

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

Real Return Bond 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

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, or through SEDAR at www.sedar.com.

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

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

The proxy voting record of the SEI Funds for the period ending June 30, 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.

Real Return Bond Fund

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.)

While a number of economic and political woes plagued global markets during the first half of 2011, Canadian Real Return Bonds (RRB) fared well throughout the turmoil. The dual nature of RRB's being both longer-term bonds and having an option on inflation, propelled the asset class to a top performer for the first half of 2011. By the end of June 30th, 2011, the DEX Real Return Bond Index (the "Index") gained 4.59%. SEI's Real Return Bond Fund outperformed the Index during the same period with a return of 4.70%.

After trillions of dollars were pumped into global financial systems in previous quarters to restore confidence, concerns over a potential inflationary impact began to surface during the first quarter of 2011. In April, the Bank of Canada revised its growth forecast to suggest the economy will grow by 2.9% (previously 2.4%) in 2011 and 2.6% (previously 2.8%) in 2012. It further forecasted 2.1% GDP growth for 2013. The Bank's Monetary Policy Report indicated that the Bank expects the Canadian economy to reach full capacity by mid 2012, two quarters earlier than previously expected. Later in the second quarter however, the Bank pointed to a growing debt crisis in Europe and commented that risks to peripheral economies had increased. Although the Bank maintained its target for the overnight rate at 1.00% through both quarters, it added that high energy prices and changes in provincial indirect taxes were likely to keep the headline CPI inflation rate above 3% in the short-term. The Bank's statement was confirmed when the Canadian headline inflation rate for May jumped to an annual rate of 3.7%. This was clearly beneficial for inflation linked bond prices.

Relative Fund performance benefited from a modest decline in RRB yields where the average real yield for the Index fell from 110 at the beginning of the year, to 97 basis points at the end of June. Provincial RRB's received an additional boost as yield spreads narrowed through the period. The Fund's overweight to longer dated Ontario and Manitoba RRB's more than offset the lagging impact from an overweight to shorter dated Quebec

RRB's. Overall, holding an overweight to Provincial RRB's had a modestly positive impact for the Fund's performance. An overweight to Teranet Holdings LP, the only non-government RRB held in the Fund, has a slightly negative impact as the security modestly lagged the Index during the period.

RECENT DEVELOPMENTS

The Fund maintained a notable overweight position to Provincial RRB's and corresponding underweight position to Federal Government of Canada RRB's relative to the Index. For example, as of June 30th, 2011 the Fund held 50.6% of its assets in Provincial RRB's compared to the Index weight of 15.6%. This represented a 2.2% increase in Provincial holdings compared to the beginning of the year, and contributed to a reduction in the Federal Government of Canada RRB holdings at 43.4% for June month end. Within the Fund's Provincial RRB holdings, the three largest overweight positions in order remain Quebec, Manitoba, and Ontario. The decision to remain overweight in these areas is a reflection of the Portfolio Manager's preference for higher yielding Provincial RRB's compared to Federal Government of Canada RRB's.

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,

Real Return Bond Fund

Management Report of Fund Performance

- 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.

Real Return Bond 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 ^(a)	2011	2010	2009	2008	2007	2006
NET ASSETS, BEGINNING OF YEAR	\$16.43	\$15.34	\$13.44	\$14.44	\$15.01	\$15.81
INCREASE (DECREASE) FROM OPERATIONS:						
Total revenue	\$0.20	\$0.40	\$0.40	\$0.42	\$0.43	\$0.43
Total expenses	-\$0.01	-\$0.02	-\$0.01	-\$0.02	-\$0.02	-\$0.02
Realized gains (losses) for the year	\$0.21	\$0.22	—	-\$0.03	-\$0.05	\$0.07
Unrealized gains (losses) for the year	\$0.36	\$1.12	\$1.88	-\$0.70	-\$0.25	-\$0.79
Total increase (decrease) from operations ^(b)	\$0.76	\$1.72	\$2.27	-\$0.33	\$0.11	-\$0.31
DISTRIBUTIONS:						
From income (excluding dividends)	—	-\$0.60	-\$0.37	-\$0.59	-\$0.65	-\$0.45
Total annual distributions ^(c)	—	-\$0.60	-\$0.37	-\$0.59	-\$0.65	-\$0.45
NET ASSETS, END OF YEAR	\$17.20	\$16.43	\$15.34	\$13.44	\$14.44	\$15.01
RATIOS AND SUPPLEMENTAL DATA						
Net asset value (\$000's)*	\$259,175	\$290,693	\$249,130	\$219,117	\$226,792	\$192,990
Number of units outstanding*	15,047,036	17,670,135	16,218,337	16,298,148	15,708,047	12,856,168
Management expense ratio ^(d)	0.13%	0.12%	0.08%	0.15%	0.12%	0.14%
Management expense ratio before waivers	0.14%	0.12%	0.08%	0.15%	0.12%	0.14%
Portfolio turnover rate ^(e)	0%	17%	9%	8%	12%	13%
Net asset Value per unit	\$17.22	\$16.45	\$15.36	\$13.44	\$14.44	\$15.01

Class P

THE FUND'S NET ASSETS PER UNIT ^(a)	2011	2010	2009	2008	2007	2006
NET ASSETS, BEGINNING OF YEAR	\$17.69	\$16.57	\$14.52	\$15.57	\$16.17	\$17.03
INCREASE (DECREASE) FROM OPERATIONS:						
Total revenue	\$0.22	\$0.43	\$0.43	\$0.45	\$0.46	\$0.46
Total expenses	-\$0.17	-\$0.32	-\$0.27	-\$0.29	-\$0.29	-\$0.30
Realized gains (losses) for the year	\$0.24	\$0.24	—	-\$0.03	-\$0.05	\$0.06
Unrealized gains (losses) for the year	\$0.48	\$1.20	\$2.02	-\$0.81	-\$0.25	-\$0.83
Total increase (decrease) from operations ^(b)	\$0.77	\$1.55	\$2.18	-\$0.68	-\$0.13	-\$0.61
DISTRIBUTIONS:						
From income (excluding dividends)	—	-\$0.39	-\$0.12	-\$0.35	-\$0.41	-\$0.21
Total annual distributions ^(c)	—	-\$0.39	-\$0.12	-\$0.35	-\$0.41	-\$0.21
NET ASSETS, END OF YEAR	\$18.36	\$17.69	\$16.57	\$14.52	\$15.57	\$16.17
RATIOS AND SUPPLEMENTAL DATA						
Net asset value (\$000's)*	\$25,434	\$18,484	\$13,464	\$12,672	\$12,575	\$9,157
Number of units outstanding*	1,384,005	1,043,823	811,554	872,471	807,752	566,415
Management expense ratio ^(d)	1.91%	1.86%	1.76%	1.82%	1.81%	1.84%
Management expense ratio before waivers	1.92%	1.86%	1.76%	1.82%	1.81%	1.84%
Portfolio turnover rate ^(e)	0%	17%	9%	8%	12%	13%
Net asset Value per unit	\$18.38	\$17.71	\$16.59	\$14.52	\$15.57	\$16.17

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

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

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

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

^(d) Management expense ratio is the ratio of all fees and expenses (including 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.

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

* This information is provided as at June 30.

Real Return Bond 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 ^(a)	2011	2010	2009	2008	2007	2006
NET ASSETS, BEGINNING OF YEAR	\$16.83	\$15.73	\$13.81	\$14.72	\$15.27	\$15.28 ¹
INCREASE (DECREASE) FROM OPERATIONS:						
Total revenue	\$0.21	\$0.41	\$0.42	\$0.42	\$0.43	\$0.28
Total expenses	-\$0.07	-\$0.13	-\$0.12	-\$0.12	-\$0.12	-\$0.08
Realized gains (losses) for the year	\$0.23	\$0.23	—	-\$0.03	-\$0.05	\$0.01
Unrealized gains (losses) for the year	\$0.31	\$1.26	\$2.01	-\$1.03	-\$0.23	-\$0.39
Total increase (decrease) from operations ^(b)	\$0.68	\$1.77	\$2.31	-\$0.76	\$0.03	-\$0.18
DISTRIBUTIONS:						
From income (excluding dividends)	—	-\$0.51	-\$0.30	-\$0.41	-\$0.52	-\$0.12
Total annual distributions ^(c)	—	-\$0.51	-\$0.30	-\$0.41	-\$0.52	-\$0.12
NET ASSETS, END OF YEAR	\$17.57	\$16.83	\$15.73	\$13.81	\$14.72	\$15.27
RATIOS AND SUPPLEMENTAL DATA						
Net asset value (\$'000's)*	\$3,867	\$3,341	\$1,398	\$872	\$691	\$474
Number of units outstanding*	219,885	198,272	88,759	63,155	46,941	31,032
Management expense ratio ^(d)	0.78%	0.80%	0.80%	0.80%	0.80%	0.80%
Management expense ratio before waivers	0.79%	0.80%	0.80%	0.80%	0.80%	0.80%
Portfolio turnover rate ^(e)	0%	17%	9%	8%	12%	13%
Net asset Value per unit	\$17.58	\$16.85	\$15.75	\$13.81	\$14.72	\$15.27

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

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

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

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

^(d) Management expense ratio is the ratio of all fees and expenses (including 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.

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* 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	0.65%	1.60%	0.80% ¹	n/a

¹Inclusive 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%	37.5%	100.0%	n/a
Trailer Commissions*	n/a	n/a	62.5%	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.

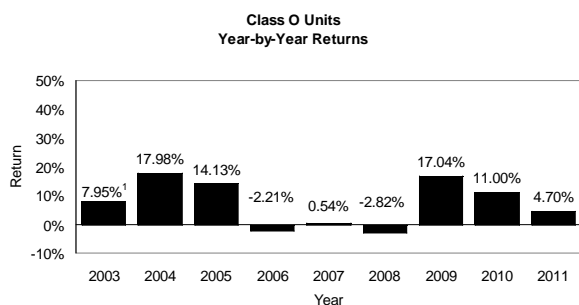
Real Return Bond Fund

Past Performance

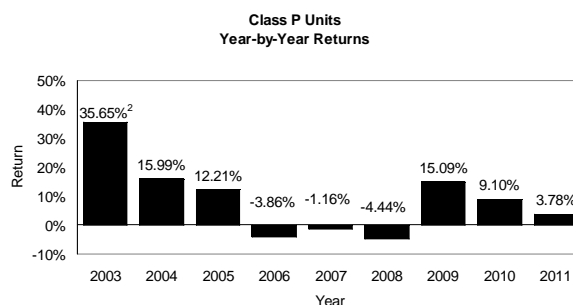
The performance information shown below assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. This performance information does not take into account sales, redemptions, distribution or other optional charges that would have reduced returns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

YEAR-BY-YEAR RETURNS

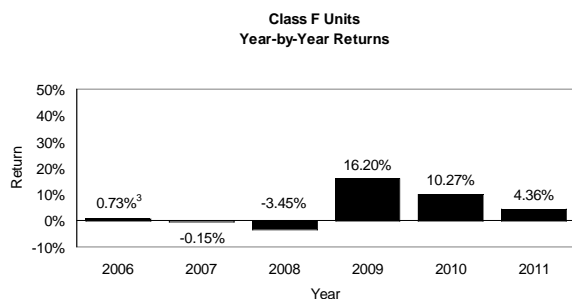
The following charts show the Fund's annual performance and illustrate how performance has changed from year to year. In percentage terms, the charts show how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year. Unless otherwise stated, the returns shown for 2011 in the charts below, are for the period from January 1st to June 30th.



¹ Annualized from May 2003 first issuance by Prospectus



² Annualized from December 2003 first issuance by Prospectus



³ From May 2006 first issuance by Prospectus

Real Return Bond Fund

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 within 60 days after each quarter end.

PORTFOLIO BREAKDOWN

TOP 25 HOLDINGS

Sector	% of Total Net Asset Value	Holding	% of Total Net Asset Value
Provincial	50.6%	Prov Of Quebec 4.250% 01-Dec-2031 Real Rtn Bd	14.4%
Federal	43.4%	Prov Of Quebec 4.500% 01-Dec-2026 Real Rtn Bd	10.6%
Industrial	5.1%	Government Of Canada 4.250% 01-Dec-2026 Real Rtn Bd	10.6%
Cash	<u>0.9%</u>	Government Of Canada 3.000% 01-Dec-2036 Real Rtn Bd	9.8%
Total	100.0%	Government Of Canada 4.250% 01-Dec-2021 Real Rtn Bd	9.7%
		Prov Of Ontario 2.000% 01-Dec-2036 Real Rtn Bd	8.5%
		Government Of Canada 2.000% 01-Dec-2041 Real Rtn Bd	7.5%
		Prov Of Quebec 4.500% 01-Dec-2021 Real Rtn Bd	5.5%
		Prov Of Manitoba 01-Dec-2036 Real Rtn Bd	5.4%
		Teranet Holdings Lp 3.270% 01-Dec-2031 Real Rtn Bd	4.9%
		Government Of Canada 0.000% T-Bill 07-Jul-2011	3.7%
		Government Of Canada 1.500% 01-Dec-2044 Real Rtn Bd	3.6%
		Prov Of Manitoba 1.738% 01-Dec-2018 Real Rtn Bd	3.5%
		Government Of Canada 0.000% T-Bill 01-Sep-2011	1.2%
		Canadian Dollar	1.0%
		Real Return Bond Interest .	0.0%
		Government Of Canada 0.000% T-Bill 21-Jul-2011	<u>0.0%</u>
		Total	100.0%
		Total Net Asset Value	\$303,890,193

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