

Financial Statements

Lincluden Private Trust

June 30, 2011

Lincluden Private Trust

Statement of Net Assets (unaudited)

	June 30, 2011	December 31, 2010
ASSETS		
Investments at fair value	\$90,639,974	\$91,251,450
Cash	545,682	495,816
Accrued dividend and interest receivable	372,311	355,469
Subscriptions receivable	702,670	3
Net unrealized gain on foreign exchange forward contracts (note 4)	16,068	32,777
Total assets	92,276,705	92,135,515
LIABILITIES		
Accrued expenses	54,895	53,057
Payable for securities purchased	549,748	—
Redemptions payable	241,010	285,923
Total liabilities	845,653	338,980
NET ASSETS REPRESENTING UNITHOLDERS' EQUITY	\$91,431,052	\$91,796,535
UNITS OUTSTANDING (note 3)	8,034,540	8,142,334
NET ASSETS PER UNIT (note 11)	\$11.38	\$11.27
NET ASSET VALUE PER UNIT - INDUSTRY STANDARD FOR TRANSACTIONS (note 11)	\$11.40	\$11.29

(See accompanying notes)

Lincluden Private Trust

Statement of Operations (unaudited)

Six months ended June 30

	2011	2010
INCOME		
Interest	\$744,542	\$768,198
Dividend	735,377	754,359
Revenue from securities lending	7,869	9,466
	1,487,788	1,532,023
EXPENSES		
Custodial fees	23,292	25,717
Operating expenses	47,228	35,434
Audit fees	14,181	9,446
Legal fees	—	705
Securityholder reporting costs	1,417	472
Investment performance monitoring fees	2,362	—
Goods and Services Tax	—	3,589
Harmonized Sales Tax	11,502	—
	99,982	75,363
NET INVESTMENT INCOME	1,387,806	1,456,660
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized gain on sale of investments	1,300,719	403,117
Net realized gain on foreign exchange forward contracts	68,580	—
Net realized loss on foreign exchange	(17,001)	(18,603)
Net unrealized gain (loss) on foreign exchange	(1,485)	16,573
Transaction costs (note 6)	(17,712)	(18,941)
Change in unrealized depreciation of investments	(1,810,813)	(3,009,980)
Change in unrealized depreciation on foreign exchange forward contracts	(16,708)	—
NET LOSS ON INVESTMENTS AND TRANSACTION COSTS	(494,420)	(2,627,834)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$893,386	(\$1,171,174)
Increase (decrease) in net assets from operations per unit (Based on the average number of units outstanding during the period)	\$0.11	(\$0.14)

(See accompanying notes)

Statement of Changes in Net Assets (unaudited)

Six months ended June 30

	2011	2010
NET ASSETS, BEGINNING OF PERIOD	\$91,796,535	\$89,776,843
Increase (decrease) in net assets from operations	893,386	(1,171,174)
DISTRIBUTIONS TO UNITHOLDERS		
Distribution from net investment income	-	(1,072,002)
	-	(1,072,002)
CAPITAL UNIT TRANSACTIONS (note 3)		
Proceeds from issuance of units	1,745,280	2,810,581
Reinvested distributions	-	1,072,002
Payments on redemptions	(3,004,149)	(2,788,044)
	(1,258,869)	1,094,539
Decrease in net assets for the period	(365,483)	(1,148,637)
NET ASSETS, END OF PERIOD	\$91,431,052	\$88,628,206

(See accompanying notes)

Lincluden Private Trust

Statement of Investments (unaudited)

As at June 30, 2011

	Number of Shares / Par Value \$	Average Cost \$	Fair Value \$
COMMON AND PREFERRED SHARES — 53.67%			
Canadian Equities — 31.53%			
Consumer Discretionary — 1.27%			
Shaw Communications Inc.	52,880	1,046,115	1,162,302
		1,046,115	1,162,302
Consumer Staples — 1.03%			
Shoppers Drug Mart Corp.	23,610	1,017,594	937,317
		1,017,594	937,317
Energy — 6.77%			
Canadian Natural Resources Ltd.	25,000	623,284	1,007,750
EnCana Corp.	39,055	1,127,198	1,159,934
Ensign Energy Services Inc.	38,680	492,773	739,562
Husky Energy Inc.	31,040	853,937	815,110
Suncor Energy Inc.	37,194	1,199,552	1,402,214
Talisman Energy Inc.	54,140	756,172	1,069,806
		5,052,916	6,194,376
Financials — 11.63%			
Bank of Nova Scotia	19,180	595,616	1,112,632
Brookfield Properties Corp.	53,995	729,980	1,003,767
Great-West Lifeco Inc.	40,645	1,078,185	1,034,009
Intact Financial Corp.	21,775	723,970	1,204,375
Manulife Financial Corp.	105,150	2,177,835	1,790,704
Royal Bank of Canada	37,065	1,689,855	2,038,204
Sun Life Financial Inc.	32,970	1,180,256	955,141
Toronto-Dominion Bank (The)	18,335	993,758	1,499,436
		9,169,455	10,638,268
Industrials — 3.36%			
Bombardier Inc., Class 'B'	120,405	663,226	833,203
CAE Inc.	46,565	314,631	604,414
Superior Plus Corp.	80,290	939,125	900,854
WestJet Airlines Ltd.	48,330	568,661	730,266
		2,485,643	3,068,737
Information Technology — 1.02%			
Research In Motion Ltd.	33,535	1,770,826	932,608
		1,770,826	932,608
Materials — 3.21%			
Barrick Gold Corp.	30,295	1,096,087	1,322,983
Inmet Mining Corp.	11,725	646,420	811,136
Yamana Gold Inc.	71,025	728,553	796,190
		2,471,060	2,930,309

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As at June 30, 2011

Telecommunication Services — 3.24%			
BCE Inc.	29,690	668,819	1,122,579
Rogers Communications Inc., Class 'B'	30,965	1,024,508	1,180,076
TELUS Corp.	12,480	460,457	662,314
		2,153,784	2,964,969
Total Canadian Equities — 31.53%			
25,167,393			
28,828,886			
United States Equities — 11.26%			
Consumer Discretionary — 0.58%			
Lowe's Cos. Inc.	13,785	424,785	309,316
Staples Inc.	14,410	211,309	219,315
		636,094	528,631
Consumer Staples — 1.36%			
Procter & Gamble Co.	7,277	438,090	446,314
Walgreen Co.	11,712	379,011	480,162
Wal-Mart Stores Inc.	6,215	315,311	317,959
		1,132,412	1,244,435
Energy — 1.27%			
Chevron Corp.	4,761	345,431	472,625
Devon Energy Corp.	4,560	300,502	346,963
Exxon Mobil Corp.	4,415	319,267	346,753
		965,200	1,166,341
Financials — 1.46%			
Bank of America Corp.	31,658	466,086	334,557
JPMorgan Chase & Co.	7,030	320,675	277,357
MetLife Inc.	9,546	467,214	401,864
Wells Fargo & Co.	11,995	335,041	324,717
		1,589,016	1,338,495
Health Care — 2.23%			
Eli Lilly and Co.	7,685	275,760	277,611
Johnson & Johnson	7,450	504,072	476,912
Pfizer Inc.	29,964	725,495	593,981
Quest Diagnostics Inc.	5,490	306,992	312,553
Zimmer Holdings Inc.	6,130	359,815	373,659
		2,172,134	2,034,716
Industrials — 0.97%			
Honeywell International Inc.	9,424	377,090	540,522
Pitney Bowes Inc.	15,705	379,125	346,638
		756,215	887,160
Information Technology — 2.28%			
Applied Materials Inc.	25,867	403,158	324,785
Cisco Systems Inc.	20,468	442,975	307,960
Microsoft Corp.	20,733	563,362	518,844
Oracle Corp.	18,470	390,928	585,921
Texas Instruments Inc.	10,990	273,592	347,255
		2,074,015	2,084,765

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As at June 30, 2011

Materials — 0.31%			
Monsanto Co.	4,105	287,754	287,384
		287,754	287,384
Telecommunication Services — 0.53%			
Verizon Communications Inc.	13,481	489,283	482,950
		489,283	482,950
Utilities — 0.27%			
Southern Co. (The)	6,230	211,422	242,126
		211,422	242,126
Total United States Equities — 11.26%		10,313,545	10,297,003
International Equities — 10.88%			
Brazil — 0.39%			
Petróleo Brasileiro SA, ADR	10,830	389,347	353,697
		389,347	353,697
France — 2.04%			
Alstom SA	4,315	200,839	256,726
AXA, ADR	12,310	339,206	270,397
Carrefour SA	10,375	489,077	411,128
France Télécom SA, ADR	14,277	348,740	286,598
Sanofi-Aventis SA, ADR	8,077	286,549	312,896
TOTAL SA, ADR	5,961	369,410	331,428
		2,033,821	1,869,173
Germany — 0.78%			
Munchener Rueckversicherungs-Gesellschaft AG, Registered	2,410	373,186	354,923
Siemens AG, ADR	2,689	179,294	356,704
		552,480	711,627
Hong Kong — 0.29%			
China Mobile Ltd., ADR	5,910	307,447	266,593
		307,447	266,593
Ireland — 0.34%			
Accenture PLC, Class 'A'	5,320	225,177	308,419
		225,177	308,419
Japan — 1.82%			
Keyence Corp.	1,556	325,169	421,724
Nintendo Co. Ltd.	1,875	506,299	335,652
NTT DoCoMo Inc., ADR	10,689	172,616	184,759
Panasonic Corp., ADR	29,679	523,416	350,306
SECOM Co. Ltd.	8,000	367,848	367,589
		1,895,348	1,660,030

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Netherlands — 0.65%			
ING Groep NV, ADR	30,698	524,333	365,889
Koninklijke Philips Electronics NV, NY Registry Shares	9,185	263,263	227,816
		787,596	593,705
South Korea — 0.47%			
Samsung Electronics Co. Ltd., GDR	1,155	389,600	431,162
		389,600	431,162
Switzerland — 0.75%			
ABB Ltd., ADR	14,484	245,206	362,463
Nestlé SA, ADR, Registered	5,379	222,555	323,416
		467,761	685,879
United Kingdom — 3.35%			
Barclays PLC, ADR	19,226	441,079	304,859
BG Group PLC	15,080	295,110	330,151
GlaxoSmithKline PLC, ADR	11,715	493,508	474,293
Home Retail Group	109,090	385,753	276,696
HSBC Holdings PLC, ADR	8,620	516,066	412,797
Mothercare PLC	46,500	375,640	286,751
Standard Life PLC	94,610	379,445	308,280
Vodafone Group PLC, ADR	13,235	305,791	341,169
Wolseley PLC	10,473	270,380	329,572
		3,462,772	3,064,568
Total International Equities — 10.88%		10,511,349	9,944,853
TOTAL EQUITIES — 53.67%		45,992,287	49,070,742
BONDS — 38.52%			
Government of Canada — 10.49%			
Canada Housing Trust No. 1, 4.55%, 2012/12/15	1,075,000	1,150,162	1,121,738
Canada Housing Trust No. 1, Floating Rate, 1.34%, 2016/09/15	7,030,000	7,030,048	7,030,000
Government of Canada, 2.00%, 2016/06/01	1,200,000	1,155,807	1,181,500
Government of Canada, 4.00%, 2041/06/01	235,000	255,445	254,505
		9,591,462	9,587,743
Provincial Government — 10.07%			
Hydro One Inc., 6.40%, 2011/12/01	300,000	318,450	306,039
Hydro One Inc., Callable, 6.35%, 2034/01/31	265,000	279,208	315,444
Province of Manitoba, 5.70%, 2037/03/05	540,000	625,862	653,130
Province of New Brunswick, 4.55%, 2037/03/26	880,000	853,902	893,952
Province of Ontario, 4.20%, 2020/06/02	1,125,000	1,146,308	1,166,290
Province of Ontario, 4.50%, 2015/03/08	619,000	662,738	666,492
Province of Ontario, 4.70%, 2037/06/02	855,000	845,137	898,984
Province of Ontario, Series 'KJ', 7.60%, 2027/06/02	790,000	1,074,243	1,106,041
Province of Quebec, 4.50%, 2018/12/01	2,460,000	2,440,044	2,633,529
Province of Quebec, 5.00%, 2038/12/01	520,000	534,919	566,463
		8,780,811	9,206,364

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As at June 30, 2011

Corporate — 15.37%			
407 International Inc., Callable, 4.99%, 2020/06/16	450,000	477,351	482,969
Bank of Montreal, 4.65%, 2013/03/14	900,000	910,008	940,341
Bank of Montreal, 5.45%, 2017/07/17	235,000	242,574	260,217
Bank of Nova Scotia, 4.56%, 2013/10/30	166,000	161,445	174,902
Bank of Nova Scotia, 4.10%, 2017/06/08	335,000	334,960	346,249
Bank of Nova Scotia, Variable Rate, Callable, 4.94%, 2019/04/15	230,000	229,929	243,430
Bell Aliant Regional Communications L.P., 4.37%, 2017/09/13	150,000	149,991	149,666
Bell Aliant Regional Communications L.P., Callable, 5.52%, 2019/02/26	90,000	92,637	92,349
Bell Canada, Callable, 4.85%, 2014/06/30	400,000	409,042	423,248
Cameco Corp., Series 'D', Callable, 5.67%, 2019/09/02	385,000	402,102	408,870
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 4.11%, 2020/04/30	365,000	366,672	378,485
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 3.15%, 2020/11/02	200,000	199,578	197,756
Canadian Tire Corp. Ltd., Callable, 5.65%, 2016/06/01	50,000	49,980	54,880
Citigroup Finance Canada Inc., 4.90%, 2012/11/13	200,000	199,768	206,761
Citigroup Finance Canada Inc., 6.75%, 2014/09/22	190,000	189,833	208,288
CU Inc., Callable, 4.80%, 2021/11/22	150,000	138,345	157,890
CU Inc., Callable, 5.56%, 2028/05/26	100,000	100,000	108,736
Enbridge Inc., Callable, 5.00%, 2016/08/09	200,000	197,696	215,534
Enbridge Pipelines Inc., Callable, 4.49%, 2019/11/12	300,000	299,760	313,082
Greater Toronto Airports Authority, 6.25%, 2012/12/13	200,000	210,822	212,457
Greater Toronto Airports Authority, Series '2004-1', 6.47%, 2034/02/02	220,000	243,234	263,025
Honda Canada Finance Inc., 5.68%, 2012/09/26	200,000	200,000	208,673
Husky Energy Inc., Callable, 5.00%, 2020/03/12	190,000	192,989	198,011
Loblaw Cos. Ltd., 6.15%, 2035/01/29	275,000	290,667	273,542
Manulife Financial Corp., Callable, 5.51%, 2018/06/26	695,000	728,287	742,320
Master Credit Card Trust, Class 'A', Series '2006-2', 4.44%, 2011/11/21	250,000	248,515	252,810
NAV Canada, Floating Rate, 1.70%, 2013/04/29	200,000	200,000	200,378
Nova Scotia Power Inc., Series 'X', Callable, 5.61%, 2040/06/15	80,000	79,930	86,358
Rogers Communications Inc., Callable, 5.80%, 2016/05/26	266,000	265,380	290,784
Royal Bank of Canada, 4.53%, 2012/05/07	200,000	194,770	205,000
Royal Bank of Canada, 5.00%, 2014/01/20	110,000	114,678	117,281
Royal Bank of Canada, 5.95%, 2014/06/18	170,000	172,802	184,354
Royal Bank of Canada, Variable Rate, Callable, 5.00%, 2018/06/06	255,000	257,455	267,905
Royal Bank of Canada, Variable Rate, Callable, 4.35%, 2020/06/15	260,000	259,905	270,269
Shaw Communications Inc., Callable, 5.65%, 2019/10/01	350,000	348,890	359,383
Shaw Communications Inc., Callable, 5.50%, 2020/12/07	150,000	149,452	150,116
Shoppers Drug Mart Inc., 5.19%, 2014/01/20	180,000	179,969	191,398
TELUS Corp., Series 'CD', 4.95%, 2017/03/15	470,000	470,131	496,118
TELUS Corp., Series 'CG', Callable, 5.05%, 2019/12/04	230,000	228,664	235,656
Teranet Holdings L.P., Callable, 4.81%, 2020/12/16	565,000	563,333	569,347
Thomson Reuters Corp., Callable, 5.25%, 2011/07/15	180,000	179,577	180,214
Toronto-Dominion Bank (The), 4.85%, 2013/02/13	500,000	504,365	523,926
Toronto-Dominion Bank (The), Variable Rate, Callable, 5.48%, 2020/04/02	505,000	545,707	549,266
TransCanada PipeLines Ltd., 11.10%, 2014/06/20	400,000	527,556	489,642
TransCanada PipeLines Ltd., 7.90%, 2027/04/15	70,000	81,382	91,643
TransCanada PipeLines Ltd., Series 'W', 9.45%, 2018/03/20	160,000	210,109	211,325
Wells Fargo Financial Canada Corp., Callable, 4.33%, 2013/12/06	380,000	364,645	395,188
Westcoast Energy Inc., 6.75%, 2027/12/15	400,000	381,804	476,133
		13,546,689	14,056,175
Foreign Bond — 2.59%			
Bank of America Corp., 5.45%, 2014/09/17	200,000	199,816	208,704
Bank of America Corp., 4.36%, 2015/09/21	200,000	186,638	200,118
United States Treasury Bond, 4.25%, 2040/11/15	2,080,000	2,050,052	1,961,418
		2,436,506	2,370,240
TOTAL BONDS — 38.52%		34,355,468	35,220,522

Lincluden Private Trust

Statement of Investments (unaudited)

As at June 30, 2011

CANADIAN SHORT-TERM NOTES — 6.94%			
Treasury Bills — 6.94%			
Government of Canada, Treasury Bill, 0.900%, 2011/07/07	6,150,000	6,135,585	6,149,089
Government of Canada, Treasury Bill, 0.914%, 2011/09/15	200,000	199,616	199,621
		6,335,201	6,348,710
TOTAL SHORT-TERM NOTES — 6.94%		6,335,201	6,348,710
TRANSACTION COSTS		(63,980)	
TOTAL INVESTMENT PORTFOLIO — 99.13%		86,618,976	90,639,974
OTHER ASSETS, NET OF LIABILITIES — 0.87%			791,078
NET ASSETS — 100.00%			91,431,052

Lincluden Private Trust

Risk Disclosures

Financial Instruments Risk

Investment activities of the Lincluden Private Trust (the "Trust") expose 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 Trust's actively managed balanced portfolio is designed to earn an attractive long-term rate of return utilizing a value approach. The valuation and building process incorporates a "top-down" approach to determine asset mix, and a "bottom-up" process to determine individual security selection. This methodology factors in the fundamental long-term earning power of corporations, long-term interest rates and the dynamics of rapid asset pricing. The process is not designed to generate frequent changes in asset mix but rather to indicate when asset classes and securities are significantly mis-priced. The neutral asset mix target for the Trust is 55% equities and 40% fixed income and 5% cash and short-term investments.

The sub-advisor of the Trust is Lincluden Management Limited (the "Sub-Advisor").

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 the 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.

Debt Securities by Credit Rating	As a % of Total Bonds	
	June 30, 2011	June 30, 2010
AAA	33.51%	36.48%
AA	28.05%	28.45%
A	24.91%	25.37%
BBB	13.53%	9.35%
Below BBB	0.00%	0.35%
Total	100.00%	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.

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

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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	\$18,830,566	\$(1,933,032)	\$16,897,534	18.48%
British Pound	1,548,272	—	1,548,272	1.69%
Japanese Yen	1,138,171	—	1,138,171	1.24%
Euro Currency Unit	1,077,895	—	1,077,895	1.18%

*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	\$17,206,576	—	\$17,206,576	19.41%
Japanese Yen	1,259,086	—	1,259,086	1.42%
Euro Currency Unit	1,080,007	—	1,080,007	1.22%
British Pound	1,009,106	—	1,009,106	1.14%

*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 \$1,033,094 (June 30, 2010 - \$1,027,739). 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. 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 is minimal and therefore not included in the table below.

Bonds	June 30, 2011	June 30, 2010
Less than 1 year	\$944,063	\$985,925
1-3 years	5,390,287	4,465,974
3-5 years	2,810,766	9,672,628
> 5 years	26,075,406	19,773,681
Total	\$35,220,522	\$34,898,208

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 \$2,143,525 (June 30, 2010 - \$2,081,400).

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.

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Risk Disclosures

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 Trust.

As at June 30, 2011, a 5% change in stock prices would have changed the Trust's net assets by \$2,453,537 (June 30, 2010 - \$2,401,267) 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 as at June 30, 2011, due to a 5% increase or decrease in the Trust's benchmark (35% S&P/TSX, 20% MSCI World GD, 40% DEX Universe, 5% Government of Canada Treasury Bills Indices), with all other variables held constant, would have been \$4,014,737 (June 30, 2010 - \$4,060,058). 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.

Fair Value Measurements

The Trust 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 Trust'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 Trust's financial assets carried at fair values:

Classification (As at June 30, 2011)	Level 1	Level 2	Level 3	Total
Equities	\$49,070,742	—	—	\$49,070,742
Short-term notes	—	\$6,348,710	—	6,348,710
Bonds	—	35,220,522	—	35,220,522
Foreign Exchange Forward Contracts	—	16,068	—	16,068
Total Financial Assets	\$49,070,742	\$41,585,300	—	\$90,656,042

Classification (As at June 30, 2010)	Level 1	Level 2	Level 3	Total
Equities	\$48,025,330	—	—	\$48,025,330
Short-term notes	—	\$4,995,688	—	4,995,688
Bonds	—	34,898,208	—	34,898,208
Total Financial Assets	\$48,025,330	\$39,893,896	—	\$87,919,226

Lincluden Private Trust

Risk Disclosures

Summary of Investment Portfolio

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

	Percentage of Net Assets (%)	
	June 30, 2011	December 31, 2010
EQUITIES		
Canadian Equities		
Consumer Discretionary	1.27	1.62
Consumer Staples	1.03	1.10
Energy	6.77	8.07
Financials	11.63	11.23
Health Care	—	0.69
Industrials	3.36	2.43
Information Technology	1.02	1.43
Materials	3.21	3.60
Telecommunication Services	3.24	3.08
Total Canadian Equities	31.53	33.25
United States Equities		
Consumer Discretionary	0.58	0.85
Consumer Staples	1.36	1.00
Energy	1.27	1.51
Financials	1.46	1.40
Health Care	2.23	2.03
Industrials	0.97	1.52
Information Technology	2.28	2.49
Materials	0.31	0.33
Telecommunication Services	0.53	0.55
Utilities	0.27	0.27
Total United States Equities	11.26	11.95
International Equities		
Brazil	0.39	0.46
Finland	—	0.35
France	2.04	1.84
Germany	0.78	0.80
Hong Kong	0.29	0.34
Ireland	0.34	0.42
Japan	1.82	2.48
Netherlands	0.65	0.66
South Korea	0.47	0.60
Switzerland	0.75	0.73
United Kingdom	3.35	2.91
Total International Equities	10.88	11.59
TOTAL EQUITIES	53.67	56.79
BONDS		
Government of Canada	10.49	10.47
Provincial	10.07	9.30
Corporate	15.37	14.84
Foreign Bonds	2.59	2.66
TOTAL BONDS	38.52	37.27
SHORT-TERM NOTES	6.94	5.34
TOTAL INVESTMENT PORTFOLIO	99.13	99.40
OTHER ASSETS, NET OF LIABILITIES	0.87	0.60
NET ASSETS	100.00	100.00

Lincluden Private Trust

Notes to Financial Statements

1. Establishment of the Trust

The Lincluden Private Trust (the "Trust") was created under the laws of the Province of Ontario by a Declaration of Trust. The Trust was established on March 5, 2003 and commenced operations on this date.

The Trust 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 Trust 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 Trust 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 Trust'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.
- [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 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.

Lincluden 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 Statement 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, 2011		December 31, 2010	
	Number of Fund units	Amount \$	Number of Fund units	Amount \$
Subscriptions	153,358	1,745,280	296,063	3,195,662
Reinvestments	—	—	235,203	2,582,348
Redemptions	261,152	3,004,149	782,227	8,521,622

The number of issued and outstanding units for the period ended June, 2011 is 8,034,540 (December 31, 2010 - 8,142,334).

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 losses arising from credit risk, the Trust 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 Trust held the following foreign exchange forward contract.

Currency to Purchase	Amount \$	Market Value to Purchase \$	Currency to Deliver	Amount \$	Market Value to Deliver \$	Fair Value Unrealized Gain\$	Expiry Dates
CAD	1,949,100	1,949,100	USD	2,000,000	1,933,032	16,068	Aug. 2011
						<u>16,068</u>	

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

5. Income Taxes

The Trust 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 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 apply against realized capital gains. As at December 31, 2010, the Trust had \$1,488,819 (December 31, 2009 - \$2,039,866) in net capital loss carryforwards.

Lincluden Private Trust

Notes to Financial Statements

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. 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. The Trust 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 (June 30, 2010 - \$14,645,708) had been loaned as part of the securities lending program. The trustee held securities with a market value of nil (June 30, 2010 - \$15,472,857) 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

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 Trust but does not affect the Trust's results or financial position. The capital of the 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 (the "Manager") as manager to administer and regulate the day-to-day operations of the Trust. In return for the services provided, the Manager 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.

10. Trustee and Other Fees

The Trust 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 Trust, except for certain expenses such as interest and taxes, and is then reimbursed by the Trust.

11. Comparison of Net Asset Value Per Unit - Industry Standard for Transactions to Net Assets 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 were as follows:

June 30, 2011		December 31, 2010	
Net Asset Value per Unit - Industry Standard for Transactions	Net Assets per Unit	Net Asset Value per Unit - Industry Standard for Transactions	Net Assets per Unit
\$11.40	\$11.38	\$11.29	\$11.27

Lincluden Private Trust

Notes to Financial Statements

12. 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.