Condensed Interim Financial Statements (unaudited)

# INTEGRA BOND FUND

June 30, 2018

NOTICE TO THE READER
The enclosed semi-annual financial statements have not been reviewed by the external auditors of the Fund.

# INTEGRA BOND FUND

Statements of Financial Position (unaudited)

As at June 30, 2018 and December 31, 2017

| | June 30, 2018 | December 31, 2017 |
|---|---|---|
| **Assets** | | |
| Cash | $ 182,976 | $ 318,489 |
| Subscriptions receivable | 42,063 | 89,978 |
| Accrued interest receivable | 543,776 | 510,351 |
| Investments, at fair value | 96,813,501 | 90,389,813 |
| Total assets | 97,582,316 | 91,308,631 |
| **Liabilities** | | |
| Redemptions payable | 620,801 | 214,088 |
| Accrued expenses | 32,173 | 41,007 |
| Derivative liabilities | 18,975 | - |
| Total liabilities | 671,949 | 255,095 |
| Net assets attributable to holders of redeemable units | $ 96,910,367 | $ 91,053,536 |
| Redeemable units (note 3) | 6,071,257 | 5,733,324 |
| Net assets attributable to holders of redeemable units per unit | $ 15.96 | $ 15.88 |

*See accompanying notes to financial statements.*

# INTEGRA BOND FUND

Statements of Comprehensive Income (unaudited)

Six months ended June 30

| | | 2018 | | 2017 |
|---|---|---|---|---|
| Income: | | | | |
| Interest income for distribution purposes | $ | 1,354,472 | $ | 903,250 |
| Revenue from securities lending (note 7) | | 8,750 | | 3,303 |
| Other changes in fair value of investments and derivatives: | | | | |
| Net realized loss on sale of investments | | (83,675) | | (51,502) |
| Net realized loss on sale of derivatives | | - | | (8,949) |
| Net foreign exchange loss on cash | | - | | (4,073) |
| Net other gain (loss) | | (687) | | 1,887 |
| Net change in unrealized appreciation (depreciation) of investments and derivatives | | (696,441) | | 409,119 |
| Total income | | 582,419 | | 1,253,035 |
| Expenses: | | | | |
| Custodial fees | | 13,677 | | 15,490 |
| Operating fees | | 843 | | 7,439 |
| Audit fees | | 12,397 | | 12,397 |
| Filing fees | | 3,472 | | 3,472 |
| Investment performance monitoring fees | | - | | 3,968 |
| Securityholder reporting costs | | 992 | | 992 |
| Independent Review Committee fees (note 8) | | 2,976 | | 2,976 |
| Harmonized sales tax | | 4,015 | | 5,624 |
| Total expenses | | 38,372 | | 52,358 |
| Increase in net assets attributable to holders of redeemable units | $ | 544,047 | $ | 1,200,677 |
| Increase in net assets attributable to holders of redeemable units per unit (based on the weighted average number of units outstanding during the period) | $ | 0.09 | $ | 0.30 |

*See accompanying notes to financial statements.*

# INTEGRA BOND FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (unaudited)

Six months ended June 30

| | | 2018 | | 2017 |
|---|---|---|---|---|
| Net assets attributable to holders of redeemable units, beginning of period | $ | 91,053,536 | $ | 55,150,214 |
| Increase in net assets attributable to holders of redeemable units | | 544,047 | | 1,200,677 |
| Distributions paid or payable to holders of redeemable units: | | | | |
| From net investment income | | - | | (548,190) |
| From net realized capital gains | | - | | - |
| Total distributions to holders of redeemable units | | - | | (548,190) |
| Redeemable unit transactions (note 3): | | | | |
| Issuance of units | | 10,290,150 | | 38,142,019 |
| Reinvestment of distributions | | - | | 548,190 |
| Redemption of units | | (4,977,366) | | (4,944,089) |
| Net increase from redeemable unit transactions | | 5,312,784 | | 33,746,120 |
| Net increase in net assets attributable to holders of redeemable units | | $5,856,831 | | 34,398,607 |
| Net assets attributable to holders of redeemable units, end of period | $ | 96,910,367 | $ | 89,548,821 |

*See accompanying notes to financial statements.*

# INTEGRA BOND FUND

Statements of Cash Flows (unaudited)

Six months ended June 30

| | | 2018 | | 2017 |
|---|---|---|---|---|
| Cash flows from operating activities: | | | | |
| Increase in net assets attributable to holders of redeemable units | $ | 544,047 | $ | 1,200,677 |
| Change in non-cash operating working capital: | | | | |
| Net change in unrealized foreign exchange gain on cash | | - | | 4,073 |
| Net realized loss on sale of investments | | 83,675 | | 51,502 |
| Net change in unrealized appreciation (depreciation) of investments and derivatives | | 696,441 | | (409,119) |
| Purchase of investments | | (19,592,187) | | (52,786,338) |
| Proceeds from the sale of investments | | 12,407,358 | | 18,255,440 |
| Accrued interest receivable | | (33,425) | | (149,787) |
| Accrued expenses | | (8,834) | | (24,404) |
| Cash used in operating activities | | (5,902,925) | | (33,857,956) |
| Cash flows from financing activities: | | | | |
| Amount received from the issuance of units | | 10,338,065 | | 38,151,312 |
| Amount paid on redemptions of units | | (4,570,653) | | (4,118,151) |
| Cash provided by financing activities | | 5,767,412 | | 34,033,161 |
| Increase (decrease) in cash | | (135,513) | | 175,205 |
| Net change in unrealized foreign exchange gain on cash | | - | | (4,073) |
| Cash, beginning of period | | 318,489 | | 114,353 |
| Cash, end of period | $ | 182,976 | $ | 285,485 |
| Supplemental cash flow information: | | | | |
| Interest received | $ | 1,321,047 | $ | 753,463 |

*See accompanying notes to financial statements.*

# INTEGRA BOND FUND

Schedule of Investments (unaudited)

June 30, 2018

| | Number of Shares | Average Cost $ | Fair Value $ |
|---|---|---|---|
| **BONDS — 99.08%** | | | |
| **Canadian Bonds — 97.75%** | | | |
| **Government of Canada — 30.20%** | | | |
| Canada Housing Trust No. 1, 2.35%, 2027/06/15 | 2,800,000 | 2,889,670 | 2,756,322 |
| Government of Canada, 1.75%, 2019/09/01 | 8,227,000 | 8,448,635 | 8,221,998 |
| Government of Canada, 0.75%, 2021/03/01 | 730,000 | 721,116 | 706,905 |
| Government of Canada, 0.50%, 2022/03/01 | 5,324,000 | 5,119,040 | 5,040,286 |
| Government of Canada, 2.25%, 2025/06/01 | 12,335,000 | 12,693,310 | 12,427,305 |
| Government of Canada, 1.00%, 2027/06/01 | 130,000 | 117,411 | 117,871 |
| | | **29,989,182** | **29,270,687** |
| **Provincial Government — 24.89%** | | | |
| Province of Alberta, 3.45%, 2043/12/01 | 723,000 | 752,959 | 780,847 |
| Province of British Columbia, 4.30%, 2042/06/18 | 1,289,000 | 1,590,599 | 1,598,813 |
| Province of Manitoba, 5.70%, 2037/03/05 | 1,348,000 | 1,790,478 | 1,846,425 |
| Province of New Brunswick, 4.55%, 2037/03/26 | 1,606,000 | 1,783,647 | 1,919,019 |
| Province of Ontario, 3.15%, 2022/06/02 | 4,011,000 | 4,304,460 | 4,119,578 |
| Province of Ontario, 2.85%, 2023/06/02 | 2,000,000 | 2,037,000 | 2,029,882 |
| Province of Ontario, 3.45%, 2045/06/02 | 5,324,000 | 5,620,007 | 5,745,039 |
| Province of Quebec, 3.00%, 2023/09/01 | 753,000 | 776,133 | 770,288 |
| Province of Quebec, 3.50%, 2045/12/01 | 3,752,000 | 3,967,045 | 4,120,175 |
| Province of Saskatchewan, Series 'GC', 4.75%, 2040/06/01 | 932,000 | 1,139,616 | 1,193,698 |
| | | **23,761,944** | **24,123,764** |
| **Corporate — 42.66%** | | | |
| 407 International Inc., Callable, 4.30%, 2021/05/26 | 265,000 | 293,044 | 276,848 |
| 407 International Inc., Callable, 2.43%, 2027/05/04 | 403,000 | 406,669 | 385,126 |
| 407 International Inc., Callable, 3.30%, 2045/03/27 | 649,000 | 633,193 | 623,187 |
| Alectra Inc., Series 'A', Callable, 2.49%, 2027/05/17 | 200,000 | 200,000 | 192,274 |
| AltaGas Ltd., Callable, 3.57%, 2023/06/12 | 650,000 | 671,416 | 656,321 |
| AltaGas Ltd., Callable, 4.12%, 2026/04/07 | 334,000 | 350,061 | 342,663 |
| AltaGas Ltd., Callable, 3.98%, 2027/10/04 | 395,000 | 396,425 | 398,031 |
| AltaLink L.P., Callable, 4.09%, 2045/06/30 | 295,000 | 304,793 | 324,048 |
| Bank of Montreal, 1.88%, 2021/03/31 | 1,487,000 | 1,499,143 | 1,455,540 |
| Bank of Montreal, 2.27%, 2022/07/11 | 1,100,000 | 1,090,485 | 1,076,647 |
| Bank of Montreal, 2.70%, 2024/09/11 | 250,000 | 249,967 | 245,693 |
| Bank of Montreal, Callable, 3.40%, 2021/04/23 | 500,000 | 516,235 | 509,396 |
| Bank of Nova Scotia, 2.87%, 2021/06/04 | 2,577,000 | 2,693,634 | 2,587,336 |
| Bank of Nova Scotia, 2.36%, 2022/11/08 | 630,000 | 629,912 | 616,485 |
| Bank of Nova Scotia, 2.29%, 2024/06/28 | 305,000 | 304,982 | 292,948 |
| Bell Canada, Callable, 2.70%, 2024/02/27 | 135,000 | 134,846 | 131,254 |
| Bell Canada, Callable, 3.55%, 2026/03/02 | 415,000 | 415,018 | 417,551 |
| Bell Canada, Callable, 2.90%, 2026/08/12 | 318,000 | 318,760 | 305,110 |
| Bell Canada, Series 'M-24', Callable, 4.95%, 2021/05/19 | 1,136,000 | 1,263,403 | 1,202,025 |
| Cameco Corp., Series 'D', Callable, 5.67%, 2019/09/02 | 1,906,000 | 2,067,539 | 1,961,286 |
| Canadian Imperial Bank of Commerce, 1.85%, 2020/07/14 | 95,000 | 94,824 | 93,678 |
| Canadian Imperial Bank of Commerce, 1.90%, 2021/04/26 | 185,000 | 184,904 | 181,181 |
| Canadian Imperial Bank of Commerce, 2.04%, 2022/03/21 | 724,000 | 731,085 | 704,991 |
| Canadian Imperial Bank of Commerce, 2.30%, 2022/07/11 | 510,000 | 509,974 | 499,879 |
| Canadian Imperial Bank of Commerce, 2.47%, 2022/12/05 | 990,000 | 986,050 | 974,352 |
| CCL Industries Inc., Series '1', Restricted, Callable, 3.86%, 2028/04/13 | 115,000 | 115,000 | 116,640 |
| CU Inc., Callable, 5.56%, 2028/05/26 | 466,000 | 535,834 | 557,426 |
| Enbridge Income Fund (The), Callable, 3.95%, 2024/11/19 | 451,000 | 467,499 | 461,157 |
| Enbridge Pipelines Inc., Callable, 4.45%, 2020/04/06 | 803,000 | 884,286 | 828,631 |
| ENMAX Corp., Callable, 3.81%, 2024/12/05 | 395,000 | 406,059 | 405,198 |
| ENMAX Corp., Series '4', Callable, 3.84%, 2028/06/05 | 170,000 | 170,000 | 172,125 |
| Fair Hydro Trust, Callable, 3.36%, 2033/05/15 | 455,000 | 455,014 | 466,533 |
| FortisBC Energy Inc., Callable, 3.38%, 2045/04/13 | 136,000 | 134,330 | 132,258 |
| Greater Toronto Airports Authority, Callable, 3.26%, 2037/06/01 | 120,000 | 119,918 | 120,436 |
| Greater Toronto Airports Authority, Series '2004-1', 6.47%, 2034/02/02 | 486,000 | 653,864 | 684,058 |
| Greater Toronto Airports Authority, Series '97-3', 6.45%, 2027/12/03 | 321,000 | 410,677 | 413,194 |
| Great-West Lifeco Inc., Callable, 3.34%, 2028/02/28 | 160,000 | 160,000 | 161,549 |
| Hydro One Inc., Callable, 3.20%, 2022/01/13 | 200,000 | 217,260 | 203,288 |
| Hydro One Inc., Callable, 5.49%, 2040/07/16 | 816,000 | 1,016,336 | 1,047,230 |
| Inter Pipeline Ltd., Callable, 2.61%, 2023/09/13 | 45,000 | 45,000 | 43,512 |
| Inter Pipeline Ltd., Callable, 2.73%, 2024/04/18 | 80,000 | 80,000 | 77,173 |

| | | | |
|---|---|---|---|
| Inter Pipeline Ltd., Callable, 3.17%, 2025/03/24 | 80,000 | 75,175 | 78,163 |
| Inter Pipeline Ltd., Callable, 3.48%, 2026/12/16 | 787,000 | 786,141 | 772,814 |
| Keyera Corp., Callable, 3.93%, 2028/06/21 | 175,000 | 175,000 | 175,756 |
| Loblaw Cos. Ltd., Callable, 6.15%, 2035/01/29 | 244,000 | 276,157 | 301,813 |
| Manitoba Telecom Services Inc., Series '8', Callable, 5.63%, 2019/12/16 | 140,000 | 157,454 | 146,142 |
| Metro Inc., Restricted, Callable, 3.39%, 2027/12/06 | 515,000 | 514,696 | 504,831 |
| North West Redwater Partnership / NWR Financing Co. Ltd., Callable, 4.05%, 2044/07/22 | 360,000 | 362,505 | 375,528 |
| North West Redwater Partnership / NWR Financing Co. Ltd., Series 'H', Callable, 4.15%, 2033/06/01 | 400,000 | 429,203 | 424,627 |
| Nova Scotia Power Inc., Series 'X', Callable, 5.61%, 2040/06/15 | 244,000 | 296,584 | 315,085 |
| Reliance L.P., 4.08%, 2021/08/02 | 449,000 | 458,171 | 459,360 |
| Reliance L.P., Callable, 3.84%, 2025/03/15 | 440,000 | 439,991 | 437,205 |
| Rogers Communications Inc., Callable, 4.00%, 2022/06/06 | 980,000 | 1,047,775 | 1,018,716 |
| Royal Bank of Canada, 1.97%, 2022/03/02 | 1,643,000 | 1,631,287 | 1,596,772 |
| Royal Bank of Canada, 2.36%, 2022/12/05 | 1,490,000 | 1,467,810 | 1,459,303 |
| Royal Bank of Canada, Variable Rate, Callable, 2.99%, 2024/12/06 | 800,000 | 808,683 | 804,774 |
| Shaw Communications Inc., Callable, 5.50%, 2020/12/07 | 480,000 | 525,940 | 510,128 |
| Shaw Communications Inc., Callable, 4.35%, 2024/01/31 | 110,000 | 109,974 | 115,158 |
| SNC-Lavalin Group Inc., Callable, 6.19%, 2019/07/03 | 1,073,000 | 1,210,743 | 1,112,053 |
| Sun Life Financial Inc., 4.57%, 2021/08/23 | 810,000 | 898,063 | 854,001 |
| TELUS Corp., Callable, 4.75%, 2045/01/17 | 704,000 | 729,676 | 734,275 |
| Teranet Holdings L.P., Callable, 4.81%, 2020/12/16 | 1,061,000 | 1,125,227 | 1,101,032 |
| Toronto-Dominion Bank (The), 2.05%, 2021/03/08 | 605,000 | 605,000 | 595,724 |
| Toronto-Dominion Bank (The), 1.99%, 2022/03/23 | 535,000 | 526,705 | 520,501 |
| Toronto-Dominion Bank (The), 1.91%, 2023/07/18 | 806,000 | 803,490 | 769,222 |
| Toronto-Dominion Bank (The), 3.23%, 2024/07/24 | 340,000 | 352,281 | 344,960 |
| TransCanada PipeLines Ltd., Callable, 3.69%, 2023/07/19 | 175,000 | 190,312 | 180,321 |
| TransCanada PipeLines Ltd., Callable, 4.35%, 2046/06/06 | 538,000 | 573,183 | 554,513 |
| TransCanada PipeLines Ltd., Variable Rate, Callable, 7.34%, 2028/07/18 | 445,000 | 519,541 | 576,344 |
| Wells Fargo Financial Canada Corp., 2.94%, 2019/07/25 | 1,071,000 | 1,091,567 | 1,077,876 |
| Westcoast Energy Inc., Callable, 4.57%, 2020/07/02 | 1,037,000 | 1,113,729 | 1,075,245 |
| | | **42,119,502** | **41,336,500** |
| **Total Canadian Bonds — 97.75%** | | **95,870,628** | **94,730,951** |
| **Foreign Bonds — 1.33%** | | | |
| United States Treasury Bond, 3.13%, 2048/05/15 | 950,000 | **1,245,100** | **1,284,605** |
| **Total Foreign Bonds — 1.33%** | | **1,245,100** | **1,284,605** |
| **Canadian short-term notes — 0.82%** | | | |
| Government of Canada Treasury Bill, 1.23%, 2018/09/06 | 300,000 | 299,133 | 299,325 |
| Government of Canada Treasury Bill, 1.14%, 2018/09/20 | 500,000 | 498,316 | 498,620 |
| | | 797,449 | 797,945 |
| **TOTAL BONDS — 99.90%** | | **97,913,177** | **96,813,501** |
| **TOTAL INVESTMENT PORTFOLIO — 99.90%** | | **97,913,177** | **96,813,501** |
| **OTHER ASSETS, NET OF LIABILITIES — 0.10%** | | | **96,866** |
| **NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS — 100.00%** | | | **96,910,367** |

*See accompanying notes to financial statements.*

# INTEGRA BOND FUND

Risk Disclosures (unaudited)

June 30, 2018

**1. Financial instruments risk:**

Investment activities of the Integra Bond Fund (the "Fund") expose the Fund to some financial instrument risks. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objectives and long-term investment time horizon.

**2. Risk management:**

The Fund is designed for the conservative investor seeking a higher level of income than a money market fund normally provides, while still seeking to preserve investment capital. To meet this objective, the Fund primarily invests in a broad range of Government of Canada bonds and high-quality corporate bonds with longer terms to maturity than those held in money market type funds. The Fund may hold up to 25% in cash or cash equivalents.

Lincluden Investment Management Limited is the sub-advisor of the Fund (the "Sub-Advisor"). When selecting fixed income securities, the Sub-Advisor assesses the outlook for global markets to determine allocations to Canadian and foreign fixed income securities. The Fund may invest in foreign fixed income securities. The Fund may use foreign exchange forward contracts for hedging purposes. The Sub-Advisor is authorized to keep a percentage of the assets it manages in cash or cash equivalents as an ongoing strategy.

The Fund may enter into securities lending transactions. Securities lending transactions will be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate by Integra Capital Limited (the "Manager") to achieve the Fund's investment objectives and to enhance the Fund's returns.

To assist with managing risk, the Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations.

The Fund invests in a range of investment strategies that exposes it to various types of risks, as follows: credit risk, liquidity risk and market risk (including price risk, foreign exchange risk, and interest rate risk).

## 2. Risk management (continued):

(a) 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 an investment fund. Credit risk is managed by dealing with issuers that are believed to be creditworthy and by regular monitoring of credit exposures. Additionally, credit risk is reduced by diversification of issuer, industry and geography.

The carrying amount of the Fund's assets on the statements of financial position, represents the maximum exposures to credit risk relating to financial assets and liabilities.

The Fund's activities may give rise to settlement risk. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed. For the majority of transactions, the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

The table below summarizes the Fund's direct exposure to the credit ratings of debt securities, whose credit ratings were primarily based on ratings issued by Standard & Poor's:

| | As a % of total bonds | |
|---|---|---|
| Debt securities by credit rating | June 30, 2018 | December 31, 2017 |
| AAA | 33.97 | 37.41 |
| AA | 18.87 | 16.99 |
| A | 27.90 | 27.79 |
| BBB | 19.26 | 17.81 |
| Total | 100.00 | 100.00 |

# INTEGRA BOND FUND

Risk Disclosures (unaudited) (continued)

June 30, 2018

**2. Risk management (continued):**

(b) 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 of "A" credit rating. Ongoing monitoring of credit events/rating developments occurs to ensure the sustainable credit quality of the counterparty. Various factors are considered in the assessment process including fundamental components of the counterparty's profile (such as capital adequacy, asset quality, profitability and liquidity) and credit ratings assigned to the counterparty.

See Derivatives section below for exposures from foreign exchange forward contracts.

(c) 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 and account balances held in the Fund. From time to time, the Fund may manage currency risk through foreign currency hedging strategies.

Currency risk arises on financial instruments denominated in foreign currencies. Fluctuations in foreign exchange rates impact the valuation of assets and liabilities denominated in foreign currencies.

The tables below indicate the currencies to which the Fund had exposure directly on its trading monetary and non-monetary assets and liabilities as well as the underlying principal amount of foreign exchange contracts:

| June 30, 2018 | Currency risk-exposed holdings (including derivatives)* | Foreign exchange contracts | Net exposure | % of net assets |
|---|---|---|---|---|
| U.S. dollar | $ 1,289,593 | $ (1,215,462) | $ 74,131 | 0.08 |

*Amounts reflect the carrying value of monetary and non-monetary items (including notional amount of forward foreign currency contracts).

## 2. Risk management (continued):

| December 31, 2017 | Currency risk-exposed holdings (including derivatives)* | Foreign exchange contracts | Net exposure | % of net assets |
|---|---|---|---|---|
| U.S. dollar | $ - | $ - | $ - | - |

*Amounts reflect the carrying value of monetary and non-monetary items (including notional amount of forward foreign currency contracts).

As at June 30, 2018, had the Canadian dollar strengthened or weakened by 5% in relation to all currencies, with all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by $3,707 (2017 - $nil). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

(d) Derivatives:

The Fund utilizes foreign exchange forward contract hedging in the management of currency risk associated with its investment in foreign securities. The objective is to protect the Fund from the possibility of capital losses on foreign currency-denominated investments due to increases in the value of the Canadian dollar. However, credit and market risks associated with foreign exchange forward contracts potentially expose the Fund to losses.

In order to minimize the possibility of losses arising from credit risk, the Fund deals only with large financial institutions with a minimum of "A" credit rating.

Currency risk relates 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 statements of financial position.

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.

# INTEGRA BOND FUND

Risk Disclosures (unaudited) (continued)

June 30, 2018

## 2. Risk management (continued):

As at June 30, 2018, the Fund directly held the following foreign exchange forward contracts:

| Currency to purchase | Amount | Fair value to purchase | Currency to deliver | Amount | Fair value to deliver | Unrealized loss | Expiry date |
|---|---|---|---|---|---|---|---|
| CAD | $ 1,196,488 | $ 1,196,488 | USD | $ 925,000 | $ 1,215,642 | $ (18,975) | September 2018 |

As at December 31, 2017, the Fund did not hold any foreign exchange forward contract.

| Currency to purchase | Amount | Fair value to purchase | Currency to deliver | Amount | Fair value to deliver | Unrealized loss | Expiry date |
|---|---|---|---|---|---|---|---|
| | $ - | $ - | | $ - | $ - | $ - | |

## 2. Risk management (continued):

The Fund may enter into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the statements of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of the contracts.

The following table shows financial instruments that may be eligible for offset, if such conditions were to arise as at June 30, 2018 and December 31, 2017. The net column below displays what the net financial assets and liabilities would be on the Fund's statements of financial position if all amounts were set off:

June 30, 2018:

| | Amount offset | | | Amount not offset | | |
|---|---|---|---|---|---|---|
| Financial assets and liabilities | Gross assets (liabilities) | Gross assets (liabilities) offset | Net amount | Financial instruments | Collateral received (pledged) | Net |
| Derivative liabilities | $ (18,975) | $ – | $ (18,975) | $ – | $ – | $ (18,975) |

December 31, 2017:

| | Amount offset | | | Amount not offset | | |
|---|---|---|---|---|---|---|
| Financial assets and liabilities | Gross assets (liabilities) | Gross assets (liabilities) offset | Net amount | Financial instruments | Collateral received (pledged) | Net |
| Derivative liabilities | $ – | $ – | $ – | $ – | $ – | $ – |

**2. Risk management (continued):**

(e) Interest rate risk:

Changes in market interest rates expose fixed-income securities, such as bonds, to interest rate risk. Funds that hold income investments are exposed to this risk since changes in prevailing market interest rates will affect the value of fixed-income securities.

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturities of three months or less, as a result, there is no significant risk of changes in their fair value and not subject to interest rate risk.

The table below summarizes the Fund's exposure to interest rate risk. It includes the Fund's assets and trading liabilities at fair values, and it is 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, 2018 | December 31, 2017 |
|---|---|---|
| 1 - 3 years | $ 23,643,024 | $ 16,939,696 |
| 3 - 5 years | 21,830,362 | 25,997,032 |
| > 5 years | 50,542,170 | 46,853,819 |
| Total exposure | $ 96,015,556 | $ 89,790,547 |

As at June 30, 2018, had the prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by 6,957,616 (December 31, 2017 - $6,620,117).

**2. Risk management (continued):**

(f) Liquidity risk:

Liquidity risk is the possibility that investments of the Fund cannot be readily converted into cash when required. The Fund may be subject to liquidity constraints because of insufficient volume in the markets for the securities of the Fund or the securities may be subject to legal or contractual restrictions on their resale. In addition, holders of redeemable units may redeem their units on each valuation date. Liquidity risk is managed by investing in securities that are traded in active markets and can be readily disposed, and by retaining sufficient cash and cash equivalent positions to maintain liquidity.

These liabilities are all current and are due within 90 days, with the exception of net assets attributable to holders of redeemable units which are due upon request by the unitholder (refer to note 3).

(g) Other market risk:

Other market risk is the risk that the fair value or future cash flows 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 Fund.

The impact on net assets attributable to holders of redeemable units of the Fund as at June 30, 2018, due to a 5% increase or decrease in the Fund's benchmark (DEX Universe Index), with all other variables held constant, would have been $ $4,584,345 (December 31, 2017 - $4,261,761). This calculation is based on the beta of the Fund, over the past 36 months. In practice, the actual trading results may differ from this sensitivity analysis indicated above and the difference could be material.

**2. Risk management (continued):**

(h) Concentration risk:

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The following is a summary of the Fund's concentration risk:

| | As a % of net assets | |
|---|---|---|
| | June 30, 2018 | December 31, 2017 |
| **Investments at fair value** | | |
| Canadian Bonds: | | |
| Government of Canada | 30.20 | 35.81 |
| Provincial Government | 24.89 | 23.75 |
| Corporate | 42.66 | 39.05 |
| Total Canadian Bonds | 97.75 | 98.61 |
| Foreign Bonds | 1.33 | – |
| Total Bonds | 99.08 | 98.61 |
| Short-term notes | 0.82 | 0.66 |
| Total investment portfolio | 99.90 | 99.27 |
| Other assets, net of liabilities | 0.10 | 0.73 |
| Net assets attributable to holders of redeemable units | 100.00 | 100.00 |

**3. Capital risk management:**

The capital of the Fund is represented by issued redeemable units with no par value. The units of the Fund are entitled to distributions, if any, and any redemptions are based on the Fund's net asset value per unit. The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of units. The relevant movements are shown on the statements of changes in net assets attributable to holders of redeemable units. The Fund endeavours to invest its subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

## 4. Fair value measurements:

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 - 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); and

- Level 3: inputs for the asset or liability not based on observable market data (unobservable inputs).

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement and 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 Fund's financial assets and liabilities carried at fair values:

| June 30, 2018 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets: | | | | |
| Short-term notes | $ – | $ 797,945 | $ – | $ 797,945 |
| Bonds | – | 96,015,556 | – | 96,015,556 |
| Total financial assets | $ – | $ 96,813,501 | $ – | $ 96,813,501 |

### 4. Fair value measurements (continued):

| December 31, 2017 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets: | | | | |
| Short-term notes | $ – | $ 599,266 | $ – | $ 599,266 |
| Bonds | – | 89,790,547 | – | 89,790,547 |
| Total financial assets | $ – | $ 90,389,813 | $ – | $ 90,389,813 |

All fair value measurements above are recurring. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

(a) Bonds and short-term investments:

Bonds include primarily government and corporate bonds, which are valued using quotation services or pricing models with inputs including interest rate curves, credit spreads and volatilities. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds and short-term investments have been classified as Level 2.

(b) Derivative assets and liabilities:

Derivative assets and liabilities consist of foreign currency forward contracts which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

For the periods ended June 30, 2018 and December 31, 2017, no investments were transferred from any level as a result of the securities no longer being traded in an active market and no investments were transferred from any level as a result of the securities now being traded in an active market.

**1. Establishment of the Fund:**

The Integra Bond Fund is an open-ended investment unincorporated trust created under the laws of the Province of Ontario by a Declaration of Trust. The address of the Fund's registered office is 2020 Winston Park Drive, Oakville, Ontario. The Fund was established on May 16, 1988 and commenced operations on November 13, 1990.

Integra Capital Limited is the Manager and Trustee of the Fund and is the corporate entity registered with the Canadian regulatory authorities. The Fund's assets are custodied at the Canadian Imperial Bank of Commerce. The Manager is registered in every province as a portfolio manager and exempt market dealer and is registered in the Provinces of Newfoundland and Labrador, Ontario and Quebec as an investment fund manager. In the Province of Ontario, the Manager is additionally registered as a commodity trading manager.

**2. Basis of preparation:**

(a) Basis of accounting:

The financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS").

These financial statements were authorized for issue by the Manager on August 27, 2018.

(b) Basis of measurement:

These financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities at fair value through profit or loss ("FVTPL"), which are presented at fair value.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Fund's functional currency.

**3. Significant accounting policies:**

(a) Financial instruments:

(i) Recognition, initial measurement and classification:

Financial assets and financial liabilities at FVTPL are initially recognized on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated.

Financial assets and financial liabilities at FVTPL are initially recognized at fair value, with transaction costs recognized in statements of comprehensive income. Financial assets or financial liabilities not at FVTPL are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue.

The Fund classifies financial assets and financial liabilities into the following categories:

Financial assets at FVTPL:

- Held for trading ("HFT"): derivative financial instruments;
- Designated as FVTPL: debt securities and equity investments; and
- Financial assets at amortized cost: All other financial assets are classified as loans and receivables.

Financial liabilities at FVTPL:

- HFT: derivative financial instruments; and
- Financial liabilities at amortized cost: all other financial liabilities are classified as other financial liabilities.

**3. Significant accounting policies (continued):**

(ii) Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as "active" if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Fund measures instruments quoted in an active market at last sale or close price, where the close price falls within the day's bid-ask spread. In circumstances where the close price is not within the day's bid-ask spread, the Manager determines the point within bid-ask spread that is most representative of fair value based on specific facts and circumstances. Investments held include equities, listed warrants, options, short-term notes, treasury bills, bonds, asset-backed securities and other debt instruments.

Investments held that are not traded in an active market are valued based on the results of valuation techniques using observable market inputs where possible, on such basis and in such manner established by the Manager. Investments in other pooled funds are valued at the net asset value ("NAV") per unit reported by each pooled fund. See risk disclosures for more information about the Fund's fair value measurements.

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 foreign exchange rate based on the length of the forward contract. The change in fair value on forward contracts is reflected in the statements of comprehensive income as change in unrealized appreciation (depreciation) on derivatives. When the forward contracts are closed out, any gains or losses realized are included in net realized gain (loss) on derivatives.

The fair values of foreign currency denominated investments and other foreign currency denominated assets and liabilities are translated into Canadian dollars at exchange rates prevailing on the reporting date.

The fair value of other financial assets and liabilities approximates their carrying values due to the short-term nature of these instruments.

## 3. Significant accounting policies (continued):

(iii) Offsetting:

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Fund may enter into master netting agreements or similar agreements that do not meet the criteria for offsetting in the statements of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of such contracts.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

(b) Cash and cash equivalents:

Cash and cash equivalents consist of cash on deposit and short-term, interest-bearing notes with a term to maturity of less than three months from the date of purchase.

(c) Investment transactions and income recognition:

The Fund follows the accrual method of recording investment income and expenses. Security transactions are recorded on the trade date.

The interest for distribution purposes shown on the statements of comprehensive income represents the coupon interest received by the Fund accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight-line basis.

Realized gain (loss) on sale of investments and unrealized appreciation (depreciation) in investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds.

**3. Significant accounting policies (continued):**

The Fund generally incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the statements of comprehensive income.

(d) Cost of investments:

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.

(e) Transaction costs:

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 statements of comprehensive income.

(f) Securities lending transactions:

The Fund is permitted to enter into securities lending transactions. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities at a future date. Income is earned from these transactions in the form of fees paid by the counterparty. Income earned from these transactions is recognized on an accrual basis and included in the statements of comprehensive income.

(g) Foreign currency translation:

The fair values of foreign currency denominated investments are translated into Canadian dollars, using the prevailing rate of exchange on each valuation date. Income, expenses and investment transactions in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing on the respective dates of such transactions. Foreign exchange gains and losses are presented as net realized gain (loss) on foreign exchange, except for those arising from financial instruments at FVTPL which are recognized as a component within net realized gain (loss) on sale of investments and change in net unrealized appreciation (depreciation) in the statements of comprehensive income.

## 3. Significant accounting policies (continued):

(h) Income taxes:

The Fund presently qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is not taxed on that portion of its taxable income, which is paid or payable to unitholders at the end of the taxation year. The Fund has elected for a December 15 taxation year end. The Fund pays out sufficient net income and net realized capital gains so that it will not be subject to income taxes. Accordingly, no provision for income taxes has been made in these financial statements.

Capital losses and non-capital losses incurred by the Fund cannot be allocated to unitholders but capital losses may be carried forward indefinitely to reduce future realized capital gains and non-capital losses may be carried forward for 20 taxation years to reduce future net income for tax purposes. As at December 31,2017, the Fund had non-capital losses of nil (2016 - nil) and net capital losses carryforward of $xxx (2016 - $80,145).

Certain dividend and interest income received by the Fund are subject to withholding tax imposed in the country of origin.

(i) Redeemable units:

For each Fund unit sold, the Fund receives an amount equal to the NAV per unit at the date of sale, which amount is included in net assets attributable to holders of redeemable units are redeemable at the option of unitholders at their NAV on the redemption date. For each unit redeemed, net assets attributable to holders of redeemable units are reduced by the NAV of the unit at the date of redemption. The redeemable shares are measured at the present value of the redemption amounts and are considered a residual amount of the net assets attributable to holders of redeemable units.

The capital of the Fund is represented by issued redeemable units with no par value. The units of the Fund are entitled to distributions, if any, and any redemptions are based on the Fund's net assets attributable to holders of redeemable units per unit. The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of the units. The relevant movements are shown on the statements of changes in net assets attributable to holders of redeemable units. The Fund endeavours to invest its subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

## 3. Significant accounting policies (continued):

Redeemable unit transactions during the period were as follows:

| | June 30, 2018 | | December 31, 2017 | |
|---|---|---|---|---|
| | Number of Fund units | Amount | Number of Fund units | Amount |
| Redeemable units issued | 653,112 | $ 10,290,150 | 2,677,808 | $ 43,323,348 |
| Redeemable units redeemed | (315,179) | (4,977,366) | (545,656) | (8,759,529) |
| Redeemable units issued on reinvestments | – | – | 129,426 | 2,056,814 |

The number of issued and outstanding units as at June 30, 2018 is 6,071,257 (December 31, 2017 - 5,733,324).

Net assets attributable to holders of redeemable units is calculated for each unit of the Fund by taking the proportionate share of the Fund's net assets attributable to holders of redeemable units and dividing by the number of units outstanding on the valuation date.

The increase in net assets attributable to holders of redeemable units per unit in the statements of comprehensive income represents the change in net assets attributable to holders of redeemable units divided by the weighted average number of units outstanding during the reporting period. Income, expenses other than management fees, and realized and unrealized capital gains (losses) are distributed in proportion to the amount invested in them.

The weighted average number of units outstanding for the period ended June 30, 2018 is 5,979,992 (June 30, 2017 – 3,902,555).

The Fund's units are classified as a liability under International Accounting Standard ("IAS") 32, Financial Instruments - Presentation as there is a requirement to make cash distributions to unitholders, if requested. The units are measured at the present value of the redemption amount and are considered a residual amount.

**3. Significant accounting policies (continued):**

As at June 30, 2018 and December 31, 2017, there is no difference between net assets attributable to holders of redeemable units and NAV attributable to holders of redeemable units.

(j) Receivable or payable for portfolio securities sold or purchased:

In accordance with the Fund's policy of trade date accounting for regular way sale and purchase transactions, sales/purchase transactions awaiting settlement represent amounts receivable/payable for portfolio securities sold/purchased, but not yet settled as at the reporting date.

(k) Future accounting changes:

The International Accounting Standards Board has issued the following new standards and amendments to existing standards that are not yet effective.

IFRS 9, Financial Instruments ("IFRS 9"):

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments, which addresses classification and measurement, impairment and hedge accounting. The new standard requires assets to be carried at amortized cost, FVTPL or fair value through other comprehensive income based on the entity’s business model for managing financial assets and the contractual cash flow characteristics of the financial asset. The classification and measurement of liabilities remains generally unchanged with the exception of liabilities recorded at FVTPL. For these liabilities, fair value changes attributable to changes in the entity’s own credit risk are to be presented in other comprehensive income unless they affect amounts recorded in income. The new standard is effective for the Fund for its fiscal year beginning January 1, 2018. Based on the Manager’s assessment, this new standard is not expected to have a material impact on the Fund’s financial assets and liabilities.

## 4. Critical accounting estimates and judgments:

In preparing these financial statements, the Manager has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. The most significant accounting judgment and estimate that the Fund has made in preparing the financial statements is determining the fair value measurement of derivatives and investments not quoted in an active market, if any. See note 3 for more information on the fair value measurement of the Fund's financial instruments.

## 5. Net changes from financial instruments at FVTPL:

Net changes in fair value on financial assets and financial liabilities at FVTPL are presented in the statements of comprehensive income and are comprised of the following: net realized gain (loss) on sale of investments, net realized gain (loss) on sale of derivatives, net change in unrealized appreciation (depreciation) of investments and derivatives, interest income for distribution purposes and dividends. Their classifications between HFT and designated at fair value are presented in the following table:

| | Total income | |
|---|---|---|
| | June 30, 2018 | June 30, 2017 |
| Financial assets (liabilities) at FVTPL: | | |
| HFT | $ (18,975) | $ 17,766 |
| Designated at inception | 593,331 | 1,234,152 |
| Total financial assets at FVTPL | $ 574,356 | $ 1,251,918 |

## 6. Brokerage commissions:

Brokerage commissions on portfolio transactions may also include research services provided to the Sub-Advisor. The value of the research services paid to certain brokers for the periods ended June 30, 2018 and June 30, 2017 were nil.

## 7. Securities lending:

The Fund lends portfolio securities from time to time in order to earn additional income. The Fund has entered into a securities lending program with Bank of New York Mellon. The aggregate market value of all securities cannot exceed 50% of the net assets attributable to holders of redeemable units of the Fund. The Fund receives collateral in the form of debt obligations of the Government of Canada and any other Sovereign States and Canadian provincial governments, against the loaned securities. The Fund 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. As at June 30, 2018 certain securities shown in the statements of financial position with a market value of $29,657,407 (December 31, 2017 - $29,631,242) had been loaned as part of the securities lending program. The counterparty has pledged securities with a market value of $31,159,455 (December 31, 2017 - $31,124,353) as collateral for such loans. Under the terms of the program, the Fund may instruct that securities be returned within three days.

The table below shows a reconciliation of the gross amount generated from the securities lending transactions of the Fund to the revenue from the securities lending disclosed in the statements of comprehensive income:

| | June 30, 2018 | | June 30, 2017 | |
|---|---|---|---|---|
| | Amount | % of gross securities lending revenue | Amount | % of gross securities lending revenue |
| Gross securities lending revenue | $ 14,580 | 100.0 | $ 5,503 | 100.0 |
| Withholding taxes | – | – | – | – |
| Agent fees - Bank of New York Mellon Corp. (The) | (5,830) | (40.0) | (2,200) | (40.0) |
| Securities lending revenue | $ 8,750 | 60.0 | $ 3,303 | 60.0 |

## 8. Related party transactions and fund expenses:

The Manager administers and regulates the day-to-day operations of the Fund. In return for the services provided, the Manager receives management fees from the Fund's holders of redeemable units, based on the NAV 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.

**8. Related party transactions and fund expenses (continued):**

The Manager may allocate various operating costs to the Fund. These expenses include a portion of the expenses related to trust accounting, fund accounting and administration functions that are performed by the Manager on behalf of the Fund. These costs are reported in the operating expenses of the Fund reported in the statements of comprehensive income.

The Fund 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. The Manager pays for such expenses on behalf of the Fund, except for certain expenses such as interest and taxes, and is then reimbursed by the Fund.

The Manager at its discretion may agree to waive or absorb certain expenses associated with the Fund. Expenses waived or absorbed by the Manager in the amount of nil (June 30, 2017 - nil) are shown in the statements of comprehensive income. Such absorption or waiver, where applicable, may be terminated by the Manager at any time without notice.

The Independent Review Committee (the "IRC") for the Fund consists of three industry professionals, none of whom have an interest in the Fund Manager or have interest in the Fund outside of their roles as members of the IRC. For the period ended June 30, 2018, the fees paid to the IRC are disclosed in the statements of comprehensive income in the amount of $2,976 (June 30, 2017 - $2,976).

Employees of the Manager may hold interests in the Fund via the company's group retirement plan or through a broker. However, the employees' interests cumulatively represent less than 5% of the Fund's outstanding units.