

Annual
Management Report of Fund Performance
for the period ended December 31, 2011

U.S. MidCap Synthetic Fund

Class O Units, Class I Units, Class P Units, Class F Units, Class R 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. MidCap Synthetic Fund

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INVESTMENT OBJECTIVE AND STRATEGIES

The objective of the U.S. MidCap Synthetic Fund (the "Fund") is to achieve a return similar to that of the S&P MidCap 400 Index, hedged into Canadian dollars. This index provides exposure to the 400 largest companies beneath the S&P 500 traded in the U.S. equity market.

The Fund invests primarily in exchange-traded futures contracts on the S&P MidCap 400 Index (the "Index") as well as Government of Canada Treasury Bills and cash equivalent securities. Up to 10% of the Treasury Bills and other securities serve as margin collateral for the futures contracts. The remaining 90% is invested in high quality money market instruments with a term to maturity of less than one year.

The structure of the Fund allows returns to be generated in Canadian dollars without exposing investors to the fluctuating value of the U.S. dollar.

The current Portfolio Managers of the Fund are:
TD Asset Management Inc.
SEI Investments Canada Company (the Manager)

SEI may change the Portfolio Manager(s) 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.)

The U.S. Midcap Synthetic Fund modestly lagged the S&P 400 MidCap Index (Hedged into \$C) Benchmark by 1.0% as the Index returned -2.5% in 2011. For the year, 6 of the 10 GICS sectors finished positive with Utilities and Consumer Staples

being the strongest performers. Information Technology and Energy were the weakest sectors over the period. As for specific stocks in the Fund's top 10 holdings, Hansen Natural Corp. had the strongest year increasing by 76.2%.

Small/Mid Cap equity markets, were slightly down for the full 2011 calendar year, but only after volatile swings from positive to negative. The market rally that took place over the last third of 2010 continued into 2011, faltering in mid-February when unrest in the Middle East and weak economic data rattled investors. Concerns grew in March following the earthquake and resulting tsunami in Japan, and nearly all year-to-date gains were erased. By the end of March, investors once again began to focus on the potential for a recovery in the U.S. economy, and the Index climbed to its highest point of year in April. The rebound was short-lived however, as concerns regarding European sovereign debt (this time in Greece) and tepid economic data in the U.S. roiled the markets in May and the beginning of June, once again erasing nearly all gains. Another reversal in late June further exemplified the market's inconsistency and sensitivity to macroeconomic data points, as the Index was driven to an 8.1% gain for the first half of the year. Mid-year was marked by uncertainty concerning the U.S. debt ceiling, which led to a downgrade of the country's sovereign credit rating by S&P. Volatility spiked in August as the European sovereign debt crisis again took center stage and investors expressed concern over the Eurozone's ability to contain and resolve certain member countries' leverage problems. The market found some reprieve in the last few months of the year as encouraging economic and unemployment data emerged, but volatility remained high and the negative impact from August and September could not be overcome. Throughout the year, larger companies outperformed their smaller counterparts, and growth stocks beat value stocks. Balance sheet risk was not rewarded in the period, and highly levered companies underperformed those with less debt. Stocks that had high cash earnings yield were rewarded more than those that were lower yielding.

U.S. MidCap Synthetic Fund

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RECENT DEVELOPMENTS

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

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.

RISK

The risks of the Fund remain as discussed in the prospectus. The Fund may be suitable for investors who have a 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. MidCap Synthetic 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	\$9.74	\$7.79	\$5.67	\$9.50	\$9.44
INCREASE (DECREASE) FROM OPERATIONS:					
Total revenue	\$0.10	\$0.04	\$0.06	\$0.26	\$0.42
Total expenses	-\$0.02	-\$0.02	—	-\$0.01	-\$0.01
Realized gains (losses) for the year	-\$0.16	\$2.02	\$1.18	-\$4.02	-\$0.03
Unrealized gains (losses) for the year	-\$0.29	-\$0.07	-\$0.17	\$0.09	\$0.21
Total increase (decrease) from operations ^(b)	-\$0.37	\$1.97	\$1.07	-\$3.68	\$0.59
DISTRIBUTIONS:					
From income (excluding dividends)	—	—	—	—	-\$0.44
Total annual distributions ^(c)	—	—	—	—	-\$0.44
NET ASSETS, END OF YEAR	\$9.28	\$9.74	\$7.79	\$5.67	\$9.50
RATIOS AND SUPPLEMENTAL DATA					
Net asset value (\$000's)*	\$35,843	\$38,974	\$34,536	\$106,546	\$110,637
Number of units outstanding*	3,814,198	4,001,333	4,404,995	18,233,847	11,559,738
Management expense ratio ^(d)	0.21%	0.18%	0.03%	0.16%	0.13%
Management expense ratio before waivers	0.24%	0.22%	0.03%	0.16%	0.13%
Trading expense ratio ^(e)	0.03%	0.03%	0.06%	0.04%	0.02%
Net asset Value per unit	\$9.40	\$9.74	\$7.84	\$5.84	\$9.57

Class P

THE FUND'S NET ASSETS PER UNIT ^(a)	2011	2010	2009	2008	2007
NET ASSETS, BEGINNING OF YEAR	\$11.45	\$9.28	\$6.86	\$11.66	\$11.56
INCREASE (DECREASE) FROM OPERATIONS:					
Total revenue	\$0.14	—	\$0.06	\$0.31	\$0.52
Total expenses	-\$0.19	-\$0.16	-\$0.10	-\$0.15	-\$0.19
Realized gains (losses) for the year	\$1.45	\$1.50	\$1.23	-\$4.88	-\$0.03
Unrealized gains (losses) for the year	-\$1.79	\$0.29	-\$2.09	\$0.20	\$0.16
Total increase (decrease) from operations ^(b)	-\$0.39	\$1.63	-\$0.90	-\$4.52	\$0.46
DISTRIBUTIONS:					
From income (excluding dividends)	—	—	—	—	-\$0.34
Total annual distributions ^(c)	—	—	—	—	-\$0.34
NET ASSETS, END OF YEAR	\$10.75	\$11.45	\$9.28	\$6.86	\$11.66
RATIOS AND SUPPLEMENTAL DATA					
Net asset value (\$000's)*	\$23	\$55	\$244	\$10,897	\$10,681
Number of units outstanding*	2,074	4,793	26,154	1,541,009	909,696
Management expense ratio ^(d)	1.65%	1.58%	1.51%	1.52%	1.51%
Management expense ratio before waivers	1.69%	1.61%	1.51%	1.52%	1.51%
Trading expense ratio ^(e)	0.03%	0.03%	0.06%	0.04%	0.02%
Net asset Value per unit	\$10.89	\$11.45	\$9.35	\$7.07	\$11.74

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 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 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.

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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	\$10.12	\$8.14	\$5.98	\$10.08	\$9.97
INCREASE (DECREASE) FROM OPERATIONS:					
Total revenue	\$0.14	\$0.05	\$0.06	\$0.27	\$0.46
Total expenses	-\$0.08	-\$0.07	-\$0.05	-\$0.07	-\$0.09
Realized gains (losses) for the year	-\$0.71	\$2.00	\$1.22	-\$4.17	-\$0.03
Unrealized gains (losses) for the year	\$0.21	-\$0.05	-\$0.06	\$0.08	-\$0.27
Total increase (decrease) from operations ^(b)	-\$0.44	\$1.93	\$1.17	-\$3.89	\$0.77
DISTRIBUTIONS:					
From income (excluding dividends)	—	—	—	—	-\$0.34
Total annual distributions ^(c)	—	—	—	—	-\$0.34
NET ASSETS, END OF YEAR	\$9.59	\$10.12	\$8.14	\$5.98	\$10.08
RATIOS AND SUPPLEMENTAL DATA					
Net asset value (\$000's)*	\$149	\$182	\$123	\$328	\$294
Number of units outstanding*	15,380	17,927	15,039	53,179	29,003
Management expense ratio ^(d)	0.80%	0.80%	0.80%	0.80%	0.80%
Management expense ratio before waivers	0.83%	0.83%	0.80%	0.80%	0.80%
Trading expense ratio ^(e)	0.03%	0.03%	0.06%	0.04%	0.02%
Net asset Value per unit	\$9.71	\$10.12	\$8.20	\$6.16	\$10.15

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 trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the year.

* This information is provided as at December 31.

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	0.60%	1.30%	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%	23.1%	100.0%	n/a
Trailer Commissions*	n/a	n/a	76.9%	n/a	n/a

* Where negotiated with a particular dealer on a case-by-case basis, SEI may pay trailer commissions up to the maximum of 1.00% 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.

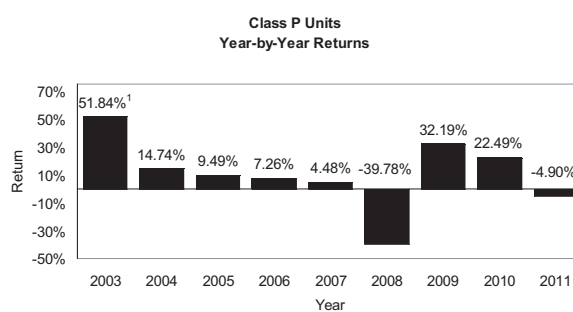
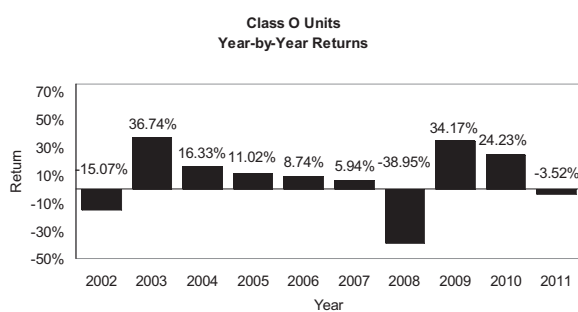
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Past Performance

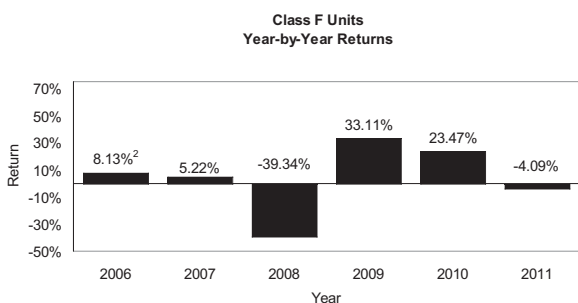
The performance information shown below assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. This performance information does not take into account sales, redemptions, distribution or other optional charges that would have reduced returns 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 April 2003 first issuance by Prospectus



² From June 2006 first issuance by Prospectus

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 S&P MidCap 400 Index on the same compound basis. The S&P MidCap 400 Index is a capitalization, market value-weighted index of 400 actively traded U.S. stocks in major industry sectors.

	One Year	Three Years	Five Years	Ten Years	Since Inception	Inception Date
Class O Units	-3.52%	17.16%	0.79%	5.42%	5.04%	31-Jul-00
S&P MidCap 400 Index (\$C)	-2.52%	18.13%	2.27%	6.04%	5.68%	
Class P Units	-4.90%	15.48%	-0.63%	n/a	6.52%	29-Apr-03
S&P MidCap 400 Index (\$C)	-2.52%	18.13%	2.27%	n/a	8.76%	
Class F Units	-4.09%	16.38%	0.12%	n/a	1.54%	28-Jun-06
S&P MidCap 400 Index (\$C)	-2.52%	18.13%	2.27%	n/a	3.58%	

U.S. MidCap Synthetic 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

Sector	% of Total Net Asset Value
Financials	20.0%
Industrials	16.2%
Information Technology	14.8%
Consumer Discretionary	14.4%
Health Care	10.5%
Materials	6.7%
Energy	6.6%
Utilities	6.1%
Consumer Staples	4.2%
Telecommunication Services	<u>0.5%</u>
Total	100.0%

TOP 25 HOLDINGS

Holding	% of Total Net Asset Value
Dollar Tree Inc.	0.9%
Perrigo Co.	0.8%
Kansas City Southern	0.7%
Hansen Natural Corp.	0.7%
BorgWarner Inc.	0.7%
Vertex Pharmaceuticals Inc.	0.6%
Ametek Inc.	0.6%
Macerich Co.	0.6%
Church & Dwight Co.	0.6%
Henry Schein Inc.	0.6%
PetSmart Inc.	0.5%
Green Mountain Coffee Roasters Inc.	0.5%
Federal Realty Investment Trust	0.5%
SL Green Realty Corp.	0.5%
OGE Energy Corp.	0.5%
UDR Inc.	0.5%
Rayonier Inc. REIT	0.5%
New York Community Bancorp Inc.	0.5%
Trimble Navigation Ltd.	0.5%
Energizer Holdings Inc.	0.5%
Cimarex Energy Co.	0.5%
Alliance Data Systems Corp.	0.5%
Ansys Inc.	0.5%
Southern Union Co.	0.5%
Plains Exploration & Production Co.	<u>0.5%</u>
Total	14.3%
Total Net Assets	\$35,555,049

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.