

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

U.S. High Yield Bond Fund

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

Managed by: SEI INVESTMENTS CANADA COMPANY

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

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

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

The proxy voting record of the SEI Funds for the period ending June 30, 2011 will be available on our website any time after August 31, 2011.

A caution regarding forward-looking statements:

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

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

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# U.S. High Yield Bond Fund

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## Management Report of Fund Performance

### RESULTS OF OPERATIONS

(This performance commentary is based on Class O units of the Fund. Returns for other classes of units may vary, largely due to differences in fees and expenses. Please refer to the Past Performance section for class level performance details.)

For the six-month period ending June 30, 2011, the high-yield market, as measured by the BofA Merrill Lynch U.S. High Yield Master II Constrained Index, returned 1.92%, producing positive returns in five of the six months during the period. Re-emerging concerns about a sovereign debt default by Greece in June caused a mini flight to quality. While high-yield bonds did trade lower during the month, they have exhibited lower volatility than other asset classes to the exogenous shocks that took place in the Middle East and North Africa, the tragic Japanese earthquake and concerns about the peripheral European countries. Despite the selloff in June, investors have maintained a preference for higher-risk assets. CCC-rated securities led the way, generating a return of 5.04%, followed by BB-rated securities at 4.97% and B-rated securities at 4.68%. For the six-month period, credit-quality spreads ended essentially unchanged at 543 basis points, but were as narrow as 453 basis points and as wide as 581 basis points. High-yield fundamentals remain solid and spreads tend to move more on the actions of U.S. Treasury yields, where the five-year U.S. Treasury declined 24 basis points for the quarter. Yields for high-yield securities declined 17 basis points, ending at 7.34% and established a new record low for the Index at 6.65% during the period.

The major theme in 2011 thus far is that the high-yield market has maintained the positive momentum that began in 2009, with new issuance on pace to set or meet the calendar-year record, corporate earnings coming in better than forecast and defaults occurring on a very infrequent basis. Year to date, the primary market has priced \$182 billion of new issuance, ahead of last year's record pace of \$125 billion. Nearly 60% of the issuance has been for refinancing purposes, as opposed to more speculative purposes. Investor demand started the year quite favourably, with steady inflows coming into funds, although they recorded their worst monthly outflow in June.

Companies' ability to access capital markets for liquidity and the generally improving economic situation has created a very supportive market environment. The Moody's global issuer default rate fell to 2.2% for the six-month period, down from 6.2% one year ago. Defaults should continue to decline as long as sovereign debt concerns do not limit high-yield issuers' ability to access the primary market, earnings continue to improve and economic growth remains positive. Moody's predicts the global default rate will decline to 1.5% by year end and to 1.7% a year from now.

The SEI Canada High Yield Bond Fund outperformed the BofA Merrill Lynch U.S. High Yield Constrained Index for the six-month period ending June 30, 2011, with the Fund returning 2.20% versus the index return of 1.92%.

Energy was the best-performing sector on a contribution-to-return basis over the last six months, up 5.96%. The Fund's underweight subtracted from relative performance. An overweight and security selection in the Technology/Electronics sector helped performance. A couple of companies in the software and services companies were able to refinance debt and one was acquired, driving bond prices higher. Security selection in the Health Care sector also added to performance, especially within health facilities providers. Within the Basic Industry sector, an underweight and security selection to paper companies added to returns as these companies struggled with rising input costs and tepid demand.

Subtracting from returns was an underweight and security selection in the Energy sector, driven primarily by an underweight and selection within natural gas distribution companies and exploration and production companies. Rising energy prices and consistent demand helped improve operations. Additionally, an underweight to Utility companies detracted from returns. The Utility sector has been under pressure due to weak demand, regulatory concerns and several operators with large debt burdens. During the period, several operators were able to refinance or restructure portions of their capital structure, which drove bond prices higher without any improvement in fundamentals.

# U.S. High Yield Bond Fund

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## Management Report of Fund Performance

### RECENT DEVELOPMENTS

Throughout the year, the managers viewed BB-rated securities less favourably than the other credit quality segments due to their higher interest-rate sensitivity and lower yield, which is the premise for their underweight. The Fund remains overweight the B-rated and CCC-rated segments of the market based on a more favourable outlook for these quality tiers from a return perspective. However, as the managers work to position their portfolios for a more normal market environment, they have been reducing their overweight in lower-rated securities that have exceeded their valuation targets and have been selectively moving into better-quality securities. With fears of a double-dip recession in the U.S. receding, managers' reduction in risk has been measured and gradual. Secondly, the Fund remains underweight some cyclical sectors due to expectations for a slow pickup in economic activity (e.g., real estate, building & construction, steel producers and building materials). These sectors remain tied to construction spending and housing, both of which have improved, but are not yet into a growth phase. Lastly, the managers are actively looking for securities that offer positive event-risk situations (upgrade or acquisition candidates), since these events typically lead to outsized bond returns. With 60% of 2011's issuance for refinancing purposes, those clearly opportunities remain. The managers believe that mergers and acquisitions will become a bigger theme in the upcoming quarters as companies continue to sit on hoards of cash and risk-taking has improved.

### INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The Canadian Accounting Standards Board ("CASB") previously confirmed January 1, 2011 as the date IFRS would replace Canadian Generally Accepted Accounting Principles (GAAP) for publicly accountable enterprises, which include investment funds and other reporting issuers.

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

In preparing to meet the requirements, the Manager has taken the following steps in managing the transition to IFRS:

- Established a working group to identify key differences between Canadian GAAP and IFRS and to coordinate the implementation of the transition plan,
- Identified areas where changes in disclosure will be required under IFRS standards,
- 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.

# U.S. High Yield 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 <sup>(a)</sup>	2011	2010	2009	2008	2007	2006
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>\$10.22</b>	\$10.17	\$10.00 <sup>1</sup>	—	—	—
<b>INCREASE (DECREASE) FROM OPERATIONS:</b>						
Total revenue	\$0.42	\$0.91	\$0.23	—	—	—
Total expenses	-\$0.01	-\$0.02	—	—	—	—
Realized gains (losses) for the year	\$0.01	\$0.15	-\$0.05	—	—	—
Unrealized gains (losses) for the year	-\$0.20	-\$0.05	\$0.11	—	—	—
<b>Total increase (decrease) from operations <sup>(b)</sup></b>	<b>\$0.22</b>	\$0.99	\$0.29	—	—	—
<b>DISTRIBUTIONS:</b>						
From income (excluding dividends)	-\$0.42	-\$0.89	-\$0.18	—	—	—
From capital gains	—	-\$0.05	—	—	—	—
<b>Total annual distributions <sup>(c)</sup></b>	<b>-\$0.42</b>	-\$0.94	-\$0.18	—	—	—
<b>NET ASSETS, END OF YEAR</b>	<b>\$10.02</b>	\$10.22	\$10.17	—	—	—
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net asset value (\$000's)*	\$105,490	\$107,843	\$109,957	—	—	—
Number of units outstanding*	10,481,416	10,507,973	10,767,463	—	—	—
Management expense ratio <sup>(d)</sup>	0.16%	0.16%	0.13%	—	—	—
Management expense ratio before waivers	0.20%	0.16%	0.13%	—	—	—
Portfolio turnover rate <sup>(e)</sup>	39%	90%	23%	—	—	—
Trading expense ratio <sup>(f)</sup>	0.00%	0.00%	0.00%	—	—	—
Net asset Value per unit	\$10.06	\$10.26	\$10.21	—	—	—

### Class P

THE FUND'S NET ASSETS PER UNIT <sup>(a)</sup>	2011	2010	2009	2008	2007	2006
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>\$10.20</b>	\$10.15	\$10.00 <sup>1</sup>	—	—	—
<b>INCREASE (DECREASE) FROM OPERATIONS:</b>						
Total revenue	\$0.42	\$0.91	\$0.23	—	—	—
Total expenses	-\$0.10	-\$0.22	-\$0.07	—	—	—
Realized gains (losses) for the year	\$0.01	\$0.15	-\$0.05	—	—	—
Unrealized gains (losses) for the year	-\$0.24	-\$0.11	\$0.18	—	—	—
<b>Total increase (decrease) from operations <sup>(b)</sup></b>	<b>\$0.09</b>	\$0.73	\$0.29	—	—	—
<b>DISTRIBUTIONS:</b>						
From income (excluding dividends)	-\$0.32	-\$0.70	-\$0.13	—	—	—
From capital gains	—	-\$0.04	—	—	—	—
<b>Total annual distributions <sup>(c)</sup></b>	<b>-\$0.32</b>	-\$0.74	-\$0.13	—	—	—
<b>NET ASSETS, END OF YEAR</b>	<b>\$10.01</b>	\$10.20	\$10.15	—	—	—
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net asset value (\$000's)*	\$13,626	\$10,340	\$7,880	—	—	—
Number of units outstanding*	1,356,224	1,009,477	773,252	—	—	—
Management expense ratio <sup>(d)</sup>	2.05%	2.09%	2.40%	—	—	—
Management expense ratio before waivers	2.09%	2.10%	2.40%	—	—	—
Portfolio turnover rate <sup>(e)</sup>	39%	90%	23%	—	—	—
Trading expense ratio <sup>(f)</sup>	0.00%	0.00%	0.00%	—	—	—
Net asset Value per unit	\$10.05	\$10.24	\$10.19	—	—	—

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

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

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

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

<sup>(d)</sup> Management expense ratio is the ratio of all fees and expenses (including Harmonized Sales Tax (HST)) and interest expense but excluding brokerage commission on securities transactions charged to the Fund to daily average net asset value on an annualized basis.

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

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

\* This information is provided as at June 30.

# U.S. High Yield 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 <sup>(a)</sup>	2011	2010	2009	2008	2007	2006
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>\$10.26</b>	\$10.17	\$10.00 <sup>1</sup>	—	—	—
<b>INCREASE (DECREASE) FROM OPERATIONS:</b>						
Total revenue	<b>\$0.43</b>	\$0.91	\$0.23	—	—	—
Total expenses	<b>-\$0.05</b>	-\$0.09	-\$0.03	—	—	—
Realized gains (losses) for the year	<b>\$0.01</b>	\$0.14	-\$0.05	—	—	—
Unrealized gains (losses) for the year	<b>-\$0.24</b>	-\$0.04	\$0.17	—	—	—
<b>Total increase (decrease) from operations <sup>(b)</sup></b>	<b>\$0.15</b>	\$0.92	\$0.32	—	—	—
<b>DISTRIBUTIONS:</b>						
From income (excluding dividends)	<b>-\$0.39</b>	-\$0.81	-\$0.16	—	—	—
From capital gains	—	-\$0.01	—	—	—	—
<b>Total annual distributions <sup>(c)</sup></b>	<b>-\$0.39</b>	-\$0.82	-\$0.16	—	—	—
<b>NET ASSETS, END OF YEAR</b>	<b>\$10.06</b>	\$10.26	\$10.17	—	—	—
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net asset value (\$000's)*	<b>\$239</b>	\$236	\$219	—	—	—
Number of units outstanding*	<b>23,701</b>	22,862	21,415	—	—	—
Management expense ratio <sup>(d)</sup>	<b>0.89%</b>	0.90%	0.90%	—	—	—
Management expense ratio before waivers	<b>0.92%</b>	0.90%	0.90%	—	—	—
Portfolio turnover rate <sup>(e)</sup>	<b>39%</b>	90%	23%	—	—	—
Trading expense ratio <sup>(f)</sup>	<b>0.00%</b>	0.00%	0.00%	—	—	—
Net asset Value per unit	<b>\$10.10</b>	\$10.30	\$10.21	—	—	—

## Class D

THE FUND'S NET ASSETS PER UNIT <sup>(a)</sup>	2011	2010	2009	2008	2007	2006
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>\$10.19</b>	\$10.54 <sup>1</sup>	—	—	—	—
<b>INCREASE (DECREASE) FROM OPERATIONS:</b>						
Total revenue	<b>\$0.42</b>	\$0.15	—	—	—	—
Total expenses	<b>-\$0.15</b>	-\$0.05	—	—	—	—
Realized gains (losses) for the year	<b>\$0.01</b>	\$0.03	—	—	—	—
Unrealized gains (losses) for the year	<b>-\$0.45</b>	-\$0.40	—	—	—	—
<b>Total increase (decrease) from operations <sup>(b)</sup></b>	<b>-\$0.17</b>	-\$0.27	—	—	—	—
<b>DISTRIBUTIONS:</b>						
From income (excluding dividends)	<b>-\$0.28</b>	-\$0.11	—	—	—	—
From capital gains	—	-\$0.04	—	—	—	—
<b>Total annual distributions <sup>(c)</sup></b>	<b>-\$0.28</b>	-\$0.15	—	—	—	—
<b>NET ASSETS, END OF YEAR</b>	<b>\$9.99</b>	\$10.19	—	—	—	—
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net asset value (\$000's)*	<b>\$573</b>	\$100	—	—	—	—
Number of units outstanding*	<b>57,105</b>	9,818	—	—	—	—
Management expense ratio <sup>(d)</sup>	<b>2.93%</b>	2.75%	—	—	—	—
Management expense ratio before waivers	<b>2.97%</b>	2.75%	—	—	—	—
Portfolio turnover rate <sup>(e)</sup>	<b>39%</b>	90%	—	—	—	—
Trading expense ratio <sup>(f)</sup>	<b>0.00%</b>	0.00%	—	—	—	—
Net asset Value per unit	<b>\$10.03</b>	\$10.23	—	—	—	—

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

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

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

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

<sup>(d)</sup> Management expense ratio is the ratio of all fees and expenses (including Harmonized Sales Tax (HST)) and interest expense but excluding brokerage commission on securities transactions charged to the Fund to daily average net asset value on an annualized basis.

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

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

\* This information is provided as at June 30.

# U.S. High Yield Bond Fund

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

## Class E

THE FUND'S NET ASSETS PER UNIT <sup>(a)</sup>	2011	2010	2009	2008	2007	2006
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>\$10.16</b>	\$10.54 <sup>1</sup>	—	—	—	—
<b>INCREASE (DECREASE) FROM OPERATIONS:</b>						
Total revenue	\$0.42	\$0.15	—	—	—	—
Total expenses	-\$0.12	-\$0.04	—	—	—	—
Realized gains (losses) for the year	\$0.01	\$0.04	—	—	—	—
Unrealized gains (losses) for the year	-\$0.20	-\$0.29	—	—	—	—
<b>Total increase (decrease) from operations <sup>(b)</sup></b>	<b>\$0.11</b>	-\$0.14	—	—	—	—
<b>DISTRIBUTIONS:</b>						
From income (excluding dividends)	-\$0.30	-\$0.12	—	—	—	—
From capital gains	—	-\$0.07	—	—	—	—
<b>Total annual distributions <sup>(c)</sup></b>	<b>-\$0.30</b>	-\$0.19	—	—	—	—
<b>NET ASSETS, END OF YEAR</b>	<b>\$9.97</b>	\$10.16	—	—	—	—
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net asset value (\$000's)*	\$5	\$5	—	—	—	—
Number of units outstanding*	498	483	—	—	—	—
Management expense ratio <sup>(d)</sup>	2.44%	2.31%	—	—	—	—
Management expense ratio before waivers	2.47%	2.32%	—	—	—	—
Portfolio turnover rate <sup>(e)</sup>	39%	90%	—	—	—	—
Trading expense ratio <sup>(f)</sup>	0.00%	0.00%	—	—	—	—
Net asset Value per unit	\$10.01	\$10.20	—	—	—	—

## Class O(H)-Hedged

THE FUND'S NET ASSETS PER UNIT <sup>(a)</sup>	2011	2010	2009	2008	2007	2006
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>\$10.40</b>	\$10.08 <sup>1</sup>	—	—	—	—
<b>INCREASE (DECREASE) FROM OPERATIONS:</b>						
Total revenue	\$0.63	\$1.24	—	—	—	—
Total expenses	-\$0.01	-\$0.01	—	—	—	—
Realized gains (losses) for the year	\$0.01	\$0.14	—	—	—	—
Unrealized gains (losses) for the year	-\$0.29	\$0.10	—	—	—	—
<b>Total increase (decrease) from operations <sup>(b)</sup></b>	<b>\$0.34</b>	\$1.47	—	—	—	—
<b>DISTRIBUTIONS:</b>						
From income (excluding dividends)	-\$0.26	-\$0.91	—	—	—	—
From capital gains	—	-\$0.06	—	—	—	—
<b>Total annual distributions <sup>(c)</sup></b>	<b>-\$0.26</b>	-\$0.97	—	—	—	—
<b>NET ASSETS, END OF YEAR</b>	<b>\$10.73</b>	\$10.40	—	—	—	—
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net asset value (\$000's)*	\$514	\$150	—	—	—	—
Number of units outstanding*	47,728	14,393	—	—	—	—
Management expense ratio <sup>(d)</sup>	0.16%	0.16%	—	—	—	—
Management expense ratio before waivers	0.19%	0.16%	—	—	—	—
Portfolio turnover rate <sup>(e)</sup>	39%	90%	—	—	—	—
Trading expense ratio <sup>(f)</sup>	0.17%	0.00%	—	—	—	—
Net asset Value per unit	\$10.77	\$10.45	—	—	—	—

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

<sup>1</sup> Initial offering price.

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

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

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

<sup>(d)</sup> Management expense ratio is the ratio of all fees and expenses (including Harmonized Sales Tax (HST)) and interest expense but excluding brokerage commission on securities transactions charged to the Fund to daily average net asset value on an annualized basis.

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

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

\* This information is provided as at June 30.

# U.S. High Yield Bond Fund

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

## Class P(H)-Hedged

THE FUND'S NET ASSETS PER UNIT <sup>(a)</sup>	2011	2010	2009	2008	2007	2006
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>\$10.42</b>	\$10.05 <sup>1</sup>	—	—	—	—
<b>INCREASE (DECREASE) FROM OPERATIONS:</b>						
Total revenue	\$0.63	\$1.07	—	—	—	—
Total expenses	-\$0.11	-\$0.17	—	—	—	—
Realized gains (losses) for the year	\$0.01	\$0.12	—	—	—	—
Unrealized gains (losses) for the year	-\$0.27	\$0.27	—	—	—	—
<b>Total increase (decrease) from operations <sup>(b)</sup></b>	<b>\$0.26</b>	\$1.29	—	—	—	—
<b>DISTRIBUTIONS:</b>						
From income (excluding dividends)	-\$0.18	-\$0.76	—	—	—	—
From capital gains	—	-\$0.07	—	—	—	—
<b>Total annual distributions <sup>(c)</sup></b>	<b>-\$0.18</b>	-\$0.83	—	—	—	—
<b>NET ASSETS, END OF YEAR</b>	<b>\$10.68</b>	\$10.42	—	—	—	—
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net asset value (\$000's)*	\$80	\$19	—	—	—	—
Number of units outstanding*	7,470	1,778	—	—	—	—
Management expense ratio <sup>(d)</sup>	2.07%	2.02%	—	—	—	—
Management expense ratio before waivers	2.10%	2.02%	—	—	—	—
Portfolio turnover rate <sup>(e)</sup>	39%	90%	—	—	—	—
Trading expense ratio <sup>(f)</sup>	0.17%	0.00%	—	—	—	—
Net asset Value per unit	\$10.72	\$10.46	—	—	—	—

## Class F(H)-Hedged

THE FUND'S NET ASSETS PER UNIT <sup>(a)</sup>	2011	2010	2009	2008	2007	2006
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>\$10.69</b>	\$10.08 <sup>1</sup>	—	—	—	—
<b>INCREASE (DECREASE) FROM OPERATIONS:</b>						
Total revenue	\$0.72	\$0.94	—	—	—	—
Total expenses	-\$0.05	-\$0.08	—	—	—	—
Realized gains (losses) for the year	\$0.01	\$0.13	—	—	—	—
Unrealized gains (losses) for the year	-\$0.15	\$0.41	—	—	—	—
<b>Total increase (decrease) from operations <sup>(b)</sup></b>	<b>\$0.53</b>	\$1.40	—	—	—	—
<b>DISTRIBUTIONS:</b>						
From income (excluding dividends)	-\$0.46	-\$0.64	—	—	—	—
From capital gains	—	-\$0.02	—	—	—	—
<b>Total annual distributions <sup>(c)</sup></b>	<b>-\$0.46</b>	-\$0.66	—	—	—	—
<b>NET ASSETS, END OF YEAR</b>	<b>\$10.82</b>	\$10.69	—	—	—	—
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net asset value (\$000's)*	\$32	\$18	—	—	—	—
Number of units outstanding*	2,981	1,653	—	—	—	—
Management expense ratio <sup>(d)</sup>	0.89%	0.90%	—	—	—	—
Management expense ratio before waivers	0.93%	0.90%	—	—	—	—
Portfolio turnover rate <sup>(e)</sup>	39%	90%	—	—	—	—
Trading expense ratio <sup>(f)</sup>	0.00%	0.00%	—	—	—	—
Net asset Value per unit	\$10.87	\$10.74	—	—	—	—

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

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

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

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

<sup>(d)</sup> Management expense ratio is the ratio of all fees and expenses (including Harmonized Sales Tax (HST)) and interest expense but excluding brokerage commission on securities transactions charged to the Fund to daily average net asset value on an annualized basis.

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

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

\* This information is provided as at June 30.

# U.S. High Yield Bond Fund

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

## Class D(H)-Hedged

THE FUND'S NET ASSETS PER UNIT <sup>(a)</sup>	2011	2010	2009	2008	2007	2006
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>\$10.53</b>	\$10.76 <sup>1</sup>	—	—	—	—
<b>INCREASE (DECREASE) FROM OPERATIONS:</b>						
Total revenue	\$0.57	\$0.13	—	—	—	—
Total expenses	-\$0.16	-\$0.05	—	—	—	—
Realized gains (losses) for the year	\$0.01	\$0.04	—	—	—	—
Unrealized gains (losses) for the year	-\$0.20	-\$0.17	—	—	—	—
<b>Total increase (decrease) from operations <sup>(b)</sup></b>	<b>\$0.22</b>	-\$0.05	—	—	—	—
<b>DISTRIBUTIONS:</b>						
From income (excluding dividends)	-\$0.19	-\$0.10	—	—	—	—
From capital gains	—	-\$0.05	—	—	—	—
<b>Total annual distributions <sup>(c)</sup></b>	<b>-\$0.19</b>	-\$0.15	—	—	—	—
<b>NET ASSETS, END OF YEAR</b>	<b>\$10.73</b>	\$10.53	—	—	—	—
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net asset value (\$000's)*	\$61	\$15	—	—	—	—
Number of units outstanding*	5,673	1,411	—	—	—	—
Management expense ratio <sup>(d)</sup>	2.94%	2.85%	—	—	—	—
Management expense ratio before waivers	2.98%	2.85%	—	—	—	—
Portfolio turnover rate <sup>(e)</sup>	39%	90%	—	—	—	—
Trading expense ratio <sup>(f)</sup>	0.00%	0.00%	—	—	—	—
Net asset Value per unit	\$10.77	\$10.57	—	—	—	—

## Class E(H)-Hedged

THE FUND'S NET ASSETS PER UNIT <sup>(a)</sup>	2011	2010	2009	2008	2007	2006
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>\$10.55</b>	\$10.76 <sup>1</sup>	—	—	—	—
<b>INCREASE (DECREASE) FROM OPERATIONS:</b>						
Total revenue	\$0.88	\$0.15	—	—	—	—
Total expenses	-\$0.13	-\$0.04	—	—	—	—
Realized gains (losses) for the year	\$0.01	\$0.04	—	—	—	—
Unrealized gains (losses) for the year	-\$0.22	-\$0.13	—	—	—	—
<b>Total increase (decrease) from operations <sup>(b)</sup></b>	<b>\$0.54</b>	\$0.02	—	—	—	—
<b>DISTRIBUTIONS:</b>						
From income (excluding dividends)	-\$0.20	-\$0.12	—	—	—	—
From capital gains	—	-\$0.07	—	—	—	—
<b>Total annual distributions <sup>(c)</sup></b>	<b>-\$0.20</b>	-\$0.19	—	—	—	—
<b>NET ASSETS, END OF YEAR</b>	<b>\$10.83</b>	\$10.55	—	—	—	—
<b>RATIOS AND SUPPLEMENTAL DATA</b>						
Net asset value (\$000's)*	\$5	\$5	—	—	—	—
Number of units outstanding*	482	473	—	—	—	—
Management expense ratio <sup>(d)</sup>	2.42%	2.31%	—	—	—	—
Management expense ratio before waivers	2.45%	2.32%	—	—	—	—
Portfolio turnover rate <sup>(e)</sup>	39%	90%	—	—	—	—
Trading expense ratio <sup>(f)</sup>	0.00%	0.00%	—	—	—	—
Net asset Value per unit	\$10.87	\$10.59	—	—	—	—

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

<sup>1</sup> Initial offering price.

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

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

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

<sup>(d)</sup> Management expense ratio is the ratio of all fees and expenses (including Harmonized Sales Tax (HST)) and interest expense but excluding brokerage commission on securities transactions charged to the Fund to daily average net asset value on an annualized basis.

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

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

\* This information is provided as at June 30.

# U.S. High Yield Bond Fund

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## 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.

	<b>Class O</b>	<b>Class I</b>	<b>Class P</b>	<b>Class F</b>	<b>Class R</b>	<b>Class D</b>	<b>Class E</b>
Management Fees	n/a	0.85%	1.70%	0.90% <sup>1</sup>	n/a	2.50%	2.00%
	<b>Class O(H)</b>	<b>Class I(H)</b>	<b>Class P(H)</b>	<b>Class F(H)</b>	<b>Class R(H)</b>	<b>Class D(H)</b>	<b>Class E(H)</b>
	n/a	0.85%	1.70%	0.90% <sup>1</sup>	n/a	2.50%	2.00%

<sup>1</sup>Inclusive of Goods and Service Tax/Harmonized Sales Tax

The following table shows the major services paid for as a percentage of the management fees above for each unit class of the Fund.

	<b>Class O</b>	<b>Class I</b>	<b>Class P</b>	<b>Class F</b>	<b>Class R</b>	<b>Class D</b>	<b>Class E</b>
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%
	<b>Class O(H)</b>	<b>Class I(H)</b>	<b>Class P(H)</b>	<b>Class F(H)</b>	<b>Class R(H)</b>	<b>Class D(H)</b>	<b>Class E(H)</b>
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.

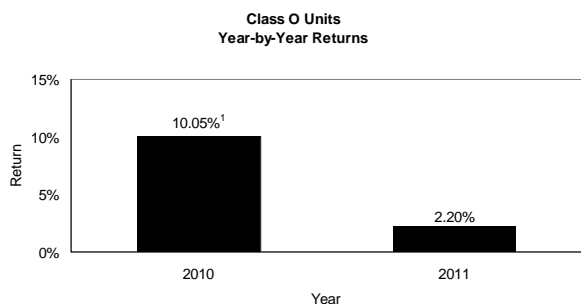
# U.S. High Yield Bond Fund

## Past Performance

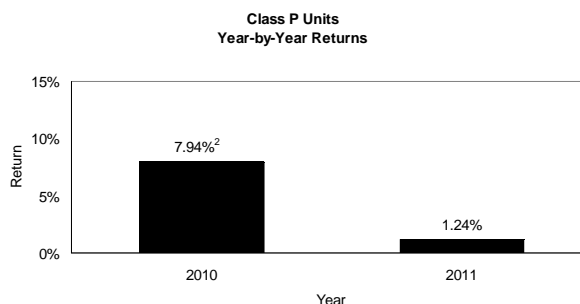
The performance information shown below assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. This performance information does not take into account sales, redemptions, distribution or other optional charges that would have reduced returns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

### YEAR-BY-YEAR RETURNS

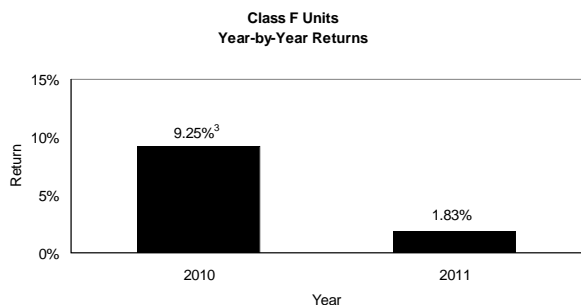
The following charts show the Fund's annual performance and illustrate how performance has changed from year to year. In percentage terms, the charts show how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year. Unless otherwise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



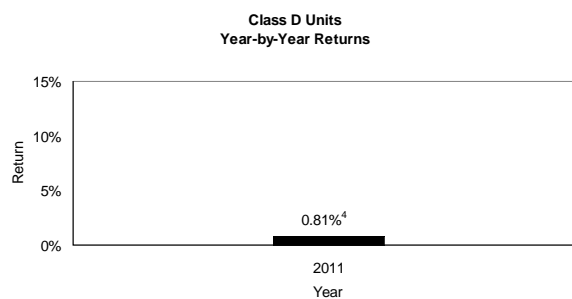
<sup>1</sup> Annualized from September 2009 first issuance by Prospectus



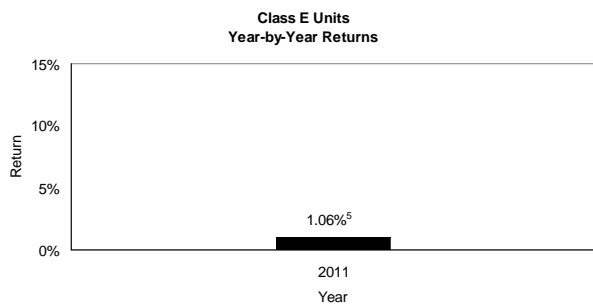
<sup>2</sup> Annualized from September 2009 first issuance by Prospectus



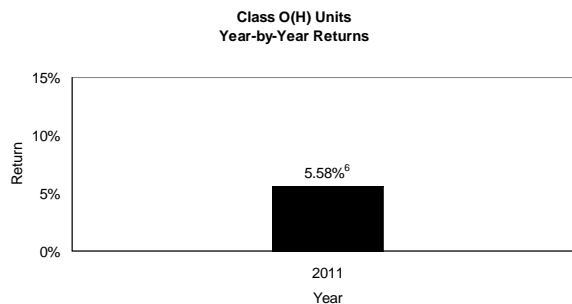
<sup>3</sup> Annualized from September 2009 first issuance by Prospectus



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



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



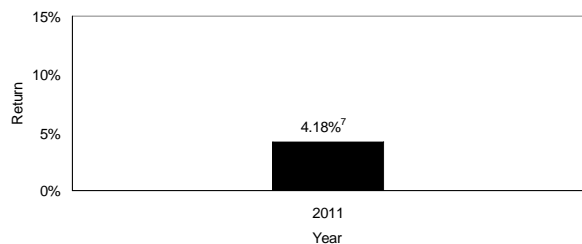
<sup>6</sup> From March 2010 first issuance by Prospectus

# U.S. High Yield Bond Fund

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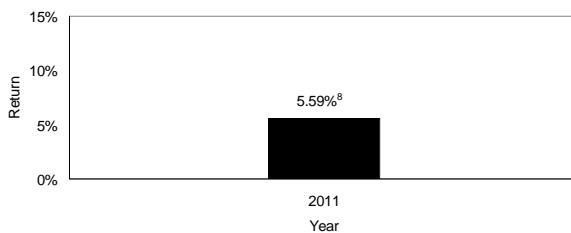
## YEAR-BY-YEAR RETURNS - CONTINUED

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



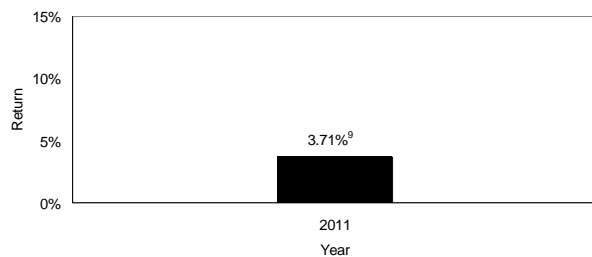
<sup>7</sup> From March 2010 first issuance by Prospectus

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



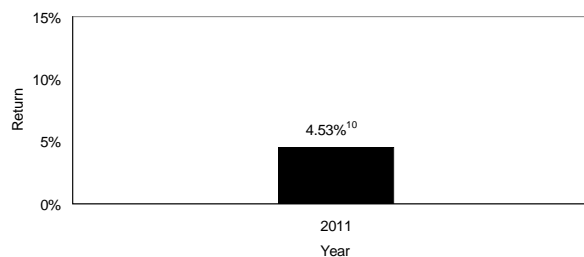
<sup>8</sup> From March 2010 first issuance by Prospectus

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



<sup>9</sup> From November 2010 first issuance by Prospectus

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



<sup>10</sup> From November 2010 first issuance by Prospectus

# U.S. High Yield 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](http://www.seic.com) within 60 days after each quarter end.

### PORTFOLIO BREAKDOWN

Sector	% of Total Net Asset Value
Corporates	49.6%
Private Placement	36.0%
Foreign Issuers	7.3%
Cash and Cash Equivalents	3.5%
Other	1.7%
Caanada Corporates	1.4%
General Obligation	0.4%
Convertible	<u>0.2%</u>
<b>Total</b>	<b>100.0%</b>

### TOP 25 HOLDINGS

Holding	% of Total Net Asset Value
US Dollar At Cdn Imperial Bk Var Rt 12/31/2049 Dd 02/15/97	3.1%
Mgm Resorts International 11.375% 03/01/2018 Dd 09/22/09	0.9%
Nuveen Investments Inc 10.500% 11/15/2015 Dd 11/15/09	0.9%
First Data Corp 10.550% 09/24/2015 Dd 03/31/09	0.8%
Clearwire Communications Llc/C 12.000% 12/01/2015 Dd 12/09/09	0.8%
Harrah's Operating Co Inc 10.000% 12/15/2018 Dd 12/15/09	0.8%
Telcordia Technologies Inc 11.000% 05/01/2018 Dd 04/30/10	0.8%
Dish Dbs Corp 7.875% 09/01/2019 Dd 08/17/09	0.7%
Sprint Capital Corp 8.750% 03/15/2032 Dd 03/14/02	0.7%
GXS Worldwide Inc 9.750% 06/15/2015 Dd 06/15/10	0.7%
Canadian Dollar	0.7%
HCA Inc 9.625% 11/15/2016 Dd 05/15/07	0.6%
Sungard Data Systems Inc 10.250% 08/15/2015 Dd 02/15/06	0.6%
Intelsat Luxembourg Sa 11.250% 02/04/2017 Dd 08/15/09	0.6%
Pinnacle Foods Finance Llc / P 10.625% 04/01/2017 Dd 10/01/07	0.5%
United Maritime Group Llc/Unit 11.750% 06/15/2015 Dd 06/15/10	0.5%
Cit Group Inc 7.000% 05/01/2016 Dd 12/10/09	0.5%
Snoqualmie Entertainment Autho 9.125% 02/01/2015 Dd 01/30/07	0.5%
CKE Restaurants Inc 11.375% 07/15/2018 Dd 07/12/10	0.5%
Burlington Coat Factory 10.000% 02/15/2019 Dd 02/24/11	0.5%
Aspect Software Inc 10.625% 05/15/2017 Dd 11/15/10	0.5%
Reynolds Grp Iss/Reynold 9.000% 04/15/2019 Dd 10/15/10	0.5%
US Dollar	0.5%
Biomet Inc 10.375% 10/15/2017 Dd 04/15/08	0.5%
Avaya Inc 144A 7.000% 04/01/2019 Dd 02/11/11	<u>0.4%</u>
Total	18.1%
<b>Total Net Asset Value</b>	<b>\$119,382,155</b>

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