

Annual Report of the Independent Review Committee of the **Integra Group of Funds**

January 30, 2018

IRC Annual Report to: Securityholders in the Integra Group of Funds (the “Funds”) as listed at the end of this report

Dear Securityholder,

In accordance with **National Instrument 81-107 *Independent Review Committee for Investment Funds*** (“NI 81-107” or the “Instrument”), the Manager established an Independent Review Committee (the “Committee” or “IRC”) for the Funds. The IRC became fully operational on October 22, 2007 and, after that date, has functioned in accordance with the applicable securities laws, including NI 81-107. The IRC is composed of three individuals, each of whom is independent of the Funds, the Manager and each entity related to the Manager (as defined in the Instrument).

The IRC is pleased to publish its annual report to the Securityholders, to describe the IRC and its activities during the period January 1, 2017 to December 31, 2017 (the “Reporting Period”) on behalf of the Integra Funds.

Mandate of the IRC

In accordance with the Instrument, the mandate of the IRC is to consider and provide decisions to the Manager on conflicts of interest to which the Manager may be subject when managing the Funds. The Manager is required under the Instrument to identify potential conflicts of interest inherent in its management of the Funds, develop written policies and procedures guiding its management of those conflicts and request input from the IRC on those written policies and procedures, hereinafter referred to as the Conflict of Interest Matters manual.

When a conflict matter arises, the Manager must refer its proposed course of action in respect of such conflict to the IRC for its review. While certain matters require the IRC’s prior approval, in most cases the IRC will provide a decision to the Manager as to whether or not, in the opinion of the IRC, the Manager’s proposed action provides a fair and reasonable result for the Funds. For recurring conflict of interest matters, the IRC can provide the Manager with Standing Instructions (“SI’s”) that enable the Manager to proceed with certain matters without having to refer them to the IRC each time for approval, providing the Manager deals with the conflicts in accordance with the SI’s.

The IRC is empowered to represent the best interest of the Funds in any matter where the Manager has referred a conflict of interest matter to the IRC. In those cases, the IRC has sought to ensure that the Manager’s proposed course of action represents a fair and reasonable result for the Funds.

Composition of the IRC

The current members of the IRC, and their principal occupations, are as follows:

<i>Name and Municipality of Residence</i>	<i>Principal Occupation</i>	<i>Term of Office</i>
Chair: Eamonn B.P. McConnell, Toronto, Ontario	Consultant, Managing Director of Kensington Capital	Appointed April 2007 Term: Three years from January 1, 2017
Michele McCarthy, Toronto, Ontario	President McCarthyLaw Professional Corp.,	Appointed April 2007 Term: Two years and 7 months from May 1, 2016
W. William Woods, Toronto, Ontario	Consultant, Independent Director, former CEO of Bermuda Stock Exchange	Appointed April 2007 Term: Two years, from January 1, 2016
Geoff Salmon, Barrie, Ontario	Managing Director, Independent Review Inc.	Appointed January 1, 2018 for a term of three years

William Woods' term ended on December 31, 2017. As part of the IRC's established succession plan, he did not stand for re-appointment. Geoff Salmon was appointed to the IRC as his replacement on October 12, 2017 for a period of three years with effect from January 1, 2018.

Compensation and Indemnification

Review of Compensation

At least annually, the IRC reviews its compensation giving consideration to the following:

- the nature and extent of the workload of each member of the IRC, including the commitment of time and energy expected from each member;
- the number of meetings required by the IRC including special meetings to consider conflict issues brought to the committee;
- industry best practices, including industry averages and surveys on IRC compensation; and
- the complexity of the conflict issues brought to the IRC.

The IRC determined that no changes were required in its compensation.

Members' Fees

In aggregate the IRC members were paid \$28,500 in 2017, plus applicable taxes.

Indemnities Granted

The Funds and the Manager have provided each IRC Member with a contractual indemnity in keeping with NI 81-107. No payments were paid to the IRC Members pursuant to this indemnity by the Funds or the Manager during the Reporting Period.

Disclosure of IRC Members' Holdings

As at December 31, 2017, the IRC Members did not beneficially own, directly or indirectly:

- any units in any of the Funds;
- any interests in the Manager; or
- any interests in a company or person that provides services to the Manager or any Fund.

Decisions and Approvals

The Committee provided no decisions or approvals during the Reporting Period.

Standing Instructions Approved

The IRC has approved four SI's, which constitute a written approval or decision from the IRC that permit the Manager to proceed with the specific action(s) set out in the SI on an ongoing basis, without having to refer the conflict of interest matter or its proposed action to the IRC, provided that the Manager complies with the terms and conditions of the SI. In each case, the SI required the Manager to comply with its related policy and procedures and to report periodically to the IRC.

Standing Instruction No. 1: Omnibus.

This SI deals with a number of conflict of interest matters including:

1. Expenses charged to the Funds policy
2. Expense allocations policy
3. Short-term trading and late trading policy
4. Trade allocations policy
5. Net asset value error correction policy
6. Other material transaction error Policy
7. Best execution policy
8. Soft dollar arrangement policy
9. Favouritism policy
10. Proxy voting policy
11. Bringing portfolio management in house policy
12. Changing sub-advisors policy
13. Monitoring Sub-advisors policy
14. Changing service providers policy
15. Employee Personal Trading Policy
16. Sub-advisors personal trading policy
17. Late trading policy
18. Handling complaints policy
19. Service providers related to the Manager policy

Standing Instruction No. 2: Portfolio Pricing Issues: Fair Valuing Securities

Standing Instruction No. 3: Related Party Issues: Inter Fund Trades

Standing Instruction No. 4: Related Party Issues: A Fund Purchases Securities (Whether Debt or Equity) Issued by a Company Related to a Sub-Advisor

Manager's Report on Standing Instructions


In accordance with the Instrument, the Manager provided quarterly written reports to the IRC describing its reliance on any SI's during the Reporting Period. The Manager relied on SI No. 1 during the Reporting Period.

Funds served by the IRC

Integra Balanced Fund
Integra Bond Fund
Lincluden Short Term Investment Fund
Integra International Equity Fund
Integra Canadian Value Growth Fund
Acadian Core International Equity Fund
Integra U.S. Value Growth Fund
ICL Global Equity Fund
Integra Equity Fund

This report is available on the Manager's website at <http://www.integra.com> or you may request a copy, at no cost to you, by contacting the Integra Funds at (905)-829-1131 or 1-800-363-2480 or email the Integra Funds at contactus@integra.com. This document and other information about the Integra Funds, is available on www.sedar.com.

Yours truly,



Eamonn McConnell, Chair

Schedule of IRC Members who sit on IRCs for other Fund Families

Eamonn McConnell serves as a member of the Independent Review Committees for the following funds:

Investment funds that are reporting issuers managed by Genus Asset Management Inc.;

Certain investment funds that managed by Goodwood Inc.;

Investment funds that are reporting issuers managed by NextEdge Capital Corp.;

Investment funds that are reporting issuers managed by Ninepoint Partners LP;

Investment funds that are reporting issuers managed by Onex Credit Partners, LLC;

Investment funds that are reporting issuers managed by Russell Investments Canada Limited; and

Investment funds that are reporting issuers managed by Sprott Asset Management LP.

Michele McCarthy serves as a member of the Independent Review Committees for the following funds:

Investment funds that are reporting issuers, managed by Alignvest Management Corporation;

Investment funds that are reporting issuers managed by Educators Financial Group Inc.;

Investment funds that are reporting issuers managed by Foresters Financial Investment Corporation of Canada Inc.;

Investment funds that are reporting issuers managed by Picton Mahoney Asset Management Inc.; and

Investment funds that are reporting issuers managed by Timbercreek Asset Management Ltd.

W. William Woods serves as a member of the Independent Review Committees for the following funds:

Investment funds that are reporting issuers managed by Educators Financial Group Inc.

Certain investment funds managed by Goodwood Inc.;

Investment funds that are reporting issuers managed by NextEdge Capital Corp.

Investment funds that are reporting issuers managed by Ninepoint Partners LP;

Investment funds that are reporting issuers managed by Northwest & Ethical Investments L.P.;

Investment funds that are reporting issuers managed by Onex Credit Partners, LLC;

Investment funds that are reporting issuers managed by Picton Mahoney Asset Management Inc.;

Investment funds that are reporting issuers managed by Qwestrade Inc.;

(ceased to be a member December 6, 2017);

Investment funds that are reporting issuers managed by Russell Investments Canada Limited;

Investment funds that are reporting issuers managed by Spartan Fund Management Inc.;

Certain investment funds managed by Sprott Asset Management LP; and

Investment funds that are reporting issuers managed by The Knowledge First Foundation
(resigned effective May 1, 2017).

Geoff Salmon serves as a member of the Independent Review Committees for the following funds:

Investment funds that are reporting issuers managed by Equium Capital Management Inc.; Investment funds that are reporting issuers managed by Genus Asset Management Inc.;

Investment funds that are reporting issuers managed by Federated Investors Canada ULC.;

Investment funds that are reporting issuers managed by Foresters Financial Investment Corporation of Canada Inc.;

Investment funds that are reporting issuers managed by Hamilton Capital Partners Inc.;

Investment funds that are reporting issuers managed by NextEdge Capital Corp.; and

Investment funds that are reporting issuers managed by Sphere Investment Management Inc. *(ceased to be a member January 15, 2018).*