

Annual Management Report of Fund Performance

for the period ended December 31, 2011

U.S. High Yield Bond Fund

Class O Units, Class I Units, Class P Units, Class F Units, Class R Units, Class S Units, Class D Units, Class E Units,
Class O(H) Units, Class I(H) Units, Class P(H) Units, Class F(H) Units, Class R(H) Units, Class D(H) Units and Class E(H) Units

Managed by: SEI INVESTMENTS CANADA COMPANY

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

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

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

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

A caution regarding forward-looking statements:

This document may contain forward-looking statements about the Fund, including its strategy, performance and condition. Forward looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", or negative versions thereof, or future or conditional verbs such as "will", "may", "could", "should" and "would", and similar expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future fund action, is also a forward-looking statement.

By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. Forward-looking statements are not guarantees of future performance. There is significant risk that forward-looking statements will not prove to be accurate. We caution readers of this document to not place undue reliance on our forward-looking statements, as a number of factors could cause actual future results, conditions and actions or events to differ materially from those expressed or implied in any forward-looking statements. Factors may include, but are not limited to, general economic, political, market and business conditions; fluctuations in interest rates and foreign exchange rates; regulatory developments; and actions by governmental authorities. We caution that the foregoing list of factors is not exhaustive. Before making an investment decision, we encourage investors to consider these and other factors carefully. Future events and their effects on the Fund may not be those anticipated by us. Actual results may differ materially from the results anticipated in these forward-looking statements. We do not undertake, and specifically disclaim, any obligations to update or revise any forward-looking information, whether as a result of new information, future developments, or otherwise.

U.S. High Yield Bond Fund

Management Report of Fund Performance

INVESTMENT OBJECTIVE AND STRATEGIES

The objective of the U.S. High Yield Bond Fund (the “Fund”) is to provide a high level of total return by investing primarily in high-yield fixed income securities issued primarily by United States corporations.

The Fund invests primarily in a diversified portfolio of non-investment grade rated debt instruments and high yield securities with a credit rating below BBB. The Fund’s average weighted maturity may vary, but will not exceed ten years.

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

The current Portfolio Managers of the Fund are:
Delaware Investment Advisors
Guggenheim Investment Management, LLC
J.P. Morgan Investment Management Inc.
SEI Investments Management Corporation
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.)

High-yield bonds produced positive returns for the third consecutive year, with the Merrill Lynch U.S. High Yield Master II Constrained Index returning 6.95% for 2011. Performance for the period was more volatile than the past two years as markets began the year strongly, sold off in the third quarter on risk aversion and finally ended the year on a strong note. Likewise,

issuance began the year surpassing the calendar-year record pace established in 2010, with the first two quarters registering record quarterly issuance of \$89.6 billion and \$92.4 billion. However, issuance slowed over the last two quarters as a result of increased volatility and reduced liquidity. For the year, issuance totalled \$245.6 billion, the second highest calendar-year issuance, behind only the \$302 billion issued in 2010. A majority was for refinancing purposes, which constituted 55.3% of 2011’s issuance. Demand for high-yield bonds was up and down, tracking the volatility created in the financial markets by the sovereign debt crisis in Europe and the political grandstanding in the U.S. For the year, inflows totalled \$15 billion, exceeding the \$12.5 billion inflow of 2010. Inflows were volatile from week to week, with several weeks recording both record inflows and outflows. Fundamentals remained solid for high-yield companies, which enabled defaults to decline, as the Moody’s U.S. speculative-grade default ended the year at 1.8%, down from 3.1% a year ago. With risk aversion the primary theme—especially in the second half of the year—lower quality credits outperformed higher quality credits. CCC-rated securities producing the lowest return at -1.41%, and BB-rated securities produced the highest return at 6.20%. B-rated securities returned 4.60%. High-yield spreads widened 184 basis points during the year on a combination of rising U.S. Treasury yields and downward price pressure for high-yield bonds.

The high-yield market remains well-positioned due to strong fundamentals and low default rates. With the U.S. Federal Reserve Bank likely to keep short-term yields low for the foreseeable future, the 8.27% yield produced by the high-yield market is attractive to many investors, especially in the context of low defaults. Risks to the market are primarily exogenous, but companies that cannot improve operations, access capital markets or refinance their capital structure face default pressures. Capital markets remain focused on the sovereign debt crisis along the periphery of Europe and its impact on the global financial system. Achieving a successful solution that is acceptable to the market is not certain given the inherent challenges facing the European Union. This situation is likely to continue to drive volatility in 2012.

U.S. High Yield Bond Fund

Management Report of Fund Performance

For the year ended December 31, 2011, the U.S. High Yield Bond Fund outperformed the BofA Merrill Lynch U.S. High Yield Master II Constrained Index, returning 7.63% versus the Index return of 6.95%.

The best-performing sector on a contribution-to-return basis for 2011 was Energy, which returned 8.52%, followed by Health Care, which returned 7.16%. Returns were generally positive across sectors, but with two notable exceptions: the Banking sector, which produced the worst return at -4.11%, and the Real Estate sector, which returned -0.53%.

Enhancing fund performance was an underweight to and security selection within the Banking sector. Within Banking, the Fund's holdings generated a positive return, while the Index holding generated a negative return. Security selection in the Technology/Electronics sector added to returns, especially in software companies. Within the Basic Industry sector, selection among paper companies benefited performance. An underweight to the underperforming Real Estate sector, which continued to struggle due to the lack of a housing recovery in the U.S., added to performance. An underweight to the outperforming Energy and Utility sectors hurt performance. Security selection within the Telecommunications sector also detracted.

RECENT DEVELOPMENTS

Throughout the year, managers viewed BB-rated securities less favourably than the other credit-quality segments due to their higher interest-rate sensitivity and lower yield. As a result, the Fund remains underweight to the BB-rated segment. The Fund remains overweight the lower-rated B and CCC segments of the market based on a more favourable return outlook. However, as managers work to position their portfolios for a more normal market environment, they have been reducing their overweight to lower-rated securities and selectively moving into better-positioned credits. European sovereign debt issues and their spillover (if any) on the global economy remain the largest risk to the market. Within the U.S., economic releases are ahead of some of the dour predictions made in late summer following the U.S. debt ceiling debate. While refinancing activity has slowed, it still accounts for a majority of issuance. Managers are actively looking for securities that offer positive event-risk situations

(such as credit upgrades or acquisitions), since these events typically lead to bond returns that beat the market. Overall, managers remain constructive about the high-yield market.

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.

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.

U.S. High Yield Bond Fund

Management Report of Fund Performance

RISK

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

RELATED PARTY TRANSACTIONS

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

U.S. High Yield Bond Fund

Financial Highlights — FOR THE YEARS ENDED DECEMBER 31

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

Class O

THE FUND'S NET ASSETS PER UNIT ^(a)	2011	2010	2009	2008	2007
NET ASSETS, BEGINNING OF YEAR	\$10.22	\$10.17	\$10.00 ¹	—	—
INCREASE (DECREASE) FROM OPERATIONS:					
Total revenue	\$0.87	\$0.91	\$0.23	—	—
Total expenses	-\$0.02	-\$0.02	—	—	—
Realized gains (losses) for the year	—	\$0.15	-\$0.05	—	—
Unrealized gains (losses) for the year	-\$0.12	-\$0.05	\$0.11	—	—
Total increase (decrease) from operations ^(b)	\$0.73	\$0.99	\$0.29	—	—
DISTRIBUTIONS:					
From income (excluding dividends)	-\$0.86	-\$0.89	-\$0.18	—	—
From capital gains	—	-\$0.05	—	—	—
Total annual distributions ^(c)	-\$0.86	-\$0.94	-\$0.18	—	—
NET ASSETS, END OF YEAR	\$10.10	\$10.22	\$10.17	—	—
RATIOS AND SUPPLEMENTAL DATA					
Net asset value (\$000's)*	\$105,676	\$107,843	\$109,957	—	—
Number of units outstanding*	10,411,238	10,507,973	10,767,463	—	—
Management expense ratio ^(d)	0.17%	0.16%	0.13%	—	—
Management expense ratio before waivers	0.17%	0.16%	0.13%	—	—
Portfolio turnover rate ^(e)	54%	90%	23%	—	—
Trading expense ratio ^(f)	0.01%	0.00%	0.00%	—	—
Net asset Value per unit	\$10.15	\$10.26	\$10.21	—	—

Class P

THE FUND'S NET ASSETS PER UNIT ^(a)	2011	2010	2009	2008	2007
NET ASSETS, BEGINNING OF YEAR	\$10.20	\$10.15	\$10.00 ¹	—	—
INCREASE (DECREASE) FROM OPERATIONS:					
Total revenue	\$0.88	\$0.91	\$0.23	—	—
Total expenses	-\$0.21	-\$0.22	-\$0.07	—	—
Realized gains (losses) for the year	—	\$0.15	-\$0.05	—	—
Unrealized gains (losses) for the year	-\$0.13	-\$0.11	\$0.18	—	—
Total increase (decrease) from operations ^(b)	\$0.54	\$0.73	\$0.29	—	—
DISTRIBUTIONS:					
From income (excluding dividends)	-\$0.69	-\$0.70	-\$0.13	—	—
From capital gains	—	-\$0.04	—	—	—
Total annual distributions ^(c)	-\$0.69	-\$0.74	-\$0.13	—	—
NET ASSETS, END OF YEAR	\$10.05	\$10.20	\$10.15	—	—
RATIOS AND SUPPLEMENTAL DATA					
Net asset value (\$000's)*	\$14,951	\$10,340	\$7,880	—	—
Number of units outstanding*	1,480,066	1,009,477	773,252	—	—
Management expense ratio ^(d)	2.06%	2.09%	2.40%	—	—
Management expense ratio before waivers	2.06%	2.10%	2.40%	—	—
Portfolio turnover rate ^(e)	54%	90%	23%	—	—
Trading expense ratio ^(f)	0.01%	0.00%	0.00%	—	—
Net asset Value per unit	\$10.10	\$10.24	\$10.19	—	—

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

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

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

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

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

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

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

* This information is provided as at December 31.

U.S. High Yield Bond Fund

Financial Highlights — FOR THE YEARS ENDED DECEMBER 31

Class F

THE FUND'S NET ASSETS PER UNIT ^(a)	2011	2010	2009	2008	2007
NET ASSETS, BEGINNING OF YEAR	\$10.26	\$10.17	\$10.00 ¹	—	—
INCREASE (DECREASE) FROM OPERATIONS:					
Total revenue	\$0.88	\$0.91	\$0.23	—	—
Total expenses	-\$0.09	-\$0.09	-\$0.03	—	—
Realized gains (losses) for the year	—	\$0.14	-\$0.05	—	—
Unrealized gains (losses) for the year	-\$0.21	-\$0.04	\$0.17	—	—
Total increase (decrease) from operations ^(b)	\$0.58	\$0.92	\$0.32	—	—
DISTRIBUTIONS:					
From income (excluding dividends)	-\$0.80	-\$0.81	-\$0.16	—	—
From capital gains	—	-\$0.01	—	—	—
Total annual distributions ^(c)	-\$0.80	-\$0.82	-\$0.16	—	—
NET ASSETS, END OF YEAR	\$10.13	\$10.26	\$10.17	—	—
RATIOS AND SUPPLEMENTAL DATA					
Net asset value (\$000's)*	\$261	\$236	\$219	—	—
Number of units outstanding*	25,606	22,862	21,415	—	—
Management expense ratio ^(d)	0.89%	0.90%	0.90%	—	—
Management expense ratio before waivers	0.89%	0.90%	0.90%	—	—
Portfolio turnover rate ^(e)	54%	90%	23%	—	—
Trading expense ratio ^(f)	0.01%	0.00%	0.00%	—	—
Net asset Value per unit	\$10.18	\$10.30	\$10.21	—	—

Class D

THE FUND'S NET ASSETS PER UNIT ^(a)	2011	2010	2009	2008	2007
NET ASSETS, BEGINNING OF YEAR	\$10.19	\$10.54 ¹	—	—	—
INCREASE (DECREASE) FROM OPERATIONS:					
Total revenue	\$0.92	\$0.15	—	—	—
Total expenses	-\$0.29	-\$0.05	—	—	—
Realized gains (losses) for the year	—	\$0.03	—	—	—
Unrealized gains (losses) for the year	-\$0.13	-\$0.40	—	—	—
Total increase (decrease) from operations ^(b)	\$0.50	-\$0.27	—	—	—
DISTRIBUTIONS:					
From income (excluding dividends)	-\$0.62	-\$0.11	—	—	—
From capital gains	—	-\$0.04	—	—	—
Total annual distributions ^(c)	-\$0.62	-\$0.15	—	—	—
NET ASSETS, END OF YEAR	\$10.03	\$10.19	—	—	—
RATIOS AND SUPPLEMENTAL DATA					
Net asset value (\$000's)*	\$1,020	\$100	—	—	—
Number of units outstanding*	101,245	9,818	—	—	—
Management expense ratio ^(d)	2.91%	2.75%	—	—	—
Management expense ratio before waivers	2.91%	2.75%	—	—	—
Portfolio turnover rate ^(e)	54%	90%	—	—	—
Trading expense ratio ^(f)	0.01%	0.00%	—	—	—
Net asset Value per unit	\$10.07	\$10.23	—	—	—

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

¹ Initial offering price.

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

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

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

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

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

* This information is provided as at December 31.

U.S. High Yield Bond Fund

Financial Highlights — FOR THE YEARS ENDED DECEMBER 31

Class E

THE FUND'S NET ASSETS PER UNIT ^(a)	2011	2010	2009	2008	2007
NET ASSETS, BEGINNING OF YEAR	\$10.16	\$10.54 ¹	—	—	—
INCREASE (DECREASE) FROM OPERATIONS:					
Total revenue	\$0.87	\$0.15	—	—	—
Total expenses	-\$0.24	-\$0.04	—	—	—
Realized gains (losses) for the year	—	\$0.04	—	—	—
Unrealized gains (losses) for the year	-\$0.11	-\$0.29	—	—	—
Total increase (decrease) from operations ^(b)	\$0.52	-\$0.14	—	—	—
DISTRIBUTIONS:					
From income (excluding dividends)	-\$0.66	-\$0.12	—	—	—
From capital gains	—	-\$0.07	—	—	—
Total annual distributions ^(c)	-\$0.66	-\$0.19	—	—	—
NET ASSETS, END OF YEAR	\$10.01	\$10.16	—	—	—
RATIOS AND SUPPLEMENTAL DATA					
Net asset value (\$000's)*	\$5	\$5	—	—	—
Number of units outstanding*	516	483	—	—	—
Management expense ratio ^(d)	2.38%	2.31%	—	—	—
Management expense ratio before waivers	2.38%	2.32%	—	—	—
Portfolio turnover rate ^(e)	54%	90%	—	—	—
Trading expense ratio ^(f)	0.01%	0.00%	—	—	—
Net asset Value per unit	\$10.06	\$10.20	—	—	—

Class O(H)-Hedged

THE FUND'S NET ASSETS PER UNIT ^(a)	2011	2010	2009	2008	2007
NET ASSETS, BEGINNING OF YEAR	\$10.40	\$10.08 ¹	—	—	—
INCREASE (DECREASE) FROM OPERATIONS:					
Total revenue	\$0.44	\$1.24	—	—	—
Total expenses	-\$0.02	-\$0.01	—	—	—
Realized gains (losses) for the year	—	\$0.14	—	—	—
Unrealized gains (losses) for the year	-\$0.04	\$0.10	—	—	—
Total increase (decrease) from operations ^(b)	\$0.38	\$1.47	—	—	—
DISTRIBUTIONS:					
From income (excluding dividends)	-\$0.47	-\$0.91	—	—	—
From capital gains	—	-\$0.06	—	—	—
Total annual distributions ^(c)	-\$0.47	-\$0.97	—	—	—
NET ASSETS, END OF YEAR	\$10.55	\$10.40	—	—	—
RATIOS AND SUPPLEMENTAL DATA					
Net asset value (\$000's)*	\$619	\$150	—	—	—
Number of units outstanding*	58,344	14,393	—	—	—
Management expense ratio ^(d)	0.16%	0.16%	—	—	—
Management expense ratio before waivers	0.16%	0.16%	—	—	—
Portfolio turnover rate ^(e)	54%	90%	—	—	—
Trading expense ratio ^(f)	0.01%	0.00%	—	—	—
Net asset Value per unit	\$10.60	\$10.45	—	—	—

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

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U.S. High Yield Bond Fund

Financial Highlights — FOR THE YEARS ENDED DECEMBER 31

Class P(H)-Hedged

THE FUND'S NET ASSETS PER UNIT ^(a)	2011	2010	2009	2008	2007
NET ASSETS, BEGINNING OF YEAR	\$10.42	\$10.05 ¹	—	—	—
INCREASE (DECREASE) FROM OPERATIONS:					
Total revenue	\$0.60	\$1.07	—	—	—
Total expenses	-\$0.22	-\$0.17	—	—	—
Realized gains (losses) for the year	—	\$0.12	—	—	—
Unrealized gains (losses) for the year	-\$0.23	\$0.27	—	—	—
Total increase (decrease) from operations ^(b)	\$0.15	\$1.29	—	—	—
DISTRIBUTIONS:					
From income (excluding dividends)	-\$0.38	-\$0.76	—	—	—
From capital gains	—	-\$0.07	—	—	—
Total annual distributions ^(c)	-\$0.38	-\$0.83	—	—	—
NET ASSETS, END OF YEAR	\$10.42	\$10.42	—	—	—
RATIOS AND SUPPLEMENTAL DATA					
Net asset value (\$000's)*	\$147	\$19	—	—	—
Number of units outstanding*	14,038	1,778	—	—	—
Management expense ratio ^(d)	2.08%	2.02%	—	—	—
Management expense ratio before waivers	2.08%	2.02%	—	—	—
Portfolio turnover rate ^(e)	54%	90%	—	—	—
Trading expense ratio ^(f)	0.01%	0.00%	—	—	—
Net asset Value per unit	\$10.47	\$10.46	—	—	—

Class F(H)-Hedged

THE FUND'S NET ASSETS PER UNIT ^(a)	2011	2010	2009	2008	2007
NET ASSETS, BEGINNING OF YEAR	\$10.69	\$10.08 ¹	—	—	—
INCREASE (DECREASE) FROM OPERATIONS:					
Total revenue	\$0.57	\$0.94	—	—	—
Total expenses	-\$0.10	-\$0.08	—	—	—
Realized gains (losses) for the year	—	\$0.13	—	—	—
Unrealized gains (losses) for the year	-\$0.08	\$0.41	—	—	—
Total increase (decrease) from operations ^(b)	\$0.39	\$1.40	—	—	—
DISTRIBUTIONS:					
From income (excluding dividends)	-\$0.67	-\$0.64	—	—	—
From capital gains	—	-\$0.02	—	—	—
Total annual distributions ^(c)	-\$0.67	-\$0.66	—	—	—
NET ASSETS, END OF YEAR	\$10.59	\$10.69	—	—	—
RATIOS AND SUPPLEMENTAL DATA					
Net asset value (\$000's)*	\$32	\$18	—	—	—
Number of units outstanding*	3,041	1,653	—	—	—
Management expense ratio ^(d)	0.90%	0.90%	—	—	—
Management expense ratio before waivers	0.90%	0.90%	—	—	—
Portfolio turnover rate ^(e)	54%	90%	—	—	—
Trading expense ratio ^(f)	0.01%	0.00%	—	—	—
Net asset Value per unit	\$10.64	\$10.74	—	—	—

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

¹ Initial offering price..

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

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

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

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

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

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

* This information is provided as at December 31.

U.S. High Yield Bond Fund

Financial Highlights — FOR THE YEARS ENDED DECEMBER 31

Class D(H)-Hedged

THE FUND'S NET ASSETS PER UNIT ^(a)	2011	2010	2009	2008	2007
NET ASSETS, BEGINNING OF YEAR	\$10.53	\$10.76 ¹	—	—	—
INCREASE (DECREASE) FROM OPERATIONS:					
Total revenue	\$0.31	\$0.13	—	—	—
Total expenses	-\$0.31	-\$0.05	—	—	—
Realized gains (losses) for the year	—	\$0.04	—	—	—
Unrealized gains (losses) for the year	\$0.02	-\$0.17	—	—	—
Total increase (decrease) from operations ^(b)	\$0.02	-\$0.05	—	—	—
DISTRIBUTIONS:					
From income (excluding dividends)	-\$0.37	-\$0.10	—	—	—
From capital gains	—	-\$0.05	—	—	—
Total annual distributions ^(c)	-\$0.37	-\$0.15	—	—	—
NET ASSETS, END OF YEAR	\$10.43	\$10.53	—	—	—
RATIOS AND SUPPLEMENTAL DATA					
Net asset value (\$000's)*	\$79	\$15	—	—	—
Number of units outstanding*	7,562	1,411	—	—	—
Management expense ratio ^(d)	2.92%	2.85%	—	—	—
Management expense ratio before waivers	2.92%	2.85%	—	—	—
Portfolio turnover rate ^(e)	54%	90%	—	—	—
Trading expense ratio ^(f)	0.01%	0.00%	—	—	—
Net asset Value per unit	\$10.48	\$10.57	—	—	—

Class E(H)-Hedged

THE FUND'S NET ASSETS PER UNIT ^(a)	2011	2010	2009	2008	2007
NET ASSETS, BEGINNING OF YEAR	\$10.55	\$10.76 ¹	—	—	—
INCREASE (DECREASE) FROM OPERATIONS:					
Total revenue	\$0.80	\$0.15	—	—	—
Total expenses	-\$0.25	-\$0.04	—	—	—
Realized gains (losses) for the year	—	\$0.04	—	—	—
Unrealized gains (losses) for the year	-\$0.19	-\$0.13	—	—	—
Total increase (decrease) from operations ^(b)	\$0.36	\$0.02	—	—	—
DISTRIBUTIONS:					
From income (excluding dividends)	-\$0.39	-\$0.12	—	—	—
From capital gains	—	-\$0.07	—	—	—
Total annual distributions ^(c)	-\$0.39	-\$0.19	—	—	—
NET ASSETS, END OF YEAR	\$10.53	\$10.55	—	—	—
RATIOS AND SUPPLEMENTAL DATA					
Net asset value (\$000's)*	\$5	\$5	—	—	—
Number of units outstanding*	490	473	—	—	—
Management expense ratio ^(d)	2.37%	2.31%	—	—	—
Management expense ratio before waivers	2.37%	2.32%	—	—	—
Portfolio turnover rate ^(e)	54%	90%	—	—	—
Trading expense ratio ^(f)	0.01%	0.00%	—	—	—
Net asset Value per unit	\$10.58	\$10.59	—	—	—

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

¹ Initial offering price.

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

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

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

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

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

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

* This information is provided as at December 31.

U.S. High Yield Bond 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 Funds do not pay management fees to the Manager in respect of the Class O Units, Class O(H) Units, Class R Units and Class R(H) Units, as applicable, 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%	1.70%	0.90% ¹	n/a	2.50%	2.00%
	Class O(H)	Class I(H)	Class P(H)	Class F(H)	Class R(H)	Class D(H)	Class E(H)
	n/a	0.85%	1.70%	0.90% ¹	n/a	2.50%	2.00%

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	Class D	Class E
Investment management and other general administration	n/a	100.0%	41.2%	100.0%	n/a	30.0%	37.5%
Trailer Commissions*	n/a	n/a	58.8%	n/a	n/a	70.0%	62.5%
	Class O(H)	Class I(H)	Class P(H)	Class F(H)	Class R(H)	Class D(H)	Class E(H)
Investment management and other general administration	n/a	100.0%	41.2%	100.0%	n/a	30.0%	37.5%
Trailer Commissions*	n/a	n/a	58.8%	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.

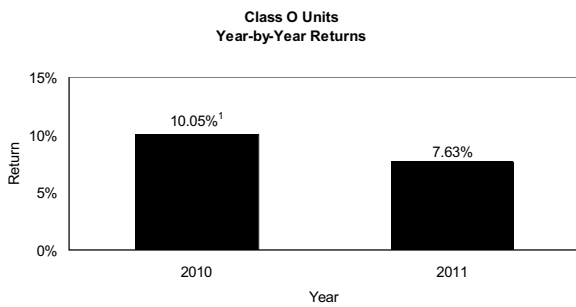
U.S. High Yield Bond Fund

Past Performance

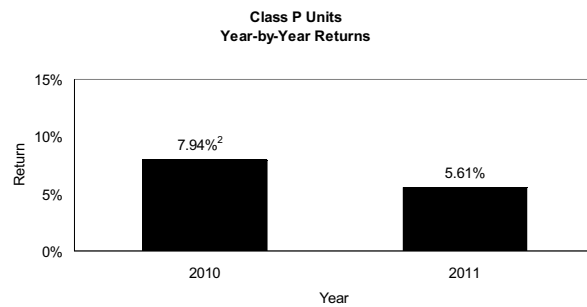
The performance information shown below assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. This performance information does not take into account sales, redemptions, distribution or other optional charges that would have reduced returns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

YEAR-BY-YEAR RETURNS

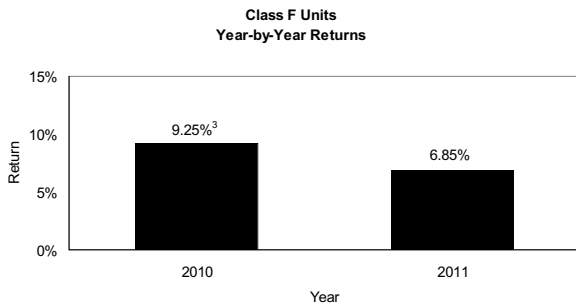
The following charts show the Fund's annual performance and illustrate how performance has changed from year to year. In percentage terms, the charts show how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.



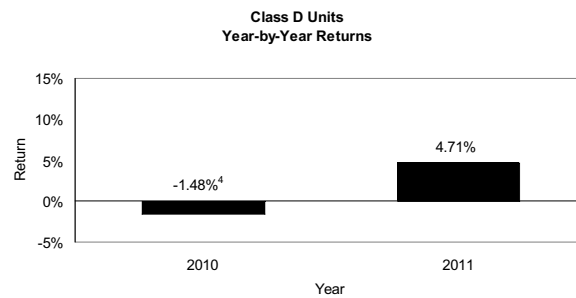
¹ From September 2009 first issuance by Prospectus



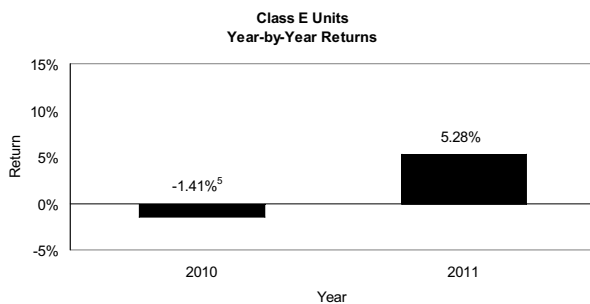
² From September 2009 first issuance by Prospectus



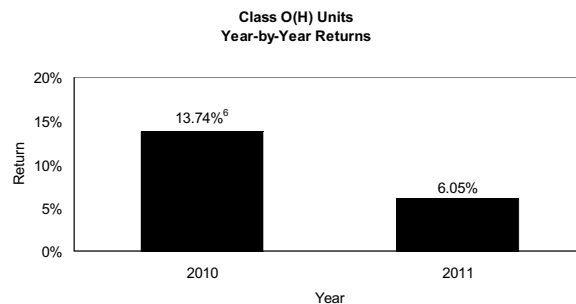
³ From September 2009 first issuance by Prospectus



⁴ From November 2010 first issuance by Prospectus



⁵ From November 2010 first issuance by Prospectus

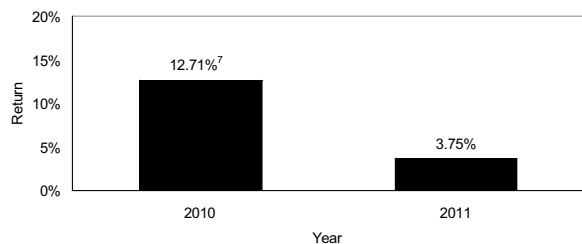


⁶ From March 2010 first issuance by Prospectus

U.S. High Yield Bond Fund

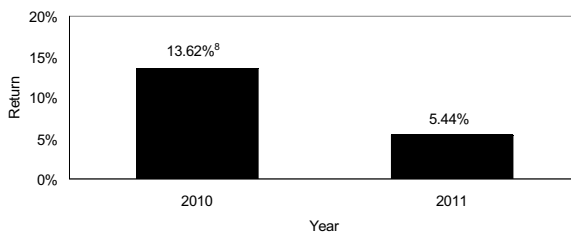
YEAR-BY-YEAR RETURNS - CONTINUED

**Class P(H) Units
Year-by-Year Returns**



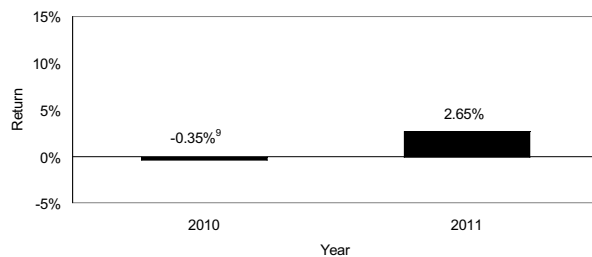
⁷ From March 2010 first issuance by Prospectus

**Class F(H) Units
Year-by-Year Returns**



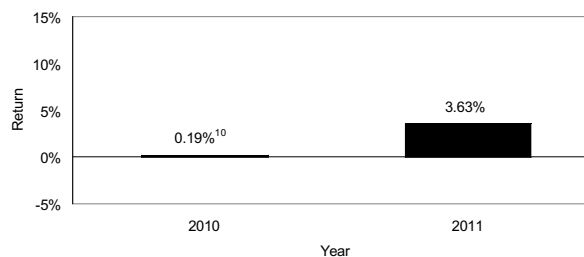
⁸ From March 2010 first issuance by Prospectus

**Class D(H) Units
Year-by-Year Returns**



⁹ From November 2010 first issuance by Prospectus

**Class E(H) Units
Year-by-Year Returns**



¹⁰ From November 2010 first issuance by Prospectus

U.S. High Yield Bond Fund

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 Merrill Lynch U.S. High Yield Master II Constrained Index (\$C) on the same compound basis. The Merrill Lynch U.S. High Yield Master II Constrained Index (\$C) is a broadly based capitalization weighted index that tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the U.S. domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch) and an investment grade rated country of risk (based on an average of Moody's, S&P and Fitch foreign currency long term sovereign debt ratings). Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%.

	One Year	Three Years	Five Years	Ten Years	Since Inception	Inception Date
Class O Units	7.63%	n/a	n/a	n/a	9.45%	11-Sep-09
Merrill Lynch U.S. High Yield Master II Constrained Index (\$C)	6.95%	n/a	n/a	n/a	10.37%	
Class P Units	5.61%	n/a	n/a	n/a	7.32%	11-Sep-09
Merrill Lynch U.S. High Yield Master II Constrained Index (\$C)	6.95%	n/a	n/a	n/a	10.37%	
Class F Units	6.85%	n/a	n/a	n/a	8.65%	11-Sep-09
Merrill Lynch U.S. High Yield Master II Constrained Index (\$C)	6.95%	n/a	n/a	n/a	10.37%	
Class D Units	4.71%	n/a	n/a	n/a	2.71%	1-Nov-10
Merrill Lynch U.S. High Yield Master II Constrained Index (\$C)	6.95%	n/a	n/a	n/a	4.36%	
Class E Units	5.28%	n/a	n/a	n/a	3.25%	1-Nov-10
Merrill Lynch U.S. High Yield Master II Constrained Index (\$C)	6.95%	n/a	n/a	n/a	4.36%	
Class O(H) Units	6.05%	n/a	n/a	n/a	10.82%	6-Mar-10
Merrill Lynch U.S. High Yield Master II Constrained Index Hedge (\$C)	4.48%	n/a	n/a	n/a	8.84%	
Class P(H) Units	3.75%	n/a	n/a	n/a	8.95%	6-Mar-10
Merrill Lynch U.S. High Yield Master II Constrained Index Hedge (\$C)	4.48%	n/a	n/a	n/a	8.84%	
Class F(H) Units	5.44%	n/a	n/a	n/a	10.41%	6-Mar-10
Merrill Lynch U.S. High Yield Master II Constrained Index Hedge (\$C)	4.48%	n/a	n/a	n/a	8.84%	
Class D(H) Units	2.65%	n/a	n/a	n/a	1.97%	1-Nov-10
Merrill Lynch U.S. High Yield Master II Constrained Index Hedge (\$C)	4.48%	n/a	n/a	n/a	4.46%	
Class E(H) Units	3.63%	n/a	n/a	n/a	3.27%	1-Nov-10
Merrill Lynch U.S. High Yield Master II Constrained Index Hedge (\$C)	4.48%	n/a	n/a	n/a	4.46%	

U.S. High Yield Bond Fund

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 within 60 days after each quarter end.

PORTFOLIO BREAKDOWN

TOP 25 HOLDINGS

Sector	% of Total Net Asset Value	Holding	% of Total Net Asset Value
US Corporates	58.4%	US Dollar Cash	1.5%
Private Placement	26.4%	Canadian Dollar Cash	1.4%
Foreign Issuers	8.9%	MGM Resorts International 11.375% 03/01/2018 DD 09/22/09	0.9%
Cash and Cash Equivalents	3.2%	Nuveen Investments Inc 10.500% 11/15/2015 DD 11/15/09	0.9%
Canada Corporates	1.9%	Dish DBS Corp 7.875% 09/01/2019 DD 08/17/09	0.8%
Other	<u>1.2%</u>	First Data Corp 10.550% 09/24/2015 DD 03/31/09	0.7%
Total	100.0%	Caesars Entertainment Operating 10.000% 12/15/2018 DD 12/15/09	0.7%
		GXS Worldwide Inc 9.750% 06/15/2015 DD 06/15/10	0.6%
		Sprint Capital Corp 8.750% 03/15/2032 DD 03/14/02	0.6%
		Pinnacle Foods Finance Llc / P 10.625% 04/01/2017 DD 10/01/07	0.6%
		Reynolds Group Issuer Inc / Re 9.000% 04/15/2019 DD 10/15/10	0.5%
		Intelsat Luxembourg SA 11.250% 02/04/2017 DD 08/15/09	0.5%
		Cit Group Inc 7.000% 05/01/2016 DD 12/10/09	0.5%
		United Maritime Group Llc/Unit 11.750% 06/15/2015 DD 06/15/10	0.5%
		Igate Corp 9.000% 05/01/2016 DD 04/29/11	0.5%
		Snoqualmie Entertainment Authority 9.125% 02/01/2015 DD 01/30/07	0.5%
		Burlington Coat Factory 10.000% 02/15/2019 DD 08/15/11	0.5%
		Biomet Inc 10.375% 10/15/2017 DD 04/15/08	0.5%
		Aspect Software Inc 10.625% 05/07/2017 DD 11/15/10	0.5%
		CKE Restaurants Inc 11.375% 07/15/2018 DD 07/12/10	0.5%
		Ironshore Holdings US Inc 8.500% 05/15/2020 DD 05/10/10	0.5%
		Clearwire Communications Llc/C 12.000% 12/01/2015 DD 12/09/09	0.4%
		Catalent Pharma Solutions Inc 9.500% 04/15/2015 DD 10/15/07	0.4%
		Reynolds GRP Iss/Reynold 144A 9.875% 08/15/2019 DD 08/09/11	0.4%
		Biomet Inc 11.625% 10/15/2017 DD 04/15/08	<u>0.4%</u>
		Total	15.8%
		Total Net Asset Value	\$122,213,307

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.