INTEGRA® CAPITAL LIMITED

Annual Management Report of Fund Performance

Integra International Equity 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 International Equity Fund

Management discussion of fund performance

Investment objective and strategies

The Integra International Equity Fund seeks to provide long-term capital growth through a portfolio of international equities, which are sufficiently diversified to minimize investment risk. To achieve its objective, the Fund invests in stocks issued by companies outside of North America, based primarily in the developed markets of Europe, the Far East and Australia. From time to time the Fund may invest in the Emerging Markets, up to a maximum of 25%. The Fund may hold up to an aggregate of 10% in cash or cash equivalents.

Newton Investment Management Limited, the Fund's sub-advisor, relies on an investment process which combines a global bottom-up stock-picking approach based on proprietary stock and sector research within a strategic framework, with macro investment ideas based on anticipated economic trends and themes. Each stock is evaluated in a global context.

The Integra International Equity 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.

Risk

Most of the Fund's assets will be invested in non-North American common shares. As a result, the Fund is exposed to stock market risk, specific issuer risk as well as foreign security risk and currency risk. Stock market risk can be described as the potential for a decline in stock prices. Specific issuer risk 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 participate in securities lending. Accordingly, it may be subject to securities lending risks.

Overseas equity markets endured a difficult year during 2018. It was the worst year for international equities since the financial crisis a decade ago. Equity markets turned volatile after an extended period of placid returns. Concerns about tighter monetary conditions, a global economic slowdown coupled with political uncertainty in several countries and trade disputes contributed to the worldwide stock downturn.

The European Central Bank took a significant step in withdrawing monetary stimulus with discontinuing its bond purchase program. Also, weighing on investor sentiment was the geopolitical turmoil in the United Kingdom, Italy and France. In the UK, the political impasse over Brexit intensified over the second half of the year as the March separation deadline got closer. Italy's new populist government clashed with the EU over an aggressive spending program intended to spark a soft economy. French "yellow vest" protests challenged President Macron's leadership and proposed reforms. The response was to offer fiscal concessions that may breach EU deficit limits. In Germany, economic growth experienced a decline.

In Asia, Japan's economy contracted during the later stages of the year due to soft domestic demand, declining exports and a series of natural disasters. Additionally, the global trade tensions between the United States and China were also a negative impact on Japan.

Developing countries were challenged during 2018 by a number of factors. The strain of global economic threats including trade conflicts, financial tightening and diverging growth trends and in some cases, being on the wrong side of a strengthening American greenback and the late drop in energy prices. China responded to the trade issues with the United States by implementing tax cuts and easier credit. In Latin America, Brazil turned more favourable late in 2018. Optimism grew as a result of the new administration's economic team and its ability to take the country out of a difficult recession.

As of 2018 year-end, there was one unitholder holding approximately 29.2% of the Fund's outstanding units. 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.

Results of operations

After outperforming its benchmark during 2017, the Fund failed to keep pace in 2018. For the quarter, six-month and one-year periods ended December 31st, 2018 the Fund returned -9.6%, -8.7% and -7.6%, respectively. In comparison, the Fund's benchmark, 100% MSCI EAFE (Net) Index, returned -7.6%, -8.0% and -6.0% for the same respective periods. All the returns are presented in Canadian dollar terms and gross of investment management fees.

After broadly performing quite well in 2017, international stock markets were amongst the worst performing asset classes in 2018. Macroeconomic data and geopolitical challenges were broadly negative for equity investors.

Integra International Equity Fund

The synchronized global growth of 2017 and low volatility exhibited by the equity markets may have led to a general complacency amongst equity investors. Thus, when central bankers began policy tightening, financial assets, particularly more risky assets lost value.

Over the course of 2018, in response to flagging economic momentum and a declining stock market, Chinese authorities announced a number of measures during the second half of the year to provide support. Nonetheless, the Chinese stock market experienced the largest decline amongst major indices. As a whole, emerging markets have a difficult time of it after being the star performers during the previous year.

Amongst developed markets outside of North America the worst performers included the United Kingdom, Italy and Germany. The previously mentioned uncertainty about the negotiated terms and resulting impact of Brexit weighed on investors' confidence about the UK. Italy and Germany were dealing with a reversal of economic fortune. On the other hand, the relatively stronger performers, albeit while suffering losses, were Switzerland, Australia, France and Japan.

From a sector perspective, only a few areas of the international equity market generated positive returns. Those business groups were Utilities, Health Care and Energy. The worst performing sectors were Financial Services, Materials and Consumer Discretionary stocks.

The portfolio lost value both on a geographic basis as well as due to its stock selection. Non-Eurozone and emerging market holdings were particularly detrimental to relative performance. Similarly, Communication Services and Financials Services were the two industry groups which were detractors. Names in these groups included Vodafone, Royal Bank of Scotland, BNP Paribas and Credit Suisse.

Individual names outside of these groups that hurt relative performance included Ebara which fell following the release of third quarter results coming from one-off factors in the company's Fluid Machinery division. Other holdings that were harmful, included Man Wah, a long-time holding, and Topcon.

The Fund benefitted from its positions in the Asia Pacific region excluding Japan as well as being underweight the Materials group. Stock selection in the Consumer Discretionary space generated some added value as well.

Some of the Fund's better performing holdings during 2018 included Wolters Kluwer, a stable global information services company, Sony, Don Quijote, the leading low-cost Japanese retailer, and Samsung.

The Fund experienced net redemptions of $2.0 million during 2018.

Fund expenses vary period over period mainly as the result of changes in average Net Asset Values and investment activity. The Fund's total expenses decreased year over year due to reduced custodial costs.

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 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.

In Newton's view, recent economic data suggest a further waning of global economic momentum. Many investors continue to point to robust global growth as the basis for continued good returns from risk assets. While over the long term, equity market returns do tend to align with nominal output growth, there is no correlation between economic growth and returns over the short term. Indeed, since the financial crisis, market returns have dwarfed the growth in corporate profits.

Since 2008, much of the liquidity created by central banks has directly inflated asset prices. As Newton has noted, central banks are vacating the stage when it comes to propping up asset prices trading at historically rich valuations. On January 4th, when U.S. Fed Chairman Powell made a public statement that suggested the American central bank may slow the pace and frequency of future interest rate hikes. Equity markets rallied following those comments.

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Since late in 2017, Newton has felt the need for a more cautious approach. Consequently, the Fund has been positioned accordingly.

The portfolio is currently overweight Consumer Staples such as Unilever and Information Technology including companies such as SAP which offer services with recurring revenue streams. Newton also has a bias towards Industrials, but focussed on companies such as Wolters Kluwer which are asset light and more geared towards data heavy professional services. Conversely, the Fund is under the economically sensitive Materials group.

On a geographic basis, an overweight to Japan and non-Eurozone Europe is being maintained. The portfolio is somewhat geared away from the Pacific Basin and the Eurozone.

Recent additions to the Fund include L'Oreal which continues to execute strongly with solid top-line growth. Positions in Diageo PLC, GlaxoSmithKline PLC and Unilever have also been increased.

The top overweight positions in the portfolio include the previously mentioned Wolters Kluwer, TechnoPro Holdings, Don Quijote and AIA Group.

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 International Equity 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)	$17.96	$15.33	$17.02	$14.24	$13.80
Increase (decrease) from operations:					
Total revenue	0.47	0.40	0.45	0.43	0.63
Total expenses	(0.13)	(0.14)	(0.13)	(0.13)	(0.12)
Realized gains (losses)	1.51	2.00	1.40	1.34	0.95
Unrealized gains (losses)	(3.20)	0.66	(3.54)	1.44	(0.48)
Total increase (decrease) from operations(2)	($1.35)	$2.92	($1.82)	$3.08	$0.98
Distributions:					
From income (excluding dividends)	—	—	—	—	—
From dividends	(0.37)	(0.38)	(0.33)	(0.38)	(0.55)
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
Total Annual Distributions(3)	($0.37)	($0.38)	($0.33)	($0.38)	($0.55)
Net Assets, end of period(1)	$16.23	$17.96	$15.33	$17.02	$14.24
Ratios and Supplemental Data (Based on Pricing NAV)					
Net assets (000's)	$19,029	$23,109	$32,093	$49,703	$47,822
Number of units outstanding	1,172,181	1,286,382	2,087,369	2,919,441	3,359,287
Expense ratio (%)	0.40%	0.52%	0.49%	0.36%	0.39%
Expense ratio before waivers or absorptions (%)	0.40%	0.52%	0.49%	0.36%	0.39%
Portfolio turnover rate (%)(4)	40.62%	30.46%	35.89%	37.56%	42.33%
Trading expense ratio (%)(5)	0.12%	0.10%	0.13%	0.13%	0.14%

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 International Equity 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.

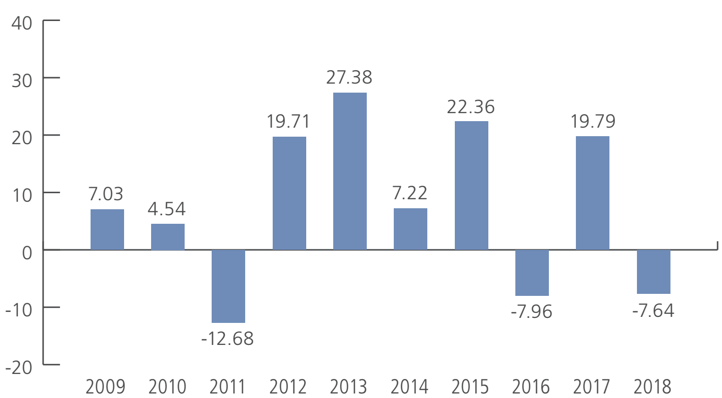
All rates of return are calculated based on Pricing NAV and are in Canadian dollars unless stated otherwise.

Fund Inception: November 27, 1996

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 International Equity Fund	-7.64	0.61	5.96	7.13
Benchmark	-6.03	2.29	5.71	7.49

Benchmark

The Integra International Equity Fund Benchmark reflects the market sectors in which the Fund invests.

100%	Morgan Stanley Capital International EAFE (ND) Index*

*EAFE – European, Australasian, and Far East Index

The MSCI EAFE (ND) Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. It consists of approximately 21 European, Australasian, and Far East country indices. Indices with net dividends reinvested use the same dividend minus-tax-credit calculations, but subtract withholding taxes retained at the source for foreigners who do not benefit from a double taxation treaty.

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

Integra International Equity Fund

Summary of Investment Portfolio

as at December 31, 2018

Asset Mix

	% of Fund's Net Asset Value
International Equities	98.09
Other Assets, Net of Liabilities	1.91

Country Mix

	% of Fund's Net Asset Value
Brazil	0.33
China	0.78
France	10.49
Georgia	0.35
Germany	10.87
Hong Kong	3.72
Ireland	1.07
Japan	27.76
Netherlands	7.32
Norway	1.16
South Korea	1.86
Switzerland	12.64
United Kingdom	19.74

Sector Mix

	% of Fund's Net Asset Value
Financials	17.99
Consumer Staples	17.69
Consumer Discretionary	14.35
Industrials	12.51
Health Care	10.48
Information Technology	9.86
Energy	5.97
Telecommunication Services	4.31
Real Estate	3.40
Materials	1.53
Other Assets, less Liabilities	1.91

Top 25 Holdings

(excluding cash equivalents)	% of Fund's Net Asset Value
1. Royal Dutch Shell PLC, Class 'B'	3.77
2. Wolters Kluwer NV	3.70
3. Novartis AG	3.57
4. Unilever NV	3.35
5. AIA Group Ltd.	3.33
6. GlaxoSmithKline PLC	3.20
7. Roche Holding AG Genusscheine	3.16
8. TechnoPro Holdings Inc.	3.11
9. Sony Corp.	2.84
10. Don Quijote Holdings Co. Ltd.	2.73
11. L'Oréal SA	2.47
12. Barclays PLC	2.40
13. Zurich Insurance Group AG	2.33
14. TOTAL SA	2.32
15. Suzuki Motor Corp.	2.26
16. Diageo PLC	2.20
17. SAP AG	2.14
18. Prudential PLC	1.94
19. Seven & I Holdings Co. Ltd.	1.91
20. Thales SA	1.90
21. Samsung SDI Co. Ltd.	1.89
22. Vivendi SA	1.89
23. LEG Immobilien GmbH	1.83
24. Volkswagen AG, Preferred	1.82
25. Ferguson PLC	1.74

Total Fund Net Asset Value: $19,028,757

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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