.
- [d] The gain or loss on sale of investments, net of realized gains (losses) from foreign currency translations, is calculated with reference to the average cost of the related investments, excluding transaction costs.
- [e] Income and expenses are recorded on an accrual basis. Foreign income and expenses are translated into Canadian dollars at the rates of exchange applicable on the valuation date. Security transactions are recorded on the trade date and related transaction costs are charged to income. Dividends are accrued as of the ex-dividend date. Stock dividends are recorded in income based on the fair value of the security.
- [f] Short-term notes are recorded at fair value. The fair value of short-term notes approximates the accrued interest added to the average cost. Gains and losses arising from the disposition of short-term investments prior to maturity are recorded as adjustments to interest income.
- [g] For each Trust unit sold, the Trust receives an amount equal to the net asset value per unit at the date of sale, which amount is included in unitholders' equity. Trust units are redeemable at the option of unitholders at their net asset value on the redemption date. For each Trust unit redeemed, unitholders' equity is reduced by the net asset value of the Trust unit at the date of redemption.
- [h] The 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.

## Growth & Income Diversified Private Trust

### Notes to Financial Statements

- [i] Commissions and other transaction costs are incremental costs that are directly attributable to the acquisition, issue, or disposal of an investment, which include fees and commissions paid to agents, advisors, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Commissions and transaction costs are included as expenses in the Statements of Operations.
- [j] The cost of investments represents the amount paid for each security and is determined on an average cost basis excluding commissions and other transaction costs.

### 3. UNITHOLDERS' EQUITY

Unit transactions during the period were as follows:

	June 30, 2009		December 31, 2008	
	Number of Trust units	Amount \$	Number of Trust units	Amount \$
Subscriptions	538,599	5,965,785	263,088	2,709,525
Reinvestments	—	—	25,906	288,256
Redemptions	134,058	1,321,645	365,197	3,993,383

The number of issued and outstanding units at the period ended June 30, 2009 is 2,294,845 [December 31, 2008 - 1,890,304].

### 4. FOREIGN EXCHANGE FORWARD CONTRACTS

The Trust 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 Trust 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 Trust to losses.

In order to minimize the possibility of loss arising from credit risk, the Trust deals only with large financial institutions.

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 June 30, 2009, the Trust held no foreign exchange forward contracts.

### 5. INCOME TAXES

The Trust qualifies as mutual Trust trust under the provisions of the Income Tax Act (Canada). The Trust 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 Trust, so that no provision for income taxes is required in the financial statements.

Capital losses incurred by the Trust cannot be allocated to unitholders but may be carried forward indefinitely to realized capital gains. As at December 31, 2008, the Trust had \$1,263,626 in net capital loss carryforwards.

## Growth & Income Diversified Private Trust

### Notes to Financial Statements

#### 6. BROKERAGE COMMISSIONS

Brokerage commissions ("soft dollar commissions") on portfolio transactions may also include research services provided to the investment manager. The value of the research services paid to certain brokers for the period ended June 30, 2009 is nil [June 30, 2008 - nil].

#### 7. SECURITIES LENDING

The Trust lends portfolio securities from time to time in order to earn additional income. The Trust has entered into a securities lending program with its custodian, CIBC Mellon Global Securities Services. The aggregate market value of all securities cannot exceed 50% of the net assets of the Trust. The Trust receives collateral in the form of debt obligations of the Government of Canada and any other Sovereign States and Canadian provincial government, against the loaned securities and maintains collateral in an amount of at least 105% of the market value of the loaned securities during the period of the loan. At June 30, 2009, certain securities shown in the Statement of Net Assets with a market value of \$822,553 [June 30, 2008 - nil] had been loaned as part of the securities lending program. The Trustee held securities with a market value of \$871,001 [June 30, 2008 - nil] as collateral for such loans. Under the terms of the program, the Trust may instruct that securities be returned within three days.

#### 8. CAPITAL MANAGEMENT

The capital of a Trust is represented by issued redeemable units with no par value. The units of the Trust are entitled to distributions, if any, and any redemptions are based on the Trust's net asset value per unit. The Trust 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 Trust endeavours to invest its subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

#### 9. MANAGEMENT FEES

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

#### 10. COMPARISON OF NET ASSET VALUE PER UNIT - INDUSTRY STANDARD FOR TRANSACTIONS TO NET ASSET PER UNIT

In accordance with amendments issued by the Canadian securities regulatory authorities, a reconciliation of net assets, calculated in accordance with Section 3855 for an investment fund, and net asset value, calculated in accordance with the Manager's fair value policies procedures for unit pricing as at June 30, 2009, is as follows:

June 30, 2009		December 31, 2008	
Net Asset Value per Unit - Industry Standard for Transactions	Net Asset per Unit	Net Asset Value per Unit - Industry Standard for Transactions	Net Asset per Unit
\$11.55	\$11.53	\$9.66	\$9.62

#### 11. FUTURE ACCOUNTING POLICY CHANGES

At June 30, 2009 the Manager has developed a changeover plan to meet the timetable published by the CICA for changeover to International Financial Reporting Standards ("IFRS"). The key elements of the plan include disclosures of the qualitative impact in the 2009 annual financial statements, the disclosures of the quantitative impact, if any, in the 2010 financial statements and the preparation of the 2011 financial statements in accordance with IFRS with comparatives. The Manager has presently determined that there will be no significant impact to net asset value per unit from the changeover to IFRS. The impact of IFRS on accounting policies and implementation decisions will mainly be in the areas of additional disclosures in the financial statements of the Trust.