

**Acadian Core International Equity Fund  
Semi-Annual Management Report of Fund Performance  
As at June 30, 2010**

This semi-annual report of fund performance contains financial highlights but does not contain the complete semi-annual financial statements for the Investment Fund. You may request a copy of the semi-annual financial statements at no cost, by calling 1-800-363-2480, by writing to us at Integra Capital Limited ("Integra"), 2020 Winston Park Drive, Suite 200, Oakville ON L6H 6X7 or by visiting our website at [www.integra.com](http://www.integra.com) or the SEDAR website at [www.sedar.com](http://www.sedar.com).

Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or portfolio disclosure relating to the Fund.

**Management Discussion of Fund Performance  
Results of Operations**

For the six months ended June 30<sup>th</sup>, the Fund lost 8.7% compared to a 11.7% loss by the MSCI EAFE-free Index while the Fund's benchmark (90% MSCI EAFE-free Index plus 10% Scotia Capital 91-day Government of Canada Treasury Bill Total Return Index) fell 10.6%. All of the returns are presented in Canadian dollar terms and gross of fees. Compounding the negative returns in local currencies, the loonie's strength relative to the Euro and the British Pound had a negative impact for Canadian investment funds with money invested in Europe.

In the early stages of 2010 there was a cautious, but generally positive sentiment about the state of the global economy. However, during the past three months, volatility returned to the capital markets. Investors became wary of the escalating Greek deficit and the potential for other heavily indebted Euro-zone members to default. In hindsight, perhaps, it is difficult to expect everything would be perfectly synchronized for a sustainable recovery, particularly in the Euro-zone where there is one monetary authority but multiple fiscal and political policies that are not necessarily aligned.

There were also concerns about the health of European banks and a stalling U.S. recovery, as inventories have been rebuilt. Additionally, the United Kingdom must deal with debt concerns, as well as a divisive general election result and a call from the new government for massive cuts in public spending.

In China, policies were introduced to slow down a property boom including incremental lending restrictions on second and third homes. As a result there has been a weakening demand for materials used in the commercial and residential sectors.

At the G-20 meetings in June, world leaders pledged to cut government deficits in half by 2013 and stabilize debt loads by 2016. They went a step further, agreeing to present their respective fiscal positions for peer review at the next meeting later this year in Seoul.

In advance of the meetings in Toronto, China announced it would no longer peg its currency, the yuan, to the U.S. dollar. Once the Chinese gave into international pressure, the yuan gained value.

During the first half of 2010, amongst International equities, all ten industrial sectors in the market experienced negative returns. However, the more defensive areas such as Consumer Staples (household products and food/beverages) as well as Information Technology, and Industrials inflicted less damage on investors. On the other hand, the worst performing sectors were Energy, Financial Services and Materials.

The Fund's significant out-performance compared to its benchmark was due to a number of factors. An under-weight in the Financial Services sector coupled with stock selection within that industry group generated the largest value add. As well, stock selection in the Materials and Information Technology sectors proved beneficial. On a regional basis, the Fund was under-weight the relatively weak Euro region and Japanese stock selection was helpful to performance. Conversely, the Fund's relative performance was hurt by an over-weight to the Energy sector and stock selection in the United Kingdom.

On an individual stock basis, successful positions included NTT Data Corp., Nippon Tel & Tel, Sony and Woori Finance Holdings. As well, a lack of exposure to Banco Santander added value relative to the Fund's benchmark.

On the other hand, the Fund's position in BP detracted from the Fund's performance. The Fund's sub-advisor placed BP on its "No Buy" list shortly after the initial explosion. Currently, the sub-advisor's forecast of BP remains moderately positive relative to peers in the energy sector and the overall index - primarily on Cash Flow and other Quality measures. As a result, BP stock continues to be held in the Fund.

The Fund experienced net redemptions of \$3.2 million during the first six months of 2010.

Fund expenses vary period over period mainly as the result of changes in average Net Asset Values and investment activity. Custody expenses are substantially higher year over year due to more turnover in the portfolio, which was influenced by the increased volatility in international stock markets.

## **Recent Developments**

International stock markets may continue to be choppy over the coming months, with recent events negatively affecting cyclical sectors, commodities, and credit risk. Over the past quarter, investors have been unsettled by the turmoil stemming from the European debt crisis and the related risks of fiscal tightening to the region's recovery, as well as concerns about China's growth sustainability. In the U.S., employment and housing remain uncertain, as recent data have failed to signal meaningful improvements in these key areas.

Despite these risks, the Fund's sub-advisor continues to assess the likelihood of a double-dip recession as relatively low. Although the global recovery will be tempered as long as credit growth remains restricted, particularly in Europe, a number of factors could help support a trend of moderate growth and somewhat more steady equity returns in the second half of the year. These include continued stabilization in global GDP, firmer global demand supporting export-driven markets, sustained accommodative monetary policy in key areas, and an overall positive near-term earnings outlook.

Emerging Markets continue to be a key source of economic activity and strengthening fundamentals, although recently lower risk appetite and a dip in commodity prices have damped gains in the asset class of late. However these situations play out, there should be significant opportunities for active stock selection, focusing on a range of stock attributes, and valuation, earnings, quality and other characteristics will be important long-term drivers of return. In particular, higher-quality companies with improving earnings are likely to do well in a period of uncertainty.

On a valuation basis, Japan continues to offer the most attractive profile among global equity markets, though careful stock selection is necessary to distinguish mere cheapness from true undervaluation. Europe also compares favorably on a global basis. Emerging and frontier markets continue to demonstrate elevated valuations, driven by their relatively strong performance over the last few quarters. Small-cap stocks are also quite expensive relative to their history and relative to other equity classes at present.

## **Related Party Transactions Manager, Portfolio Manager and Transfer Agent**

The Fund is managed by Integra. Integra provides or arranges for the provision of all general management and administrative services rendered by the Fund in its day-to-day operations, including providing or arranging the provision of investment advice and record-keeping services for the Fund.

As a result of providing investment advisory and management services, Integra is entitled to receive a monthly fee from investors in the Fund.

## **Caution Regarding Forward-looking Statements**

This report may contain forward-looking statements about the Fund, including its strategies and expected performance. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to potential future events or market and economic conditions.

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. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to risks, uncertainties and assumptions about the Fund and capital market and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results may differ materially from those expressed or implied in any forward-looking statements made by the Fund. A wide range of factors may contribute to these variances, including general economic, geopolitical and market influences in Canada or globally, interest rates and currencies, capital markets, technology innovations, regulations and catastrophic events.

Investors are encouraged to consider these and other factors including their own investment objectives carefully before making any investment decisions and are urged to avoid placing undue reliance on forward-looking statements.

Additionally, investors should be aware that the Fund has no specific intention to update any forward-looking statements whether as a result of new information or future events, prior to the release of the next Management Report on Fund Performance.

## Acadian Core International Equity Fund Financial Highlights

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 six-month period ended June 30, 2010 and for the remaining financial years ended December 31, as indicated. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements.

### The Fund's Net Asset Value (NAV) per [Unit Data]

For the periods ended	June 30, 2010	Dec 31, 2009	Dec 31, 2008	Dec 31, 2007	Dec 31, 2006
Net Asset Value, beginning of period	\$3.62	\$3.54	\$5.78	\$6.70	\$5.20
Adjustment for new accounting standards	—	(0.01)	(0.01)	—	—
Net Assets, beginning of period	\$3.62	\$3.53	\$5.77	\$6.70	—
<b>Increase (decrease) from operations:</b>					
total revenue	0.07	0.12	0.21	0.20	0.15
total expenses	—	(0.01)	(0.01)	(0.01)	(0.01)
realized gains (losses)	(0.05)	(0.80)	(1.07)	0.34	0.77
unrealized gains (losses)	(0.32)	0.97	(1.18)	(1.13)	0.72
<b>Total increase (decrease) from operations<sup>(1)</sup></b>	<b>(\$0.30)</b>	<b>\$0.28</b>	<b>(\$2.05)</b>	<b>(\$0.60)</b>	<b>\$1.63</b>
<b>Distributions:</b>					
From income (excluding dividends)	—	(0.12)	(0.20)	(0.16)	(0.13)
From dividends	—	—	—	—	—
From capital gains	—	—	—	(0.26)	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions<sup>(2)</sup></b>	<b>\$0.00</b>	<b>(\$0.12)</b>	<b>(\$0.20)</b>	<b>(\$0.42)</b>	<b>(\$0.13)</b>
<b>Net Assets, end of period</b>	<b>\$3.30</b>	<b>\$3.62</b>	<b>\$3.53</b>	<b>\$5.77</b>	<b>\$6.70</b>

### Ratios and Supplemental Data (Based on trading NAV)

	2010	2009	2008	2007	2006
Net Asset Value (000's)	\$167,944	\$186,975	\$165,602	\$210,717	\$175,247
Number of units outstanding	50,764,257	57,623,750	46,851,569	36,472,210	26,170,404
Management expense ratio	2.26%	2.22%	2.23%	2.23%	2.27%
Management expense ratio before waivers or absorptions	2.26%	2.22%	2.23%	2.23%	2.27%
Portfolio turnover rate <sup>(3)</sup>	39.62%	110.62%	108.25%	91.10%	107.40%
Trading expense ratio <sup>(4)</sup>	0.08%	0.20%	0.13%	0.10%	0.11%

### Ratios and Supplemental Data

#### Supplementary information to the Financial Highlights calculations are based on the following:

1. Net asset 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 period.
2. Distributions were paid in cash/reinvested in additional units of the Fund, or both.
3. 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 period. The higher a Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.
4. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average Net Asset Values during the period.

## Acadian Core International Equity Fund Past Performance

The performance information shown assumes that all distributions made by the investment fund in the periods shown were reinvested in additional securities of the investment fund. Note that the performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the investment fund has performed in the past does not necessarily indicate how it will perform in the future.

**Fund Inception** - September 27, 2000 (Prior to this date, the Fund was a non-public mutual fund)

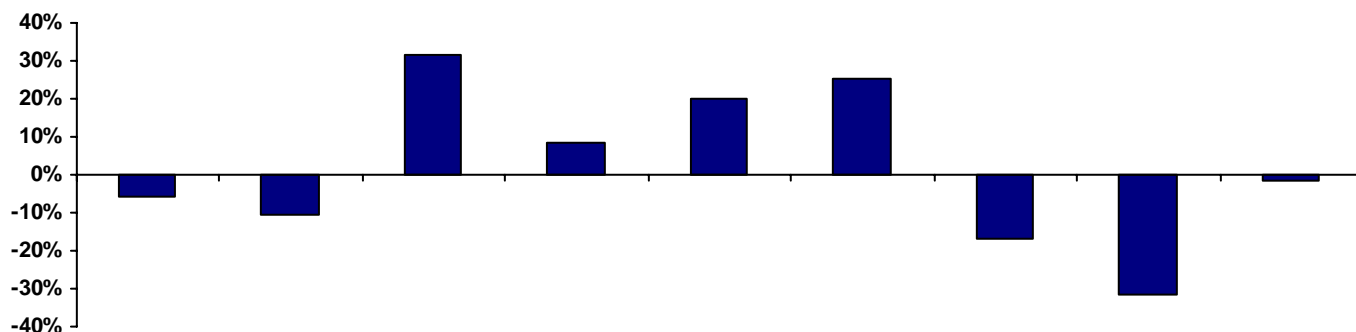
### Year-by-Year Returns

The following bar chart shows the investment fund's annual performance for each of the years shown, and illustrates how the investment fund's performance was changed from year to year. In percentage terms, the bar chart shows 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.

### Annual Returns Chart

Annual Returns ending June 30

2002	2003	2004	2005	2006	2007	2008	2009	2010
-5.70	-10.72	31.50	8.44	20.03	25.28	-16.79	-31.81	-1.54



**Acadian Core International Equity Fund**  
**Summary of Investment Portfolio as at June 30, 2010**

**Asset Mix**

	% of Fund's Net Assets
International Equities	97.94%
Other Assets, Net of Liabilities	2.06%

**Country Mix**

	% of Fund's Net Assets
Argentina	0.07%
Australia	6.58%
Austria	0.41%
Belgium	0.30%
Bermuda	0.05%
Brazil	0.02%
Chile	—
China	0.16%
Czech Republic	0.36%
Denmark	0.51%
Finland	1.09%
France	5.93%
Germany	11.17%
Greece	0.42%
Hong Kong	3.36%
Italy	1.90%
Japan	26.76%
Luxembourg	—
Malaysia	0.55%
Mexico	—
Netherlands	4.03%
Norway	0.21%
Pakistan	0.15%
Poland	0.20%
Portugal	0.71%
Singapore	5.12%
South Africa	—
South Korea	3.69%
Spain	0.04%
Sweden	2.03%
Switzerland	4.39%
Taiwan	0.87%
Thailand	0.47%
United Kingdom	16.37%
United States	0.02%

**Top 25 Top Holdings**

	(excluding cash equivalents)	% of Fund's Net Assets
1	Nestlé SA, Registered, Series 'B'	3.52%
2	Royal Dutch Shell PLC, Class 'A'	3.41%
3	AstraZeneca PLC	2.60%
4	BHP Billiton Ltd.	2.51%
5	Sanofi-Aventis SA	2.20%
6	BP PLC	1.96%
7	DBS Group Holdings Ltd.	1.95%
8	BASF SE	1.94%
9	Nippon Telegraph & Telephone Corp.	1.94%
10	Deutsche Telekom AG, Registered	1.89%
11	Imperial Tobacco Group PLC	1.82%
12	Astellas Pharma Inc.	1.70%
13	Oversea-Chinese Banking Corp. Ltd.	1.62%
14	Enel SPA	1.60%
15	BNP Paribas SA	1.54%
16	Fuji Photo Film Co. Ltd.	1.52%
17	E.ON AG	1.48%
18	Koninklijke Philips Electronics NV	1.47%
19	International Power PLC	1.46%
20	Rio Tinto Ltd.	1.39%
21	CLP Holdings Ltd.	1.39%
22	Fujitsu Ltd.	1.37%
23	Marubeni Corp.	1.36%
24	Santos Ltd.	1.35%
25	NTT Data Corp.	1.31%

Total Fund Net Assets \$ 167,649,394

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the investment fund. The most recent report, semi-annual report or quarterly report is available at no cost, by calling 1-800-363-2480, by writing to us at Integra Capital Limited, 2020 Winston Park Drive, Suite 200, Oakville, ON, L6H 6X7 or by visiting our website at [www.integra.com](http://www.integra.com)

Integra Capital Limited  
2020 Winston Park Drive, Suite 200  
Oakville, Ontario  
L6X 6X7

**Manager, Portfolio Manager, Transfer Agent and Registrar**  
Integra Capital Limited, Oakville, Ontario

**Auditors**  
Ernst & Young, LLP, Toronto, Ontario

**Legal Counsel**  
Torys LLP, Toronto, Ontario