

Condensed Interim Financial Statements (unaudited)

# **INTEGRA U.S. VALUE GROWTH 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 U.S. VALUE GROWTH FUND

Statements of Financial Position (unaudited)

As at June 30, 2018 and December 31, 2017

	June 30, 2018	December 31, 2017
<b>Assets</b>		
Cash	\$ 2,241,254	\$ 2,999,187
Receivable for securities sold	-	74,940
Subscriptions receivable	13,627	9,869
Accrued dividend receivable	84,057	101,004
Investments, at fair value	83,610,594	77,985,035
Total assets	85,949,532	81,170,035
<b>Liabilities</b>		
Payable for securities purchased	-	54,331
Redemptions payable	91,901	153,891
Accrued expenses	31,040	45,735
Total liabilities	122,941	253,957
Net assets attributable to holders of redeemable units	\$ 85,826,591	\$ 80,916,078
Redeemable units (note 3)	4,844,313	4,868,481
Net assets attributable to holders of redeemable units per unit	\$ 17.72	\$ 16.62

See accompanying notes to financial statements.

# INTEGRA U.S. VALUE GROWTH FUND

Statements of Comprehensive Income (unaudited)

Six months ended June 30

	2018	2017
<b>Income:</b>		
Interest income for distribution purposes	\$ 3,273	\$ 35
Dividends	778,216	1,277,723
Revenue from securities lending (note 7)	2,845	4,622
Other changes in fair value of investments:		
Net realized gain on sale of investments	4,938,232	11,572,317
Net foreign exchange gain (loss) on cash	27,182	(43,170)
Net other gain (loss)	70,096	(274,307)
Net change in unrealized depreciation of investments	(379,405)	(8,991,580)
<b>Total income</b>	<b>5,440,439</b>	<b>3,545,640</b>
<b>Expenses:</b>		
Custodial fees	12,179	22,024
Operating fees	843	10,528
Audit fees	17,356	17,356
Legal fees	-	-
Filing fees	3,472	3,472
Investment performance monitoring fees	-	5,951
Securityholder reporting costs	1,488	1,488
Independent Review Committee fees (note 8)	3,720	3,720
Transaction costs	10,978	19,505
Withholding taxes	82,107	77,224
Harmonized sales tax	4,627	7,938
<b>Total expenses</b>	<b>136,770</b>	<b>169,206</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>\$ 5,303,669</b>	<b>\$ 3,376,434</b>
<b>Increase in net assets attributable to holders of redeemable units per unit</b> <b>(based on the weighted average number of units outstanding during the period)</b>	<b>\$ 1.10</b>	<b>\$ 0.72</b>

See accompanying notes to financial statements.

# INTEGRA U.S. VALUE GROWTH 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	\$	80,916,078	\$	97,872,856
Increase in net assets attributable to holders of redeemable units		5,303,669		3,376,434
Distributions paid or payable to holders of redeemable units:				
From net investment income		-		(342,575)
From net realized capital gains		-		-
Return of capital		-		-
Total distributions to holders of redeemable units		-		(342,575)
Redeemable unit transactions (note 3):				
Issuance of units		2,750,511		3,314,484
Reinvestment of distributions		-		342,575
Redemption of units		(3,143,667)		(29,907,691)
Net decrease from redeemable unit transactions		(393,156)		(26,250,632)
Net increase (decrease) in net assets attributable to holders of redeemable units		4,910,513		(23,216,773)
Net assets attributable to holders of redeemable units, end of period	\$	85,826,591	\$	74,656,083

See accompanying notes to financial statements.

# INTEGRA U.S. VALUE GROWTH 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	\$ 5,303,669	\$ 3,376,434
Change in non-cash operating working capital:		
Net change in unrealized foreign exchange gain on cash	(27,182)	43,170
Net realized gain on sale of investments	(4,938,232)	(11,572,317)
Net change in unrealized appreciation of investments	379,405	8,991,580
Purchase of investments	(12,876,932)	(27,609,426)
Proceeds from the sale of investments	11,830,808	53,350,812
Interest receivable	-	(31)
Accrued dividend receivable	16,947	32,939
Accrued expenses	(14,695)	(40,275)
Cash provided by (used in) operating activities	(326,212)	26,572,886
Cash flows from financing activities:		
Amount received from the issuance of units	2,746,754	3,324,116
Amount paid on redemptions of units	(3,205,657)	(29,938,749)
Cash used in financing activities	(458,903)	(26,614,633)
Decrease in cash	(785,115)	(41,747)
Net change in unrealized foreign exchange gain on cash	27,182	(43,170)
Cash, beginning of period	2,999,187	2,220,032
Cash, end of period	\$ 2,241,254	\$ 2,135,115
Supplemental information:		
Interest received	\$ 2,830	\$ 4
Dividends received, net of withholding taxes	713,499	1,233,438

See accompanying notes to financial statements.

# INTEGRA U.S. VALUE GROWTH FUND

Schedule of Investments (unaudited)

June 30, 2018

	Number of Shares	Average Cost \$	Fair Value \$
<b>COMMON SHARES — 97.42%</b>			
<b>United States Equities — 88.48%</b>			
<b>Consumer Discretionary — 13.29%</b>			
Advance Auto Parts Inc.	2,599	429,724	463,939
AutoZone Inc.	995	302,703	878,162
BorgWarner Inc.	5,574	346,265	316,463
Bright Horizons Family Solutions Inc.	2,188	222,256	295,073
Carter's Inc.	3,590	427,926	511,868
Comcast Corp., Class 'A'	25,282	1,160,761	1,091,169
Dollar General Corp.	11,190	1,127,887	1,451,381
Dollar Tree Inc.	6,390	217,196	714,487
Hanesbrands Inc.	10,123	346,493	293,225
LKQ Corp.	9,573	318,660	401,710
Lowe's Cos. Inc.	11,325	1,134,421	1,423,751
Marriott International Inc., Class 'A'	3,671	164,352	611,353
Mohawk Industries Inc.	1,545	138,045	435,476
O'Reilly Automotive Inc.	1,156	361,979	416,007
Ross Stores Inc.	7,317	263,832	815,731
Tractor Supply Co.	3,251	157,229	327,112
Twenty-First Century Fox Inc., Class 'A'	4,512	166,755	294,926
Ulta Beauty Inc.	865	172,991	265,646
Whirlpool Corp.	2,083	295,203	400,682
		<b>7,754,678</b>	<b>11,408,161</b>
<b>Consumer Staples — 5.77%</b>			
Altria Group Inc.	12,025	632,633	898,320
Brown-Forman Corp., Class 'B'	5,027	110,692	324,092
Church & Dwight Co. Inc.	7,193	167,336	503,001
CVS Health Corp.	12,081	1,286,150	1,022,647
Monster Beverage Corp.	12,236	184,870	922,292
Philip Morris International Inc.	8,579	738,099	911,171
Sprouts Farmers Markets Inc.	12,687	373,603	368,329
		<b>3,493,383</b>	<b>4,949,852</b>
<b>Energy — 8.02%</b>			
Chevron Corp.	6,841	957,139	1,137,743
Cimarex Energy Co.	2,775	374,468	371,389
Concho Resources Inc.	2,540	272,666	462,261
ConocoPhillips	15,803	930,900	1,447,265
Occidental Petroleum Corp.	12,781	1,108,435	1,406,892
Phillips 66	9,849	915,388	1,455,073
Schlumberger Ltd.	6,831	605,987	602,321
		<b>5,164,983</b>	<b>6,882,944</b>
<b>Financials — 11.76%</b>			
American Express Co.	8,156	631,530	1,051,424
American International Group Inc.	14,715	1,040,540	1,026,300
Ameriprise Financial Inc.	3,003	203,191	552,568
Bank of America Corp.	23,818	476,520	883,232
Bank of New York Mellon Corp. (The)	6,056	406,955	429,626
Citigroup Inc.	10,041	538,504	883,908
Intercontinental Exchange Inc.	5,778	159,849	559,029
JPMorgan Chase & Co.	9,674	611,503	1,326,014
TD Ameritrade Holding Corp.	6,823	249,115	491,578
Wells Fargo & Co.	19,926	957,941	1,453,174
Western Alliance Bancorp	5,605	422,743	417,391
Worldpay Inc.	9,498	265,468	1,021,771
		<b>5,963,859</b>	<b>10,096,015</b>
<b>Health Care — 11.61%</b>			
Anthem Inc.	3,574	548,307	1,119,079
Cardinal Health Inc.	8,457	832,020	543,222

Centene Corp.	1,761	248,255	285,417
Cooper Cos. Inc. (The)	1,074	339,666	332,642
Edwards Lifesciences Corp.	3,040	368,276	582,130
Exact Sciences Corp.	5,840	393,064	459,320
Express Scripts Holding Co.	7,374	699,361	748,947
HCA Healthcare Inc.	3,164	252,826	427,030
HealthSouth Corp.	8,961	280,050	798,266
Humana Inc.	1,360	118,621	532,464
Johnson & Johnson	5,236	486,932	835,753
Ligand Pharmaceuticals Inc., Class 'B'	1,119	167,406	304,952
Merck & Co. Inc.	6,219	338,712	496,573
Pfizer Inc.	24,112	697,494	1,150,734
PRA Health Sciences Inc.	4,258	440,721	522,927
Teleflex Inc.	1,106	308,527	390,215
Universal Health Services Inc., Class 'B'	2,954	305,152	433,038
		<b>6,825,390</b>	<b>9,962,709</b>
<b>Industrials — 8.85%</b>			
Ametek Inc.	5,481	169,017	520,272
General Dynamics Corp.	2,641	349,848	647,608
General Electric Co.	50,012	1,286,323	895,379
HD Supply Holdings Inc.	8,769	345,953	494,744
Hexcel Corp.	5,129	349,035	447,862
Hubbell Inc.	2,280	303,373	317,138
Kansas City Southern Industries Inc.	2,911	235,142	405,750
Masco Corp.	6,810	340,563	335,216
Parker Hannifin Corp.	1,872	369,403	383,784
Rexnord Corp.	11,383	339,983	435,138
Roper Technologies Inc.	1,891	197,004	686,331
Stanley Black & Decker Inc.	1,897	362,123	331,415
TransUnion	6,310	354,699	594,647
United Technologies Corp.	6,705	917,302	1,102,776
		<b>5,919,768</b>	<b>7,598,060</b>
<b>Information Technology — 21.21%</b>			
Alliance Data Systems Corp.	2,793	311,476	856,789
Amphenol Corp., Class 'A'	4,499	156,954	515,772
ANSYS Inc.	2,589	146,253	593,205
Autodesk Inc.	3,658	500,379	630,794
Broadcom Inc.	1,243	415,941	396,742
Citrix Systems Inc.	1,996	149,777	275,272
Cognizant Technology Solutions Corp., Class 'A'	11,593	392,611	1,204,598
EPAM Systems Inc.	5,611	230,423	917,679
Euronet Worldwide Inc.	6,470	681,302	712,963
Fidelity National Information Services Inc.	5,630	371,091	785,256
Fiserv Inc.	15,635	314,432	1,523,814
FleetCor Technologies Inc.	1,817	372,930	503,490
Global Payments Inc.	5,154	389,722	755,883
Microchip Technology Inc.	7,366	289,944	881,270
Microsoft Corp.	10,520	477,489	1,364,618
MSCI Inc., Class 'A'	1,656	183,596	360,370
Oracle Corp.	20,977	1,047,152	1,215,800
PTC Inc.	7,620	438,107	940,326
QUALCOMM Inc.	12,985	1,074,058	958,592
Red Hat Inc.	3,022	376,875	534,160
Skyworks Solutions Inc.	4,524	155,727	575,173
Texas Instruments Inc.	6,304	325,176	914,259
WEX Inc.	2,262	178,851	566,782
Xilinx Inc.	2,552	226,641	219,080
		<b>9,206,907</b>	<b>18,202,687</b>
<b>Materials — 4.98%</b>			
Air Products and Chemicals Inc.	6,620	1,247,049	1,356,140
Ashland Global Holdings Inc.	2,942	217,265	302,561
Berry Global Group Inc.	7,811	167,571	472,033
Crown Holdings Inc.	4,307	173,197	253,594
DowDuPont Inc.	13,462	1,073,300	1,167,350
FMC Corp.	5,024	288,165	589,573
Valvoline Inc.	4,493	119,047	127,485
		<b>3,285,594</b>	<b>4,268,736</b>

<b>Real Estate — 2.04%</b>			
Equinix Inc.	1,137	169,456	642,972
Jones Lang LaSalle Inc.	1,811	219,009	395,435
SBA Communications Corp.	3,281	193,744	712,656
		<b>582,209</b>	<b>1,751,063</b>
<b>Telecommunication Services — 0.37%</b>			
Verizon Communications Inc.	4,824	<b>244,829</b>	<b>319,254</b>
<b>Utilities — 0.58%</b>			
Exelon Corp.	8,919	<b>426,973</b>	<b>499,804</b>
<b>Total United States Equities — 88.48%</b>			
		<b>48,868,573</b>	<b>75,939,285</b>
<b>International Equities — 8.94%</b>			
<b>Bermuda — 0.82%</b>			
XL Group Ltd.	9,558	<b>453,689</b>	<b>703,463</b>
<b>France — 0.63%</b>			
Sanofi SA, ADR	10,334	<b>502,307</b>	<b>543,890</b>
<b>Ireland — 4.01%</b>			
Alkermes PLC	4,351	213,779	235,580
Jazz Pharmaceuticals PLC	2,206	452,492	499,994
Johnson Controls International PLC	25,994	1,485,085	1,143,783
Medtronic PLC	12,048	801,133	1,356,794
Pentair PLC	3,757	298,440	207,966
		<b>3,250,929</b>	<b>3,444,117</b>
<b>Switzerland — 0.62%</b>			
TE Connectivity Ltd.	4,449	<b>322,013</b>	<b>527,071</b>
<b>United Kingdom — 2.86%</b>			
Aptiv PLC	4,567	416,145	550,482
BP PLC, ADR	25,666	1,175,784	1,541,588
IHS Markit Ltd.	5,315	224,035	360,698
		<b>1,815,964</b>	<b>2,452,768</b>
<b>Total International Equities — 8.94%</b>			
		<b>6,344,902</b>	<b>7,671,309</b>
<b>TOTAL EQUITIES — 97.42%</b>			
		<b>55,213,475</b>	<b>83,610,594</b>
<b>TRANSACTION COSTS</b>			
		<b>(22,100)</b>	
<b>TOTAL INVESTMENT PORTFOLIO — 97.42%</b>			
		<b>55,191,375</b>	<b>83,610,594</b>
<b>OTHER ASSETS, NET OF LIABILITIES — 2.58%</b>			
			<b>2,215,997</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS — 100.00%</b>			
			<b>85,826,591</b>

See accompanying notes to financial statements.

# INTEGRA U.S. VALUE GROWTH FUND

Risk Disclosures (unaudited)

June 30, 2018

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## 1. Financial instruments risk:

Investment activities of the Integra U.S. Value Growth 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's objective is to achieve long-term investment returns through a portfolio of U.S. equities, which are sufficiently diversified to minimize investment risk. To achieve this objective, the Fund invests in equities of medium to large capitalized companies based in the United States. The Fund invests primarily in American companies 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.

The Fund combines the expertise of two sub-advisory firms, a "bottom-up value" manager and a "bottom-up growth" manager. Integra Capital Limited (the "Trustee" and Manager") has retained the services of Barrow, Hanley, Mewhinney & Strauss ("Barrow") and Atlantic Trust Company NA ("Atlantic"), (the "Sub-Advisors"), as described below.

Each portfolio manager is authorized to keep a percentage of the assets it manages in cash or cash equivalents as an ongoing strategy. In addition, the Fund may invest in American Depository Receipts trading on recognized U.S. stock exchanges.

Barrow's expertise is in managing equity portfolios through a value-oriented research intensive process of individual stock selection. The team selects stocks based on the belief that the equity markets are inefficient and that short-term earnings disappointments or changes in market perception create opportunities to invest in high quality or improving companies at attractive prices.

Atlantic is a "bottom-up growth" portfolio manager that uses fundamental research to identify U.S. mid-cap growth companies with strong market positions, track records of consistent growth and free cash flow returns on a dollar of capital investment.

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 to achieve the Fund's investment objectives and to enhance the Fund's returns.

# INTEGRA U.S. VALUE GROWTH FUND

Risk Disclosures (unaudited) (continued)

June 30, 2018

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## 2. Risk management (continued):

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:

### (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.

As at June 30, 2018 and December 31, 2017, the Fund had no significant investments in debt instruments and/or derivatives.

### (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.

# INTEGRA U.S. VALUE GROWTH FUND

Risk Disclosures (unaudited) (continued)

June 30, 2018

## 2. Risk management (continued):

### (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*	Foreign exchange contracts	Net exposure	% of net assets
U.S. dollar	\$ 85,921,949	\$ –	\$ 95,921,949	100.11

\* Amounts reflect the carrying value of monetary and non-monetary items.

December 31, 2017	Currency risk-exposed holdings*	Foreign exchange contracts	Net exposure	% of net assets
U.S. dollar	\$ 81,091,879	\$ –	\$ 81,091,879	100.22

\* Amounts reflect the carrying value of monetary and non-monetary items.

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 \$4,296,097 (December 31, 2017 - \$ 4,054,594). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

# INTEGRA U.S. VALUE GROWTH FUND

Risk Disclosures (unaudited) (continued)

June 30, 2018

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## 2. Risk management (continued):

### (d) Derivatives:

The Fund may utilize 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.

As at June 30, 2018 and December 31, 2017, the Fund did not hold any foreign exchange forward contracts.

### (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 majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

# INTEGRA U.S. VALUE GROWTH FUND

Risk Disclosures (unaudited) (continued)

June 30, 2018

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## 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 (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-Advisors moderate 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 (Russell 1000 Index), with all other variables held constant, would have been \$3,965,189 (December 31, 2017 - \$3,915,529). This calculation is based on the ex-ante tracking error of the Fund, over the past 36 months. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

# INTEGRA U.S. VALUE GROWTH FUND

Risk Disclosures (unaudited) (continued)

June 30, 2018

## 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
<b>Common shares</b>		
United States Equities:		
Consumer Discretionary	13.29	13.53
Consumer Staples	5.77	6.77
Energy	8.02	6.01
Financials	11.76	9.83
Health Care	11.61	10.47
Industrials	8.85	9.48
Information Technology	21.21	21.44
Materials	4.98	5.19
Real Estate	2.04	2.29
Telecommunication Services	0.37	0.99
Utilities	0.58	—
<b>Total United States Equities</b>	<b>88.48</b>	<b>86.00</b>
International Equities:		
Bermuda	0.82	0.70
France	0.63	0.61
Ireland	4.01	3.72
Israel	—	0.60
Netherlands	—	1.13
Singapore	—	0.44
Switzerland	0.62	0.73
United Kingdom	2.86	2.45
<b>Total International Equities</b>	<b>8.94</b>	<b>10.38</b>
<b>Total investment portfolio</b>	<b>97.42</b>	<b>96.38</b>
<b>Other assets, net of liabilities</b>	<b>2.58</b>	<b>3.62</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>100.00</b>	<b>100.00</b>

# INTEGRA U.S. VALUE GROWTH FUND

Risk Disclosures (unaudited) (continued)

June 30, 2018

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### 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 ("NAV") 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:				
Equities	\$ 83,610,594	\$ –	\$ –	\$ 83,610,594

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# INTEGRA U.S. VALUE GROWTH FUND

Risk Disclosures (unaudited) (continued)

June 30, 2018

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## 4. Fair value measurements (continued):

December 31, 2017	Level 1	Level 2	Level 3	Total
Financial assets:				
Equities	\$ 77,985,035	\$ –	\$ –	\$ 77,985,035

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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.

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable.

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.

# INTEGRA U.S. VALUE GROWTH FUND

Notes to Financial Statements (unaudited)

June 30, 2018

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## 1. Establishment of the Fund:

The Integra U.S. Value Growth 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 Suite 200, 2020 Winston Park Drive, Oakville, Ontario. The Fund was established on July 2, 1998 and commenced operations on September 15, 1998.

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 dollar, which is the Fund's functional currency.

# INTEGRA U.S. VALUE GROWTH FUND

Notes to Financial Statements (unaudited) (continued)

June 30, 2018

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### 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.

##### (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.

# INTEGRA U.S. VALUE GROWTH FUND

Notes to Financial Statements (unaudited) (continued)

June 30, 2018

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

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 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 values of other financial assets and liabilities approximate their carrying values due to the short-term nature of these instruments.

# INTEGRA U.S. VALUE GROWTH FUND

Notes to Financial Statements (unaudited) (continued)

June 30, 2018

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### 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.

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. Dividends are accrued as of the ex-dividend date. Stock dividends are recorded in income based on the fair value of the security on the ex-dividend 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.

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.

# INTEGRA U.S. VALUE GROWTH FUND

Notes to Financial Statements (unaudited) (continued)

June 30, 2018

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## 3. Significant accounting policies (continued):

### (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 re-deliver 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.

# INTEGRA U.S. VALUE GROWTH FUND

Notes to Financial Statements (unaudited) (continued)

June 30, 2018

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### 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 Funds 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 nil (2016 - nil).

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. 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.

# INTEGRA U.S. VALUE GROWTH FUND

Notes to Financial Statements (unaudited) (continued)

June 30, 2018

### 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	160,043	\$ 2,750,511	427,399	\$ 6,874,662
Redeemable units redeemed	(184,211)	(3,143,667)	(2,009,675)	(31,662,784)
Redeemable units issued on reinvestments	–	–	205,358	3,214,421

The number of issued and outstanding units as at June 30, 2018 is 4,844,313 (December 31, 2017 - 4,868,481)

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 4,842,753 (June 30, 2017 – 4,666,200).

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.

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.

# INTEGRA U.S. VALUE GROWTH FUND

Notes to Financial Statements (unaudited) (continued)

June 30, 2018

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

- (j) Receivable or payable for 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 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 standard and amendment to existing standards that are not yet effective. The Fund has not yet begun the process of assessing the impact the new and amended standards will have on its financial statements or whether to early adopt any of the new standards.

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.

# INTEGRA U.S. VALUE GROWTH FUND

Notes to Financial Statements (unaudited) (continued)

June 30, 2018

## 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 on sale of investments, net change in unrealized depreciation of investments, 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 at FVTPL:		
Designated at inception	\$ 5,340,316	\$ 3,858,495

## 6. Brokerage commissions:

Brokerage commissions on portfolio transactions may also include research services provided to the Sub-Advisors.

The value of the research services paid to certain brokers for the periods ended June 30, 2018 and June 30, 2017 was 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 \$6,401,743 (December 31, 2018 - \$6,812,129) had been loaned as part of the securities lending program. The counterparty has pledged securities with a market value of \$ 6,799,097 (December 31, 2017 - \$7,163,266) as collateral for such loans. Under the terms of the program, the Fund may instruct that securities be returned within three days.

# INTEGRA U.S. VALUE GROWTH FUND

Notes to Financial Statements (unaudited) (continued)

June 30, 2018

## 7. Securities lending (continued):

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	\$ 4,542	100.0	\$ 7,088	100.0
Withholding taxes	(13)	(0.3)	(11)	(0.2)
Agent fees - Bank of New York Mellon Corp. (The)	(1,684)	(37.1)	(2,455)	(34.6)
<b>Securities lending revenue</b>	<b>\$ 2,845</b>	<b>62.6</b>	<b>\$ 4,622</b>	<b>65.2</b>

## 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.

Integra Capital Limited 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, 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.

# INTEGRA U.S. VALUE GROWTH FUND

Notes to Financial Statements (unaudited) (continued)

June 30, 2018

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## **8. Related party transactions and fund expenses:**

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 an interest in the Fund outside of their roles as members of the IRC. The fees paid to the IRC are disclosed in the statements of comprehensive income in the amount of \$3,720 (June 30, 2017 - \$3,720).

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.