Annual Management Report of Fund Performance

Integra U.S. Value Growth Fund

As at December 31, 2018

This annual report of fund performance contains financial highlights but does not contain the complete annual financial statements for the investment fund. You may request a copy of the annual financial statements at no cost, by calling 1-800-363-2480, by writing to us at Integra Capital Limited ("Integra"), 2020 Winston Park Drive, Suite 200, Oakville ON L6H 6X7 or by visiting our website at www.integra.com or the SEDAR website at www.sedar.com.

Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or portfolio disclosure relating to the Fund.

Integra U.S. Value Growth Fund

Management discussion of fund performance

Investment objective and strategies

The Integra U.S. Value Growth Fund seeks to achieve long-term investment returns through a portfolio of U.S. stocks which are sufficiently diversified to minimize investment risk. To achieve this objective, the Fund invests in shares of medium to large-capitalized companies based in the United States. The Fund invests primarily in American corporations with a minimum market capitalization of U.S. $1 billion. The Fund may hold up to an aggregate of 20% in cash or cash equivalents. In addition, the Fund may invest in American Depository Receipts trading on recognized U.S. stock exchanges.

The Fund is a multi-managed/multi-style portfolio, which combines a "bottom-up value" approach with a "bottom-up growth" process.

The "bottom-up value" investment team uses a value-oriented research intensive approach of individual stock selection. The team identifies securities which are temporarily undervalued for reasons which it can understand. It implements a large cap value strategy by constructing portfolios which reflect all three traditional value characteristics: Price/Earnings and Price/Book ratios below the market and Dividend Yields above the S&P 500 index.

The "bottom-up growth" investment team uses fundamental research to identify U.S. high quality growth companies with the capability to produce above average growth in earnings, cash flow and return on equity. The team focuses on corporations with a proven history of growth. It attempts to build portfolios with price multiples below those of the Russell 1000 Mid-Cap Growth Index.

Risk

Most of the Fund's assets will be invested in common shares issued by U.S. companies. As a result, the Fund is exposed to stock market risk and specific issuer risk. As the Fund is investing in foreign securities it will also be subject to foreign security risk and currency risk.

With respect to individual securities, the share price of a company will be impacted by various factors including profit growth, dividend policy, balance sheet leverage, quality of management, market share, product development, and technology investment.

The Fund may also invest in American Depository Receipts and would therefore be exposed to ADR risk.

The Fund may enter into securities lending transactions. Securities lending transactions will be used in conjunction with the Fund's other strategies in an appropriate manner to achieve the Fund's investment objectives. Accordingly, it may be subject to securities lending risks.

Through the end of the third quarter, the U.S. equity market had moved meaningfully higher since the presidential election in November 2016. During the first nine months of 2018, American share prices had outperformed most other asset classes due to a combination of impressive corporate earnings growth which benefitted from tax cuts, a robust economy and still relatively low borrowing costs.

However, in the final stages of year, investors became wary of growing trade tensions and the Federal Reserve becoming more hawkish with respect to monetary policy.

The ongoing trade dispute between the world's two largest economies, the United States and China heated up in the final months of the year. The rhetoric and uncertainty all served to put into question both the global economy's ability to maintain its synchronized expansion and the future corporate earnings growth. The longer the conflict continues, the greater the potential for inflationary pressures, a slower pace of economic growth and challenged corporate profits. Similarly, negotiations to satisfy President Trump's determination to gain a new trade deal with Mexico and Canada, to replace the North American Free Trade Agreement (NAFTA) dragged on for an extended period of time without a clear vision of the outcome.

After a decade of extraordinary measures to stimulate the economy, the Fed continued to lead other central banks in removing monetary stimulus as the global economy expanded. U.S. short-term interest rates have been rising since the end of 2015 when the policy rate was 0.5%. With a rate hike late in 2018 the federal funds rate was set at 2.5% at year-end. Inflation has been well contained and thus over the past few years, the Federal Reserve has been able to take its key policy rate higher at a gradual pace. However, there were four rate increases throughout 2018, a much steadier pace than the previous two years. Consequently, market observers once again became concerned about the decision makers' capability to negotiate a soft landing while removing the extraordinary financing conditions of the past decade.

A rapid change of sentiment took place in the final three months of the year as investors' appetite for risk changed dramatically. There were a few catalysts at play that caused a change in optimism. Various data releases hinted at a slowing global economic expansion. Additionally, concerns heightened that monetary and trade policies that would perhaps be too aggressive. Accordingly, investments flowed out of equities and into fixed income.

As at December 31, 2018, one unitholder held approximately 49.2% of the outstanding units of the Fund. The purchase or redemption of a substantial number of securities of a Fund may require the manager to change the composition of the Fund's portfolio significantly or may force the Fund's sub-advisor to buy or sell investments at unfavourable prices, which can affect the Fund's return.

Integra U.S. Value Growth Fund

Results of operations

In what was a challenging year, for most actively managed U.S. equity investment funds, the Fund underperformed its benchmark for the full 12-month period. However, in the shorter term, the Fund added value as many of the riskier areas sold off sharply. For the quarter, six-month and one-year periods ended December 31st, the Fund returned -8.8%, -3.8% and 2.6%, respectively. In comparison, the Fund's benchmark (100% Russell 1000 Index) returned -8.9%, -3.9% and 3.8% in the same periods. All the returns are presented in Canadian dollar terms and gross of investment management fees.

The October-December period's market returns were the worst endured by the U.S. in a decade. Yet corporate earnings growth was well above average. As risk appetites waned, price/earnings multiples compressed wiping out much of the P/E expansion over the previous five years.

Corporate profits were strong in 2018 due to a combination of reduced tax rates and a robust economy. With healthy profits came impressive cash flow generation. Thus, the past year was record-setting for share buybacks as companies used excess cash to buy back their own shares. Additionally, the extra liquidity was used to pay dividends. More than 60% of the S&P 500 raised or initiated dividends in 2018. Overall, dividends were estimated to have grown 9%.

It should be noted that much of the strong performance demonstrated by American equities earlier in 2018, was dominated by a few stocks as has been the case for the past couple of years. These select stocks which had become priced for perfection, were amongst the biggest losers over the later stages of the year. While many of these companies have very sound business models and healthy financials, they became excessively valued.

During the tumultuous fourth quarter, ten of 11 S&P 500 sectors traded lower. Only Utilities managed a positive return. Energy, Industrials and Financial Services suffered the largest losses.

The areas that sold off most aggressively encompassed many sectors (and broad swaths) of the market, including:

- any company leveraged to global trade and tariffs, particularly China;
- any company with interest rate or credit sensitivity/exposure.

While the Fund made up ground during the October-December period, its performance lagged that of the benchmark for the full year. Both sub-advisory teams for the Fund are bottom up stock pickers. For much of the past year, macro forces conspired to create a "risk on" environment favouring momentum and growth. That had been a continuation of the previous few years. Only in the fourth quarter did factors such as profit margins, earnings quality, free cash flow, dividends and revenue stability come back into focus.

The Fund's performance was detrimentally impacted by stock selection in a few areas: Industrials, Consumer Discretionary and Communication Services. Within the Industrials group, a holding in General Electric was a significant negative. The company underperformed due to poorly received third quarter earnings. Additionally, management did little to define several uncertain liabilities. In the Consumer Discretionary space, Monster Beverage, a long-term holding which has traditionally performed well, faced growing skepticism that it could maintain its growth going forward. Additionally, the likelihood of Coca Cola acquiring the remainder of the energy drink's shares was diminished when the Coke acquired Costa Coffee. Lastly, the new Communication Services sub-group which includes internet search companies, online gaming firms, social media and telecom services was a standout until the fourth quarter as it includes companies such as Netflix, Alphabet and Facebook. None of these stocks were in the portfolio.

Value added was generated in the Health Group. The financial results of both HCA Healthcare, a large hospital chain and Encompass Health, a provider of rehabilitative healthcare services, continue to surprise to the upside. In the Financial Services area, XL Group was subject to a takeover bid priced at a significant premium from AXA which proved beneficial to relative performance. Other standouts in the portfolio were PTC Inc., Microsoft and Dollar General.

Fund expenses vary period over period mainly as the result of changes in average Net Asset Values and investment activity. Overall, the Fund's expenses were higher year over year due primarily to an increase in withholding taxes. That increase more than offset reduced amounts in other expense categories.

The Fund experienced net contributions of $34.1 thousand during the year. There some outflows towards the end of 2018 as the individual investors in two corporate-sponsored plans were forced to move out of the Fund, as those plans were restructured.

Recent developments

IFRS 9, *"Financial Instruments"* Transition

Effective January 1, 2018, the Fund adopted the IFRS 9 Financial Instruments reporting standard. The new standard introduced a model for classification and measurement of financial assets and liabilities including those carried at amortized cost; fair value, with changes in fair value recognized in FVTPL; or fair value

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through other comprehensive income ("FVOCI") based on the entity's business model for managing financial assets and the contractual cash flow characteristics of these financial assets. Assessment and decision on the business model approach used is an accounting judgement. Upon transition to IFRS 9, the Fund's financial assets and financial liabilities previously classified as FVTPL or held-for-trading under IAS 39, "Financial Instruments Recognition and Measurement", generally based on the fair value option, are now classified as FVTPL and there were no changes in the measurement attributes. Any assets previously classified as loans and receivables under IAS 39 are now classified and measured at amortized cost under IFRS 9. The classification and measurement of liabilities under the new standard remains generally unchanged. The adoption of IFRS 9 has been applied retrospectively and did not result in any changes in net assets.

The U.S. economy turned in a strong performance during 2018, encouraged by full employment, fiscal stimulus featuring increasing spending and tax cuts. It may prove to be the most robust annual growth in this economic cycle.

Several indicators suggest there may be a slowdown in 2019:

- a relatively flat yield curve
- widening corporate bond spreads
- a strong dollar
- cumulative impact of higher interest rates
- continuing trade tensions

The outcome of the trade dispute between the world's two largest economies remains front and centre for investors. Tariffs and other trade restrictions is a significant risk factor.

After raising its short-term policy interest rate four times during 2018, the U.S. Federal Reserve Chairman in his most recent public comments hinted that the pace of rate hikes may slow in 2019. That would be beneficial for equity valuations as multiples were compressing towards the end of last year with risk premiums rising.

Corporate profit growth is expected to be lower in the coming 12 months as the one-time impact of the tax cuts passes through the year over year comparisons. The American economy remains solid therefore there is little likelihood that earnings will actually decline year over year.

Recent additions to the Fund include State Street Corporation. The bank offers investment servicing and management. These two lines of business include investment custody, product and participant-level accounting, security pricing and administration, record-keeping and brokerage services.

Caution regarding forward-looking statements

This report may contain forward-looking statements about the Fund, including its strategies and expected performance. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to potential future events or market and economic conditions.

In addition, any statement that may be made concerning future performance, strategies or prospects and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to risks, uncertainties and assumptions about the Fund and capital market and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results may differ materially from those expressed or implied in any forward-looking statements made by the Fund. A wide range of factors may contribute to these variances, including general economic, geopolitical and market influences in Canada or globally, interest rates and currencies, capital markets, technology innovations, regulations and catastrophic events.

Investors are encouraged to consider these and other factors including their own investment objectives carefully before making any investment decisions and are urged to avoid placing undue reliance on forward-looking statements.

Additionally, investors should be aware that the Fund has no specific intention to update any forward-looking statements whether as a result of new information and future events, prior to the release of the next Management Report on Fund Performance.

Related party transactions

Manager, Portfolio Manager and Transfer Agent

The Fund is managed by Integra. Integra provides or arranges for the provision of all general management and administrative services rendered by the Fund in its day-to-day operations, including providing or arranging the provision of investment advice and record-keeping services for the Fund.

As a result of providing investment advisory and management services, the Fund's 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.

Integra U.S. Value Growth Fund

Financial highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years. This information is on a per unit basis and is derived from the Fund's audited annual financial statements.

	Years ended December 31				
	2018	2017	2016	2015	2014
Net Asset Value, beginning of year(1)	$16.62	$15.67	$16.12	$13.71	$11.61
Increase (decrease) from operations:					
Total revenue	0.31	0.38	0.31	0.27	0.34
Total expenses	(0.07)	(0.06)	(0.07)	(0.06)	(0.05)
Realized gains (losses)	1.89	2.79	3.33	3.13	1.79
Unrealized gains (losses)	(1.64)	(1.45)	(3.23)	(0.21)	0.60
Total increase (decrease) from operations(2)	$0.49	$1.66	$0.34	$3.13	$2.68
Distributions:					
From income (excluding dividends)	—	(0.26)	—	—	(0.28)
From dividends	(0.25)	—	(0.24)	(0.22)	—
From capital gains	(1.03)	(0.43)	(0.90)	(0.32)	—
Return of capital	—	—	(0.03)	—	(0.35)
Total Annual Distributions(3)	($1.28)	($0.69)	($1.17)	($0.54)	($0.63)
Net Assets, end of period(1)	$15.82	$16.62	$15.67	$16.12	$13.71
Ratios and Supplemental Data (Based on Pricing NAV)					
Net assets (000's)	$77,117	$80,916	$98,030	$136,063	$161,236
Number of units outstanding	4,873,474	4,868,481	6,245,399	8,442,604	11,763,008
Expense ratio (%)	0.11%	0.16%	0.18%	0.14%	0.13%
Expense ratio before waivers or absorptions (%)	0.11%	0.16%	0.18%	0.14%	0.13%
Portfolio turnover rate (%)(4)	24.79%	22.42%	23.61%	12.62%	29.70%
Trading expense ratio (%)(5)	0.03%	0.04%	0.04%	0.03%	0.03%

Ratios and Supplemental Data

Supplementary information to the Financial Highlights calculations are based on the following:

(1) The information is derived from the Fund's financial statements prepared in accordance with International Financial Reporting Standards ("IFRS").

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the period.

(3) Distributions were paid in cash/reinvested in additional units of the Fund, or both.

(4) The Fund's portfolio turnover rate is a measure of trading activity in a Fund's portfolio. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high portfolio turnover rate and the performance of a Fund.

(5) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the Fund's average net asset value during the period.

Management Fees

The Fund pays no management fees to Integra. For management services provided to them by Integra, clients of Integra will pay an investment management fee directly to Integra, as set out in their agreement with Integra. The amount of the investment management fee is negotiable between the client and Integra.

Annual Management Report of Fund Performance as at December 31, 2018

Integra U.S. Value Growth Fund

Past performance

The performance reported below assumes that all distributions made by the Fund in the period shown were reinvested in additional units of the Fund. If an investor holds the Fund outside of a registered plan, he/she will be taxed on these distributions.

How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

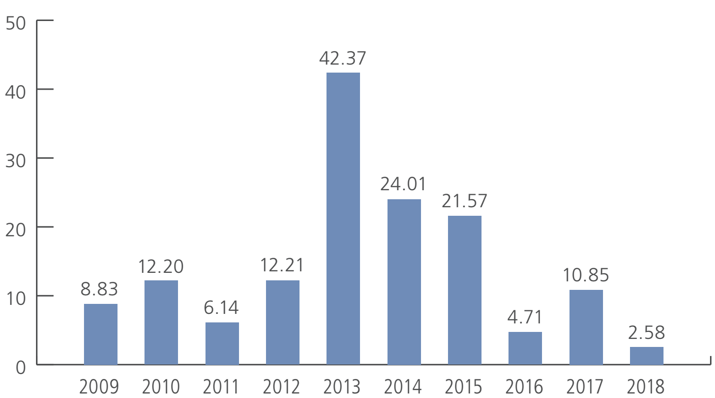
All rates of return are calculated based on Pricing NAV and are in Canadian dollars unless stated otherwise.

Fund Inception: July 24, 1998

Year-by-year returns (%)

The following bar chart shows the investment fund's annual performance for each of the years shown, and illustrates how the investment fund's performance was changed from year to year. In percentage terms, the bar chart shows how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

Annual Returns (%) ending December 31



Annualized Returns (%)

This table shows the fund's historical annualized returns for the periods shown ending December 31, 2018, compared to the returns of its benchmark.

	1 yr	3 yrs	5 yrs	10 yrs
Integra U.S. Value Growth Fund	2.58	5.99	12.41	14.03
Benchmark	3.79	8.48	13.78	14.43

Benchmark

The Integra U.S. Value Growth Fund Benchmark reflects the market sectors in which the Fund invests.

100%	Russell 1000 Index

The Russell 1000 Index consists of the largest 1000 companies in the Russell 3000 Index. This index represents the universe of large capitalization stocks from which most active money managers typically select.

INTEGRA® CAPITAL LIMITED

Integra U.S. Value Growth Fund

Summary of Investment Portfolio

as at December 31, 2018

Asset Mix

	% of Fund's Net Asset Value
US Equities	90.36
Non US Equities	7.88
Other Assets, Net of Liabilities	1.76

Sector Mix

	% of Fund's Net Asset Value
Consumer Discretionary	12.23
Consumer Staples	5.95
Energy	6.92
Financials	11.99
Health Care	12.36
Industrials	8.25
Information Technology	21.47
Materials	5.34
Real Estate	1.94
Telecommunication Services	1.87
Utilities	2.04
Non US Equities	7.88

Top 25 Holdings

(excluding cash equivalents)	% of Fund's Net Asset Value
1. Dollar General Corp.	2.08
2. Comcast Corp., Class 'A'	1.90
3. Air Products and Chemicals Inc.	1.87
4. Lowe's Cos. Inc.	1.85
5. Medtronic PLC	1.82
6. Pfizer Inc.	1.80
7. Fiserv Inc.	1.78
8. Wells Fargo & Co.	1.71
9. ConocoPhillips	1.64
10. Oracle Corp.	1.61
11. CVS Health Corp.	1.61
12. Phillips 66	1.60
13. Microsoft Corp.	1.51
14. QUALCOMM Inc.	1.49
15. DowDuPont Inc.	1.47
16. JPMorgan Chase & Co.	1.43
17. AutoZone Inc.	1.42
18. Johnson Controls International PLC	1.36
19. BP PLC, ADR	1.35
20. Chevron Corp.	1.32
21. American International Group Inc.	1.30
22. Anthem Inc.	1.30
23. United Technologies Corp.	1.26
24. American Express Co.	1.25
25. Worldpay Inc.	1.23

Total Fund Net Asset Value: $77,116,750

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund. The most recent annual report, semi-annual report or quarterly report is available at no cost, by calling 1-800-363-2480, by writing to us at Integra Capital Limited, 2020 Winston Park Drive, Suite 200, Oakville, ON, L6H 6X7 or by visiting our website at www.integra.com

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