

Financial Statements

# **Integra Equity Fund**

June 30, 2011

## Integra Equity Fund

### Statement of Net Assets (unaudited)

	June 30, 2011	December 31, 2010
<b>ASSETS</b>		
Investments at fair value	\$25,100,216	\$35,939,498
Cash	—	537
Receivable for securities sold	—	26,855
Subscriptions receivable	6,567	—
<b>Total assets</b>	<b>25,106,783</b>	<b>35,966,890</b>
<b>LIABILITIES</b>		
Accrued expenses	28,787	22,813
Payable for securities purchased	6,567	—
Redemptions payable	—	26,855
<b>Total liabilities</b>	<b>35,354</b>	<b>49,668</b>
<b>NET ASSETS REPRESENTING UNITHOLDERS' EQUITY</b>	<b>\$25,071,429</b>	<b>\$35,917,222</b>
<b>UNITS OUTSTANDING</b> (note 3)	<b>1,801,343</b>	<b>2,498,812</b>
<b>NET ASSETS PER UNIT</b>	<b>\$13.92</b>	<b>\$14.37</b>

*(See accompanying notes)*

## Integra Equity Fund

### Statement of Operations (unaudited)

Six months ended June 30

	2011	2010
<b>INCOME</b>		
Dividend	146,206	259,936
	<b>146,206</b>	<b>259,936</b>
<b>EXPENSES</b>		
Custodial fees	13,182	19,983
Operating expenses	22,335	69,628
Audit fees	2,362	1,650
Legal fees	1,417	1,417
Filing fees	4,722	4,722
Securityholder reporting costs	3,777	4,948
Independent review committee expense	4,722	2,818
Investment performance monitoring fees	3,777	4,247
Goods and Services Tax	—	5,471
Harmonized Sales Tax	6,704	—
	<b>62,998</b>	<b>114,884</b>
<b>NET INVESTMENT INCOME</b>	<b>83,208</b>	<b>145,052</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Net realized gain (loss) on sale of investments	743,196	(47,523)
Net realized gain on foreign exchange	297	11
Net unrealized gain (loss) on foreign exchange	4	(9)
Change in unrealized depreciation of investments	(1,693,750)	(3,279,718)
<b>NET LOSS ON INVESTMENTS</b>	<b>(950,253)</b>	<b>(3,327,239)</b>
<b>DECREASE IN NET ASSETS FROM OPERATIONS</b>	<b>( 867,045)</b>	<b>(\$3,182,187)</b>
<b>Increase (decrease) in net assets from operations per unit</b>		
(Based on the average number of units outstanding during the period)	<b>\$0.46</b>	<b>(\$0.67)</b>

(See accompanying notes)

## Integra Equity Fund

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

Six months ended June 30

	2011	2010
<b>NET ASSETS, BEGINNING OF PERIOD</b>	<b>\$35,917,222</b>	\$64,365,284
Decrease in net assets from operations	(867,045)	(3,182,187)
<b>DISTRIBUTIONS TO UNITHOLDERS</b>		
Distribution from net investment income	—	(136,696)
	-	(136,696)
<b>CAPITAL UNIT TRANSACTIONS (note 3)</b>		
Proceeds from issuance of units	978,610	1,852,051
Reinvested distributions	—	136,696
Payments on redemptions	(10,957,358)	(6,850,852)
	(9,978,748)	(4,862,105)
Decrease in net assets for the period	(10,845,793)	(8,180,988)
<b>NET ASSETS, END OF PERIOD</b>	<b>\$25,071,429</b>	\$56,184,296

(See accompanying notes)

### Statement of Investments (unaudited)

As at June 30, 2011

	Number of Shares	Average Cost \$	Fair Value \$
Integra Canadian Value Growth Fund	1,175,804	16,494,856	17,614,132
NWQ U.S. Large Cap Value Fund	518,488	2,675,278	2,495,639
Integra Newton Global Equity Fund	329,417	2,546,355	2,520,699
Integra International Equity Fund	224,790	2,661,908	2,469,746
<b>TOTAL INVESTMENT PORTFOLIO — 100.11%</b>		<b>24,378,397</b>	<b>25,100,216</b>
<b>OTHER ASSETS, NET OF LIABILITIES — (0.11%)</b>			<b>(28,787)</b>
<b>NET ASSETS — 100.00%</b>			<b>\$25,071,429</b>

(See accompanying notes)

## Integra Equity Fund

### Summary of the Investments of the Indirect Holdings

	% of Net Assets		% of Net Assets	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
<b>Integra Canadian Value Growth Fund</b>				
Consumer Discretionary	4.37	4.82		
Consumer Staples	1.36	2.06		
Energy	23.64	23.60		
Financials	25.45	26.14		
Health Care	1.18	0.56		
Industrials	6.38	5.72		
Information Technology	3.63	6.13		
Materials	23.01	22.69		
Telecommunication Services	5.35	5.83		
Utilities	0.66	0.55		
	<b>95.03</b>	<b>98.10</b>		
Cash and Cash Equivalents	2.25	1.21		
Other Assets, Net of Liabilities	2.72	0.69		
<b>Total</b>	<b>100.00</b>	<b>100.00</b>		
<b>NWQ U.S. Large Cap Value Fund</b>				
<b>United States Equities</b>				
Consumer Discretionary	8.73	7.70		
Consumer Staples	3.38	5.49		
Energy	11.39	11.83		
Financials	27.29	26.32		
Health Care	10.31	9.49		
Industrials	6.03	6.69		
Information Technology	12.88	11.19		
Utilities	0.97	1.08		
	<b>80.98</b>	<b>79.79</b>		
<b>Non U.S. Equities</b>				
Canada	6.60	9.21		
France	4.00	3.25		
Ireland	1.91	2.13		
Israel	1.62	—		
South Africa	3.78	3.68		
	<b>17.91</b>	<b>18.27</b>		
	<b>98.89</b>	<b>98.06</b>		
Other Assets, Net of Liabilities	1.11	1.94		
<b>Total</b>	<b>100.00</b>	<b>100.00</b>		
<b>Integra International Equity Fund</b>				
Australia			2.05	2.02
Belgium			0.50	—
Brazil			9.39	6.89
Bermuda			—	0.89
Canada			0.76	1.09
China			1.00	1.15
Denmark			—	0.96
France			0.66	—
Germany			1.90	1.61
Hong Kong			1.21	1.18
India			0.23	0.66
Indonesia			0.80	0.73
Japan			11.05	10.98
South Korea			1.22	1.15
Malaysia			1.99	1.83
Philippines			0.40	0.54
Singapore			9.37	10.40
Taiwan			29.18	29.98
Thailand			<b>98.29</b>	<b>98.89</b>
Turkey			1.71	1.11
United Kingdom				
United States				
Other Assets, Net of Liabilities			<b>100.00</b>	<b>100.00</b>
<b>Total</b>			<b>100.00</b>	<b>100.00</b>
<b>Integra Newton Global Equity Fund</b>				
Australia	4.22	5.59		
Belgium	0.78	0.78		
Bermuda	0.82	0.89		
Brazil	3.70	4.59		
Canada	3.54	3.88		
Denmark	0.53	—		
France	5.96	4.57		
Germany	2.47	4.83		
Hong Kong	4.56	1.70		
			6.25	7.95
			1.31	1.06
			—	1.01
			4.07	5.24
			0.51	0.49
			0.98	—
			0.56	—
			6.48	4.50
			4.78	5.87
			6.12	5.09
			23.07	23.93
			—	0.65
			0.96	1.21
			1.12	0.76
			0.65	0.60
			0.88	0.66
			2.20	2.06
			2.43	2.94
			0.92	1.67
			11.51	11.67
			4.47	3.11
			—	0.72
			16.23	17.77
			<b>95.50</b>	<b>98.96</b>
Other Assets, Net of Liabilities			4.50	1.04
<b>Total</b>			<b>100.00</b>	<b>100.00</b>

## Integra Equity Fund

### Risk Disclosures

#### Financial Instruments Risk

Investment activities of the Integra Equity Fund (the "Fund") expose it to some financial risks. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objectives and long-term investment time horizon.

#### Risk Management

The investment objective of the Fund is to provide long-term capital appreciation through a portfolio of indirect holdings in Canadian, U.S. and international equities, which are sufficiently diversified to minimize investment risk. To achieve its objectives, the Fund invests in a number of underlying funds.

The Fund employs a passive 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 the Integra Mutual Funds Semi-Annual Report or available on the internet at [www.Integra.com](http://www.Integra.com).

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

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

As the Fund invests in underlying funds it has various risk exposures attributable to its investments in these underlying funds. The types of risks outlined below reflect the risks of the underlying funds.

#### 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 Fund. 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.

As at June 30, 2011 and June 30, 2010, the Fund had no significant investments in debt instruments and/or derivatives.

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

The tables below indicate the currencies to which the Fund had exposure on its trading monetary assets and liabilities as well as the underlying principal amount of foreign exchange contracts.

## Integra Equity Fund

### Risk Disclosures

Currency (As at June 30, 2011)	Currency Risk Exposed Holdings*	Foreign Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	\$3,573,104	\$(5788)	\$3,567,316	14.23%
Japanese Yen	807,570	1,115	808,685	3.23%
British Pound	619,594	8,631	628,225	2.51%
Euro	600,151	(13,683)	586,468	2.34%
Swiss Franc	541,239	6,994	548,233	2.19%
Australian Dollar	259,810	3,770	263,580	1.05%
Hong Kong Dollar	237,732	3,909	241,641	9.60%
Thai Baht	160,165	1,657	161,822	6.50%
Brazilian Real	138,240	—	138,240	5.50%
Singapore Dollar	118,732	—	118,732	4.70%
South African Rand	90,286	1,605	91,891	3.70%
Norwegian Krone	52,715	718	53,433	2.10%
Danish Krone	26,995	370	27,365	1.10%
Polish Zloty	21,735	588	22,323	9.00%
Philippine Peso	15,929	433	16,362	7.00%
South Korean Won	5,665	—	5,665	—

\*Amounts include monetary items.

Currency (As at June 30, 2010)	Currency Risk Exposed Holdings*	Foreign Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	\$8,766,889	13,861	\$8,780,750	15.74%
Japanese Yen	1,881,100	(181,507)	1,699,593	3.05%
Euro	1,525,969	(647)	1,525,322	2.73%
British Pound	1,649,319	(174,383)	1,474,936	2.64%
Swiss Franc	1,370,262	—	1,370,262	2.46%
Australian Dollar	546,722	80,729	627,451	1.12%
Singapore Dollar	148,184	236,266	384,450	0.69%
Hong Kong Dollar	365,462	—	365,462	0.66%
Thai Baht	225,656	—	225,656	0.40%
Brazilian Real	218,476	—	218,476	0.39%
South African Rand	217,684	—	217,684	0.39%
Swedish Krona	57,740	—	57,740	0.10%
South Korean Won	47,962	—	47,962	0.09%
Norwegian Krone	48,082	2,087	50,169	0.09%
Polish Zloty	27,512	—	27,512	0.05%
Indonesian Rupiah	19,465	—	19,465	0.03%
Danish Krone	2	—	2	—

\*Amounts include monetary items.

## Integra Equity Fund

### Risk Disclosures

As at June 30, 2011, 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 \$363,999 (June 30, 2010 - \$854,644). 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. Funds 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 majority of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to a significant amount of risk due to fluctuations in the prevailing levels of market interest rates.

#### Liquidity Risk

Unitholders may redeem their units on each valuation date. Therefore, the underlying funds held by the Fund invest in securities that are traded in active markets and can be readily disposed. The underlying funds retain sufficient cash and cash equivalent positions to maintain liquidity.

#### 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-advisor moderates 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 Fund.

As at June 30, 2011, a 5% change in stock prices would have changed the Fund's net assets by \$1,199,233 (June 30, 2010 - \$2,772,739) 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 Fund as at June 30, 2011, due to a 5% increase or decrease in the Fund's benchmark (70% S&P/TSX, 15% Russell 1000, 15% MSCI EAFE ND Indices), with all other variables held constant, would have been \$1,261,970 (June 30, 2010 - \$2,783,651). This calculation is based on the beta of the Fund over the past 36 months. In practice, the actual results may differ from the sensitivity analysis indicated above and the difference could be material.

#### Fair Value Measurements

The Fund adopted the amendments to CICA 3862, "Financial Instruments – Disclosures", on January 1, 2009. CICA 3862 establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments. The hierarchy of inputs is summarized below:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Changes in valuation methods may result in transfers into or out of an investment's assigned level.

The tables below summarize the inputs used in valuing the Fund's financial assets carried at fair values:

Classification (As at June 30, 2011)	Level 1	Level 2	Level 3	Total
Investments in funds	\$25,100,206	—	—	\$25,100,206
<b>Total Financial Assets</b>	<b>\$25,100,206</b>	<b>—</b>	<b>—</b>	<b>\$25,100,206</b>

## Integra Equity Fund

### Risk Disclosures

Classification (As at June 30, 2010)	Level 1	Level 2	Level 3	Total
Investments in funds	\$56,213,714	—	—	\$56,213,714
<b>Total Financial Assets</b>	<b>\$56,213,714</b>	<b>—</b>	<b>—</b>	<b>\$56,213,714</b>

### Summary of Investment Portfolio

The Fund's summary of investment portfolio appear in the following table:

	Percentage of Net Assets (%)	
	June 30, 2011	December 31, 2010
Integra Canadian Value Growth Fund	70.26	69.94
NWQ U.S. Large Cap Value Fund	9.95	10.22
Integra Newton Global Equity Fund	10.05	9.94
Integra International Equity Fund	9.85	9.96
<b>TOTAL INVESTMENT PORTFOLIO</b>	<b>100.11</b>	<b>100.06</b>
<b>OTHER ASSETS, NET OF LIABILITIES</b>	<b>(0.11)</b>	<b>(0.06)</b>
<b>NET ASSETS</b>	<b>100.00</b>	<b>100.00</b>

## Integra Equity Fund

### Notes to Financial Statements

#### 1. Establishment of the Fund

The Integra Equity Fund (the "Fund") was created under the laws of the Province of Ontario by a Declaration of Trust. The Fund was established on June 30, 1987 and commenced operations on this date.

The Fund invests substantially all of its assets in the Integra Canadian Value Growth Fund, NWQ U.S. Large Cap Value Fund, Integra Newton Global Equity Fund and Integra International Equity Fund (the "underlying funds"), mutual funds under common management as the Fund.

#### 2. Summary of Significant Accounting Policies

These financial statements, prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), include estimates and assumptions made by management that affect the reported amounts of assets, liabilities, income, and expenses during the reporting periods. Actual results may differ from such estimates.

On January 1, 2008, the Fund 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 Fund's Statement of Investments.

- [a] Investments in the underlying funds are recorded at their fair value in Canadian currency, which is represented by net asset value per unit with the difference between this amount and the average cost being shown as unrealized appreciation (depreciation) of investments.
- [b] The gain or loss on sale of investments is calculated with reference to the average cost of the related investments, excluding transaction costs.
- [c] Income is recorded by the Fund when distributions from the Fund's investments in the underlying funds are paid by them. All such distributions are reinvested in additional units of the underlying funds.
- [d] For each Fund unit sold, the Fund receives an amount equal to the net asset value per unit at the date of sale, which amount is included in unitholders' equity. Fund units are redeemable at the option of unitholders at their net asset value on the redemption date. For each Fund unit redeemed, unitholders' equity is reduced by the net asset value of the Fund unit at the date of redemption.
- [e] The fair 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.
- [f] The cost of investments represents the amount paid for each security and is determined on an average cost basis.

#### 3. Unitholders' Equity

Unit transactions during the period were as follows:

	June 30, 2011		December 31, 2010	
	Number of Fund units	Amount \$	Number of Fund units	Amount \$
Subscriptions	68,250	978,610	195,799	2,548,582
Reinvestments	—	—	72,840	927,765
Redemptions	765,719	10,957,358	2,755,564	35,590,812

The number of issued and outstanding units for the period ended June 30, 2011 is 1,801,343 (December 31, 2010 - 2,498,812).

## Integra Equity Fund

### Notes to Financial Statements

#### 4. Foreign Exchange Forward Contracts

The Fund 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 Fund 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 forward contracts potentially expose the Fund to losses.

In order to minimize the possibility of losses arising from credit risk, the Fund deals only with large financial institutions with a minimum A credit rating.

Currency risks relate to the possibility that foreign exchange forward contracts change in value due to fluctuations in currency prices. The foreign exchange forward 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, 2011, the Fund did not directly hold any foreign exchange contracts.

#### 5. Income Taxes

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and has a taxation year-end of December 15. The Fund is subject to tax on its income, including net realized capital gains, for the period which is not paid or payable to the unitholders as at the end of the period. Income taxes on net realized gains not paid or payable by the mutual fund trust is 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 Fund, so that no provision for income taxes is required in the financial statements.

Capital losses incurred by the Fund cannot be allocated to unitholders but may be carried forward indefinitely to realized capital gains. As at December 31, 2010, the Fund had \$2,619,026 (December 31, 2009 - \$1,883,612) in net capital loss carryforwards.

#### 6. Brokerage Commissions

Brokerage commissions on portfolio transactions may also include research services provided to the investment manager ("soft dollar commissions"). The value of the research services paid to certain brokers for the period ended June 30, 2011 is nil.

#### 7. Capital Management

CICA Section 1535, "Capital Disclosures", establishes standards for disclosing information about an entity's capital and how it is managed. The adoption of this standard results in additional disclosures relating to the redeemable units of the Fund but does not affect the Fund's results or financial position. The capital of the Fund is represented by issued redeemable units with no par value. The units of the Fund are entitled to distributions, if any, and any redemptions are based on the Fund's net asset value per unit. The Fund 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 Fund endeavours to invest its subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

#### 8. Management Fees

The trustee has appointed Integra Capital Limited (the "Manager") as manager to administer and regulate the day-to-day operations of the Fund. In return for the services provided, the Manager's parent company, Integra Capital Management Corporation, receives management fees from the Fund's unitholders, based on the net asset value of the Fund. These management fees are paid either by a redemption of units or the unitholder, if an institution, may be invoiced and payment will be delivered to the Manager.

#### 9. Trustee and Other Fees

The Fund is responsible for its operating expenses relating to the carrying on of its business, including custodial services, legal, Independent Review Committee fees (if applicable), audit fees, transfer agency services relating to the issue and redemption of units, and the cost of financial and other reports in compliance with all applicable laws, regulations and policies. Such expenses are calculated and accrued daily based on the average net asset value. The Manager pays for such expenses on behalf of the Fund, except for certain expenses such as interest and taxes, and is then reimbursed by the Fund.

## Integra Equity Fund

### Notes to Financial Statements

#### 10. Transition to International Financial Reporting Standards

International Financial Reporting Standards ("IFRS") will replace Canadian GAAP for publicly accountable enterprises, which include investment funds and other reporting issuers. Under the general transition rules for publicly accountable enterprises the Fund would adopt IFRS for their fiscal period beginning January 1, 2011.

On January 12, 2011, the Canadian Accounting Standards Board amended the requirement to prepare financial statements in accordance with IFRS as issued by the International Accounting Standards Board, permitting investment companies, which include investment funds, to defer adoption of IFRS to fiscal years beginning on or after January 1, 2013. The Fund has elected to defer adoption of IFRS to January 1, 2013.

In preparing to meet the requirements, the Manager has taken the following steps in managing the transition to IFRS:

- Established a working group to identify key differences between Canadian GAAP and IFRS and to coordinate the implementation of the transition plan,
- Identified areas where changes in disclosure will be required under IFRS standards,
- Evaluated current information technology and reporting systems for readiness in IFRS implementation,
- Assessed the likely impacts on business activity and operational areas such as internal controls, staffing and training requirements.

The major changes identified for IFRS financial statements include the addition of a Statement of cash flows and the classification of unitholders' equity (puttable instruments) as a liability within the statement of net assets, unless certain conditions are met.

Based on the current evaluation of the differences between Canadian GAAP and IFRS, the adoption of IFRS is expected to have no impact on the calculation of net assets or net asset value. IFRS is expected to affect the overall presentation of financial statements and result in additional disclosure in the accompanying notes. However, the Manager's assessment may change if new standards are issued or if the interpretations of current standards are revised.

#### 11. Comparative Figures

Certain comparative figures have been reclassified to conform to the presentation for the period ended June 30, 2011.