

Semi-Annual Report (unaudited) for the period ended June 30, 2011

Nordea International Equity Fund

Class O Units, Class P Units

Managed by: SEI INVESTMENTS CANADA COMPANY

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Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by SEI Investments Canada Company (the "Manager"), in its capacity as Manager of the Nordea International Equity Fund (the "Fund"). The Manager is responsible for the information and representations contained in these financial statements.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been produced in accordance with accounting principles generally accepted in Canada and include certain amounts based on estimates and judgments. The significant accounting policies which the Manager believes are appropriate for the Fund are described in the notes to the financial statements.



Roy Borzellino
Vice President

August 29, 2011

Notice to Unitholders

The Auditors of the Fund have not reviewed these Financial Statements

SEI Investments Canada Company, the Manager of the Fund, appoints an independent auditor to audit the Fund's annual financial statements.

Nordea International Equity Fund

Statement of Investment Portfolio

AS AT JUNE 30, 2011 (UNAUDITED)

	Number of Shares	Average Cost \$	Fair Value \$		Number of Shares	Average Cost \$	Fair Value \$
EQUITIES – 99.0%				Japan – 16.2%			
Australia – 2.4%				Bridgestone Corp.			
Rio Tinto Ltd.	111,728	7,333,050	9,552,776		379,900	7,154,969	8,380,636
		7,333,050	9,552,776	Fanuc Ltd.	53,400	7,864,336	8,538,339
Brazil – 3.0%				Japan Tobacco Inc.	2,627	10,083,000	9,700,510
Banco Santander (Brasil) SA, ADR	584,289	7,148,046	6,597,599	Komatsu Ltd.	262,400	5,449,226	7,823,668
Petróleo Brasileiro SA, Sponsored ADR	179,551	6,019,631	5,182,944	Mitsubishi UFJ Financial Group Inc.	1,027,700	6,719,706	4,789,685
		13,167,677	11,780,543	Mitsui & Co. Ltd.	524,800	7,615,698	8,660,909
China – 1.9%				Rakuten Inc.	2,909	1,838,857	2,885,345
Ping An Insurance (Group) Co. of China Ltd.	778,500	8,071,836	7,739,004	Shin-Etsu Chemicals Co. Ltd.	95,100	5,089,534	4,869,758
		8,071,836	7,739,004	Toyota Motor Corp.	223,800	8,992,445	8,798,973
Denmark – 4.7%						60,807,771	64,447,823
FLSmidth & Co. AS	73,789	5,853,422	6,035,299	Netherlands – 3.4%			
NeuroSearch AS	114,898	3,378,226	967,786	Koninklijke Vopak NV			
Novo Nordisk AS, Series 'B'	68,842	5,019,155	8,329,787		133,834	3,859,950	6,327,761
Vestas Wind Systems AS	145,131	8,547,140	3,253,485	Subsea 7 SA	282,985	5,674,570	7,019,301
		22,797,943	18,586,357			9,534,520	13,347,062
Finland – 1.3%				South Korea – 4.3%			
Outokumpu Technology OYJ	92,101	3,592,152	5,049,218		28,971	5,126,335	10,449,122
		3,592,152	5,049,218	Samsung Electronics Co. Ltd.	9,107	8,038,880	6,791,609
France – 11.1%						13,165,215	17,240,731
CFAO	81,581	3,482,247	3,402,878	Switzerland – 10.9%			
Danone	151,013	9,220,633	10,867,415	ABB Ltd., Registered			
Pernod-Ricard SA	65,796	5,708,424	6,257,663		373,407	6,809,838	9,330,377
Société Générale	170,373	10,903,185	9,755,101	Compagnie Financière Richemont SA	166,056	6,934,400	10,182,832
Technip SA	67,787	5,733,353	7,012,333	Nestlé SA, Registered, Series 'B'	282,522	13,076,921	16,838,982
Vallourec SA	57,913	5,588,260	6,806,111	Straumann AG, Registered	17,832	4,040,727	4,046,928
		40,636,102	44,101,501	Temenos Group AG, Registered	104,912	2,774,761	3,030,302
Germany – 11.6%						33,636,647	43,429,421
CFAO	81,581	3,482,247	3,402,878	United Kingdom – 18.6%			
Danone	151,013	9,220,633	10,867,415	BG Group PLC			
Pernod-Ricard SA	65,796	5,708,424	6,257,663		439,548	7,726,153	9,623,157
Société Générale	170,373	10,903,185	9,755,101	British American Tobacco PLC	381,926	14,582,201	16,161,067
Technip SA	67,787	5,733,353	7,012,333	Carnival PLC	120,970	3,486,858	4,522,766
Vallourec SA	57,913	5,588,260	6,806,111	GlaxoSmithKline PLC	381,947	8,093,808	7,894,562
		38,470,334	46,065,154	John Wood Group PLC	1,804	10,250	18,099
Hong Kong – 1.8%				Tullow Oil PLC	273,737	5,336,555	5,259,256
Genting Singapore PLC	4,737,000	7,744,538	7,187,469	Vedanta Resources PLC	225,549	7,558,534	7,317,904
		7,744,538	7,187,469	Vodafone Group PLC	3,044,513	6,581,475	7,797,579
India – 5.2%				Wolseley PLC	191,716	4,764,650	6,033,056
Housing Development Finance Corp. Ltd.	822,746	9,249,817	12,408,945	Xstrata PLC	450,177	7,020,674	9,555,930
Yes Bank Ltd.	1,236,554	9,593,728	8,329,294			65,161,158	74,183,376
		18,843,545	20,738,239	Total Equities		353,579,873	393,935,918
Ireland – 1.2%				Less: Transaction cost included in average cost		(882,053)	—
Kerry Group PLC, Class 'A'	119,280	4,949,825	4,763,399	Total Investments – 99.0%		352,697,820	393,935,918
		4,949,825	4,763,399	Other Assets and Liabilities, Net – 1.0%			4,069,976
Italy – 1.4%				Net Assets – 100.0%			398,005,894
Prysmian SPA	294,928	5,667,560	5,723,845				
		5,667,560	5,723,845				

Nordea International Equity Fund

Statement of Investment Portfolio

AS AT JUNE 30, 2011 (UNAUDITED)

SCHEDULE OF SPOT CONTRACTS*

Counterparty	Credit Rating of Counterparty ¹	Settlement Date		Amount Sold		Amount Bought	Forward Rate	Current Rate	Unrealized Appreciation (Depreciation) \$
Bank of New York Mellon Corp. (The)	A-1+	2011-07-01	GBP	1,528,300	EUR	1,700,000	0.899	0.903	10,747
Bank of New York Mellon Corp. (The)	A-1+	2011-07-04	CAD	1,275,806	CHF	1,100,000	1.160	1.146	(14,987)
Bank of New York Mellon Corp. (The)	A-1+	2011-07-04	CAD	356,674	DKK	1,900,000	0.188	0.188	(244)
Bank of New York Mellon Corp. (The)	A-1+	2011-07-04	CAD	3,361,440	EUR	2,400,000	1.401	1.399	(3,239)
Bank of New York Mellon Corp. (The)	A-1+	2011-07-04	CAD	1,316,225	GBP	850,000	1.549	1.549	782
Bank of New York Mellon Corp. (The)	A-1+	2011-07-04	CAD	117,054	NOK	650,000	0.180	0.180	(136)
Bank of New York Mellon Corp. (The)	A-1+	2011-07-05	CAD	124,301	AUD	120,000	1.036	1.033	(312)
Bank of New York Mellon Corp. (The)	A-1+	2011-07-05	CAD	236,128	HKD	1,900,000	0.124	0.124	(473)
Bank of New York Mellon Corp. (The)	A-1+	2011-07-05	CAD	962,001	JPY	80,000,000	0.012	0.012	(5,983)
Bank of New York Mellon Corp. (The)	A-1+	2011-07-05	CAD	275,525	SGD	350,000	0.787	0.786	(367)
Bank of New York Mellon Corp. (The)	A-1+	2011-07-05	CAD	1,450,650	USD	1,500,000	0.967	0.965	(3,000)
									(17,212)

¹Commercial paper rating per Standard and Poor's Commercial Paper Guide.

*The Unrealized appreciation (depreciation) on spot contracts is included in the Other Assets and Liabilities in the Statement of Investment Portfolio.

Summary of Investment Portfolio

AS AT DECEMBER 31, 2010 AND JUNE 30, 2011

All portfolio categories are included in the following table.

Portfolio by Category	Percentage of Net Assets (%)	
	2010	2011
Australia	2.5	2.4
Brazil	2.0	3.0
China	—	1.9
Denmark	8.3	4.7
Finland	1.5	1.3
France	9.8	11.1
Germany	5.6	11.6
Hong Kong	2.0	1.8
India	7.0	5.2
Ireland	—	1.2
Italy	1.4	1.4
Japan	17.3	16.2
Netherlands	1.6	3.4
South Korea	1.8	4.3
Switzerland	15.8	10.9
United Kingdom	22.5	18.6
Other Assets and Liabilities, Net	0.9	1.0
	100.0	100.0

(See accompanying notes)

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Nordea International Equity Fund

Notes to Statement of Investment Portfolio

AS AT JUNE 30, 2011 AND DECEMBER 31, 2010

Currency Risk

Currency risk is the risk that the value of investments will fluctuate due to changes in foreign exchange rates. This risk arises when financial instruments (including cash and cash equivalents) are denominated in a currency other than Canadian dollars, which represents the Fund's functional currency.

The table below indicates the currencies to which the Fund had exposure as at June 30, 2011 and December 31, 2010, on both its trading monetary and non-monetary assets and liabilities.

	Currency risk exposed holdings*		Forward foreign exchange contracts		Net Exposure		As a % of Net Assets	
	2011	2010	2011	2010	2011	2010	2011	2010
Euro Currency Unit	112,142,793	77,823,501	5,736,926	—	117,879,719	77,823,501	29.62%	20.05%
British Pound	74,367,997	80,385,688	(1,050,971)	—	73,317,026	80,385,688	18.42%	20.71%
Japanese Yen	65,346,170	67,259,643	956,018	—	66,302,188	67,259,643	16.66%	17.33%
Swiss Franc	43,436,547	61,344,248	1,260,819	—	44,697,366	61,344,248	11.23%	15.80%
Indian Rupee	21,364,706	27,556,293	—	—	21,364,706	27,556,293	5.37%	7.10%
Danish Krone	18,593,885	32,158,690	356,430	—	18,950,315	32,158,690	4.76%	8.28%
U.S. Dollar	11,914,702	8,758,844	1,447,650	—	13,362,352	8,758,844	3.36%	2.26%
Australian Dollar	9,552,952	9,604,012	123,988	—	9,676,940	9,604,012	2.43%	2.47%
Hong Kong Dollar	7,747,749	1,187	235,655	—	7,983,404	1,187	2.01%	0.00%
Swedish Krona	706	682	—	—	706	682	0.00%	0.00%
South Korean Won	17,273,902	7,169,089	—	—	17,273,902	7,169,089	4.34%	1.85%
Singapore Dollar	7,196,885	7,935,346	275,159	—	7,472,044	7,935,346	1.88%	2.04%
Taiwan Dollar	1,392	1,412	—	—	1,392	1,412	0.00%	0.00%
Norwegian Krone	7,027,333	6,930,903	116,918	—	7,144,251	6,930,903	1.80%	1.79%

*Amounts include monetary and non-monetary items.

As at December 31, 2010, had the Canadian dollar strengthened or weakened by 5% (December 31, 2010 – 5%) in relation to all currencies, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$20,271,316 (December 31, 2010 – \$19,346,477). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when the Fund invests in interest bearing financial instruments. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates.

As at June 30, 2011 and December 31, 2010, the interest rate risk is minimal given that the majority of the Fund's financial instruments are non-interest bearing.

Other Price Risk

Other price risk is the risk that the fair value of future cash flows financial statements will fluctuate as a result of changes in market prices (other than those arising from interest rate risk and currency risk), whether caused by factors specific to and individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. The maximum risk resulting from financial instruments held long is determined by the fair value of the instrument. The maximum risk resulting from financial instruments sold short is unlimited.

As at June 30, 2011, a 10% (December 31, 2010 – 10%) increase or decrease in equity prices would have increased or decreased the Fund's Net Assets by \$39,393,592 (December 31, 2010 – \$38,476,837). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The main concentration of credit risk would be where a fund invests in debt instruments and derivatives. The fair value includes consideration of the credit worthiness of the issuer and therefore represents the maximum credit exposure of the Fund.

All transactions executed by the Fund in listed securities are settled for upon delivery using approved brokers. The risk of default is minimal as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

As at June 30, 2011 and December 31, 2010, the credit risk is minimal given that the Fund had no significant investments in debt instruments or derivatives.

Liquidity Risk

Liquidity risk is the risk that the Fund may not be able to settle or meet its obligations on time or at a reasonable price. This is concentrated in the daily cash redemptions of units. Units are issued and redeemed on demand at the then current net asset value per unit at the option of the unit holder. The Fund invests primarily in securities that are actively traded and can be readily liquidated. In addition, the Fund retains sufficient cash and cash equivalent positions to maintain liquidity. In accordance with securities regulations, the Fund must maintain at least 90% of its assets in liquid investments (i.e. investments that are traded in an active market and can be readily sold). This also helps the Manager manage the Fund's exposure to daily cash redemptions of redeemable units.

Nordea International Equity Fund

Notes to Statement of Investment Portfolio

AS AT JUNE 30, 2011 AND DECEMBER 31, 2010

Fair Value Measurements

The following table summarizes the inputs used as of June 30, 2011 and December 31, 2010, in valuing the Fund's investments and derivatives carried at fair values:

2011	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Common shares	\$ 393,935,918	\$ —	\$ —	\$ 393,935,918
Preferred shares	—	—	—	—
Short term notes	—	—	—	—
Bonds	—	—	—	—
Investments in funds	—	—	—	—
Total Investments	\$ 393,935,918	\$ —	\$ —	\$ 393,935,918
Derivative assets	—	—	—	—
Derivative liabilities	—	—	—	—
2010				
Common shares	\$ 384,768,367	\$ —	\$ —	\$ 384,768,367
Preferred shares	—	—	—	—
Short term notes	—	—	—	—
Bonds	—	—	—	—
Investments in funds	—	—	—	—
Total Investments	\$ 384,768,367	\$ —	\$ —	\$ 384,768,367
Derivative assets	—	—	—	—
Derivative liabilities	—	—	—	—

During the periods ended June 30, 2011 and December 31, 2010, no investments were transferred between Level 1 and Level 2.

During the periods ended June 30, 2011 and December 31, 2010, the Fund did not hold any investments classified within Level 3.

Nordea International Equity Fund

Statements of Net Assets

AS AT JUNE 30, 2011 (UNAUDITED) AND
DECEMBER 31, 2010

(in thousands of dollars except per unit data)

	2011	2010
ASSETS		
Investments at fair value	\$ 393,936	\$ 384,768
Cash including foreign currency holdings, at fair value	1,408	2,237
Accrued dividends receivable	1,550	1,306
Receivable for portfolio securities sold	14,740	—
Receivable for unit subscriptions	12,000	—
	<u>423,634</u>	<u>388,311</u>
LIABILITIES		
Accrued liabilities	166	137
Payable for portfolio securities purchased	25,462	—
	<u>25,628</u>	<u>137</u>
NET ASSETS REPRESENTING UNITHOLDERS' EQUITY	<u>\$ 398,006</u>	<u>\$ 388,174</u>
NET ASSETS PER CLASS		
(Class O)	\$ 397,893	\$ 388,061
(Class P)	\$ 113	\$ 113
NET ASSETS PER UNIT (note 7)		
(Class O)	\$ 6.08	\$ 6.02
(Class P)	\$ 5.97	\$ 5.98
INVESTMENTS AT AVERAGE COST	<u>\$ 352,698</u>	<u>\$ 340,189</u>

Statements of Operations

FOR THE PERIODS ENDED JUNE 30 (UNAUDITED)

(in thousands of dollars except per unit data)

	2011	2010
INVESTMENT INCOME		
Dividends	\$ 5,255	\$ 4,514
Interest	(4)	(1)
	<u>5,251</u>	<u>4,513</u>
Foreign withholding taxes	(574)	(578)
	<u>4,677</u>	<u>3,935</u>
EXPENSES		
Custodian and administration fees	214	160
Legal fees	3	30
Audit fees	—	14
Management fees	217	171
Trustee fees	5	5
Independent Review Committee fees	7	1
	<u>446</u>	<u>381</u>
NET INVESTMENT INCOME (LOSS)	<u>4,231</u>	<u>3,554</u>
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized gain (loss) on sale of investment	3,626	1,839
Net realized gain (loss) on foreign exchange	11	(907)
Transaction costs on purchase and sale of investment	(394)	(699)
Unrealized appreciation (depreciation) on investments	(3,341)	(45,474)
	<u>(98)</u>	<u>(45,241)</u>
NET GAIN (LOSS) ON INVESTMENTS	<u>(98)</u>	<u>(45,241)</u>
NET INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	<u>\$ 4,133</u>	<u>\$ (41,687)</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
(Class O)	\$ 4,133	\$ (41,673)
(Class P)	\$ —	\$ (14)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER UNIT*		
(Class O)	\$ 0.06	\$ (0.69)
(Class P)	\$ (0.01)	\$ (0.75)

* Based on the weighted average number of units outstanding during the period.

Nordea International Equity Fund

Statements of Changes in Net Assets

FOR THE PERIODS ENDED JUNE 30 (UNAUDITED)

(in thousands of dollars except per unit data)

	Fund Total		Class O	
	2011	2010	2011	2010
NET ASSETS – BEGINNING OF PERIOD	\$ 388,174	\$ 344,703	\$ 388,061	\$ 344,593
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	4,133	(41,687)	4,133	(41,673)
CAPITAL UNIT TRANSACTIONS				
Proceeds from issue of units	12,731	58,098	12,699	58,098
Payments on redemption of units	(7,032)	—	(7,000)	—
	5,699	58,098	5,699	58,098
CHANGES IN NET ASSETS	9,832	16,411	9,832	16,425
NET ASSETS, END OF PERIOD	\$ 398,006	\$ 361,114	\$ 397,893	\$ 361,018
	Class P			
	2011	2010		
NET ASSETS – BEGINNING OF PERIOD	\$ 113	\$ 110		
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	—	(14)		
CAPITAL UNIT TRANSACTIONS				
Proceeds from issue of units	32	—		
Payments on redemption of units	(32)	—		
	—	—		
CHANGES IN NET ASSETS	—	(14)		
NET ASSETS, END OF PERIOD	\$ 113	\$ 96		

(See accompanying notes)

NORD

Notes to Financial Statements

FOR THE PERIOD ENDED JUNE 30, 2011 AND THE YEAR ENDED DECEMBER 31, 2010

1. ESTABLISHMENT OF FUND

The Nordea International Equity Fund (the “Fund”) is an open-ended investment trust under the laws of the Province of Ontario. SEI Investments Canada Company (the “Manager”) is the Fund’s Manager and CIBC Mellon Trust Company is the Trustee of the Fund. Class O and Class P units commenced as follows:

Fund	Status of Fund	Date of Declaration of Trust	Date Class O Commenced	Date Class P Commenced
Nordea International Equity Fund	Mutual Fund	October 7, 2004	October 8, 2004	December 29, 2004

The statement of investment portfolio is as at June 30, 2011; the statements of net assets are as at June 30, 2011 and December 31, 2010, and the statements of operations and changes in net assets are for the six-month periods ended June 30, 2011 and 2010.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”), which require the use of estimates and assumptions by management that affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Actual results could differ from those estimates.

The following is a summary of the significant accounting policies followed by the Fund:

- (a) Units of each class are issued and redeemed at their net asset value per unit, which is determined at the close of each business day. The net asset value per unit for each class is determined by dividing the total net asset value of each class by the total number of units outstanding of that class. Management fees directly attributable to a class are charged to that class. Fund operating expenses, income, and realized and unrealized capital gains and losses are allocated proportionately to each class based upon the relative net asset value of each class.
- (b) Investments held that are traded in an active market through recognized public stock exchanges, over the counter markets, or through recognized investment dealers, are valued at their bid prices for securities held long and ask prices for securities sold short. Investments held with no available bid prices are valued at their closing sale prices. Investments held include equities.

Investments held that are not traded in an active market are valued based on the results of valuation techniques using observable market inputs if available, on such basis and in such manner established by the Manager. The fair value of certain securities may be estimated using valuation techniques based on assumptions that are not supported by observable market inputs.

The Fund utilizes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund’s investments. The hierarchy of inputs is summarized below:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2);
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Changes in valuation methods may result in transfers into or out of an investment’s assigned level.

Notes to Financial Statements

FOR THE PERIOD ENDED JUNE 30, 2011 AND THE YEAR ENDED DECEMBER 31, 2010

- (c) The fair value of foreign investments and other assets and liabilities are translated into Canadian dollars at the exchange rate prevailing on the valuation date. Purchases and sales of foreign securities and the related income are translated into Canadian dollars at the exchange rate prevailing on the respective dates of such transactions.
- (d) The cost of investments represents the amount paid for each security and is determined on an average cost basis excluding commissions and other transaction costs.
- (e) Commissions and other transaction costs are incremental costs that are directly attributable to the acquisition, issue, or disposal of an investment, which include fees and commissions paid to agents, advisors, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Commissions and transaction costs are included as expenses in the Statements of Operations.
- (f) Income and expenses are recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Security transactions are recorded on the trade date for financial reporting purposes. The unrealized appreciation (depreciation) in the value of a security represents the difference between its fair value and its average cost. A realized gain (loss) is recognized when a security is sold. The realized gain (loss) is the difference between the proceeds received and the average cost of the security.
- (g) Increase (decrease) in Net Assets from Operations Per Unit of a class in the Statements of Operations represents the increase (decrease) in net assets from operations attributable to the class, divided by the weighted average number of units of the class outstanding during the period.
- (h) For each mutual fund unit sold, the Fund receives an amount equal to the net asset value per unit on the date of sale, which is included in unitholders' equity. Units are redeemable at the option of the unitholders at their net asset value on the redemption date. For each unit redeemed, the number of issued and outstanding units is reduced and the equity in the Fund is reduced by the related net asset value as of the date of redemption.
- (i) The Fund's financial instruments include investments and derivatives, accrued dividends receivable and accrued liabilities. Investments and derivatives are classified as held for trading and carried at fair value. All other financial instruments are classified as loans and receivables or financial liabilities, as applicable, and carried at amortized cost.

Notes to Financial Statements

FOR THE PERIOD ENDED JUNE 30, 2011 AND THE YEAR ENDED DECEMBER 31, 2010

3. UNITHOLDERS' EQUITY

The capital of the Fund is represented by issued redeemable units with no par value. Unitholders are entitled to distributions, if any, and to payment of a proportionate share based on the Fund's net asset value per unit upon redemption. The Fund has no restrictions or specific capital requirements on the subscription and redemption of units other than minimum subscriptions. Capital movements are shown on the Statements of Changes in Net Assets. In accordance with its investment strategies and risk management policies, the Fund endeavours to invest its subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions. The following table summarizes the changes in the number of units for the periods ended June 30, 2011 and December 31, 2010:

	Balance – beginning of the period		Units issued during the period		Units redeemed during the period		Units reinvested during the period		Balance – end of the period	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Class O	64,477,694	59,460,568	2,100,312	13,045,504	(1,163,815)	(8,771,056)	—	742,678	65,414,191	64,477,694
Class P	18,848	18,848	5,368	—	(5,368)	—	—	—	18,848	18,848

A unitholder of the Fund is entitled by giving notice to the Manager to require payment of the net asset value per unit of the Fund for all or any of the units of such unitholder. Such notice must be received no later than 4:00 p.m., EST, on any valuation day upon which the units are to be redeemed. The notice must be irrevocable and the signature thereon must be guaranteed by a Canadian chartered bank, a trust company or an investment dealer acceptable to the Manager.

4. INCOME TAXES

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) (the "Act"). The Fund is not subject to tax on its net income, including net realized capital gains for the year, which is paid or payable to its unitholders as at the end of the year. However, such part of the Fund's net income and net realized capital gains that is not so paid or payable will be taxable to the Fund. Income tax on net realized capital gains not paid or payable will be generally recoverable by virtue of the refunding provisions contained in the Act and provincial income tax legislation, as redemptions occur. The Fund is required by the Trust Agreement governing the Fund to pay all net taxable income and sufficient net realized capital gains so that the Fund will not be subject to income taxes. Accordingly, no provision for income tax has been made in these financial statements.

There are capital loss carry-forwards available:

\$

Nordea International Equity Fund

77,484,749

There capital losses for income tax purposes may be carried forward indefinitely and applied against capital gains realized in future years.

There are no non-capital loss carry-forwards available in the Fund.

5. MANAGEMENT FEES AND EXPENSES

- (a) Under the terms of the Trust Agreement governing the Fund, all expenses of the Fund, are payable by the Fund. The Manager's management fees for services provided to Class O unitholders are pursuant to separate agreements entered between the Manager and each Class O unitholder.

Notes to Financial Statements

FOR THE PERIOD ENDED JUNE 30, 2011 AND THE YEAR ENDED DECEMBER 31, 2010

- (b) The Manager's compensation for management services is calculated daily as a percentage of the net asset value of the Class using the following percentage:

	Class O	Class P
Nordea International Equity Fund	0.10%	2.30%

The management fee stated includes GST (January to June 2010) and HST (July 2010 to June 2011).

The Manager may, at its discretion terminate the waiver or absorption at any time. The amount waived, if any, is shown in the Statements of Operations.

6. SOFT DOLLAR COMMISSIONS

The Fund had no soft dollar commissions for 2011 and 2010.

7. COMPARISON OF NET ASSETS PER UNIT AND NET ASSET VALUE PER UNIT

National Instrument 81-106 ("NI 81-106"), Investment Fund Continuous Disclosure, requires investment funds to value their investments using fair value measures as defined in NI 81-106. The method by which the net assets are calculated for financial reporting purposes may be different from the method for which the net asset value for subscriptions or redemptions is calculated. A comparison between the net asset value per unit calculated for subscriptions and redemptions ("net asset value") and the net assets per unit calculated for financial reporting ("net assets") is required to be disclosed in the financial statements.

	June 30, 2011		December 31, 2010	
	Net asset value per unit (\$)	Net assets per unit (\$)	Net asset value per unit (\$)	Net assets per unit (\$)
Class O	6.10	6.08	6.03	6.02
Class P	5.99	5.97	5.99	5.98

8. FINANCIAL RISKS

The Fund is exposed to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, other price risk, and currency risk), in the normal course of business. The value of investments held within the Fund will fluctuate on a daily basis as a result of changes in interest rates, economic conditions, market, and company specific news. The level of risk depends on the Fund's investment objectives and the type of securities it invests in.

The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objectives. The risk management practices include monitoring compliance to investment guidelines. The Manager manages the potential effects of these financial risks on the Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Fund's positions and market events, and diversify investment portfolios within the constraints of the investment guidelines.

Currency Risk

Currency risk is the risk that the value of investments will fluctuate due to changes in foreign exchange rates. This risk arises when financial instruments (including cash and cash equivalents) are denominated in a currency other than Canadian dollars, which represents the Fund's functional currency.

Notes to Financial Statements

FOR THE PERIOD ENDED JUNE 30, 2011 AND THE YEAR ENDED DECEMBER 31, 2010

The table below indicates the currencies to which the Fund had exposure as at June 30, 2011 and December 31, 2010, on both its trading monetary and non-monetary assets and liabilities.

	Currency risk exposed holdings*		Forward foreign exchange contracts		Total Exposure		As a % of Net Assets	
	2011	2010	2011	2010	2011	2010	2011	2010
Euro Currency Unit	112,142,793	77,823,501	5,736,926	—	117,879,719	77,823,501	29.62%	20.05%
British Pound	74,367,997	80,385,688	(1,050,971)	—	73,317,026	80,385,688	18.42%	20.71%
Japanese Yen	65,346,170	67,259,643	956,018	—	66,302,188	67,259,643	16.66%	17.33%
Swiss Franc	43,436,547	61,344,248	1,260,819	—	44,697,366	61,344,248	11.23%	15.80%
Indian Rupee	21,364,706	27,556,293	—	—	21,364,706	27,556,293	5.37%	7.10%
Danish Krone	18,593,885	32,158,690	356,430	—	18,950,315	32,158,690	4.76%	8.28%
U.S. Dollar	11,914,702	8,758,844	1,447,650	—	13,362,352	8,758,844	3.36%	2.26%
Australian Dollar	9,552,952	9,604,012	123,988	—	9,676,940	9,604,012	2.43%	2.47%
Hong Kong Dollar	7,747,749	1,187	235,655	—	7,983,404	1,187	2.01%	0.00%
Swedish Krona	706	682	—	—	706	682	0.00%	0.00%
South Korean Won	17,273,902	7,169,089	—	—	17,273,902	7,169,089	4.34%	1.85%
Singapore Dollar	7,196,885	7,935,346	275,159	—	7,472,044	7,935,346	1.88%	2.04%
Taiwan Dollar	1,392	1,412	—	—	1,392	1,412	0.00%	0.00%
Norwegian Krone	7,027,333	6,930,903	116,918	—	7,144,251	6,930,903	1.80%	1.79%

*Amounts include monetary and non-monetary items.

As at December 31, 2010, had the Canadian dollar strengthened or weakened by 5% (December 31, 2010 – 5%) in relation to all currencies, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$20,271,316 (December 31, 2010 – \$19,346,477). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when the Fund invests in interest bearing financial instruments. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates.

As at June 30, 2011 and December 31, 2010, the interest rate risk is minimal given that the majority of the Fund's financial instruments are non-interest bearing.

Other Price Risk

Other price risk is the risk that the fair value of future cash flows financial statements will fluctuate as a result of changes in market prices (other than those arising from interest rate risk and currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. The maximum risk resulting from financial instruments held long is determined by the fair value of the instrument. The maximum risk resulting from financial instruments sold short is unlimited.

As at June 30, 2011, a 10% (December 31, 2010 – 10%) increase or decrease in equity prices would have increased or decreased the Fund's Net Assets by \$39,393,592 (December 31, 2010 – \$38,476,837). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

Notes to Financial Statements

FOR THE PERIOD ENDED JUNE 30, 2011 AND THE YEAR ENDED DECEMBER 31, 2010

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The main concentration of credit risk would be where a fund invests in debt instruments and derivatives. The fair value includes consideration of the credit worthiness of the issuer and therefore represents the maximum credit exposure of the Fund.

All transactions executed by the Fund in listed securities are settled for upon delivery using approved brokers. The risk of default is minimal as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

As at June 30, 2011 and December 31, 2010, the credit risk is minimal given that the Fund had no significant investments in debt instruments or derivatives.

Liquidity Risk

Liquidity risk is the risk that the Fund may not be able to settle or meets its obligations on time or at a reasonable price. This is concentrated in the daily cash redemptions of units. Units are issued and redeemed on demand at the then current net asset value per unit at the option of the unitholder. The Fund invests primarily in securities that are actively traded and can be readily liquidated. In addition, the Fund retains sufficient cash and cash equivalent positions to maintain liquidity. In accordance with securities regulations, the Fund must maintain at least 90% of its assets in liquid investments. This also helps the Manager manage the Fund's exposure to daily cash redemptions of redeemable units.

9. FAIR VALUE MEASUREMENTS

The following table summarizes the inputs used as of June 30, 2011 and December 31, 2010, in valuing the Fund's investments and derivatives carried at fair values:

2011	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Common shares	\$ 393,935,918	\$ —	\$ —	\$ 393,935,918
Preferred shares	—	—	—	—
Short term notes	—	—	—	—
Bonds	—	—	—	—
Investments in funds	—	—	—	—
Total Investments	\$ 393,935,918	\$ —	\$ —	\$ 393,935,918
Derivative assets	—	—	—	—
Derivative liabilities	—	—	—	—
2010				
Common shares	\$ 384,768,367	\$ —	\$ —	\$ 384,768,367
Preferred shares	—	—	—	—
Short term notes	—	—	—	—
Bonds	—	—	—	—
Investments in funds	—	—	—	—
Total Investments	\$ 384,768,367	\$ —	\$ —	\$ 384,768,367
Derivative assets	—	—	—	—
Derivative liabilities	—	—	—	—

During the periods ended June 30, 2011 and December 31, 2010, no investments were transferred between Level 1 and Level 2. During the periods ended June 30, 2011 and December 31, 2010, the Fund did not hold any investments classified within Level 3.

Notes to Financial Statements

FOR THE PERIOD ENDED JUNE 30, 2011 AND THE YEAR ENDED DECEMBER 31, 2010

10. INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”)

The Canadian Accounting Standards Board (“CASB”) previously confirmed January 1, 2011 as the date IFRS would replace Canadian 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,
- 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.

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