

Financial Statements

Integra Principal High Quality Fixed Income Plus Fund

June 30, 2011

Integra Principal High Quality Fixed Income Plus Fund

Statement of Net Assets (unaudited)

	June 30, 2011	December 31, 2010
ASSETS		
Investments	\$71,774,890	\$76,156,511
Cash	312,346	2,770,218
Account Receivable relating to Margin	19,000	80,765
Accrued interest receivable	680,392	688,339
Receivable for securities sold	2,162,243	6,113
Net unrealized gain on foreign exchange forward contracts (note 4)	231,622	274,864
Total assets	75,180,493	79,976,810
LIABILITIES		
Accrued expenses	66,398	65,436
Payable for securities purchased	—	1,640,363
Redemptions payable	1,226	663
Net unrealized gain on futures contracts (note 5)	9,048	65,006
Total liabilities	76,672	1,771,468
NET ASSETS REPRESENTING UNITHOLDERS' EQUITY	\$75,103,821	\$78,205,342
UNITS OUTSTANDING (note 3)	7,450,903	7,766,331
NET ASSET PER UNIT (note 12)	\$10.08	\$10.07
NET ASSET VALUE PER UNIT - INDUSTRY STANDARD FOR TRANSACTIONS (note 12)	\$10.09	\$10.08

(See accompanying notes)

Integra Principal High Quality Fixed Income Plus Fund

Statement of Operations (unaudited)

Six months ended June 30

	2011	2010
INCOME		
Interest	\$1,739,956	\$1,800,219
	1,739,956	1,800,219
EXPENSES		
Custodial fees	23,801	24,578
Operating expenses	14,169	14,169
Printing Fees	945	—
Audit fees	11,821	11,807
Legal Fees	472	945
Fund valuation fees	—	4,697
Investment performance monitoring service fees	2,362	2,362
Securityholder reporting costs	—	945
Goods and Services Tax	—	2,975
Harmonized Sales Tax	6,964	—
	60,534	62,478
NET INVESTMENT INCOME	1,679,422	1,737,741
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized gain (loss) on sale of investments	109,840	(401,959)
Net realized gain (loss) on foreign exchange forward contracts	270,346	(62,618)
Net realized gain on foreign exchange	344,601	709
Net unrealized gain on foreign exchange	4,629	11,723
Net realized gain (loss) on futures contracts	(31,240)	355,544
Transaction costs (note 7)	(1,360)	(3,368)
Change in unrealized appreciation (depreciation) of investments	(110,162)	1,780,031
Change on unrealized loss on foreign exchange currency contracts	(43,242)	—
	543,412	1,680,062
NET GAIN ON INVESTMENTS AND TRANSACTION COSTS	543,412	1,680,062
INCREASE IN NET ASSETS FROM OPERATIONS	\$2,222,834	\$3,417,803
Increase in net assets from operations per unit		
(Based on the average number of units outstanding during the period)	\$0.29	\$0.53

(See accompanying notes)

Statement of Changes in Net Assets (unaudited)

Six months ended June 30

	2011	2010
NET ASSETS, BEGINNING OF PERIOD	\$78,205,342	\$74,705,971
Increase in net assets from operations	2,222,834	3,417,803
DISTRIBUTIONS TO UNITHOLDERS		
Distribution from net investment income	(2,000,000)	(1,000,000)
	(2,000,000)	(1,000,000)
CAPITAL UNIT TRANSACTIONS (note 3)		
Proceeds from issuance of units	3,731,225	3,334,824
Reinvested distributions	2,000,000	1,000,000
Payments on redemptions	(9,055,580)	(7,327,201)
	(3,324,355)	(2,992,377)
Decrease in net assets for the period	(3,101,521)	(574,574)
NET ASSETS, END OF PERIOD	\$75,103,821	\$74,131,397

(See accompanying notes)

Integra Principal High Quality Fixed Income Plus Fund

Statement of Investments

As at June 30, 2011

	Par Value \$	Average Cost \$	Fair Value \$
Bonds			
Canadian Bonds — 67.23%			
Government of Canada — 19.83%			
Canada Housing Trust No. 1, 3.75%, 2020/03/15	1,250,000	1,239,115	1,290,367
Canada Housing Trust No. 1, 3.35%, 2020/12/15	1,000,000	998,000	994,480
Canada Housing Trust No. 1, Series '16', 4.00%, 2012/06/15	1,000,000	1,028,700	1,025,288
Canada Housing Trust No. 1, Series '23', 4.10%, 2018/12/15	1,700,000	1,743,478	1,812,824
Export Development Canada, 5.10%, 2014/06/02	2,700,000	2,996,167	2,931,444
Government of Canada, 4.00%, 2017/06/01	2,000,000	2,172,762	2,160,561
Government of Canada, 4.25%, 2018/06/01	1,500,000	1,634,250	1,645,916
Government of Canada, 4.00%, 2041/06/01	2,800,000	2,955,400	3,032,400
		14,767,872	14,893,280
Provincial Government — 32.81%			
Hydro-Québec, Series '0049', 5.50%, 2018/08/15	3,000,000	3,327,977	3,394,451
Newfoundland & Labrador Hydro, Series 'AB', 6.65%, 2031/08/27	700,000	870,884	917,922
Ontario Electricity Financial Corp., 8.50%, 2025/05/26	450,000	639,900	658,284
Ontario Electricity Financial Corp., Series 'DQ9', 11.50%, 2020/11/27	598,000	967,060	958,384
Ontario Hydro Corp., Series 'DK2', 10.00%, 2020/02/06	400,000	590,000	584,010
Province of British Columbia, 5.70%, 2029/06/18	1,500,000	1,821,000	1,786,213
Province of New Brunswick, 4.50%, 2020/06/02	750,000	783,750	791,186
Province of Nova Scotia, 5.80%, 2033/06/01	500,000	567,135	598,579
Province of Ontario, 5.00%, 2014/03/08	2,650,000	2,868,207	2,856,623
Province of Ontario, 4.40%, 2016/03/08	500,000	522,964	539,194
Province of Ontario, 4.20%, 2018/03/08	500,000	524,950	529,940
Province of Ontario, 5.50%, 2018/06/02	3,000,000	3,351,562	3,407,746
Province of Ontario, Real Return, 2.00%, 2036/12/01	500,000	536,066	647,168
Province of Quebec, 5.35%, 2025/06/01	4,000,000	4,238,265	4,498,831
Province of Quebec, Series 'B079', 4.50%, 2016/12/01	2,000,000	2,151,200	2,162,782
University of Toronto, Callable, 6.78%, 2031/07/18	250,000	296,700	311,720
		24,057,620	24,643,033
Municipal — 1.84%			
City of Toronto, 4.85%, 2016/07/28	1,000,000	1,079,000	1,089,944
TCHC Issuer Trust, Series 'B', Callable, 5.40%, 2040/02/22	275,000	275,000	294,013
		1,354,000	1,383,957
Corporate — 12.75%			
Bank of Montreal, 3.98%, 2016/07/08	500,000	500,020	507,243
Bank of Montreal, Callable, 6.02%, 2018/05/02	1,000,000	1,096,236	1,143,397
Bank of Nova Scotia, 5.04%, 2013/04/08	1,300,000	1,391,820	1,369,002
Bell Canada, Callable, 5.00%, 2017/02/15	350,000	371,000	371,253
Caisse centrale Desjardins du Quebec, 3.50%, 2017/10/05	250,000	250,000	248,617
Canadian Imperial Bank of Commerce, 3.95%, 2017/07/14	500,000	514,600	513,002
Enbridge Inc., Callable, 4.26%, 2021/02/01	250,000	249,888	248,192
Manulife Financial Corp., Callable, 7.77%, 2019/04/08	500,000	580,400	602,640
Manulife Financial Holdings Ltd., Callable, 6.65%, 2011/11/30	500,000	523,500	510,310
Rogers Communications Inc., 6.11%, 2040/08/25	250,000	257,150	238,379
Royal Bank of Canada, Variable Rate, 5.45%, 2018/11/04	1,000,000	1,059,288	1,067,074
Suncor Energy Inc., Callable, 6.50%, 2038/06/15	250,000	252,505	266,661
TELUS Corp., Series 'CH', Callable, 5.05%, 2020/07/23	200,000	199,488	203,204
Toronto-Dominion Bank (The), 5.14%, 2012/11/19	1,300,000	1,399,357	1,359,924
TransCanada PipeLines Ltd., 11.10%, 2014/06/20	500,000	648,095	612,053
Wells Fargo Financial Canada Corp., 6.05%, 2012/08/27	300,000	324,900	313,834
		9,618,247	9,574,785
Total Canadian Bonds — 67.23%		49,797,739	50,495,055

Integra Principal High Quality Fixed Income Plus Fund

Statement of Investments

As at June 30, 2011

	Par Value \$	Average Cost \$	Fair Value \$
United States Bonds — 16.35%			
Corporate — 16.20%			
Abbey National Treasury Services PLC, 3.88%, 2014/11/10	200,000	212,281	196,330
Altria Group Inc., 4.75%, 2021/05/05	150,000	141,633	144,726
Anheuser-Busch InBev Worldwide Inc., Callable, 8.00%, 2039/11/15	500,000	635,073	650,381
AT&T Inc., Callable, 2.95%, 2016/05/15	195,000	185,195	190,829
Bank of America Corp., 5.45%, 2014/09/17	300,000	292,200	313,056
Bank of America Corp., 5.00%, 2021/05/13	200,000	191,434	187,060
Bank of America Corp., Series 'L', 4.90%, 2013/05/01	650,000	721,710	660,632
BB&T Corp., 3.95%, 2016/04/29	200,000	199,896	202,806
Bear Stearns Cos. LLC (The), 4.35%, 2012/07/20	500,000	504,450	512,650
Caterpillar Inc., Callable, 3.90%, 2021/05/27	200,000	194,657	192,819
Cisco Systems Inc., Callable, 4.45%, 2020/01/15	200,000	210,997	200,086
Citigroup Inc., 5.50%, 2013/04/11	250,000	270,205	256,717
Citigroup Inc., 3.95%, 2016/06/15	200,000	199,791	194,726
CVS Caremark Corp., Callable, 6.13%, 2039/09/15	500,000	516,027	497,490
General Electric Capital Corp., 6.00%, 2019/08/07	200,000	218,256	214,480
General Electric Capital Corp., Floating Rate, 0.92%, 2014/04/07	250,000	241,838	239,999
Goldman Sachs Group Inc. (The), 3.70%, 2015/08/01	100,000	104,112	98,084
Goldman Sachs Group Inc. (The), 3.63%, 2016/02/07	100,000	95,413	96,780
Goldman Sachs Group Inc. (The), Variable Rate, 1.27%, 2014/02/07	350,000	334,680	335,208
HSBC Bank USA NA, 4.63%, 2014/04/01	400,000	437,413	411,638
HSBC Finance Corp., 6.50%, 2011/09/22	500,000	477,317	517,104
JPMorgan Chase & Co., 3.70%, 2015/01/20	200,000	215,831	200,440
JPMorgan Chase & Co., 3.15%, 2016/07/05	300,000	290,975	287,416
JPMorgan Chase & Co., Variable Rate, 1.00%, 2014/05/02	250,000	239,262	239,309
KeyCorp, 3.75%, 2015/08/13	250,000	259,059	250,253
KKR Group Finance Co., Callable, 6.38%, 2020/09/29	190,000	194,545	193,795
Merrill Lynch & Co. Inc., 5.45%, 2013/02/05	650,000	727,924	662,338
MetLife Inc., Callable, 5.00%, 2015/06/15	500,000	550,025	525,352
Metropolitan Life Global Funding I, 3.85%, 2016/01/12	250,000	249,492	252,658
Morgan Stanley, 4.20%, 2014/11/20	600,000	640,086	599,385
Morgan Stanley, 4.10%, 2015/01/26	250,000	262,005	247,529
Morgan Stanley, 3.45%, 2015/11/02	100,000	102,090	94,918
Morgan Stanley, 3.80%, 2016/04/29	200,000	190,102	190,476
Morgan Stanley, Callable, 5.63%, 2019/09/23	200,000	212,982	196,979
Morgan Stanley, Callable, 5.50%, 2020/07/24	200,000	207,411	194,257
Morgan Stanley, Series 'F', 4.85%, 2016/02/03	500,000	499,715	503,775
PNC Funding Corp., 4.25%, 2015/09/21	200,000	213,489	206,944
Prudential Financial Inc., Callable, 3.00%, 2016/05/12	200,000	193,407	191,916
Verizon Communications Inc., Callable, 3.00%, 2016/04/01	200,000	195,389	197,203
Wal-Mart Stores Inc., 3.25%, 2020/10/25	250,000	252,472	229,848
Wells Fargo & Co., 4.60%, 2021/04/01	250,000	243,732	242,875
Wisconsin Power and Light Co., Callable, 5.00%, 2019/07/15	135,000	155,456	142,894
		12,480,027	12,164,161
Federal Bonds — 0.15%			
Chicago, Illinois Build America Bonds, Series 'B', Callable, 6.20%, 2040/12/01	120,000	121,236	113,719
		121,236	113,719
Total United States Bonds — 16.35%			
		12,601,263	12,277,880
International Bonds — 11.99%			
Australia — 3.10%			
General Electric Capital Australia Funding Pty Ltd., 6.00%, 2019/03/15	500,000	456,436	489,093
Macquarie Group Ltd., 7.30%, 2014/08/01	200,000	216,024	215,879
Macquarie Group Ltd., 7.63%, 2019/08/13	65,000	69,504	68,482
National Australia Bank Ltd., 4.19%, 2015/07/20	500,000	501,700	514,195
Westpac Banking Corp., 3.75%, 2014/12/01	500,000	498,555	507,870
Westpac Banking Corp., 7.25%, 2016/11/18	500,000	504,351	531,460
		2,246,570	2,326,979

Integra Principal High Quality Fixed Income Plus Fund

Statement of Investments

As at June 30, 2011

	Par Value \$	Average Cost \$	Fair Value \$
Denmark— 0.25%			
Danske Bank AS, 3.88%, 2016/04/14	200,000	191,724	191,316
		191,724	191,316
France — 0.53%			
France Telecom SA, Callable, 5.38%, 2019/07/08	55,000	63,326	59,170
Sanofi-Aventis, Callable, 2.63%, 2016/03/29	100,000	97,196	97,781
Societe Generale, 2.50%, 2014/01/15	250,000	252,822	241,162
		413,344	398,113
Japan — 0.27%			
ORIX Corp., 5.00%, 2016/01/12	200,000	198,784	200,341
		198,784	200,341
Luxembourg — 0.15%			
Telecom Italia Capital SA, Callable, 7.18%, 2019/06/18	105,000	118,870	109,342
		118,870	109,342
Mexico — 0.13%			
Coca-Cola Femsa SAB de CV, Callable, 4.63%, 2020/02/15	100,000	105,470	98,321
		105,470	98,321
Netherlands — 0.27%			
Shell International Finance BV, Callable, 4.30%, 2019/09/22	200,000	215,542	202,084
		215,542	202,084
Norway— 0.23%			
Schlumberger Norge AS, Callable, 4.20%, 2021/01/15	180,000	179,045	175,639
		179,045	175,639
Spain — 0.90%			
BBVA US Senior SAU, 2.39%, 2014/05/16	200,000	191,310	190,499
Santander US Debt SA Unipersonal, 2.99%, 2013/10/07	200,000	205,330	192,364
Santander US Debt SA Unipersonal, Floating Rate, 1.05%, 2012/03/30	200,000	206,518	193,036
Telefonica Emisiones SAU, 5.46%, 2021/02/16	100,000	98,715	96,871
		701,873	672,770
Sweden— 0.45%			
Nordea Bank AB, 4.50%, 2020/03/26	250,000	335,841	340,826
		335,841	340,826
United Kingdom — 5.71%			
Barclays Bank PLC, 5.20%, 2014/07/10	500,000	553,900	520,406
Barclays Bank PLC, Series '1', 5.00%, 2016/09/22	200,000	211,746	204,983
Bank of Scotland PLC, 6.38%, 2019/08/16	250,000	378,834	364,881
BP Capital Markets PLC, 3.13%, 2015/10/01	250,000	258,625	246,665
HSBC Bank PLC, 3.10%, 2016/05/24	200,000	195,158	191,682
HSBC Holdings PLC, 5.10%, 2021/04/05	100,000	97,433	97,860
Lloyds TSB Bank PLC, 4.38%, 2015/01/12	250,000	262,177	244,163
Lloyds TSB Bank PLC, 6.50%, 2020/03/24	250,000	329,221	328,705
Lloyds TSB Bank PLC, 6.50%, 2020/09/14	550,000	564,825	501,945
Lloyds TSB Bank PLC, 6.38%, 2021/01/21	250,000	246,336	247,961
Nationwide Building Society, 5.63%, 2019/09/09	250,000	404,160	391,480
Royal Bank of Scotland Group PLC (The), 6.40%, 2019/10/21	200,000	205,486	197,666
Royal Bank of Scotland PLC (The), 4.88%, 2014/08/25	200,000	220,381	201,011
Royal Bank of Scotland PLC (The), 4.88%, 2015/03/16	250,000	255,980	249,428
Royal Bank of Scotland PLC (The), Series '2', 3.40%, 2013/08/23	200,000	206,568	197,268
Standard Chartered PLC, 3.85%, 2015/04/27	100,000	99,746	100,120

Integra Principal High Quality Fixed Income Plus Fund

Statement of Investments

As at June 30, 2011

	Par Value \$	Average Cost \$	Fair Value \$
		4,490,576	4,286,224
Total International Bonds — 11.99%		9,197,639	9,001,955
TOTAL BONDS — 95.57%		71,596,641	71,774,890
TOTAL INVESTMENT PORTFOLIO — 95.57%		71,596,641	71,774,890
OTHER ASSETS, NET OF LIABILITIES — 4.43%			3,328,931
NET ASSETS — 100.00%			75,103,821

Integra Principal High Quality Fixed Income Plus Fund

Risk Disclosures

Financial Instruments Risk

Investment activities of the Integra Principal High Quality Fixed Income Plus (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 relatively stable rates of return through a portfolio of debt and fixed income instruments, including futures and derivatives, issued by governments and corporations around the world.

The Fund has the flexibility to invest in the full spectrum of fixed income securities available in Canada, the United States and internationally, including investment-grade corporate bonds, treasuries, agencies, asset-backed securities, mortgages, bank loans and emerging markets debt. This flexibility provides the Fund with a greater investment opportunity set in comparison to the limited opportunities that are available in the Canadian bond universe.

The Fund may invest up to 10% in cash and short-term instruments.

The Fund will not invest in securitized securities, hybrid and preferred securities or any asset backed commercial paper.

The duration of the portfolio will be maintained within a maximum range of between +/-1.0 years of the duration of the DEX Universe Bond Index.

The overall minimum average quality rating, (at the time of purchase or sale of any security) for the portfolio is AA- or greater.

The Fund is sub-advised by Principal Global Investors, LLC. (the "Sub-Advisor").

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

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.

The minimum credit rating for any counterparty for any over-the-counter ("OTC") derivative is A. The net derivative exposure of the total portfolio, to any single OTC counterparty, shall not exceed 10% of the market value of the Fund, at any time.

The table below summarizes the Fund's exposure to the credit ratings of debt securities.

Long Portfolio Debt Securities by Credit Rating	As a % of Total Bonds	
	June 30, 2011	June 30, 2010
AAA	20.75%	24.10%
AA	36.96%	33.46%
A	36.58%	37.68%
BBB	5.71%	4.76%
Total	100.00%	100.00%

Integra Principal High Quality Fixed Income Plus Fund

Risk Disclosures

Counterparty Credit Risk

Counterparty credit risk primarily emanates from the use of OTC 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. The current prime broker for the Fund has a AA credit rating on its long-term debt.

See note 4 to the financial statements for exposures from foreign exchange forward contracts.

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 indicates 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.

Currency (June 30, 2011)	Currency Risk Exposed Holdings (including derivatives) *	Foreign Exchange Contracts	Net Exposure	As a % of Net Assets
Australian Dollar	\$1,567,943	—	\$1,567,943	2.09%
Euro	687,894	(689,201)	(1,307)	0.00%
British Pound	759,260	(800,355)	(41,095)	(0.05%)
U.S. Dollar	16,223,996	(16,490,742)	(266,746)	(0.35%)

Currency (June 30, 2010)	Currency Risk Exposed Holdings (including derivatives) *	Foreign Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	21,726,078	201,050	21,927,128	29.58%
Australian Dollar	449,820	—	449,820	0.61%

*Amounts include monetary items.

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 \$62,940 (June 30, 2010 - \$1,118,847). 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 sub-advisor of the Fund uses combinations of Canadian interest-rate swaps and futures to synthetically create portfolios that track published DEX Bond indices. These strategies may add minimal active interest rate risk to the Fund.

The table below summarizes the Fund's exposure to interest rate risk at June 30, 2011. It includes the Fund'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 is minimal and therefore not included in the table below.

Integra Principal High Quality Fixed Income Plus Fund

Risk Disclosures

Bonds	June 30, 2011	June 30, 2010
Less than 1 year	\$2,245,738	\$1,613,880
1-3 years	13,582,664	10,539,377
3-5 years	8,773,511	19,377,626
> 5 years	47,172,977	41,827,750
Total	\$71,774,890	\$73,358,633

As at June 30, 2011, 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 \$4,574,882 (June 30, 2010 - \$4,501,710) on the long portfolio.

Liquidity Risk

Unitholders may redeem their units on each valuation date. Therefore, the Fund is invested in securities that are traded in active markets and can be readily disposed.

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 the exposure to futures, net, would have changed the Fund's net assets by \$ (June 30, 2010 - nil) 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 at June 30, 2011, due to a 5% decrease in the Fund's benchmark (DEX Universe), with all other variables held constant, would have been \$6,368,804 (June 30, 2010 - \$3,940,825). This calculation is based on the beta of the Fund since its inception in May 2009. The short period of data available for analysis deems this calculation statistically insignificant. 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 Section 3862, "Financial Instruments – Disclosures", on January 1, 2009. CICA Section 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 following is a summary of the inputs used as of June 30, 2011 in valuing the Fund's financial assets and liabilities carried at fair values:

Classification	Level 1	Level 2	Level 3	Total
Financial Assets				
Bonds	—	\$71,774,890	—	\$71,774,890
Foreign Exchange Forward Contracts	—	231,622	—	231,622
Financial Liabilities				
Futures	(9,048)	—	—	(9,048)
Total Financial Assets and Liabilities	(\$9,048)	\$72,006,512	—	\$71,997,464

Integra Principal High Quality Fixed Income Plus Fund

Risk Disclosures

The following is a summary of the inputs used as of June 30, 2010 in valuing the Fund's financial assets carried at fair values:

Classification	Level 1	Level 2	Level 3	Total
Financial Assets				
Bonds	—	\$73,358,633	—	73,358,633
Total Financial Assets	—	\$73,358,633	—	\$73,358,633

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
BONDS		
Canadian Bonds		
Government of Canada	19.83	24.29
Provincial Government	32.81	34.94
Municipal Government	1.84	0.37
Corporate	12.75	11.88
Total Canadian Bonds	67.23	71.48
United States Bonds		
Federal Government	0.15	0.14
Corporate	16.20	17.40
Total United States Bonds	16.35	17.54
Foreign Bonds	11.99	8.36
TOTAL BONDS	95.57	97.38
TOTAL INVESTMENT PORTFOLIO	95.57	97.38
OTHER ASSETS, NET OF LIABILITIES	4.43	2.62
NET ASSETS	100.00	100.00

Integra Principal High Quality Fixed Income Plus Fund

Notes to Financial Statements

1. Establishment of the Fund

The Integra Principal High Quality Fixed Income Plus Fund [the "Fund"] was created under the laws of the Province of Ontario by a Declaration of Trust. The Fund was established on May 16, 2009 and commenced operations on this date.

The Fund is not a reporting issuer and is exempt, pursuant to National Instrument 81-106, from the requirement to file its financial statement with the regulatory authorities and has notified the Ontario Securities Commission that it is relying on this exemption. The Fund has prepared its financial statement in accordance with National Instrument 81-106.

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 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 of Sections 3862 and 3863 are contained after the Fund's Statement of Investments.

- [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) resulting 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 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.
- [h] The futures contracts are exchange-traded futures contracts and listed in the notes to the financial statements. Futures contracts are valued at their settlement price at the close of business on each valuation date. Any difference between the settlement value at the close of business on the current valuation date and that of the previous valuation date is recorded in the Statement of Net Assets as an unrealized gain (loss) on futures contracts. Amounts receivable (payable) from futures contracts are reflected in the Statement of Net Assets as unrealized gain (loss) on futures contracts.

Integra Principal High Quality Fixed Income Plus Fund

Notes to Financial Statements

- [i] A repurchase agreement involves the transfer of securities to a seller in return for cash. Under the agreement, the Fund will later receive the cash plus interest in exchange for the delivery (purchase) of the same securities. A purchase is not recorded in respect of securities transferred to a seller on the inception of a purchase agreement, and such instruments are not recorded as a component of marketable securities. The repurchase agreement, plus accrued interest, are recorded as a money market security in the Statement of Net Assets. A reverse repurchase agreement involves the transfer of securities to a buyer in return for cash. Under the agreement, the Fund will later pay the cash plus interest in exchange for the return (repurchase) of the same securities. A sale is not recorded in respect of securities transferred to a buyer on the inception of a reverse repurchase agreement, and such instruments continue to be recorded as a component of marketable securities. Obligations to repay cash received under the reverse repurchase agreement, plus accrued interest, are recorded as a liability in the Statement of Net Assets.
- [j] All swap contracts, which include interest rate swaps, currency swaps, inflation swaps and credit default swaps, are recorded at fair value using year-end market prices. Fair value represents the amount of consideration at which derivative financial instruments could be exchanged in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to transact. Where quoted market values are not readily available, appropriate valuation techniques are used to determine fair value.
- [k] 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.

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	369,768	3,731,225	1,323,018	13,618,290
Reinvestments	198,263	2,000,000	326,283	3,282,873
Redemptions	883,459	9,055,580	1,446,063	14,644,319

The number of issued and outstanding units at the period ended June 30, 2011 is 7,450,903 (December 31, 2010 - 7,766,331).

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 held the following foreign exchange forward contracts.

Currency to Purchase	Amount \$	Market Value to Purchase \$	Currency to Deliver	Amount \$	Market Value to Deliver \$	Fair Value Unrealized Loss\$	Expiry Dates
CAD	16,895,819	16,895,819	USD	17,261,063	16,662,967	232,852	Jul. 2011
CAD	809,101	809,101	GBP	516,483	800,355	8,746	Jul. 2011
CAD	693,272	693,272	EUR	499,999	699,601	(6,329)	Jul. 2011
USD	178,407	172,225	CAD	175,893	175,893	(3,668)	Jul. 2011
EUR	7,433	10,400	CAD	10,379	10,379	21	Jul. 2011
						231,622	

As at June 30, 2010, the fund held no foreign exchange forward contracts.

Integra Principal High Quality Fixed Income Plus Fund

Notes to Financial Statements

5. Futures Contracts

As at June 30, 2011, the Fund held the following 20 short future contract positions:

Contracted Value (CAD\$)	Currency	Expiry Date	Number of Contracts	Name of Future	Unrealized Appreciation (Depreciation)	Fair Value (CAD\$)
(2,352,130)	USD	Sept. 2011	(20)	United States 10 Year Note	(9,048)	(2,361,177)
					(9,048)	(2,361,177)

As at June 30, 2010, the Fund held the following 225 long future contract positions:

Contracted Value (CAD\$)	Currency	Expiry Date	Number of Contracts	Name of Future	Unrealized Appreciation (Depreciation)	Fair Value (CAD\$)
1,277,837	USD	Sept. 2010	10	United States 10 Year Note	24,408	1,302,244
21,861,128	USD	Sept. 2010	215	Canadian Dollar Future	(380,402)	21,480,726
					(355,994)	22,782,970

6. Income Taxes

The Fund qualifies as a unit trust under the provisions of the Income Tax Act (Canada). The Fund 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. 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 apply against realized capital gains. As at December 31, 2010 and December 31, 2009, the Fund had nil in net capital loss carryforwards.

7. 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.

8. Securities Lending

The Fund lends portfolio securities from time to time in order to earn additional income. The Fund 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 Fund. The Fund 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. The Fund maintains a minimum collateral requirement of 102% for North-American equities and 105% for Non-North American equities of the market value of the loaned securities during the period of the loan. At June 30, 2011, certain securities shown in the Statement of Net Assets with a market value of nil had been loaned as part of the securities lending program. The trustee held securities with a market value of nil as collateral for such loans. Under the terms of the program, the Fund may instruct that securities be returned within three days.

9. 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.

10. 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.

Integra Principal High Quality Fixed Income Plus Fund

Notes to Financial Statements

11. 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.

12. Comparison of net asset value per unit - industry standard for transactions to net asset per unit

NI 81-106, issued by the Canadian Securities Administrators ["CSA"] requires investment funds to value their investments using fair value measures as defined in NI 81-106. NI 81-106 requires that fair value prices be based on bid prices, whereas subscriptions and redemptions from the Fund are based on closing prices. Consequently, the method by which the net asset value is calculated for subscription and redemption purposes will be different from the net assets calculated for financial reporting purposes. In accordance with NI 81-106, a comparison of net assets, calculated in accordance with CICA Section 3855 of an investment fund, and net asset value, calculated in accordance with the Manager's fair value policies and procedures for unit pricing, for the period ended June 30, 2011 were as follows:

June 30, 2011		December 31, 2010	
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
\$10.09	\$10.08	\$10.08	\$10.07

13. 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.