

Annual  
Management Report of Fund Performance  
for the period ended December 31, 2011

Canadian Equity Fund

Class O Units, Class I Units, Class P Units, Class F Units, Class R Units, Class D Units, Class E Units

Managed by: SEI INVESTMENTS CANADA COMPANY

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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](http://www.seic.com), or through SEDAR at [www.sedar.com](http://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](http://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.

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# Canadian Equity Fund

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## Management Report of Fund Performance

### INVESTMENT OBJECTIVE AND STRATEGIES

The objective of the Canadian Equity Fund (the “Fund”) is to provide capital appreciation over the long term through broad participation in the Canadian equity market.

The Fund holds equity securities primarily of companies included in the S&P/TSX Composite Index. However, the Fund is not limited to the companies in this index and seeks to achieve a return that exceeds the index. Holdings are diversified amongst a broad universe that SEI believes comprehensively covers the segments considered to be representative of the Canadian equities markets.

The Fund invests using a Manager of Managers investment strategy that involves appointing multiple specialist Portfolio Managers. Each Portfolio Manager is responsible for managing a portion of the Fund in accordance with a specific mandate based on their area of expertise. Portfolio Managers are selected using in-depth research, and once appointed are subject to a rigorous monitoring process.

The current Portfolio Managers of the Fund are:

Goodman & Company Investment Counsel, Ltd.

Hexavest Inc.

Highstreet Asset Management Inc.

Hillsdale Investment Management Inc.

Manulife Asset Management Limited

Montrusco Bolton Investments Inc.

PCJ Investment Counsel Ltd.

Sionna Investment Managers Inc.

SEI Investments Canada Company (the Manager)

SEI may change the Portfolio Managers and/or the allocation of assets to a particular Portfolio Manager from time to time at its sole discretion.

### 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.)

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. However, year-end witnessed a strong rally and a sharp cyclical rotation. During the last three months, the S&P/TSX Index rallied 3.6% in a year that generated an overall loss of 8.7% and could be characterized as very challenging. The catalysts for the rally were attributed to Industrial stocks advancing 15.1%, Healthcare jumping 14.9% and depressed Energy companies gaining 11.4%.

Market sentiment continued to be very negative for the year following the Arab uprisings in February. The spike in market volatility was further reinforced following the devastating impact of the Japanese earthquake in March. Investors became increasingly concerned with the impacts of these events on global growth and global oil supplies. Towards the latter summer months, investors were once again buffeted with a barrage of negative news and deceleration in earnings forecasts. August became the turning point for investor expectations. Prior to August, the global economy was believed to be on a modest recovery pace partly due to the decision of the International Energy Agency to release oil from its strategic reserve—thus easing inflationary pressures, and a resurgence in Japan following the Q1 earthquake. Markets were also discounting an orderly resolution of the Greek sovereign debt issues. However, the macro economic data that followed indicated a slowdown in manufacturing, inventories and job creation.

Markets weakened considerably after the release of the Federal Reserve Board’s (“FED”) comments from their meeting in late September citing “significant downside risks to the economic outlook, including strains in global financial markets”. The “significant downside” language used by the FED panicked investors and led to a liquidation of risky assets, specifically impacting stocks exposed to commodity price risk.

# Canadian Equity Fund

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## Management Report of Fund Performance

The challenge for investors during the second half of the year was the abnormally high correlations between stocks (higher than 2008, in fact the highest level of correlation since 1987). Consequently, stocks were being driven by macro influences such that all stocks were moving in tandem. In October, markets reverted away from panic induced selling to stock selection based upon recognizing solid fundamentals and valuable business franchises.

The Q4 rally reflected stronger than expected U.S. economic data. Most notably, the unemployment rate dropped to 8.6% and initial weekly jobless claims had fallen to the lowest level since June 2008. The consensus GDP growth forecast for 2011 had increased to 2.8% from 2.5% just three months ago. Economists had forecasted 3.3% GDP growth in Q4.

In contrast to the second and third quarter of this year, when the Canadian economic outlook incorporated a growing unease over falling global growth projections, the market modestly recovered in Q4 due to bargain hunting and signs of stabilization. The market's recovery didn't continue beyond October. Macro events were dominated by the Euro-zone with a failed Greek referendum and a failed German bond auction making headlines. The spotlight shifted away from Greece to larger European markets such as Italy and Spain with bond yields across the region moving to 7% thresholds which were believed to be unsustainable. Throughout the period attention had shifted to France and Germany due to fears that contagion had reached the strongest European nations. In the U.S., the Super committee was unable to reach consensus and investors sought safety.

It was reported towards the end of the period that the Canadian economy disappointed the market with a real GDP that was flat in October and below market expectations with a 0.2% increase. The goods sector was a weak spot for the Canadian economy, led by a decline in output in construction as well as mining and oil and gas extraction. Economists believed that Canadian real GDP will grow close to 2% in Q4, following the sharp 3.5% bounce in Q3.

Operating earnings for the TSX are expected to increase 29% for 2011 and 10% in 2012. Sectorally, the earnings growth profile are being led by materials (27% growth rate). Materials earnings are expected to post the strongest growth largely due

to Gold and Precious Metals producers. On a 12 month trailing basis, the TSX ended the quarter at a P/E multiple of 14.3x compared to the long term norm of 16.9x.

Crude Oil traded near \$100 since mid-November after jumping from \$75 in October amid evidence the U.S. economy would avoid a recession. However, worries about falling demand and higher production costs have pushed the TSX energy sector down 10% for the year. Gold prices found new support at year end around the \$1,568 an ounce level, pushing the price of the metal up about 10% for the year. The precious metal hit a record high of more than US\$1,900 during the year as traders sought safe havens amid worries over higher inflation and the future of the Euro.

Defensive sectors on the TSX ruled the day for much of the past year. Five of the ten sectors contributed positive performance during the year. The strongest sector performers included the Health Care sector (+50.4%) and Telecommunications Services (+24.9%). Consumer Staples and Utilities sectors were smaller contributors returning 6.8% and 6.5%, respectively. The largest detractors came from economically sensitive sectors such as Materials (-21.2%), Energy (-9.9%) as well as the larger Financials sector (-2.9%) which includes Banks, Insurance companies and Real Estate Trusts. The largest loss was achieved by the Information Technology sector (-52.5%). Largely due to the fallout created by Research In Motion's failed product introductions and operational issues that drove the stock down by 75%. The Information Technology sector only represented less than 2% of the TSX's exposure and thus much of the downside was contained for investors.

For the year, the Canadian Equity Fund lost 13.6%, underperforming the S&P/TSX Composite Index by 4.8%. The Fund generated negative stock and sector selection during the year. Stock selection was responsible for 3.4% of the overall underperformance while sector positioning accounted for a further 1.4% of the slippage.

In terms of stock selection, the largest impact was generated by the Energy sector losing 2.1%, followed by Industrials losing 0.7% and Financials down 0.6%. Holdings were impacted by the defensive tone in the marketplace. Growth managers whom were trying to defensively reposition their portfolios were expanding their holdings in the Canadian Banks. Unfortunately,

# Canadian Equity Fund

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## Management Report of Fund Performance

domestic banks were caught in the global downdraft of investors shedding banks due to exposures to European sovereign governments. Overweights to energy exploration and production stocks such as Angle Energy, Niko Resources, Encana and Crew Energy; and an underweight to Enbridge (which closely resembles a utility and not an energy stock) accounted for 130 basis points of the slippage.

Sector allocation accounted for an underperformance of 140 basis points. Most of the slippage was the result of a modest overweight to Information Technology stocks (72 basis points) and exposures in the Materials sector (56 basis points).

Relative to the benchmark, the Fund increased its exposure during the year to Consumer Staples, Energy, Information Technology and Industrials stocks. Further to this, the Fund decreased its exposure to Financials (primarily Banks and Insurance companies) and Materials. The Fund also increased its holdings of non-Canadian stocks by 2.4% to 3.4%. The portfolio managers continued to search for good quality companies with sound balance sheets and visible earnings growth.

### RECENT DEVELOPMENTS

During the year, the Fund successfully purchased and sold gold stocks for the internal gold hedge mandate. On two successive occasions, namely in January and July, the Fund purchased a full weighting of gold stocks to hedge the underweight within the Fund. On both occasions, the gold hedge was unwound months afterwards. The Fund was able to achieve significant value add from the exposure, in addition to reducing risk.

The Fund terminated the services of Jarislowsky Fraser Ltd. in August. The incumbent was replaced by the firm Hexavest Inc. The new portfolio manager uses a top down thematic investment approach to build a Canadian equity portfolio. The firm utilizes global inputs to evaluate opportunities and is adept at navigating a macro driven environment. In October, the Fund also hired Hillsdale Investment Management Inc. to run a focused value based strategy with momentum tilts. Both these additions will improve the Fund's ability to add value in a defensively driven, low growth environment.

In addition, the Fund engaged in a process of de-risking capital, effectively moving capital from riskier managers to more risk controlled strategies. Thus allocations to higher risk growth managers were decreased by 8.3% while allocations to small cap managers were decreased by 4.7%. To balance these outflows, allocations to value based managers were substantially increased by 11.5%. The dividend yield for the Fund increased to 2.45% from the prior year end in 2010, when the yield was 2.02%.

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.

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.

# Canadian Equity Fund

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## Management Report of Fund Performance

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 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.

# Canadian Equity 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 <sup>(a)</sup>	2011	2010	2009	2008	2007
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>\$23.27</b>	\$20.15	\$14.92	\$23.87	\$22.76
<b>INCREASE (DECREASE) FROM OPERATIONS:</b>					
Total revenue	\$0.48	\$0.48	\$0.49	\$0.53	\$0.47
Total expenses	-\$0.02	-\$0.02	-\$0.01	-\$0.03	-\$0.02
Realized gains (losses) for the year	\$1.35	\$1.41	-\$0.62	-\$0.67	\$2.63
Unrealized gains (losses) for the year	-\$4.73	\$1.68	\$5.81	-\$8.29	\$0.32
<b>Total increase (decrease) from operations <sup>(b)</sup></b>	<b>-\$2.92</b>	\$3.55	\$5.67	-\$8.46	\$3.40
<b>DISTRIBUTIONS:</b>					
From income (excluding dividends)	—	-\$0.06	—	—	-\$0.15
From dividends	-\$0.31	-\$0.46	-\$0.43	-\$0.32	-\$0.34
From capital gains	-\$1.58	-\$0.02	—	-\$0.06	-\$1.71
<b>Total annual distributions <sup>(c)</sup></b>	<b>-\$1.89</b>	-\$0.54	-\$0.43	-\$0.38	-\$2.20
<b>NET ASSETS, END OF YEAR</b>	<b>\$18.20</b>	\$23.27	\$20.15	\$14.92	\$23.87
<b>RATIOS AND SUPPLEMENTAL DATA</b>					
Net asset value (\$000's)*	\$1,953,486	\$2,403,830	\$2,349,466	\$1,769,377	\$2,467,485
Number of units outstanding*	107,133,500	103,087,455	116,306,249	118,120,344	103,187,249
Management expense ratio <sup>(d)</sup>	0.11%	0.10%	0.09%	0.13%	0.09%
Management expense ratio before waivers	0.12%	0.11%	0.09%	0.13%	0.09%
Portfolio turnover rate <sup>(e)</sup>	100%	52%	63%	71%	73%
Trading expense ratio <sup>(f)</sup>	0.21%	0.16%	0.17%	0.19%	0.18%
Net asset Value per unit	\$18.23	\$23.32	\$20.20	\$14.98	\$23.91

### Class I

THE FUND'S NET ASSETS PER UNIT <sup>(a)</sup>	2011	2010	2009	2008	2007
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>\$23.94</b>	\$20.45	\$14.96	\$23.89	\$22.72
<b>INCREASE (DECREASE) FROM OPERATIONS:</b>					
Total revenue	\$0.49	\$0.48	\$0.44	\$0.54	\$0.47
Total expenses	-\$0.24	-\$0.21	-\$0.10	-\$0.16	-\$0.19
Realized gains (losses) for the year	\$1.34	\$1.40	-\$0.56	-\$0.67	\$2.61
Unrealized gains (losses) for the year	-\$5.02	-\$2.01	\$5.52	-\$8.30	\$0.30
<b>Total increase (decrease) from operations <sup>(b)</sup></b>	<b>-\$3.43</b>	-\$0.34	\$5.30	-\$8.59	\$3.19
<b>DISTRIBUTIONS:</b>					
From income (excluding dividends)	—	—	—	—	—
From dividends	-\$0.10	—	—	-\$0.17	-\$0.27
From capital gains	-\$1.62	—	—	-\$0.07	-\$1.69
<b>Total annual distributions <sup>(c)</sup></b>	<b>-\$1.72</b>	—	—	-\$0.24	-\$1.96
<b>NET ASSETS, END OF YEAR</b>	<b>\$18.75</b>	\$23.94	\$20.45	\$14.96	\$23.89
<b>RATIOS AND SUPPLEMENTAL DATA</b>					
Net asset value (\$000's)*	\$36	\$42	\$418	\$21,106	\$33,028
Number of units outstanding*	1,937	1,772	20,379	1,405,503	1,379,781
Management expense ratio <sup>(d)</sup>	1.07%	1.00%	1.01%	1.02%	0.99%
Management expense ratio before waivers	1.08%	1.01%	1.01%	1.02%	0.99%
Portfolio turnover rate <sup>(e)</sup>	100%	52%	63%	71%	73%
Trading expense ratio <sup>(f)</sup>	0.21%	0.16%	0.17%	0.19%	0.18%
Net asset Value per unit	\$18.79	\$23.98	\$20.50	\$15.02	\$23.94

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

<sup>(a)</sup> 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.

<sup>(b)</sup> 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.

<sup>(c)</sup> Distributions were paid in cash/reinvested in additional units of the Fund, or both.

<sup>(d)</sup> 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.

<sup>(e)</sup> 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.

<sup>(f)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the year.

\* This information is provided as at December 31.

# Canadian Equity Fund

## Financial Highlights — FOR THE YEARS ENDED DECEMBER 31

### Class P

THE FUND'S NET ASSETS PER UNIT <sup>(a)</sup>	2011	2010	2009	2008	2007
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>\$24.27</b>	\$21.07	\$15.64	\$24.91	\$23.53
<b>INCREASE (DECREASE) FROM OPERATIONS:</b>					
Total revenue	<b>\$0.49</b>	\$0.50	\$0.51	\$0.54	\$0.48
Total expenses	<b>-\$0.58</b>	-\$0.54	-\$0.43	-\$0.53	-\$0.62
Realized gains (losses) for the year	<b>\$1.17</b>	\$1.46	-\$0.64	-\$0.68	\$2.69
Unrealized gains (losses) for the year	<b>-\$5.03</b>	\$1.94	\$6.03	-\$9.07	\$0.40
<b>Total increase (decrease) from operations <sup>(b)</sup></b>	<b>-\$3.95</b>	\$3.36	\$5.47	-\$9.74	\$2.95
<b>DISTRIBUTIONS:</b>					
From income (excluding dividends)	—	-\$0.01	—	—	—
From dividends	—	-\$0.04	—	—	—
From capital gains	<b>-\$1.62</b>	—	—	—	-\$1.51
<b>Total annual distributions <sup>(c)</sup></b>	<b>-\$1.62</b>	-\$0.05	—	—	-\$1.51
<b>NET ASSETS, END OF YEAR</b>	<b>\$18.83</b>	\$24.27	\$21.07	\$15.64	\$24.91
<b>RATIOS AND SUPPLEMENTAL DATA</b>					
Net asset value (\$000's)*	<b>\$100,023</b>	\$89,192	\$71,295	\$61,841	\$61,294
Number of units outstanding*	<b>5,300,878</b>	3,667,508	3,374,067	3,939,539	2,455,928
Management expense ratio <sup>(d)</sup>	<b>2.56%</b>	2.48%	2.40%	2.43%	2.41%
Management expense ratio before waivers	<b>2.57%</b>	2.49%	2.40%	2.43%	2.41%
Portfolio turnover rate <sup>(e)</sup>	<b>100%</b>	52%	63%	71%	73%
Trading expense ratio <sup>(f)</sup>	<b>0.21%</b>	0.16%	0.17%	0.19%	0.18%
Net asset Value per unit	<b>\$18.87</b>	\$24.32	\$21.13	\$15.70	\$24.96

### Class F

THE FUND'S NET ASSETS PER UNIT <sup>(a)</sup>	2011	2010	2009	2008	2007
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>\$26.07</b>	\$22.56	\$16.73	\$26.61	\$24.81
<b>INCREASE (DECREASE) FROM OPERATIONS:</b>					
Total revenue	<b>\$0.53</b>	\$0.54	\$0.55	\$0.58	\$0.52
Total expenses	<b>-\$0.22</b>	-\$0.21	-\$0.18	-\$0.21	-\$0.24
Realized gains (losses) for the year	<b>\$1.44</b>	\$1.57	-\$0.70	-\$0.73	\$2.88
Unrealized gains (losses) for the year	<b>-\$5.50</b>	\$1.93	\$6.55	-\$9.39	-\$0.06
<b>Total increase (decrease) from operations <sup>(b)</sup></b>	<b>-\$3.75</b>	\$3.83	\$6.22	-\$9.75	\$3.10
<b>DISTRIBUTIONS:</b>					
From income (excluding dividends)	—	-\$0.04	—	—	—
From dividends	<b>-\$0.14</b>	-\$0.34	-\$0.32	-\$0.16	-\$0.24
From capital gains	<b>-\$1.77</b>	—	—	-\$0.05	-\$1.38
<b>Total annual distributions <sup>(c)</sup></b>	<b>-\$1.91</b>	-\$0.38	-\$0.32	-\$0.21	-\$1.62
<b>NET ASSETS, END OF YEAR</b>	<b>\$20.41</b>	\$26.07	\$22.56	\$16.73	\$26.61
<b>RATIOS AND SUPPLEMENTAL DATA</b>					
Net asset value (\$000's)*	<b>\$11,445</b>	\$13,567	\$11,512	\$7,283	\$6,738
Number of units outstanding*	<b>559,580</b>	519,523	508,966	433,664	252,741
Management expense ratio <sup>(d)</sup>	<b>0.89%</b>	0.89%	0.90%	0.90%	0.89%
Management expense ratio before waivers	<b>0.90%</b>	0.90%	0.90%	0.90%	0.89%
Portfolio turnover rate <sup>(e)</sup>	<b>100%</b>	52%	63%	71%	73%
Trading expense ratio <sup>(f)</sup>	<b>0.21%</b>	0.16%	0.17%	0.19%	0.18%
Net asset Value per unit	<b>\$20.45</b>	\$26.12	\$22.62	\$16.79	\$26.66

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

<sup>(a)</sup> 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.

<sup>(b)</sup> 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.

<sup>(c)</sup> Distributions were paid in cash/reinvested in additional units of the Fund, or both.

<sup>(d)</sup> 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.

<sup>(e)</sup> 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.

<sup>(f)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the year.

\* This information is provided as at December 31.

# Canadian Equity Fund

## Financial Highlights — FOR THE YEARS ENDED DECEMBER 31

### Class D

THE FUND'S NET ASSETS PER UNIT <sup>(a)</sup>	2011	2010	2009	2008	2007
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>\$23.37</b>	\$22.66 <sup>1</sup>	—	—	—
<b>INCREASE (DECREASE) FROM OPERATIONS:</b>					
Total revenue	\$0.46	\$0.15	—	—	—
Total expenses	-\$0.60	-\$0.11	—	—	—
Realized gains (losses) for the year	\$0.43	\$0.17	—	—	—
Unrealized gains (losses) for the year	-\$4.61	\$1.61	—	—	—
<b>Total increase (decrease) from operations <sup>(b)</sup></b>	<b>-\$4.32</b>	\$1.82	—	—	—
<b>DISTRIBUTIONS:</b>					
From income (excluding dividends)	—	-\$0.04	—	—	—
From dividends	—	-\$0.35	—	—	—
From capital gains	-\$1.55	-\$0.58	—	—	—
<b>Total annual distributions <sup>(c)</sup></b>	<b>-\$1.55</b>	-\$0.97	—	—	—
<b>NET ASSETS, END OF YEAR</b>	<b>\$18.10</b>	\$23.37	—	—	—
<b>RATIOS AND SUPPLEMENTAL DATA</b>					
Net asset value (\$000's)*	\$14,271	\$1,934	—	—	—
Number of units outstanding*	787,072	82,599	—	—	—
Management expense ratio <sup>(d)</sup>	2.88%	2.81%	—	—	—
Management expense ratio before waivers	2.89%	2.82%	—	—	—
Portfolio turnover rate <sup>(e)</sup>	100%	52%	—	—	—
Trading expense ratio <sup>(f)</sup>	0.21%	0.16%	—	—	—
Net asset Value per unit	\$18.13	\$23.41	—	—	—

### Class E

THE FUND'S NET ASSETS PER UNIT <sup>(a)</sup>	2011	2010	2009	2008	2007
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>\$24.06</b>	\$22.66 <sup>1</sup>	—	—	—
<b>INCREASE (DECREASE) FROM OPERATIONS:</b>					
Total revenue	\$0.47	\$0.15	—	—	—
Total expenses	-\$0.50	-\$0.09	—	—	—
Realized gains (losses) for the year	\$0.41	\$0.14	—	—	—
Unrealized gains (losses) for the year	-\$4.41	\$1.80	—	—	—
<b>Total increase (decrease) from operations <sup>(b)</sup></b>	<b>-\$4.03</b>	\$2.00	—	—	—
<b>DISTRIBUTIONS:</b>					
From income (excluding dividends)	—	-\$0.01	—	—	—
From dividends	-\$0.09	-\$0.09	—	—	—
From capital gains	-\$1.58	-\$0.17	—	—	—
<b>Total annual distributions <sup>(c)</sup></b>	<b>-\$1.67</b>	-\$0.27	—	—	—
<b>NET ASSETS, END OF YEAR</b>	<b>\$18.64</b>	\$24.06	—	—	—
<b>RATIOS AND SUPPLEMENTAL DATA</b>					
Net asset value (\$000's)*	\$808	\$97	—	—	—
Number of units outstanding*	43,266	4,046	—	—	—
Management expense ratio <sup>(d)</sup>	2.33%	2.28%	—	—	—
Management expense ratio before waivers	2.34%	2.29%	—	—	—
Portfolio turnover rate <sup>(e)</sup>	100%	52%	—	—	—
Trading expense ratio <sup>(f)</sup>	0.21%	0.16%	—	—	—
Net asset Value per unit	\$18.67	\$24.10	—	—	—

Note: This table is not intended to act as a continuity of opening and closing Net assets per unit.  
<sup>1</sup> Initial offering price.

<sup>(a)</sup> 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.

<sup>(b)</sup> 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.

<sup>(c)</sup> Distributions were paid in cash/reinvested in additional units of the Fund, or both.

<sup>(d)</sup> 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.

<sup>(e)</sup> 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.

<sup>(f)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the year.

\* This information is provided as at December 31.

# Canadian Equity 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 D	Class E
Management Fees	n/a	0.85%	2.20%	0.90% <sup>1</sup>	n/a	2.50%	2.00%

<sup>1</sup>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 D	Class E
Investment management and other general administration	n/a	100.0%	31.8%	100.0%	n/a	30.0%	37.5%
Trailer Commissions*	n/a	n/a	68.2%	n/a	n/a	70.0%	62.5%

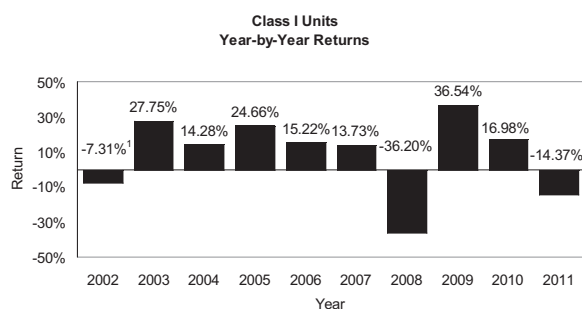
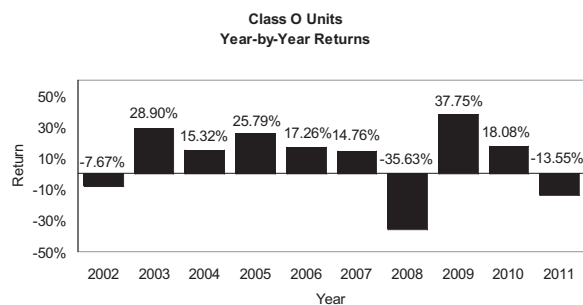
\* Where negotiated with a particular dealer on a case-by-case basis and by class, SEI may pay trailer commissions up to the maximum of 1.75% per annum, calculated based upon the average net asset value of the units of the Fund held in the accounts of clients of the participating dealers during a particular calendar quarter.

## 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

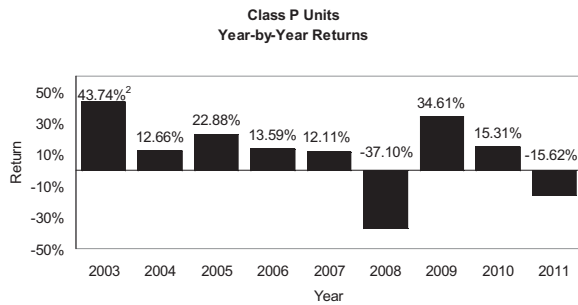
The following charts show the Fund's annual performance and illustrate how performance has changed from year to year. In percentage terms, the charts show how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.



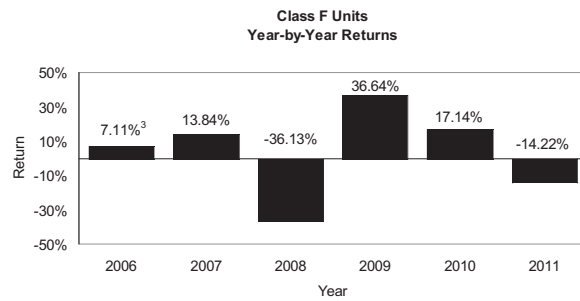
<sup>1</sup> From February 2002 first issuance by Prospectus

# Canadian Equity Fund

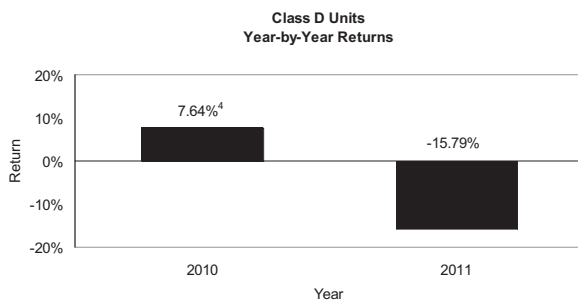
## YEAR-BY-YEAR RETURNS - CONTINUED



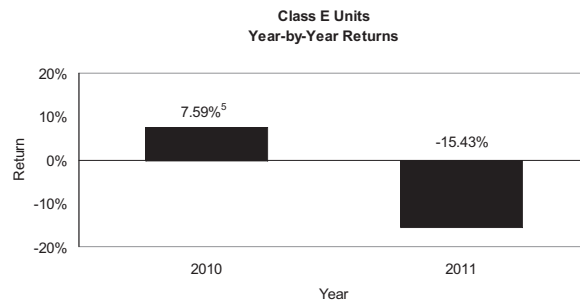
<sup>2</sup> From March 2003 first issuance by Prospectus



<sup>3</sup> From May 2006 first issuance by Prospectus



<sup>4</sup> From November 2010 first issuance by Prospectus



<sup>5</sup> From November 2010 first issuance by Prospectus

# Canadian Equity Fund

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## ANNUAL COMPOUND RETURNS

The following table shows the Fund's historical compound returns for the period ended December 31, 2011.

These returns are also compared to the returns of the S&P/TSX Composite Index on the same compound basis. The S&P/TSX Composite Index is a capitalization weighted index designed to measure market activity of stocks listed on the S&P/TSX Composite Index, representing a broad range of industry sectors.

	One Year	Three Years	Five Years	Ten Years	Since Inception	Inception Date
Class O Units	-13.55%	12.04%	0.76%	7.62%	7.92%	21-Aug-97
S&P/TSX Composite Index	-8.71%	13.18%	1.30%	7.03%	6.30%	
Class I Units	-14.37%	11.00%	-0.15%	n/a	6.92%	1-Feb-02
S&P/TSX Composite Index	-8.71%	13.18%	1.30%	n/a	7.08%	
Class P Units	-15.62%	9.41%	-1.58%	n/a	7.66%	31-Mar-03
S&P/TSX Composite Index	-8.71%	13.18%	1.30%	n/a	10.17%	
Class F Units	-14.22%	11.14%	-0.03%	n/a	1.19%	4-May-06
S&P/TSX Composite Index	-8.71%	13.18%	1.30%	n/a	2.58%	
Class D Units	-15.79%	n/a	n/a	n/a	-8.08%	1-Nov-10
S&P/TSX Composite Index	-8.71%	n/a	n/a	n/a	-2.34%	
Class E Units	-15.43%	n/a	n/a	n/a	-7.77%	1-Nov-10
S&P/TSX Composite Index	-8.71%	n/a	n/a	n/a	-2.34%	

# Canadian Equity Fund

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## Summary of Investment Portfolio

AS AT DECEMBER 31, 2011

The Summary of Investment Portfolio may change due to ongoing transactions of the Fund. Quarterly updates are available at [www.seic.com](http://www.seic.com) within 60 days after each quarter end.

### PORTFOLIO BREAKDOWN

Sector	% of Total Net Asset Value
Energy	27.8%
Financials	21.6%
Materials	20.6%
Consumer Discretionary	5.8%
Industrials	5.6%
Consumer Staples	4.0%
Telecommunication Services	4.0%
Cash Equivalents	3.4%
Information Technology	3.3%
Health Care	2.3%
Utilities	<u>1.6%</u>
<b>Total</b>	<b>100.0%</b>

### TOP 25 HOLDINGS

Holding	% of Total Net Asset Value
Royal Bank of Canada	5.3%
Toronto-Dominion Bank	5.2%
Suncor Energy Inc.	4.2%
Canadian Natural Resources Ltd.	3.9%
Barrick Gold Corp.	3.8%
Goldcorp Inc.	2.5%
Cenovus Energy Inc.	2.1%
TransCanada Corp.	2.1%
Bank of Nova Scotia	2.1%
Teck Resources Ltd.	1.9%
Potash Corp. of Saskatchewan Inc.	1.6%
CGI Group Inc.	1.6%
Canadian National Railway Co.	1.5%
Manulife Financial Corp.	1.5%
ROYAL BANK CANADA TD	1.3%
Canadian Oil Sands Ltd.	1.3%
BCE Inc.	1.3%
TELUS Corp. Non-Voting	1.2%
Valeant Pharmaceuticals International Inc.	1.1%
Imperial Oil Ltd.	1.1%
Encana Corp.	1.1%
Methanex Corp.	1.0%
Husky Energy Inc.	1.0%
Finning International Inc.	0.9%
Thomson Reuters Corporation	<u>0.9%</u>
Total	51.5%
<b>Total Net Assets</b>	<b>\$2,076,157,448</b>

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](http://www.seic.com) or [www.sedar.com](http://www.sedar.com).