

Financial Statements

Integra Conservative Allocation Fund

June 30, 2009

Integra Conservative Allocation Fund

Statement of Net Assets (unaudited)

	June 30, 2009	December 31, 2008
ASSETS		
Investment in Integra Canadian Value Growth Fund	\$1,070,299	\$776,293
Investment in Integra International Equity Fund	470,787	381,686
Investment in Integra Bond Fund	2,938,575	2,456,132
Investment in Integra U.S. Value Growth Fund	463,200	381,793
Cash	905	—
Subscriptions receivable	9,733	3,317
Net unrealized gain on foreign exchange forward contracts (note 4)	—	860
Total assets	4,953,499	4,000,081
LIABILITIES		
Redemptions payable	2,946	2,537
Net unrealized loss on foreign exchange forward contracts (note 4)	15,580	16
Total liabilities	18,526	2,553
NET ASSETS REPRESENTING UNITHOLDERS' EQUITY	\$4,934,973	\$3,997,528
UNITS OUTSTANDING (note 3)	426,478	366,265
NET ASSET PER UNIT	\$11.57	\$10.91

(See accompanying notes)

Integra Conservative Allocation Fund

Statement of Operations (unaudited)

Six months ended June 30

	2009	2008
INCOME		
Interest	\$5	\$52
Distributions from investment in		
Integra Canadian Value Growth Fund	—	6,540
Integra Bond Fund	—	42,217
Integra International Equity Fund	32,850	—
	32,855	48,809
EXPENSES		
Custodial fees	25,122	—
Operating expenses	4,352	15,082
Audit fees	5,211	5,418
Filing fees	—	338
Securityholder reporting costs	2,686	2,437
Investment performance monitoring service fees	222	—
Goods and Services Tax	1,880	1,164
	39,473	24,439
Expenses waived or absorbed by manager	(39,473)	(24,439)
NET INVESTMENT INCOME	32,855	48,809
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized gain (loss) on sale of investments	(23,622)	42,427
Net realized gain on foreign exchange forward contracts	27,905	—
Change in unrealized appreciation (depreciation) of investments in		
Integra Canadian Value Growth Fund	197,364	(15,890)
Integra International Equity Fund	9,101	(11,480)
Integra Bond Fund	51,905	9,471
Acadian Core International Equity Fund	—	(29,405)
Integra U.S. Value Growth Fund	8	(45,448)
Change in unrealized depreciation on foreign exchange forward contracts	(16,424)	—
NET GAIN (LOSS) ON INVESTMENTS	246,237	(50,325)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$279,092	(\$1,516)
Increase (decrease) in net assets from operations per unit (Based on the average number of units outstanding during the period)	\$0.71	(\$0.01)

(See accompanying notes)

Integra Conservative Allocation Fund

Statement of Changes in Net Assets (unaudited)

Six months ended June 30

	2009	2008
NET ASSETS, BEGINNING OF PERIOD	\$3,997,528	\$3,706,021
Increase (decrease) in net assets from operations	279,092	(1,516)
CAPITAL UNIT TRANSACTIONS (note 3)		
Proceeds from issuance of units	870,984	1,265,499
Payments on redemptions	(212,631)	(686,258)
	658,353	579,241
Increase in net assets for the period	937,445	577,725
NET ASSETS, END OF PERIOD	\$4,934,973	\$4,283,746

(See accompanying notes)

Statement of Investments (unaudited)

As at June 30, 2009

	Number of Units	Average Cost \$	Fair Value \$
Integra Canadian Value Growth Fund	86,956	1,134,181	1,070,299
Integra International Equity Fund	44,699	550,435	470,787
Integra Bond Fund	177,739	2,874,847	2,938,575
Integra U.S. Value Growth Fund	77,836	570,359	463,200
TOTAL INVESTMENT PORTFOLIO — 100.16%		5,129,822	4,942,861
OTHER ASSETS, NET OF LIABILITIES — (0.16)%			(7,888)
NET ASSETS — 100.00%			\$4,934,973

(See accompanying notes)

Integra Conservative Allocation Fund

Investments Held by Integra Conservative Allocation Fund (unaudited)

As at June 30, 2009

	June 30, 2009		June 30, 2008	
	Number of Units	Amount \$	Number of Units	Amount \$
Investment in Integra Canadian Value Growth Fund				
Balance, beginning of period	74,544	776,293	45,191	742,885
Add				
Units purchased	25,042	264,043	20,233	331,187
Distributions reinvested	—	—	401	6,540
Change in unrealized appreciation	—	197,364	—	—
	25,042	461,407	20,634	337,727
Deduct				
Units redeemed	12,630	167,401	14,572	219,133
Change in unrealized depreciation	—	—	—	15,890
	12,630	167,401	14,572	235,023
Balance, end of period	86,956	1,070,299	51,253	845,589

	June 30, 2009		June 30, 2008	
	Number of Units	Amount \$	Number of Units	Amount \$
Investment in Integra International Equity Fund				
Balance, beginning of period	36,223	381,686	12,012	183,484
Add				
Units purchased	8,476	80,000	18,446	270,910
Change in unrealized appreciation	—	9,101	—	—
	8,476	89,101	18,446	270,910
Deduct				
Units redeemed	—	—	1,675	19,691
Change in unrealized depreciation	—	—	—	11,480
	—	—	1,675	31,171
Balance, end of period	44,699	470,787	28,783	423,223

	June 30, 2009		June 30, 2008	
	Number of Units	Amount \$	Number of Units	Amount \$
Investment in Integra Bond Fund				
Balance, beginning of period	151,597	2,456,132	139,615	2,228,245
Add				
Units purchased	45,527	743,087	58,740	949,165
Distributions reinvested	2,019	32,850	2,628	42,217
Change in unrealized appreciation	—	51,905	—	9,471
	47,546	827,842	61,368	1,000,853
Deduct				
Units redeemed	21,404	345,399	38,826	626,293
	21,404	345,399	38,826	626,293
Balance, end of period	177,739	2,938,575	162,157	2,602,805

Integra Conservative Allocation Fund

Investments Held by Integra Conservative Allocation Fund (unaudited)

As at June 30, 2009

	June 30, 2009		June 30, 2008	
	Number of Units	Amount \$	Number of Units	Amount \$
Investment in Integra U.S. Value Growth Fund				
Balance, beginning of period	63,331	381,793	46,393	374,195
Add				
Units purchased	14,505	81,399	18,021	137,500
Distributions reinvested	—	—	—	—
Change in unrealized appreciation	—	8	—	—
	14,505	81,407	18,021	137,500
Deduct				
Units redeemed	—	—	6,460	51,567
Change in unrealized depreciation	—	—	—	45,448
	—	—	6,460	97,015
Balance, end of period	77,836	463,200	57,954	414,680

Integra Conservative Allocation Fund

Summary of the Investments of the Indirect Holdings

	% of Net Assets		% of Net Assets
Integra Canadian Value Growth Fund		Integra Bond Fund	
Consumer Discretionary	3.78	Government of Canada	39.22
Consumer Staples	0.56	Provincial Government	25.16
Energy	28.50	Municipal Government	0.27
Financials	27.69	Supranational	0.06
Health Care	1.60	Corporate	32.35
Industrials	3.73	Foreign Currency	0.97
Information Technology	6.65		98.03
Materials	17.18	Cash and Cash Equivalents	2.16
Telecommunication Services	6.50	Other Assets, Net of Liabilities	(0.19)
Utilities	0.61	Total	100.00
	96.80		
Cash and Cash Equivalents	0.77	Integra U.S. Value Growth Fund	
Other Assets, Net of Liabilities	2.43	Consumer Discretionary	10.58
Total	100.00	Consumer Staples	4.20
		Energy	7.38
Integra International Equity Fund		Financials	9.58
Australia	5.08	Health Care	16.53
Austria	0.79	Industrials	13.26
Brazil	4.10	Information Technology	16.18
China	0.28	Materials	1.73
Finland	0.84	Telecommunication Services	3.46
France	7.01	Utilities	3.07
Germany	5.32	International Equities	7.02
Greece	1.42		92.99
Hong Kong	3.88	Cash and Cash Equivalents	2.90
Ireland	0.53	Other Assets, Net of Liabilities	4.11
Japan	19.92	Total	100.00
Liechtenstein	0.39		
Luxembourg	3.07		
Netherlands	2.46		
Singapore	0.97		
South Africa	1.99		
South Korea	0.50		
Switzerland	12.65		
Spain	0.90		
Thailand	1.73		
United Kingdom	21.76		
	95.59		
Cash and Cash Equivalents	2.31		
Other Assets, Net of Liabilities	2.10		
Total	100.00		

Integra Conservative Allocation Fund

Risk Disclosures

Financial Instruments Risk

Investment activities of the Integra Conservative Allocation Fund (the "Fund") exposes 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 and income through a constant mix of stocks and bonds while managing short-term preservation of capital. To achieve its objectives, the Fund invests a number of underlying funds that have holdings in a range of different asset classes.

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 Semi-annual Mutual Funds Annual Report or available on the internet at 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 Management Corporation ("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.

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, 2009, the Fund invested through indirect holdings in debt securities with the following credit rating:

Debt Securities by Credit Rating	As a % of Total Bonds
AAA	42.58%
AA	23.58%
A	27.37%
BBB	6.21%
Below BBB	0.26%
Total	100.00%

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.

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

Integra Conservative Allocation Fund

Risk Disclosures *(continued)*

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 table below indicates the currencies to which the Fund 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	468,953	(244,968)	223,985	4.54%
Euro Currency Unit	95,911	(752)	95,159	1.93%
Japanese Yen	94,147	(1,218)	92,929	1.88%
British Pound	100,402	(10,277)	90,125	1.83%
Swiss Franc	61,286	—	61,286	1.24%
Australian Dollar	23,855	—	23,855	—
Hong Kong Dollar	13,285	—	13,285	0.27%
Norwegian Krone	2,004	8,486	10,490	0.21%
South African Rand	9,349	—	9,349	0.19%
Thai Baht	8,370	938	9,308	0.19%
Swedish Krona	9,272	—	9,272	0.19%
Singapore Dollar	4,549	—	4,549	0.09%
South Korean Won	2,407	—	2,407	0.05%
Malaysian Ringgit	193	—	193	—
Indonesian Rupiah	41	—	41	—
Brazilian Real	25	—	25	—

*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 \$32,313. 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 table below summarizes the Fund's exposure to interest rate risks at June 30, 2009. 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 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	41,973	726,711	725,000	1,382,996	2,876,680

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 \$190,333.

Integra Conservative Allocation Fund

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-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 Fund.

As at June 30, 2009, a 5% change in stock prices would have changed the Fund's net assets by \$95,634 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, 2009, due to a 5% increase or decrease in the Fund's benchmark (20% TSX, 10% Russell 1000, 10% MSCI EAFE, 60% DEX Universe Indices), with all other variables held constant, would have been \$242,000. 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.

Integra Conservative Allocation Fund

Notes to Financial Statements

1. Establishment of the Fund

The Integra Conservative Allocation Fund (the "Fund") was created under the laws of the Province of Ontario by a Declaration of Trust. The Fund was established on November 24, 1998 and commenced operations on November 30, 1998.

The Fund is not a reporting issuer and is exempt from the filing requirements of Sections 2.1 and 2.3 for the period ended June 30, 2009. The Fund 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.

The Fund invests substantially all of its assets in the Integra Canadian Value Growth Fund, the Integra International Equity Fund, the Integra Bond Fund, and the Integra U.S. Value Growth Fund [the "underlying funds"], which are mutual funds under common management as the Fund.

2. Summary of significant accounting policies

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

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 Investment Portfolio.

- [a] Investments in the underlying funds 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.
- [b] The gain or loss on sale of investments is calculated with reference to the average cost of the related investments.
- [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 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.

Integra Conservative Allocation Fund

Notes to Financial Statements

3. Unitholders' Equity

Unit transactions during the period were as follows:

	June 30, 2009		December 31, 2008	
	Number of Fund units	Amount \$	Number of Fund units	Amount \$
Subscriptions	79,546	870,984	136,748	1,710,181
Reinvestments	—	—	82,634	1,037,221
Redemptions	19,333	212,631	17,971	201,745

The number of issued and outstanding units at the period ended June 30, 2009 is 426,478 [December 31, 2008 - 366,265].

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 contracts potentially expose the Fund to losses.

In order to minimize the possibility of loss arising from credit risk, the Fund 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 Fund held the following foreign exchange forward contracts:

Currency to Purchase	Amount \$	Fair Value to Purchase \$	Currency to Deliver	Amount \$	Fair Value to Deliver \$	Unrealized Gain (Loss)\$	Expiry Dates
CAD	223,249	223,249	USD	203,837	236,722	(13,473)	Jul. 2009
USD	135,892	157,816	CAD	157,817	157,817	(1)	Jul. 2009
CAD	163,808	163,808	USD	142,892	165,914	(2,106)	Aug. 2009
						(15,580)	

5. 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 realized capital gains. As at December 31, 2008, the Fund had nil in net capital loss carryforwards.

6. Capital Management

Section 1535 establishes standards for disclosing information about an entity's capital and how it is managed. The standard applies to financial statements relating to fiscal years beginning on or after October 1, 2007. 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 a 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.

Integra Conservative Allocation Fund

Notes to Financial Statements

7. Management Fees

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

8. Trustee and other fees

Under the terms of agreements with the trustee, all reasonable expenses incurred in connection with the administration and management of the Fund, including legal and audit fees, are paid by the Fund. In return for custodial and administrative services, the trustee receives a fee based on the fair value of investments held by the Fund. Additionally, the Fund pays transaction and valuation fees to the trustee.

9. 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 Funds.