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Annual Management Report of Fund Performance

for the period ended December 31, 2011

Balanced 60/40 Fund

Class O Units, Class I Units, Class P Units, Class F Units, Class R Units, Class S Units

Managed by: SEI INVESTMENTS CANADA COMPANY

This annual Management Report of Fund Performance contains financial highlights, but does not contain the complete audited annual financial statements of the Fund. You may view the semi-annual (unaudited) and annual Financial Statements, as well as the annual and semi-annual Management Report of Fund Performance on our website www.seic.com, or through SEDAR at www.sedar.com.

You may also request to receive a copy of these reports, SEI Funds' proxy voting policies and procedures, or quarterly portfolio disclosure at no cost by contacting us through any of the following methods:

Call us toll free at:	1-866-SEI-1114
Visit our website:	www.seic.com
Write to us at:	SEI, 70 York Street, Suite 1600, Toronto, Ontario M5J 1S9

The proxy voting record of the SEI Funds for the period ending June 30, 2012 will be available on our website any time after August 31, 2012.

A caution regarding forward-looking statements:

This document may contain forward-looking statements about the Fund, including its strategy, performance and condition. Forward looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", or negative versions thereof, or future or conditional verbs such as "will", "may", "could", "should" and "would", and similar expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future fund action, is also a forward-looking statement.
By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. Forward-looking statements are not guarantees of future performance. There is significant risk that forward-looking statements will not prove to be accurate. We caution readers of this document to not place undue reliance on our forward-looking statements, as a number of factors could cause actual future results, conditions and actions or events to differ materially from those expressed or implied in any forward-looking statements. Factors may include, but are not limited to, general economic, political, market and business conditions; fluctuations in interest rates and foreign exchange rates; regulatory developments; and actions by governmental authorities. We caution that the foregoing list of factors is not exhaustive. Before making an investment decision, we encourage investors to consider these and other factors carefully. Future events and their effects on the Fund may not be those anticipated by us. Actual results may differ materially from the results anticipated in these forward-looking statements. We do not undertake, and specifically disclaim, any obligations to update or revise any forward-looking information, whether as a result of new information, future developments, or otherwise.

Balanced 60/40 Fund

Management Report of Fund Performance

INVESTMENT OBJECTIVE AND STRATEGIES

The objective of the Balanced 60/40 Fund (the "Fund") is to provide long-term growth of capital and income primarily through investment in a diversified portfolio of equity and fixed income securities with a slight bias to equity. The Fund generally has a mix of 40% fixed income securities and 60% equity securities.

The Fund seeks to accomplish its objective through a fund-of-funds structure that invests in other SEI Funds (the "Underlying Funds"). The Underlying Funds invest using a Manager of Managers investment strategy that involves appointing multiple specialist Portfolio Managers. Each Portfolio Manager manages a portion of the Underlying Funds in accordance with a specific mandate that is based on its expertise. Portfolio Managers are selected using in-depth research and once appointed, are subject to a rigorous monitoring process.

The Underlying Funds and the current target percentages of the Fund invested in each of them are set out below. Both the Underlying Funds and their respective weightings may be changed by SEI from time to time at its sole discretion. The percentage weightings of the Underlying Funds may also change due to market conditions or relative performance.

Canadian Equity	
Canadian Equity Fund	23%
Canadian Small Company Equity Fund	2%
Foreign Equity	
U.S. Large Company Equity Fund	14%
EAFE Equity Fund	14%
U.S. Small Company Equity Fund	3%
Emerging Markets Equity Fund	4%
Fixed Income	
Canadian Fixed Income Fund	30%
Real Return Bond Fund	6%
U.S. High Yield Bond Fund	4%

RESULTS OF OPERATIONS

(This performance commentary is based on Class O units of the Fund. Returns for other classes of units may vary, largely due to differences in fees and expenses. Please refer to the Past Performance section for class level performance details.)

The Balanced 60/40 Fund lost -1.36% in 2011, underperforming its composite index benchmark by -1.70%. The Balanced 60/40 Fund Composite Index is a blended benchmark consisting of the representative broad based indexes of the Underlying Funds within the Balanced 60/40 Fund. A discussion of the performance of the key Underlying Funds and their broad based Indexes is provided below.

Canadian Fixed Income results for 2011 were surprisingly strong. By December 31st, 2011 the DEX Universe Index had generated a 9.7% annual gain. In general, this helped push bond prices higher. Additionally, the waning outlook for global economic growth diffused concern of inflation eroding the value of longer-term debt, at least for the short term. Coupled with additional long bond purchases in the U.S. through the Fed's 'Operation Twist' program, longer term bonds performed significantly better than mid-term and shorter term sectors of the market. Currently investment grade corporate bond spreads in Canada are at their second highest levels since 1980 after peak levels were marked during the 2008 credit crisis. Long-term Federal government bond yields have breached their lowest levels within our data sets dated back to 1945. The Canadian Fixed Income Fund remains underweight duration and overweight corporate credit and continues to generate a higher yield relative to the DEX Universe Index. Canadian Real Return Bond (RRB) investors enjoyed some of the strongest returns offered from the Canadian bond market in 2011. The dual nature of RRB's being both longer-term bonds and holders of an option on inflation propelled the asset class to a top performer as evidenced by a gain of 18.4% in the DEX Real Return Bond Index for the year ending 2011. SEI's Real Return Bond Fund underperformed its Index by 0.2% during the year with performance largely being driven by the remarkable decline in longer-term bond yields over the course of the year. Exposure to Teranet Holdings LP, the only non-government RRB held in the Real Return Bond Fund, had a slightly negative impact to relative performance, as the security's performance lagged

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Management Report of Fund Performance

the DEX Real Return Bond Index during the year. U.S. High-yield bonds produced positive returns for the third consecutive year, with the Merrill Lynch U.S. High Yield Master II Constrained Index returning 6.95% for 2011, and the U.S. High Yield Bond Fund returning 7.63%. CCC-rated securities producing the lowest return at -1.41%, and BB-rated securities produced the highest return at 6.20%. B-rated securities returned 4.60%. High-yield spreads widened 184 basis points during the year on a combination of rising U.S. Treasury yields and downward price pressure for high-yield bonds. The high-yield market remains well-positioned due to strong fundamentals and low default rates.

Last year's persistent globally derived political and macroeconomic uncertainty created a difficult investment landscape for Canadian equity investors. Defensive stocks were clear winners when viewed on a full year horizon. For the year, the Canadian Equity Fund lost 13.6%, underperforming the S&P/TSX Composite Index by 4.8%. The Canadian Equity Fund generated negative stock and sector selection during the year. In terms of stock selection, the largest impact was generated by the Energy sector losing 2.1%. Sector allocation accounted for an underperformance of 140 basis points. Relative to the benchmark, the Canadian Equity Fund increased its exposure during the year to Consumer Staples, Energy, Information Technology and Industrials stocks. Further to this, the Canadian Equity Fund decreased its exposure to Financials (primarily Banks and Insurance companies) and Materials, while increasing its holdings of non-Canadian stocks by 2.4% to 3.4%.

The U.S. large-cap equity market, as measured by the Russell 1000 Index, gained 3.70% in a year characterized by substantial intra-period volatility. The U.S. Large Company Equity Fund underperformed the Russell 1000 Index for the year, primarily the result of individual stock selection. Selection within Health Care was the main contributor to performance. Stock picking within Consumer Discretionary and an underweight to Consumer Staples detracted as investors sought the relative safety of the defensive sector.

The theme of uncertainty continued to prevail throughout 2011, with the eurozone sovereign debt saga remaining the primary focus of investors worldwide. For the year ended December 31, 2011, the EAFE Equity Fund returned-10.74% underperforming the MSCI EAFE Index which returned -9.97%. Performance was hurt by regional/country allocation. An overweight to Canada caused a significant drag on performance, as did an overweight to Europe, the Middle East, Africa and Latin America. Conversely, the underweight to Japan and Pacific ex-Japan had a positive effect. An underweight to Telecom and an underweight to Utilities helped, but were offset by the negative impact from an underweight to Consumer Staples and an overweight to Materials. Strong performance in Telecom and Consumer Discretionary was negated by weakness in Energy and Materials.

RECENT DEVELOPMENTS

The Canadian Equity Fund terminated the services of Jarislowsky Fraser Ltd. in August. The incumbent was replaced by the firm Hexavest Inc. and Hillsdale Investment Management Inc. was also added. The U.S. Large Company Equity Fund removed Legg Mason Core, Legg Mason Growth, Quantitative Management Associates, and Neuberger Berman from the Fund. Core managers Waddell & Reed and AQR Capital Management were both added to the U.S. Large Company Equity Fund. For the U.S. Small Company Equity Fund, Century Capital Management, LLC and William Blair & Company, LLC were added. The EAFE Equity Fund added del Rey Global Investors. Delaware Investments was added to the Emerging Markets Equity Fund during the year.

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")
The Canadian Accounting Standards Board ("CASB") previously confirmed January 1, 2011 as the date IFRS would replace Canadian Generally Accepted Accounting Principles (GAAP) for publicly accountable enterprises, which include investment funds and other reporting issuers.

In December 2011, the CASB amended the requirement to prepare financial statements in accordance with IFRS as issued by the International Accounting Standards Board, permitting investment funds to defer adoption of IFRS to fiscal years beginning on or after January 1, 2014. The Fund has elected to defer adoption of IFRS to January 1, 2014.

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In preparing to meet the requirements, the Manager has taken the following steps in managing the transition to IFRS:

- Established a working group to identify key differences between Canadian GAAP and IFRS and to coordinate the implementation of the transition plan,
- Identified areas where changes in disclosure will be required under IFRS standards,
- Evaluated current information technology & reporting systems for readiness in IFRS implementation,
- Assessed the likely impacts on business activity and operational areas such as internal controls, staffing and training requirements.

The major changes identified for IFRS financial statements include the addition of a statement of cash flows and the classification of unitholders' equity (puttable instruments) as a liability within the statement of net assets, unless certain conditions are met.

Based on the current evaluation of the differences between Canadian GAAP and IFRS, the adoption of IFRS is expected to have no significant impact on the calculation of net assets or net asset value. IFRS is expected to affect the overall presentation of financial statements and result in additional disclosure in the accompanying notes. However, the Manager's assessment may change if new standards are issued or if the interpretations of current standards are revised.

RISK

The risks of investing in the Fund remain as discussed in the Prospectus. The Fund may be suitable for investors who have a low to medium tolerance for risk.

RELATED PARTY TRANSACTIONS

Where certain of the Fund's expenses are incurred by the Manager on the Fund's behalf, they are reimbursed to the Manager at the cost of the expenses incurred. Reimbursement is done in compliance with the Manager's methodology for which the Independent Review Committee for the Fund has provided its recommendation to the Fund of a fair and reasonable result for the Fund, and which operates as a standing instruction for compliance by the Manager. The reimbursement of such amounts was made in 2011 on such basis.

Balanced 60/40 Fund

Financial Highlights — FOR THE YEARS ENDED DECEMBER 31

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years.

Class O

THE FUND'S NET ASSETS PER UNIT [a]	2011	2010	2009	2008	2007
NET ASSETS, BEGINNING OF YEAR	**$6.23**	$5.75	$5.03	$6.41	$6.88
INCREASE (DECREASE) FROM OPERATIONS:					
Total revenue	**$0.29**	$0.20	$0.17	$0.24	$0.18
Total expenses	**-$0.01**	-$0.01	-$0.01	-$0.01	-$0.01
Realized gains (losses) for the year	**$0.07**	$0.02	-$0.25	—	$0.51
Unrealized gains (losses) for the year	**-$0.43**	$0.43	$1.04	-$0.67	-$0.42
Total increase (decrease) from operations [b]	**-$0.08**	$0.64	$0.95	-$0.44	$0.26
DISTRIBUTIONS:					
From income (excluding dividends)	**-$0.14**	-$0.13	-$0.13	-$0.17	-$0.18
From dividends	**-$0.04**	-$0.04	-$0.04	-$0.03	-$0.02
From capital gains	**-$0.04**	—	—	-$0.01	-$0.41
Total annual distributions [c]	**-$0.22**	-$0.17	-$0.17	-$0.21	-$0.61
NET ASSETS, END OF YEAR	**$5.92**	$6.23	$5.75	$5.03	$6.41
RATIOS AND SUPPLEMENTAL DATA					
Net asset value ($000's)*	**$28,893**	$43,833	$39,024	$41,778	$315,154
Number of units outstanding*	**4,877,849**	7,036,952	6,787,555	8,302,718	49,129,969
Management expense ratio [d]	**0.27%**	0.25%	0.21%	0.27%	0.21%
Management expense ratio before waivers	**0.30%**	0.29%	0.21%	0.27%	0.21%
Portfolio turnover rate [e]	**14%**	7%	24%	20%	22%
Trading expense ratio [f]	**0.11%**	0.13%	0.13%	0.10%	—
Net asset Value per unit	**$5.92**	$6.23	$5.75	$5.03	$6.41

Class I

THE FUND'S NET ASSETS PER UNIT [a]	2011	2010	2009	2008	2007
NET ASSETS, BEGINNING OF YEAR	**$6.45**	$5.94	$5.16	$6.54	$6.90
INCREASE (DECREASE) FROM OPERATIONS:					
Total revenue	**$0.34**	$0.21	$0.17	$0.24	$0.14
Total expenses	**-$0.03**	-$0.03	-$0.03	-$0.04	-$0.03
Realized gains (losses) for the year	**$0.07**	$0.02	-$0.25	—	$0.51
Unrealized gains (losses) for the year	**-$0.50**	$0.44	$0.88	-$1.00	-$0.57
Total increase (decrease) from operations [b]	**-$0.12**	$0.64	$0.77	-$0.80	$0.05
DISTRIBUTIONS:					
From income (excluding dividends)	**-$0.08**	-$0.08	-$0.06	-$0.11	-$0.04
From dividends	**-$0.02**	-$0.03	-$0.02	-$0.02	-$0.01
From capital gains	**-$0.06**	—	—	-$0.01	-$0.41
Total annual distributions [c]	**-$0.16**	-$0.11	-$0.08	-$0.14	-$0.46
NET ASSETS, END OF YEAR	**$6.15**	$6.45	$5.94	$5.16	$6.54
RATIOS AND SUPPLEMENTAL DATA					
Net asset value ($000's)*	**$4,940**	$4,963	$4,267	$6,939	$18,414
Number of units outstanding*	**803,159**	769,133	718,109	1,345,111	2,813,978
Management expense ratio [d]	**1.06%**	1.02%	0.95%	1.01%	0.94%
Management expense ratio before waivers	**1.10%**	1.05%	0.95%	1.01%	0.94%
Portfolio turnover rate [e]	**14%**	7%	24%	20%	22%
Trading expense ratio [f]	**0.11%**	0.13%	0.13%	0.10%	—
Net asset Value per unit	**$6.15**	$6.45	$5.94	$5.16	$6.54

Note: This table is not intended to act as a continuity of opening and closing Net assets per unit.

[a] This information is derived from the Fund's audited annual financial statements. The Net assets per unit presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the Fund's financial statements.

[b] Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the year.

[c] Distributions were paid in cash/reinvested in additional units of the Fund, or both.

[d] Management expense ratio is the ratio of all fees and expenses (including Goods and Services Tax (GST) up to June 30, 2010 and Harmonized Sales Tax (HST) thereafter) and interest expense but excluding brokerage commission on securities transactions charged to the Fund to daily average net asset value on an annualized basis.

[e] The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

[f] The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the daily average net asset value during the year. No brokerage commissions were directly incurred by the Fund of Funds.

* This information is provided as at December 31.

Balanced 60/40 Fund

Financial Highlights — FOR THE YEARS ENDED DECEMBER 31

Class P

THE FUND'S NET ASSETS PER UNIT [a]	2011	2010	2009	2008	2007
NET ASSETS, BEGINNING OF YEAR	**$6.31**	$5.83	$5.11	$6.52	$6.99
INCREASE (DECREASE) FROM OPERATIONS:					
Total revenue	**$0.32**	$0.20	$0.18	$0.23	$0.21
Total expenses	**-$0.15**	-$0.14	-$0.12	-$0.14	-$0.16
Realized gains (losses) for the year	**$0.07**	$0.02	-$0.25	—	$0.51
Unrealized gains (losses) for the year	**-$0.47**	$0.42	$0.97	-$1.46	-$0.59
Total increase (decrease) from operations [b]	**-$0.23**	$0.50	$0.78	-$1.37	-$0.03
DISTRIBUTIONS:					
From income (excluding dividends)	**-$0.02**	-$0.02	-$0.03	-$0.06	-$0.04
From dividends	**-$0.01**	-$0.01	-$0.02	-$0.03	-$0.02
From capital gains	**-$0.05**	—	—	-$0.01	-$0.41
Total annual distributions [c]	**-$0.08**	-$0.03	-$0.05	-$0.10	-$0.47
NET ASSETS, END OF YEAR	**$6.00**	$6.31	$5.83	$5.11	$6.52
RATIOS AND SUPPLEMENTAL DATA					
Net asset value ($000's)*	**$208,703**	$226,807	$229,683	$202,127	$231,147
Number of units outstanding*	**34,768,271**	35,930,913	39,368,505	39,532,976	35,474,029
Management expense ratio [d]	**2.57%**	2.51%	2.41%	2.47%	2.42%
Management expense ratio before waivers	**2.61%**	2.54%	2.41%	2.47%	2.42%
Portfolio turnover rate [e]	**14%**	7%	24%	20%	22%
Trading expense ratio [f]	**0.11%**	0.13%	0.13%	0.10%	—
Net asset Value per unit	**$6.00**	$6.31	$5.83	$5.11	$6.52

Class F

THE FUND'S NET ASSETS PER UNIT [a]	2011	2010	2009	2008	2007
NET ASSETS, BEGINNING OF YEAR	**$6.48**	$6.00	$5.21	$6.68	$7.18
INCREASE (DECREASE) FROM OPERATIONS:					
Total revenue	**$0.34**	$0.22	$0.18	$0.23	$0.27
Total expenses	**-$0.06**	-$0.06	-$0.05	-$0.06	-$0.07
Realized gains (losses) for the year	**$0.07**	$0.02	-$0.26	—	$0.53
Unrealized gains (losses) for the year	**-$0.47**	$0.48	$0.98	-$1.44	-$0.69
Total increase (decrease) from operations [b]	**-$0.12**	$0.66	$0.85	-$1.27	$0.04
DISTRIBUTIONS:					
From income (excluding dividends)	**-$0.10**	-$0.10	-$0.06	-$0.16	-$0.15
From dividends	**-$0.03**	-$0.03	-$0.02	-$0.03	-$0.02
From capital gains	**-$0.06**	—	—	-$0.01	-$0.43
Total annual distributions [c]	**-$0.19**	-$0.13	-$0.08	-$0.20	-$0.60
NET ASSETS, END OF YEAR	**$6.16**	$6.48	$6.00	$5.21	$6.68
RATIOS AND SUPPLEMENTAL DATA					
Net asset value ($000's)*	**$1,724**	$1,936	$1,315	$2,116	$1,704
Number of units outstanding*	**280,163**	298,632	219,286	406,020	255,156
Management expense ratio [d]	**1.06%**	1.10%	1.10%	1.10%	1.10%
Management expense ratio before waivers	**1.10%**	1.11%	1.10%	1.10%	1.10%
Portfolio turnover rate [e]	**14%**	7%	24%	20%	22%
Trading expense ratio [f]	**0.11%**	0.13%	0.13%	0.10%	—
Net asset Value per unit	**$6.16**	$6.48	$6.00	$5.21	$6.68

Note: This table is not intended to act as a continuity of opening and closing Net assets per unit.

[a] This information is derived from the Fund's audited annual financial statements. The Net assets per unit presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the Fund's financial statements.

[b] Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the year.

[c] Distributions were paid in cash/reinvested in additional units of the Fund, or both.

[d] Management expense ratio is the ratio of all fees and expenses (including Goods and Services Tax (GST) up to June 30, 2010 and Harmonized Sales Tax (HST) thereafter) and interest expense but excluding brokerage commission on securities transactions charged to the Fund to daily average net asset value on an annualized basis.

[e] The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

[f] The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the daily average net asset value during the year. No brokerage commissions were directly incurred by the Fund of Funds.

* This information is provided as at December 31.

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Financial Highlights — FOR THE YEARS ENDED DECEMBER 31

Class R

THE FUND'S NET ASSETS PER UNIT [a]	2011	2010	2009	2008	2007
NET ASSETS, BEGINNING OF YEAR	**$6.20**	$5.72	$5.01	$6.43[1]	—
INCREASE (DECREASE) FROM OPERATIONS:					
Total revenue	**$0.32**	$0.20	$0.17	$0.12	—
Realized gains (losses) for the year	**$0.07**	$0.02	-$0.25	—	—
Unrealized gains (losses) for the year	**-$0.44**	$0.42	$0.96	-$1.55	—
Total increase (decrease) from operations [b]	**-$0.05**	$0.64	$0.88	-$1.43	—
DISTRIBUTIONS:					
From income (excluding dividends)	**-$0.14**	-$0.13	-$0.13	-$0.20	—
From dividends	**-$0.04**	-$0.04	-$0.04	-$0.03	—
From capital gains	**-$0.05**	—	—	-$0.01	—
Total annual distributions [c]	**-$0.23**	-$0.17	-$0.17	-$0.24	—
NET ASSETS, END OF YEAR	**$5.88**	$6.20	$5.72	$5.01	—
RATIOS AND SUPPLEMENTAL DATA					
Net asset value ($000's)*	**$254,108**	$304,574	$288,306	$237,988	—
Number of units outstanding*	**43,182,629**	49,136,693	50,379,704	47,515,475	—
Management expense ratio [d]	**0.18%**	0.17%	0.16%	0.20%	—
Management expense ratio before waivers	**0.22%**	0.21%	0.22%	0.20%	—
Portfolio turnover rate [e]	**14%**	7%	24%	20%	—
Trading expense ratio [f]	**0.11%**	0.13%	0.13%	0.10%	—
Net asset Value per unit	**$5.88**	$6.20	$5.72	$5.01	—

Class S

THE FUND'S NET ASSETS PER UNIT [a]	2011	2010	2009	2008	2007
NET ASSETS, BEGINNING OF YEAR	**$6.22**	$5.78	$4.63[1]	—	—
INCREASE (DECREASE) FROM OPERATIONS:					
Total revenue	**$0.37**	$0.24	$0.17	—	—
Total expenses	**-$0.11**	-$0.10	-$0.09	—	—
Realized gains (losses) for the year	**$0.06**	$0.02	-$0.24	—	—
Unrealized gains (losses) for the year	**-$0.55**	$0.47	$1.18	—	—
Total increase (decrease) from operations [b]	**-$0.23**	$0.63	$1.02	—	—
DISTRIBUTIONS:					
From income (excluding dividends)	**-$0.08**	-$0.07	-$0.10	—	—
From dividends	**-$0.02**	-$0.03	-$0.04	—	—
From capital gains	**-$0.05**	—	—	—	—
Total annual distributions [c]	**-$0.15**	-$0.10	-$0.14	—	—
NET ASSETS, END OF YEAR	**$5.89**	$6.22	$5.78	—	—
RATIOS AND SUPPLEMENTAL DATA					
Net asset value ($000's)*	**$70,921**	$37,429	$14,508	—	—
Number of units outstanding*	**12,040,186**	6,013,264	2,510,953	—	—
Management expense ratio [d]	**1.95%**	1.89%	1.77%	—	—
Management expense ratio before waivers	**1.98%**	1.92%	1.77%	—	—
Portfolio turnover rate [e]	**14%**	7%	24%	—	—
Trading expense ratio [f]	**0.11%**	0.13%	0.13%	—	—
Net asset Value per unit	**$5.89**	$6.22	$5.78	—	—

Note: This table is not intended to act as a continuity of opening and closing Net assets per unit.

[1] Initial offering price.

[a] This information is derived from the Fund's audited annual financial statements. The Net assets per unit presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the Fund's financial statements.

[b] Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the year.

[c] Distributions were paid in cash/reinvested in additional units of the Fund, or both.

[d] Management expense ratio is the ratio of all fees and expenses (including Goods and Services Tax (GST) up to June 30, 2010 and Harmonized Sales Tax (HST) thereafter) and interest expense but excluding brokerage commission on securities transactions charged to the Fund to daily average net asset value on an annualized basis.

[e] The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

[f] The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the daily average net asset value during the year. No brokerage commissions were directly incurred by the Fund of Funds.

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Balanced 60/40 Fund

Management Fees

The following table shows the annual management fees for each unit class where such fees are paid by the Fund.
The management fees are calculated based on the daily Net Asset Value of each applicable unit class of the Fund and paid monthly.
The Fund does not pay management fees in respect of Class O and Class R as all compensation to the manager is paid pursuant to separate management agreements.

	Class O	Class I	Class P	Class F	Class R	Class S
Management Fees	n/a	0.70%	2.10%	1.10%[1]	n/a	1.50%

[1] Inclusive of Goods and Service Tax/Harmonized Sales Tax

The following table shows the major services paid for as a percentage of the management fees above for each unit class of the Fund.

	Class O	Class I	Class P	Class F	Class R	Class S
Investment management and other general administration	n/a	100.0%	28.6%	100.0%	n/a	33.3%
Trailer Commissions*	n/a	n/a	71.4%	n/a	n/a	66.7%

* Where negotiated with a particular dealer on a case-by-case basis, SEI may pay trailer commissions up to the maximum of 1.50% per annum, calculated based upon the average net asset value of the units of the Fund held in the accounts of clients of the participating dealers during a particular calendar quarter.

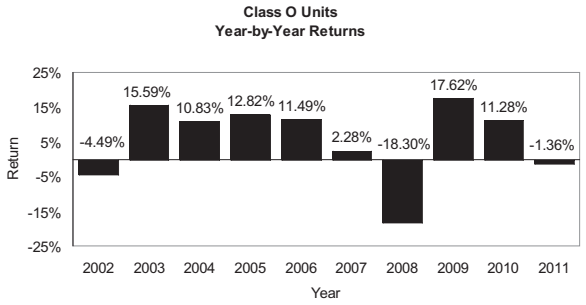
Balanced 60/40 Fund

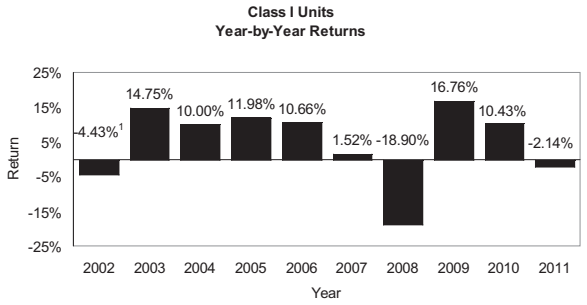
Past Performance

The performance information shown below assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. This performance information does not take into account sales, redemptions, distribution or other optional charges that would have reduced returns or performance. Past performance of the Fund does not necessarily indicate how it will perform in the future.

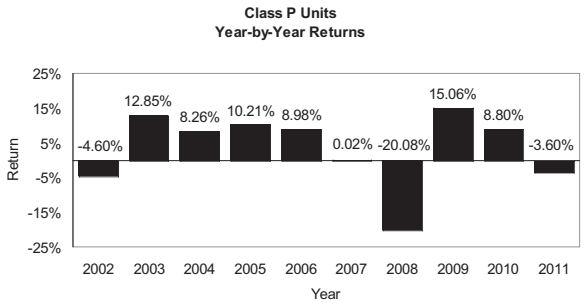
YEAR-BY-YEAR RETURNS

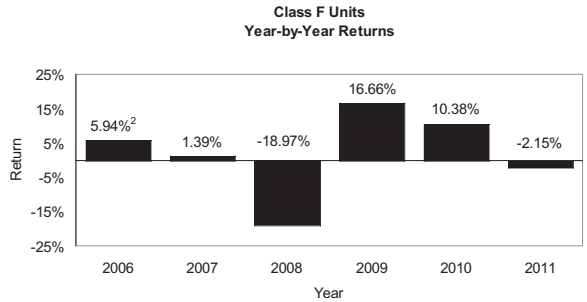
The following charts show the Fund's annual performance and illustrate how performance has changed from year to year. In percentage terms, the charts show how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.



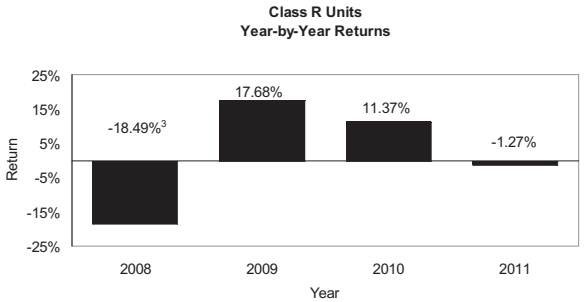


[1] From February 2002 first issuance by Prospectus

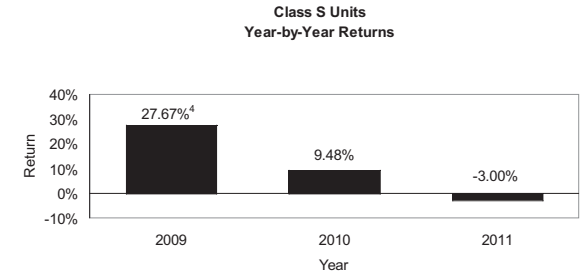




[2] From April 2006 first issuance by Prospectus



[3] From June 2008 first issuance by Prospectus



[4] From February 2009 first issuance by Prospectus

Balanced 60/40 Fund

ANNUAL COMPOUND RETURNS

The following table shows the Fund's historical compound returns for each active unit class, for the period ended December 31, 2011. These returns are compared to the returns of the Balanced 60/40 Fund Composite Index as well as the broad market DEX Universe Bond Index and MSCI World Index ($C) on the same compound basis.

	One Year	Three Years	Five Years	Ten Years	Since Inception	Inception Date
Class O Units	-1.36%	8.89%	1.53%	5.20%	4.98%	7-May-01
Balanced 60/40 Fund Composite Index	0.34%	8.99%	1.93%	5.21%	4.86%	
DEX Universe Bond Index	9.67%	7.26%	6.36%	6.48%	6.71%	
MSCI World Index ($C)	-3.20%	1.88%	-6.49%	-1.71%	-2.50%	
Class I Units	-2.14%	8.06%	0.77%	n/a	4.58%	1-Feb-02
Balanced 60/40 Fund Composite Index	0.34%	8.99%	1.93%	n/a	5.35%	
DEX Universe Bond Index	9.67%	7.26%	6.36%	n/a	6.50%	
MSCI World Index ($C)	-3.20%	1.88%	-6.49%	n/a	-1.36%	
Class P Units	-3.60%	6.46%	-0.72%	3.05%	3.05%	21-Jun-01
Balanced 60/40 Fund Composite Index	0.34%	8.99%	1.93%	5.21%	5.27%	
DEX Universe Bond Index	9.67%	7.26%	6.36%	6.48%	6.70%	
MSCI World Index ($C)	-3.20%	1.88%	-6.49%	-1.71%	-1.94%	
Class F Units	-2.15%	8.01%	0.69%	n/a	1.63%	20-Apr-06
Balanced 60/40 Fund Composite Index	0.34%	8.99%	1.93%	n/a	2.88%	
DEX Universe Bond Index	9.67%	7.26%	6.36%	n/a	6.60%	
MSCI World Index ($C)	-3.20%	1.88%	-6.49%	n/a	-3.72%	
Class R Units	-1.27%	8.97%	n/a	n/a	1.53%	30-Jun-08
Balanced 60/40 Fund Composite Index	0.34%	8.99%	n/a	n/a	2.28%	
DEX Universe Bond Index	9.67%	7.26%	n/a	n/a	7.41%	
MSCI World Index ($C)	-3.20%	1.88%	n/a	n/a	-4.97%	
Class S Units	-3.00%	n/a	n/a	n/a	11.26%	23-Feb-09
Balanced 60/40 Fund Composite Index	0.34%	n/a	n/a	n/a	13.23%	
DEX Universe Bond Index	9.67%	n/a	n/a	n/a	7.79%	
MSCI World Index ($C)	-3.20%	n/a	n/a	n/a	11.00%	

The DEX Universe Bond Index reflects the performance of the broad Canadian bond market. The MSCI World Index is a market capitalization-weighted index designed to measure the performance of the global developed equity markets. These indexes have been added to help compare the Fund's performance relative to the general markets. The Balanced 60/40 Fund Composite Index is a composite of the broad based indexes used to benchmark each of the Underlying Funds in which the Fund invests, blended based on the target percentages of the Fund invested in each of the Underlying Funds. This is the benchmark used by the Manager to compare the Fund's overall relative performance. A commentary on the market and/or information regarding the relative performance of the Fund as compared to its benchmark is provided in the Results of Operations section of this report. A description of the Balanced 60/40 Fund Composite Index is provided below:

23.0% - S&P/TSX Composite Index is a broad measure of performance of the equities market in Canada and represents the largest companies that trade on the Toronto Stock Exchange [1]

2.0% - BMO Nesbitt Burns Small Cap Weighted Total Return Index measures the performance of the Canadian small cap equity markets.

14.0% - Russell 1000 Index ($C) measures the performance of the 1,000 largest companies in the Russell 3000 Index.

3.0% - Russell 2500 Index ($C) measures the performance of the 2,500 smallest companies in the Russell 3000 Index. [2]

14.0% - MSCI EAFE (Europe, Australasia, Far East) Index ($C) measures developed market equity performance, excluding the U.S. & Canada.

4.0% - MSCI Emerging Markets Index ($C) measures equity market performance in the global emerging markets.

30.0% - DEX Universe Bond Index reflects the performance of the broad Canadian bond market including corporate and government issued debt.

6.0% - DEX RRB Index measures the performance of Canadian real return bonds.

4.0% - ML US High-Yield Master II Constrained Index is a market value-weighted index that tracks the U.S. public high yield debt market.

[1] This index was formerly called the TSE 300 Composite Index.
[2] This benchmark was changed as of August 1, 2007. It was previously the Russell 2000 ($C).

Balanced 60/40 Fund

Summary of Investment Portfolio

AS AT DECEMBER 31, 2011

The portfolio breakdown and Top 25 Holdings below are a reflection of the investments of the underlying funds held by this Fund. The Summary of Investment Portfolio may change due to ongoing transactions of the Fund. Quarterly updates are available at www.seic.com within 60 days after each quarter end.

PORTFOLIO BREAKDOWN

Sector	% of Total Net Asset Value
Canadian Fixed Income	36.8%
Canadian Equities	24.5%
US Equities	17.2%
International Equities	17.1%
Global Fixed Income	4.2%
Cash and Cash Equivalents	0.2%
Total	**100.0%**

TOP 25 HOLDINGS

Holding	% of Total Net Asset Value
Royal Bank Of Canada	1.2%
The Toronto-Dominion Bank	1.2%
Prov Of Quebec 4.250% 01-Dec-2031 Real Rtn Bd	1.0%
Suncor Energy, Inc.	1.0%
Canadian Natural Resources Ltd.	0.9%
Barrick Gold Corp.	0.9%
Prov Of Quebec 4.500% 01-Dec-2026 Real Rtn Bd	0.7%
Government Of Canada 3.000% 01-Dec-2036 Real Rtn Bd	0.7%
Government Of Canada 4.250% 01-Dec-2026 Real Rtn Bd	0.6%
Prov Of Ontario 2.000% 01-Dec-2036 Real Rtn Bd	0.6%
Goldcorp, Inc.	0.6%
Canada Housing Trust No 1 3.600% 15-Jun-2013 Ser 19	0.6%
Government Of Canada 2.000% 01-Dec-2041 Real Rtn Bd	0.5%
Canada Housing Trust No.1 3.950% 15-Jun-2013 Ser 21	0.5%
Cenovus Energy, Inc.	0.5%
Transcanada Corp.	0.5%
Teranet Holdings Lp Var Rt 01-Dec-2031 Real Rtn Bd	0.5%
Bank Of Nova Scotia	0.5%
Government Of Canada 4.250% 01-Dec-2021 Real Rtn Bd	0.4%
Teck Resources Ltd.	0.4%
Canada Housing Trust No 1 4.000% 15-Jun-2012 Ser 16	0.4%
Apple, Inc.	0.4%
Prov Of Manitoba 01-Dec-2036 Real Rtn Bd	0.4%
Telus Corp.	0.4%
Potash Corp. Of Saskatchewan, Inc.	0.4%
Total	15.8%
Total Net Assets	**$569,289,368**

The Fund may invest in securities of other mutual funds managed by SEI. You may view the prospectus and other information about the underlying SEI Funds at www.seic.com or www.sedar.com.