

# Semi-Annual Management Report of Fund Performance for the period ended June 30, 2011

Canadian Small Company 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 semi-annual Management Report of Fund Performance contains financial highlights, but does not contain either semi-annual or 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, 2011 will be available on our website any time after August 31, 2011.

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 Small Company Equity Fund

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## Management Report of Fund Performance

### 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.)

Global equity markets were volatile during the period amid concerns the economic recovery was slowing and Greece might fail to secure financial aid and default on its own debt. On average, the smaller the capitalization of the firm, the worse was the resulting performance. The affect is apparent by examining the capitalization structure in the TSX universe. In descending order, the large cap TSX 60 returned 0.59%, the TSX Completion Index returned -1.12%, and the TSX Small Cap Index returned -4.31%. The NBSCWI which is smaller than the TSX Small Cap Index returned -4.18%.

In the economy, Statistics Canada reported that the labour market continued to improve in Q2. The country's unemployment rate fell to a two-year low of 7.4%. Statistics Canada also noted that operating profits for Canadian companies were up 4.2% in Q1, driven largely by gains in the financial sector, manufacturing and the oil and gas industries. The inflation rate unexpectedly accelerated to 3.7% in May, from a year earlier, to the fastest rate since 2003 due to rising food and energy prices.

The strongest performing sectors in the Index were the Financials (6.3%), Consumer Discretionary (3.4%), and Information Technology (1.1%). The weakest areas were Materials and Consumer Staples losing (12.2%) and (8.2%) respectively.

The SEI Canadian Small Company Fund (the "Fund") lost 5.87%, underperforming the Index by 1.69%. The Fund gained from sector allocation (12 basis points) but lost on stock selection (181 basis points). The Fund benefitted from strong selection in Materials, generating 106 basis points and strong selection in the Health Care space contributing 42 basis points. The detraction came from poor selection in the Energy and Industrial sectors that retraced 211 and 61 basis points respectively.

At a security level, strong selection in gold names like Allied Nevada, B2 Gold, Argonaut Gold, added 71 basis points combined as spot Gold prices rose \$81.4 during the period to

\$1502.8oz. An overweighting to names like Wi-Lan which signed a new multi-year patent licensing deal with giant network equipment maker Cisco Systems Inc. added 52 basis points.

The Fund's Materials and Energy holdings were impacted by the defensive tone in the marketplace. The Fund lost on Oil and Gas exploration and production which detracted 188 basis points. Stocks like Legacy Oil and Gas and TransGlobe Energy cost 54 basis points and 51 basis points respectively. Diversified Metals and Mining were the other sore point, detracting 41 basis points. An overweight to Hana Mining detracted 45 basis points.

During the period, the portfolio managers reduced their exposures to high debt firms relative to the benchmark and reallocated into larger, lower beta firms. In terms of sectors, exposures to Financial and Materials were increased during the period at the expense of Utilities and Health Care.

### RECENT DEVELOPMENTS

**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.

On January 12, 2011, the CASB amended the requirement to prepare financial statements in accordance with IFRS as issued by the International Accounting Standards Board, permitting investment companies, which include investment funds, to defer adoption of IFRS to fiscal years beginning on or after January 1, 2013. The Fund has elected to defer adoption of IFRS to January 1, 2013.

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,

# Canadian Small Company Equity Fund

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## Management Report of Fund Performance

- 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 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.

# Canadian Small Company Equity Fund

Financial Highlights – FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2011  
AND THE YEARS ENDED DECEMBER 31 (UNAUDITED)

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 ended December 31 and six months ended June 30, 2011.

## Class O

THE FUND'S NET ASSETS PER UNIT <sup>(a)</sup>	2011	2010	2009	2008	2007	2006
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>\$12.52</b>	\$9.83	\$5.98	\$11.00	\$11.54	\$11.11
<b>INCREASE (DECREASE) FROM OPERATIONS:</b>						
Total revenue	\$0.08	\$0.22	\$0.13	\$0.21	\$0.28	\$0.16
Total expenses	-\$0.01	-\$0.02	-\$0.01	-\$0.02	-\$0.02	-\$0.02
Realized gains (losses) for the year	\$1.24	\$1.63	\$0.09	-\$0.83	\$1.41	\$1.76
Unrealized gains (losses) for the year	-\$1.99	\$1.45	\$3.80	-\$4.48	-\$0.60	\$0.06
<b>Total increase (decrease) from operations <sup>(b)</sup></b>	<b>-\$0.68</b>	\$3.28	\$4.01	-\$5.12	\$1.07	\$1.96
<b>DISTRIBUTIONS:</b>						
From income (excluding dividends)	—	-\$0.09	-\$0.11	—	-\$0.11	-\$0.07
From dividends	—	-\$0.12	-\$0.08	—	-\$0.16	-\$0.07
From capital gains	—	-\$0.56	—	—	-\$1.29	-\$1.34
Return of capital	—	—	—	—	—	—
<b>Total annual distributions <sup>(c)</sup></b>	<b>—</b>	<b>-\$0.77</b>	<b>-\$0.19</b>	<b>—</b>	<b>-\$1.56</b>	<b>-\$1.48</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$11.77</b>	\$12.52	\$9.83	\$5.98	\$11.00	\$11.58
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net asset value (\$000's)*	\$121,095	\$151,892	\$144,618	\$88,445	\$99,881	\$86,762
Number of units outstanding*	10,238,924	12,089,666	14,627,270	14,628,467	9,024,761	7,494,413
Management expense ratio <sup>(d)</sup>	0.16%	0.14%	0.08%	0.17%	0.14%	0.17%
Management expense ratio before waivers	0.17%	0.14%	0.08%	0.17%	0.14%	0.17%
Portfolio turnover rate <sup>(e)</sup>	27%	63%	67%	42%	59%	51%
Trading expense ratio <sup>(f)</sup>	0.34%	0.42%	0.35%	0.35%	0.28%	0.26%
Net asset Value per unit	\$11.83	\$12.56	\$9.89	\$6.05	\$11.07	\$11.58

## Class P

THE FUND'S NET ASSETS PER UNIT <sup>(a)</sup>	2011	2010	2009	2008	2007	2006
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>\$17.90</b>	\$13.55	\$8.27	\$15.56	\$16.24	\$15.27
<b>INCREASE (DECREASE) FROM OPERATIONS:</b>						
Total revenue	\$0.12	\$0.30	\$0.18	\$0.29	\$0.39	\$0.22
Total expenses	-\$0.23	-\$0.37	-\$0.24	-\$0.31	-\$0.43	-\$0.41
Realized gains (losses) for the year	\$1.65	\$2.25	\$0.12	-\$1.14	\$1.96	\$2.27
Unrealized gains (losses) for the year	-\$2.90	\$2.16	\$5.03	-\$6.37	-\$0.85	\$0.10
<b>Total increase (decrease) from operations <sup>(b)</sup></b>	<b>-\$1.36</b>	\$4.34	\$5.09	-\$7.53	\$1.07	\$2.18
<b>DISTRIBUTIONS:</b>						
From income (excluding dividends)	—	—	—	—	—	—
From dividends	—	—	—	—	—	—
From capital gains	—	—	—	—	-\$1.72	-\$1.24
Return of capital	—	—	—	—	—	—
<b>Total annual distributions <sup>(c)</sup></b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>-\$1.72</b>	<b>-\$1.24</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$16.62</b>	\$17.90	\$13.55	\$8.27	\$15.56	\$16.30
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net asset value (\$000's)*	\$8,028	\$7,406	\$6,505	\$5,515	\$5,215	\$4,192
Number of units outstanding*	480,594	412,351	477,423	659,482	332,867	257,136
Management expense ratio <sup>(d)</sup>	2.61%	2.52%	2.40%	2.47%	2.47%	2.51%
Management expense ratio before waivers	2.61%	2.52%	2.40%	2.47%	2.47%	2.51%
Portfolio turnover rate <sup>(e)</sup>	27%	63%	67%	42%	59%	51%
Trading expense ratio <sup>(f)</sup>	0.34%	0.42%	0.35%	0.35%	0.28%	0.26%
Net asset Value per unit	\$16.70	\$17.96	\$13.62	\$8.36	\$15.67	\$16.30

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 Harmonized Sales Tax (HST)) 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 June 30.

# Canadian Small Company Equity Fund

Financial Highlights — FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2011  
AND THE YEARS ENDED DECEMBER 31 (UNAUDITED)

## Class F

THE FUND'S NET ASSETS PER UNIT <sup>(a)</sup>	2011	2010	2009	2008	2007	2006
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>\$13.62</b>	\$10.74	\$6.55	\$12.14	\$12.49	\$13.08 <sup>1</sup>
<b>INCREASE (DECREASE) FROM OPERATIONS:</b>						
Total revenue	<b>\$0.09</b>	\$0.24	\$0.15	\$0.24	\$0.31	\$0.18
Total expenses	<b>-\$0.07</b>	-\$0.12	-\$0.08	-\$0.10	-\$0.14	-\$0.09
Realized gains (losses) for the year	<b>\$1.31</b>	\$1.79	\$0.10	-\$0.92	\$1.52	\$0.93
Unrealized gains (losses) for the year	<b>-\$2.18</b>	\$1.72	\$4.23	-\$5.47	-\$0.90	\$0.32
<b>Total increase (decrease) from operations <sup>(b)</sup></b>	<b>-\$0.85</b>	\$3.63	\$4.40	-\$6.25	\$0.79	\$1.34
<b>DISTRIBUTIONS:</b>						
From income (excluding dividends)	—	-\$0.06	-\$0.09	—	-\$0.02	—
From dividends	—	-\$0.07	-\$0.05	—	-\$0.14	-\$0.02
From capital gains	—	-\$0.65	—	—	-\$1.19	-\$0.43
<b>Total annual distributions <sup>(c)</sup></b>	<b>—</b>	<b>-\$0.78</b>	<b>-\$0.14</b>	<b>—</b>	<b>-\$1.35</b>	<b>-\$0.45</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$12.75</b>	\$13.62	\$10.74	\$6.55	\$12.14	\$12.54
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net asset value (\$000's)*	<b>\$2,937</b>	\$3,323	\$2,766	\$1,439	\$1,944	\$1,034
Number of units outstanding*	<b>229,323</b>	243,195	256,007	217,310	159,043	82,490
Management expense ratio <sup>(d)</sup>	<b>0.98%</b>	0.99%	1.00%	1.00%	1.00%	1.00%
Management expense ratio before waivers	<b>0.99%</b>	0.99%	1.00%	1.00%	1.00%	1.00%
Portfolio turnover rate <sup>(e)</sup>	<b>27%</b>	63%	67%	42%	59%	51%
Trading expense ratio <sup>(f)</sup>	<b>0.34%</b>	0.42%	0.35%	0.35%	0.28%	0.26%
Net asset Value per unit	<b>\$12.81</b>	\$13.66	\$10.80	\$6.62	\$12.22	\$12.54

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 Harmonized Sales Tax (HST)) 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 June 30.

## 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
Management Fees	n/a	0.90%	2.20%	1.00% <sup>1</sup>	n/a

<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
Investment management and other general administration	n/a	100.0%	31.8%	100.0%	n/a
Trailer Commissions*	n/a	n/a	68.2%	n/a	n/a

\* 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.

# Canadian Small Company Equity Fund

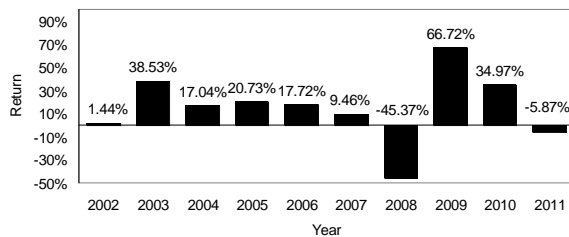
## Past Performance

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.

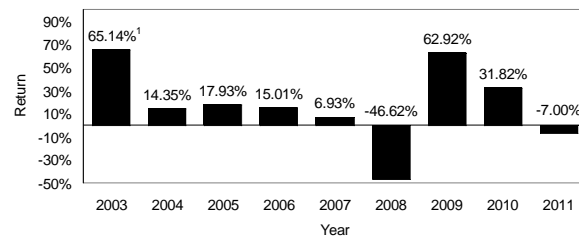
### YEAR-BY-YEAR RETURNS

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. Unless otherwise stated, the returns shown for 2011 in the charts below, are for the period from January 1st to June 30th.

**Class O Units**  
Year-by-Year Returns

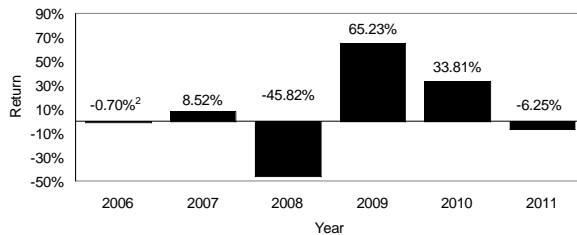


**Class P Units**  
Year-by-Year Returns



<sup>1</sup> Annualized from March 2003 first issuance by Prospectus

**Class F Units**  
Year-by-Year Returns



<sup>2</sup> From April 2006 first issuance by Prospectus

# Canadian Small Company Equity Fund

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## Summary of Investment Portfolio

AS AT JUNE 30, 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

### TOP 25 HOLDINGS

Sector	% of Total Net Asset Value	Holding	% of Total Net Asset Value
Materials	31.3%	Legacy Oil + Gas, Inc.	2.4%
Energy	22.8%	Crew Energy, Inc.	2.3%
Financials	12.1%	Alamos Gold, Inc.	2.2%
Industrials	9.3%	The Descartes Systems Group, Inc.	2.0%
Consumer Discretionary	9.1%	Home Capital Group, Inc.	1.9%
Information Technology	7.1%	Wi-LAN, Inc.	1.8%
Cash Equivalents	3.7%	TransGlobe Energy Corp.	1.7%
Consumer Staples	2.6%	Angle Energy, Inc.	1.7%
Utilities	1.2%	Allied Nevada Gold Corp.	1.7%
Health Care	0.7%	Paramount Resources Ltd.	1.6%
<b>Total</b>	<b>100.0%</b>	Intact Financial Corp.	1.6%
		Canadian Western Bank	1.5%
		Fairborne Energy Ltd.	1.5%
		Copper Mountain Mining Corp.	1.4%
		Industrial Alliance Insurance & Financial Services, Inc.	1.3%
		Labrador Iron Ore Royalty Corp.	1.3%
		GENIVAR, Inc.	1.2%
		Keegan Resources, Inc.	1.2%
		Richelieu Hardware Ltd.	1.1%
		Augusta Resource Corp.	1.1%
		Minefinders Corp. Ltd.	1.1%
		Major Drilling Group International, Inc.	1.1%
		Quebecor, Inc.	1.0%
		Black Diamond Group Ltd.	1.0%
		Argonaut Gold, Inc.	1.0%
			37.7%
		<b>Total Net Asset Value</b>	<b>\$137,227,928</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).