

Financial Statements of

**ACADIAN CORE INTERNATIONAL
EQUITY FUND**

Years ended December 31, 2017 and 2016



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INDEPENDENT AUDITORS' REPORT

To the Unitholders of Acadian Core International Equity Fund

We have audited the accompanying financial statements of Acadian Core International Equity Fund, which comprise the statements of financial position as at December 31, 2017 and 2016, the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Acadian Core International Equity Fund as at December 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

March 22, 2018
Toronto, Canada

ACADIAN CORE INTERNATIONAL EQUITY FUND

Statements of Financial Position

December 31, 2017 and 2016

	2017	2016
Assets		
Cash	\$ 958,494	\$ 535,224
Receivable for securities sold	7,305	353,467
Subscriptions receivable	6,135	12,216
Accrued dividend receivable	147,467	127,055
Investments, at fair value	71,380,797	69,868,077
	<u>72,500,198</u>	<u>70,896,039</u>
Liabilities		
Payable for securities purchased	—	351,637
Redemptions payable	118,003	350,275
Accrued expenses	75,923	109,580
	<u>193,926</u>	<u>811,492</u>
Net assets attributable to holders of redeemable units	<u>\$ 72,306,272</u>	<u>\$ 70,084,547</u>
Redeemable units (note 3)	9,971,656	12,124,415
Net assets attributable to holders of redeemable units per unit	<u>\$ 7.25</u>	<u>\$ 5.78</u>

See accompanying notes to financial statements.

On behalf of the Manager,
Integra Capital Limited:



Graham Rennie

Director



Craig Honey

Director

ACADIAN CORE INTERNATIONAL EQUITY FUND

Statements of Comprehensive Income

Years ended December 31, 2017 and 2016

	2017	2016
Income:		
Dividends	\$ 1,770,790	\$ 2,659,079
Revenue from securities lending (note 7)	26,563	38,073
Other changes in fair value of investments:		
Net realized gain on sale of investments	8,949,851	5,019,814
Net foreign exchange gain (loss) on cash	(7,700)	88,401
Net other gain (loss)	30,043	(165,749)
Net change in unrealized appreciation (depreciation) of investments	5,724,215	(6,756,782)
Total income	16,493,762	882,836
Expenses (income):		
Custodial fees	110,148	118,665
Operating fees	5,388	37,490
Audit fees	35,000	32,514
Legal fees	—	495
Filing fees	6,001	6,000
Investment performance monitoring fees	(4,831)	9,500
Securityholder reporting costs	(1,845)	3,250
Independent Review Committee fees (note 8)	7,501	8,120
Transaction costs	58,317	97,190
Withholding taxes	174,442	251,900
Harmonized sales tax	14,514	23,193
Total expenses	404,635	588,317
Increase in net assets attributable to holders of redeemable units	\$ 16,089,127	\$ 294,519
Increase in net assets attributable to holders of redeemable units per unit (based on the weighted average number of units outstanding during the year)	\$ 1.63	\$ 0.02

See accompanying notes to financial statements.

ACADIAN CORE INTERNATIONAL EQUITY FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31, 2017 and 2016

	2017	2016
Net assets attributable to holders of redeemable units, beginning of year	\$ 70,084,547	\$ 85,879,728
Increase in net assets attributable to holders of redeemable units	16,089,127	294,519
Distributions paid or payable to holders of redeemable units: From net investment income	(1,424,280)	(1,981,487)
Redeemable unit transactions (note 3):		
Issuance of units	3,976,989	5,128,278
Reinvestment of distributions	1,424,280	1,981,487
Redemption of units	(17,844,391)	(21,217,978)
Net decrease from redeemable unit transactions	(12,443,122)	(14,108,213)
Net increase (decrease) in net assets attributable to holders of redeemable units	2,221,725	(15,795,181)
Net assets attributable to holders of redeemable units, end of year	\$ 72,306,272	\$ 70,084,547

See accompanying notes to financial statements.

ACADIAN CORE INTERNATIONAL EQUITY FUND

Statements of Cash Flows

Years ended December 31, 2017 and 2016

	2017	2016
Cash flows from (used in) operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 16,089,127	\$ 294,519
Change in non-cash operating working capital:		
Net change in unrealized foreign exchange loss (gain) on cash	7,700	(88,401)
Net realized gain on sale of investments	(8,949,851)	(5,019,814)
Net change in unrealized depreciation (appreciation) of investments	(5,724,215)	6,756,782
Purchase of investments	(45,179,817)	(54,485,697)
Proceeds from the sale of investments	58,335,696	68,545,045
Accrued dividend receivable	(20,420)	(25,000)
Accrued expenses	(33,658)	(43,392)
Cash provided by operating activities	14,524,562	15,934,042
Cash flows from (used in) financing activities:		
Amount received from the issuance of units	3,983,071	5,119,241
Amount paid on redemptions of units	(18,076,663)	(21,294,921)
Cash used in financing activities	(14,093,592)	(16,175,680)
Increase (decrease) in cash	430,970	(241,638)
Net change in unrealized foreign exchange gain (loss) on cash	(7,700)	88,401
Cash, beginning of year	535,224	688,461
Cash, end of year	\$ 958,494	\$ 535,224
Supplemental information:		
Dividends received, net of withholding taxes	\$ 1,575,928	\$ 2,382,179

See accompanying notes to financial statements.

ACADIAN CORE INTERNATIONAL EQUITY FUND

Schedule of Investments

December 31, 2017

	Number of shares	Average cost	Fair value
Common and preferred shares - 98.72%			
Australia - 3.18%:			
Alliance Aviation Services Ltd.	9,251	\$ 14,813	\$ 16,500
Aristocrat Leisure Ltd.	47,321	925,939	1,099,072
Codan Ltd.	19,633	24,915	42,906
Data# 3 Ltd.	15,663	11,708	27,859
Huon Aquaculture Group Ltd.	2,601	12,756	12,031
Macquarie Group Ltd.	174	16,717	16,989
Qantas Airways Ltd.	219,858	482,498	1,085,917
		1,489,346	2,301,274
Austria - 1.39%:			
Fabasoft AG	809	16,036	15,476
FACC AG	4,765	73,010	124,062
Kapsch TrafficCom AG	861	36,478	64,706
OMV AG	9,389	640,134	746,285
Strabag SE	1,109	35,831	56,780
		801,489	1,007,309
Belgium - 0.15%:			
Agfa Gevaert NV	3,449	13,620	20,170
Atenor Group SA	301	22,306	21,283
Deceuninck NV	6,048	29,667	27,371
Jensen-Group NV	267	16,242	16,029
Realdolmen	551	17,591	22,358
		99,426	107,211
Brazil - 0.29%:			
Companhia de Ferro Ligas da Bahia	15,900	97,484	122,939
Construtora Tenda SA	11,600	82,810	87,632
		180,294	210,571
China - 0.30%:			
China Construction Bank Corp., Class 'H'	71,000	69,870	81,935
Delong Holdings Ltd.	12,200	16,992	30,311
Dutech Holdings Ltd.	43,100	19,979	13,739
Hopefluent Group Holdings Ltd.	94,000	34,269	51,677
JNBY Design Ltd.	8,500	9,411	12,942
JQW PLC	24,995	16,020	—
Sinotruk (Hong Kong) Ltd.	21,000	21,076	29,620
		187,617	220,224
Colombia - 0.04%:			
Interconexion Electrica SA	1,642	9,671	9,789
Organizacion Terpel SA	2,629	13,769	15,672
		23,440	25,461

ACADIAN CORE INTERNATIONAL EQUITY FUND

Schedule of Investments (continued)

December 31, 2017

	Number of shares	Average cost	Fair value
Denmark - 1.10%:			
H. Lundbeck AS	12,226	554,021	778,232
Nordjyske Bank A/S	802	19,354	19,448
		573,375	797,680
Finland - 0.84%:			
Atria OYJ	1,307	18,372	23,814
Neste Oil OYJ	1,159	89,743	93,030
Raute OYJ	539	18,013	23,517
Restamax OYJ	367	3,902	4,732
Sampo OYJ, Series 'A'	2,993	203,697	206,242
Stora Enso OYJ, Series 'R'	1,477	13,117	29,378
Talenom OYJ	977	17,554	18,800
UPM-Kymmene Corp. OYJ	5,379	120,774	209,688
		485,172	609,201
France - 5.76%:			
Aéroports de Paris	361	88,307	86,088
Altamir SCA	2,658	40,255	60,946
Bigben Interactive	4,993	39,865	103,593
Bongrain SA	173	14,057	21,010
CBo Territoria	1,762	10,413	10,233
Compagnie des Alpes	5,688	144,785	279,670
Credit Agricole Ile de France	146	17,977	17,577
Credit Agricole Toulouse 31	38	4,564	5,911
Esso S.A.F.	313	32,608	26,984
Gaumont SA	126	23,949	23,858
Groupe Crit	195	14,104	21,353
Groupe Partouche SA, Registered	66	3,362	3,355
High Co.	2,612	32,591	19,256
Infotel SA	248	19,229	19,944
Ipsen SA	4,602	273,431	689,413
Ipsos	3,278	132,922	151,409
Lectra	3,563	68,933	134,821
Manitou BF SA	904	20,465	41,483
Mersen	743	19,732	41,741
PSA Peugeot Citroën SA	37,516	807,894	957,015
PSB Industries	376	28,082	25,168
Societe Marseillaise du Tunnel Prado Carenage SA	134	4,124	4,683
Sogeclair	307	16,121	22,056
Synergie SA	1,710	41,122	112,906
UbiSoft Entertainment SA	12,500	132,058	1,206,267
Union Financiere de France Banque SA	1,014	45,985	45,921
Vetoquinol SA	344	18,635	31,328
		2,095,570	4,163,989

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Schedule of Investments (continued)

December 31, 2017

	Number of shares	Average cost	Fair value
Germany - 14.33%:			
Adler Modemaerkte AG	2,233	19,167	19,610
Allianz AG, Registered	5,296	1,426,439	1,525,883
BASF SE	11,037	1,494,642	1,523,401
Bauer AG	1,611	51,413	72,715
Beiersdorf AG	7,595	1,030,430	1,118,703
Biotest AG	1,956	39,906	59,446
Borussia Dortmund GmbH & Co. KGaA	1,987	21,548	18,314
CeWe Color Holding AG	581	60,280	76,968
Deutsche Lufthansa AG	32,078	696,157	1,482,630
Deutsche Post AG, Registered	21,673	1,134,400	1,296,166
DMG Mori Seiki AG	2,263	174,424	156,688
Eckert & Ziegler AG	1,570	72,579	85,285
ELMOS Semiconductor AG	3,881	61,539	134,767
Eurokai GmbH & Co. KGaA	310	19,096	20,848
Evonik Industries AG	16,304	773,501	769,508
Evotec AG	11,282	61,414	229,152
Francotyp-Postalia Holding AG	6,048	41,459	42,231
Hornbach Holding AG & CO. KGaA	567	61,896	63,145
KSB AG	59	31,189	45,094
Medion AG	575	14,483	13,820
Mensch und Maschine Software SE	4,071	56,076	129,880
MPH Health Care AG	7,882	35,663	43,783
Nabaltec AG	437	14,822	17,052
SAP AG	3,461	486,982	486,615
Schloss Wachenheim AG	561	12,961	17,257
TAG Immobilien AG	655	14,830	15,610
Tom Tailor Holding AG	8,670	123,813	142,053
Uniper SE	6,963	249,200	272,379
VERBIO Vereinigte BioEnergie AG	39,317	263,006	482,106
		8,543,315	10,361,109
Guernsey - 0.07%:			
Doric Nimrod Air Three Ltd.	9,562	15,740	15,680
Eurocastle Investment Ltd.	3,037	39,011	37,468
		54,751	53,148

ACADIAN CORE INTERNATIONAL EQUITY FUND

Schedule of Investments (continued)

December 31, 2017

	Number of shares	Average cost	Fair value
Hong Kong - 0.46%:			
Allied Group Ltd.	4,000	35,186	29,171
China Merchants China Direct Investments Ltd.	30,000	58,461	62,413
Clear Media Ltd.	11,000	16,374	13,699
Cross-Harbour (Holdings) Ltd. (The)	9,000	18,031	18,608
DMX Technologies Group Ltd.	131,000	28,798	—
Fountain Set (Holdings) Ltd.	98,000	17,486	17,749
FSE Engineering Holdings Ltd.	145,000	61,805	58,101
i-CABLE Communications Ltd.	1,404	63	52
Lai Fung Holdings Ltd.	6,800	10,770	14,278
Lion Rock Group Ltd.	76,000	19,060	19,124
Lung Kee (Bermuda) Holdings Ltd.	58,000	30,822	34,117
Ming Fai International Holdings Ltd.	82,000	15,450	16,297
Road King Infrastructure Ltd.	10,000	19,977	21,606
Sing Tao News Corp. Ltd.	68,000	11,793	11,226
Wheelock and Co. Ltd.	2,000	11,584	17,887
		355,660	334,328
Indonesia - 0.13%:			
Indo Tambangraya Megah PT	22,900	33,913	43,776
PT Samudera Indonesia	52,000	3,326	1,873
Salim Ivomas Pratama TBK PT	1,070,100	69,136	45,854
		106,375	91,503
Ireland - 0.62%:			
ICON PLC	3,177	185,690	446,427
Israel - 0.72%:			
Aspen Group Ltd.	9,366	23,414	25,200
Bank Hapoalim Ltd.	2,459	18,610	22,711
Dor Alon Energy In Israel (1988) Ltd.	1,087	20,002	19,458
Electra Consumer Products (1970) Ltd.	12,422	240,485	280,963
Knafaim Holdings Ltd.	3,015	29,305	20,675
Naphtha Israel Petroleum Corp. Ltd.	5,385	41,940	48,004
Plus500 Ltd.	3,894	56,453	59,961
Tadiran Holdings Ltd.	1,080	29,342	41,902
		459,551	518,874

ACADIAN CORE INTERNATIONAL EQUITY FUND

Schedule of Investments (continued)

December 31, 2017

	Number of shares	Average cost	Fair value
Italy - 2.14%:			
Acsm - Agam SPA	5,023	14,249	17,442
COFIDE-Compagnia Finanziaria De Benedetti SPA	43,393	40,139	37,801
Danieli & C. Officine Meccaniche SPA	803	14,157	16,745
Enel SPA	36,591	265,570	282,420
ERG SPA	10,189	197,666	236,079
Gruppo Editoriale L'Espresso SPA	2,850	3,314	3,008
Recordati SPA	3,330	100,587	185,675
Saras Raffinerie	177,648	559,989	535,627
Servizi Italia SPA	146	838	1,472
Societa Iniziative Autostradali e Servizi SPA	9,818	180,371	229,255
		1,376,880	1,545,524
Japan - 18.93%:			
Aichi Bank Ltd. (The)	600	44,301	35,703
ARAKAWA CHEMICAL INDUSTRIAL LTD.	2,400	39,673	61,877
Arata Corp.	2,400	75,549	163,901
Argo Graphics Inc.	1,100	26,743	41,782
Asahi Glass Co. Ltd.	5,899	230,491	320,185
WXYZ Co. Ltd.	1,100	30,287	48,450
Canon Inc.	3,600	157,945	168,172
C-CUBE Corp.	2,600	17,518	20,359
DAIHATSU DIESEL MFG. CO. LTD.	5,400	52,236	48,650
Dainichi Co. Ltd.	8,000	72,690	74,654
DAIOHS CORP.	1,700	24,737	27,417
Daito Trust Construction Co. Ltd.	4,700	963,786	1,201,036
Daiwa House Industry Co. Ltd.	25,200	883,844	1,212,802
DENSAN CO. LTD.	500	13,912	14,014
Eidai Co. Ltd.	11,000	52,818	69,983
Escrit Inc.	8,300	100,831	91,855
Excel Co. Ltd.	3,900	63,585	122,976
Faith Inc.	2,200	30,748	32,202
FELISSIMO CORP.	4,100	56,904	62,247
Fujitsu Ltd.	108,000	770,427	964,228
Fukuda Denshi Co. Ltd.	500	34,636	45,769
GRANDY HOUSE Corp.	200	807	1,252
GungHo Online Entertainment	20,900	70,366	72,063
Hakuyosha Co. Ltd.	400	15,947	19,576
Harima-Kyowa Co. Ltd.	500	12,843	14,804
HASHIMOTO SOGYO HOLDINGS CO. LTD.	1,800	35,205	37,018
HEIAN CEREMONY SERVICE CO. LTD.	900	8,416	9,740
Hitachi Ltd.	66,000	637,901	644,453
HOKKAIDO COCA - COLA BOTTLING CO. LTD.	2,000	13,720	16,839
Hurxley Corp.	2,100	28,818	27,818
Isewan Terminal Service Co. Ltd.	2,000	14,708	15,727
Japan Post Holdings Co. Ltd.	38,900	620,192	559,004
Japan Securities Finance Co. Ltd.	18,500	90,363	131,485

ACADIAN CORE INTERNATIONAL EQUITY FUND

Schedule of Investments (continued)

December 31, 2017

	Number of shares	Average cost	Fair value
JBCC Holdings Inc.	3,500	28,126	43,834
JFE Systems Inc.	1,100	31,720	29,804
JMS Co.	3,500	23,581	24,720
KAMEI CORP.	9,300	104,170	201,810
Kanematsu Electronics Ltd.	3,200	79,042	120,301
KAWADEN CORP.	600	18,237	17,611
Kawasumi Laboratories Inc.	5,600	53,131	53,815
KIMURA UNITY Co. Ltd.	1,200	16,028	15,843
Kita-Nippon Bank Ltd. (The)	3,400	111,629	116,475
Konami Holdings Corp.	2,400	107,930	165,503
Maruhachi Holdings Co. Ltd.	500	5,173	5,161
MATSUI CONSTRUCTION CO. LTD.	2,400	30,429	26,107
Meiko Construction Co. Ltd.	3,100	33,268	37,376
Meiwa Corp.	3,100	15,460	16,688
mixi Inc.	5,100	310,425	287,027
NAFCO Co. Ltd.	1,000	19,200	21,911
Nagano Bank Ltd. (The)	700	13,771	15,424
NAKANO CORP.	15,700	116,702	112,807
NAKAYAMAFUKU CO. LTD.	1,900	16,612	16,674
NICHIRIN CO. LTD.	3,640	104,604	122,470
Nihon Eslead Corp.	3,500	53,643	98,295
NIPPON FILCON Co. Ltd.	5,600	45,906	48,957
Nippon Telegraph & Telephone Corp.	23,600	994,482	1,391,465
NISSHIN FUDOSAN Co. Ltd.	3,300	15,053	34,025
Nittetsu Mining Co. Ltd.	1,000	62,807	91,761
NJS Co. Ltd.	1,700	26,918	29,970
Ohmoto Gumi Co. Ltd.	400	19,307	24,603
PARKER CORP.	4,000	23,695	30,387
PCA Corp.	1,100	19,962	22,023
Pro-Ship Inc.	1,000	21,833	27,239
San Holdings Inc.	1,500	41,180	54,055
SATO SHOJI Corp.	1,100	10,695	16,260
Scroll Corp.	13,300	54,138	81,509
Sekisui Chemical Co. Ltd.	3,500	84,529	88,057
SENSHU ELECTRIC Co. Ltd.	2,600	72,961	99,624
Shizuoka Gas Co. Ltd.	4,300	43,209	45,770
Shofu Inc.	1,100	16,606	17,948
SOFT99 Corp.	1,400	16,873	22,205
Soken Chemical & Engineering Co. Ltd.	5,000	109,604	130,689
Sony Corp.	19,300	927,348	1,091,139
SUGIMOTO & CO. LTD.	2,100	42,389	41,342
Taisei Corp.	19,400	1,096,252	1,210,506
Taiyo Kagaku Co. Ltd.	1,000	14,090	18,853
TAKANO Co. Ltd.	3,200	41,788	41,393
TECHNO ASSOCIE Co. Ltd.	2,200	33,402	32,324
TOBA Inc.	800	22,014	28,607
Tohoku Steel Co. Ltd.	800	14,650	21,248
Tomen Devices Corp.	800	18,752	30,431

ACADIAN CORE INTERNATIONAL EQUITY FUND

Schedule of Investments (continued)

December 31, 2017

	Number of shares	Average cost	Fair value
TOMOKU CO. LTD.	600	10,416	15,242
TORII PHARMACEUTICAL CO. LTD.	4,700	139,851	158,134
Tsubakimoto Kogyo Co. Ltd.	1,200	25,692	39,681
Uchida Yoko Co. Ltd.	1,800	28,734	63,265
UNIRITA Inc.	900	18,857	18,369
Yagi & Co. Ltd.	1,800	36,607	49,130
YA-MAN LTD.	14,000	33,746	295,547
Yondenko Corp.	600	17,781	19,807
ZAOH CO. LTD.	1,100	23,353	23,772
Zenkoku Hosho Co. Ltd.	5,600	299,339	301,776
		11,110,647	13,684,810
Jersey C.I. - 0.10%:			
XLMedia PLC	21,686	44,957	72,594
Luxembourg - 0.29%:			
Ternium SA, ADR	5,349	123,673	211,717
Malaysia - 1.56%:			
Allianz Malaysia BHD	11,900	38,900	49,737
Batu Kawan BHD	3,200	17,828	19,418
Favelle Favco BHD	22,200	17,930	18,764
Petron Malaysia Refining & Marketing BHD	23,000	51,688	96,416
Public Bank BHD	46,900	298,992	301,730
TA Enterprise BHD	137,300	26,723	25,717
Tenaga Nasional BHD	72,900	329,988	344,415
Uchi Technologies BHD	179,700	130,209	184,152
V.S. Industry BHD	94,200	60,563	87,785
		972,821	1,128,134
Mexico - 0.14%:			
Consorcio ARA SA de CV	23,093	10,307	11,343
Corp Durango SA	11,279	19,057	16,540
Industrias CH SA, Series 'B'	3,810	24,702	20,495
Organizacion Soriana SA de CV, Series 'B'	4,156	13,111	10,563
Rassini SAB de CV	8,778	47,567	39,355
		114,744	98,296
Netherlands - 8.37%:			
EXOR NV	12,629	368,026	970,944
Kas Bank NV	2,408	31,385	36,117
Kendrion NV	1,630	69,091	98,489
NN Group NV, ADR	1,397	38,264	37,861
RELX NV	20,991	625,630	605,266
Royal Dutch Shell PLC, Class 'A'	62,857	2,326,602	2,627,656
Unilever NV	23,699	1,554,992	1,674,234
		5,013,990	6,050,567

ACADIAN CORE INTERNATIONAL EQUITY FUND

Schedule of Investments (continued)

December 31, 2017

	Number of shares	Average cost	Fair value
New Zealand - 0.46%:			
Air New Zealand Ltd.	63,197	121,114	179,644
Briscoe Group Ltd.	3,727	13,829	11,458
Gentrack Group Ltd.	5,910	23,626	35,548
Kathmandu Holdings Ltd.	31,345	53,165	67,873
NZME Ltd.	18,691	13,951	14,657
Warehouse Group Ltd.	12,424	22,263	23,028
		247,948	332,208
Norway - 3.11%:			
Kvaerner ASA	58,208	74,013	140,882
Norsk Hydro ASA	111,045	944,646	1,060,597
Olav Thon Eiendomsselskap ASA	2,058	52,224	51,386
Oslo Bors VPS Holding ASA	1,053	18,767	20,082
Selvaag Bolig ASA	13,819	89,069	71,761
SpareBank 1 SR Bank ASA	14,198	195,024	189,218
Spectrum ASA	505	2,540	2,978
Statoil ASA	6,634	158,452	178,043
Telenor ASA	19,704	495,761	530,928
		2,030,496	2,245,875
Philippines - 0.00%:			
Lopez Holdings Corp.	4,700	620	661
Poland - 0.66%:			
Polski Koncern Naftowy Orlen SA	12,171	328,012	465,196
Stalprodukt SA	71	10,799	12,916
		338,811	478,112
Portugal - 0.16%:			
Mota-Engil SGPS SA	21,635	123,189	119,233
Qatar - 0.20%:			
Ooredoo Q.S.C.	4,521	133,857	141,537
Russia - 0.31%:			
Sberbank of Russia PJSC, ADR	10,546	156,796	225,028
Singapore - 6.19%:			
800 Super Holdings Ltd.	28,000	34,945	30,189
Boustead Singapore Ltd.	36,100	27,872	29,107
BreadTalk Group Ltd.	21,100	28,391	33,630
China Sunshine Chemical Holdings Ltd.	25,200	16,637	21,264
CSE Global Ltd.	92,300	39,777	31,586
DBS Group Holdings Ltd.	74,500	530,390	1,735,721
Design Studio Group Ltd.	17,600	10,387	8,993
Frencken Group Ltd.	22,700	6,321	11,493
Genting Singapore PLC	166,000	185,213	203,881

ACADIAN CORE INTERNATIONAL EQUITY FUND

Schedule of Investments (continued)

December 31, 2017

	Number of shares	Average cost	Fair value
Great Eastern Holdings Ltd.	2,700	66,660	70,044
HRnetgroup Ltd.	23,100	18,691	16,568
k1 Ventures Ltd.	23,300	13,492	16,056
Micro-Mechanics Holdings Ltd.	56,900	62,232	112,562
NSL Ltd.	1,300	2,451	1,694
Oversea-Chinese Banking Corp. Ltd.	46,300	403,792	537,836
PEC Ltd.	21,900	12,596	13,038
Sing Investments & Finance Ltd.	4,800	6,088	6,975
Singapore Exchange Ltd.	60,000	423,472	418,525
Sunningdale Tech Ltd.	27,220	27,137	49,254
United Overseas Bank Ltd.	40,300	845,267	999,374
UOB-Kay Hian Holding Ltd.	43,900	57,826	55,976
Yanlord Land Group Ltd.	49,100	53,136	74,575
		2,872,773	4,478,341
South Africa - 1.33%:			
Absa Bank Ltd., Preferred	456	38,021	31,593
Alexander Forbes Equity Holdings Proprietary Ltd.	194,377	114,971	135,150
Hulamin Ltd.	52,031	33,106	32,649
Merafe Resources Ltd.	433,411	44,982	62,726
Standard Bank Group Ltd.	35,144	466,360	695,931
		697,440	958,049
South Korea - 4.80%:			
KoMiCo Ltd.	1,570	38,924	47,132
LG Display Co. Ltd.	25,472	720,747	891,376
S&T Holdings Co. Ltd.	348	3,898	6,417
Samsung Electronics Co. Ltd.	463	533,877	1,380,725
Shinsegae Information & Communication Co. Ltd.	874	80,490	84,288
SK Hynix Inc.	11,518	714,604	1,031,253
Sungdo Engineering & Construction Co. Ltd.	3,328	26,302	26,642
		2,118,842	3,467,833
Spain - 1.89%:			
ACS Actividades de Construcción y Servicios SA	27,888	1,162,704	1,368,692

ACADIAN CORE INTERNATIONAL EQUITY FUND

Schedule of Investments (continued)

December 31, 2017

	Number of shares	Average cost	Fair value
Sweden - 3.21%:			
Biotage AB	22,245	80,475	285,953
Electrolux AB, Series 'B'	1,254	53,568	50,720
G5 Entertainment AB	1,885	36,862	91,732
Industrivarden AB, Series 'C'	6,974	208,725	216,117
Investor AB, Series 'B'	6,709	387,703	384,086
NCC AB, Series 'A'	421	14,370	10,115
ProAct IT Group AB	1,847	40,399	51,018
Sandvik AB	5,153	111,013	113,318
Volvo AB, Series 'B'	47,865	1,069,573	1,118,509
		2,002,688	2,321,568
Switzerland - 3.15%:			
Berner Kantonalbank, Registered	71	16,102	16,103
Compagnie Financiere Tradition SA	60	6,416	7,356
Highlight Communications AG	176	883	1,349
Nestlé SA, Series 'B', Registered	19,749	1,976,942	2,127,850
Orell Fuessli Holding AG, Registered	161	23,456	23,350
Plazza AG, Registered	61	18,387	17,882
STMicroelectronics NV	3,133	28,376	85,814
		2,070,562	2,279,704
Taiwan - 0.25%:			
Hon Hai Precision Industry Co. Ltd Registered, GDR	19,904	140,014	157,862
Hotung Investment Holdings Ltd.	13,800	22,593	25,618
		162,607	183,480
Thailand - 0.57%:			
Padaeng Industry PCL	16,400	16,950	14,187
PTT Exploration and Production PCL	8,600	26,287	33,063
Raimon Land PCL	648,300	30,886	23,927
Siam Cement PCL (The)	18,200	341,762	338,662
		415,885	409,839
United Kingdom - 11.52%:			
AstraZeneca PLC	12,475	682,534	1,082,796
AstraZeneca PLC, ADR	1,482	57,670	64,433
Bioventix PLC	633	17,344	26,554
BP PLC	133,164	1,250,416	1,179,752
BP PLC, ADR	15,123	651,544	796,400
Carnival PLC	11,055	745,991	916,635
Communis PLC	3,989	2,770	4,361
Computacenter PLC	2,890	45,378	56,478
FDM Group Holdings PLC	1,644	15,445	26,012
Fiat Chrysler Automobiles NV	54,771	427,150	1,225,991
Hargreaves Services PLC	643	4,714	3,621
Hilton Food Group PLC	410	4,343	6,004

ACADIAN CORE INTERNATIONAL EQUITY FUND

Schedule of Investments (continued)

December 31, 2017

	Number of shares	Average cost	Fair value
HSBC Holdings PLC	38,813	399,623	504,507
Indivior PLC	112,803	445,217	780,450
International Consolidated Airlines Group SA	85,068	898,342	926,124
Investec PLC	18,539	221,349	168,109
JD Sports Fashion PLC	63,893	322,426	364,085
Softcat PLC	12,163	111,247	107,200
Stock Spirits Group PLC	15,206	57,166	69,265
Tribal Group PLC	4,627	6,375	6,352
Trinity Mirror PLC	11,545	11,687	15,557
		6,378,731	8,330,686
Total equities - 98.72%		55,312,732	71,380,797
Transaction costs		(35,313)	—
Total investment portfolio - 98.72%		<u>\$ 55,277,419</u>	71,380,797
Other assets, net of liabilities - 1.28%			925,475
Net assets attributable to holders of redeemable units - 100.00%			<u>\$ 72,306,272</u>

See accompanying notes to financial statements.

ACADIAN CORE INTERNATIONAL EQUITY FUND

Risk Disclosures

Years ended December 31, 2017 and 2016

1. Financial instruments risk:

Investment activities of the Acadian Core International Equity Fund (the "Fund") expose the Fund to some financial instrument risks. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objectives and long-term investment time horizon.

2. Risk management:

The Fund's objective is to achieve long-term investment returns through a portfolio of international equities, which are sufficiently diversified to minimize investment risk. To achieve its objective, the Fund invests in equities issued by companies outside of North America, based primarily in Europe, Australia and the Far East. The Fund may hold an aggregate of up to 15% in Emerging Markets and up to 5% in cash or cash equivalents.

Acadian Asset Management LLC, the Fund's sub-advisor (the "Sub-Advisor"), utilizes an active "bottom-up" strategy with a value orientation and focuses on attractive stocks across the range of the capitalization spectrum. Their strategy incorporates both active stock valuation and active country and sector valuation techniques to target a diverse array of under-valued stocks with positive earnings trends and prospects.

The Fund may enter into securities lending transactions. Securities lending transactions will be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate by Integra Capital Limited (the "Trustee" and "Manager") to achieve the Fund's investment objectives and to enhance the Fund's returns.

To assist with managing risk, the Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations.

The Fund invests in a range of investment strategies that exposes it to various types of risks, as follows: credit risk, counterparty credit risk, currency risk, derivatives, interest rate risk, liquidity risk, other market risk and concentration risk.

ACADIAN CORE INTERNATIONAL EQUITY FUND

Risk Disclosures (continued)

Years ended December 31, 2017 and 2016

2. Risk management (continued):

(a) Credit risk:

Credit risk on financial instruments is the risk of a loss occurring as a result of the default of an issuer on its obligation to an investment fund. Credit risk is managed by dealing with issuers that are believed to be creditworthy and by regular monitoring of credit exposures. Additionally, credit risk is reduced by diversification of issuer, industry and geography.

The carrying amount of the Fund's assets on the statements of financial position represents the maximum exposures to credit risk relating to financial assets and liabilities.

The Fund's activities may give rise to settlement risk. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed. For the majority of transactions, the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

As at December 31, 2017 and 2016, the Fund had no significant investments in debt instruments and/or derivatives.

(b) Counterparty credit risk:

Counterparty credit risk primarily emanates from the use of over-the-counter derivatives. This risk is minimized by selecting counterparties who have a minimum of "A" credit rating. Ongoing monitoring of credit events/rating developments occurs to ensure the sustainable credit quality of the counterparty. Various factors are considered in the assessment process including fundamental components of the counterparty's profile (such as capital adequacy, asset quality, profitability and liquidity) and credit ratings assigned to the counterparty.

(c) Currency risk:

Changes in the value of the Canadian dollar compared to foreign currencies will affect the value, in Canadian dollars, of any foreign securities and account balances held in the Fund. From time to time, the Fund may manage currency risk through foreign currency hedging strategies.

ACADIAN CORE INTERNATIONAL EQUITY FUND

Risk Disclosures (continued)

Years ended December 31, 2017 and 2016

2. Risk management (continued):

Currency risk arises on financial instruments denominated in foreign currencies. Fluctuations in foreign exchange rates impact the valuation of assets and liabilities denominated in foreign currencies.

The tables below indicate the currencies to which the Fund had exposure directly on its trading monetary and non-monetary assets and liabilities as well as the underlying principal amount of foreign exchange contracts:

2017	Currency risk-exposed holdings*	Foreign exchange contracts	Net exposure	% of net assets
Euro	\$ 26,755,480	\$ —	\$ 26,755,480	37.00
Japanese Yen	13,694,452	—	13,694,452	18.94
British Pound	6,251,403	—	6,251,403	8.65
Singapore Dollar	4,554,837	—	4,554,837	6.30
South Korean Won	3,502,920	—	3,502,920	4.84
Swedish Krona	2,321,568	—	2,321,568	3.21
Australian Dollar	2,305,252	—	2,305,252	3.19
Norwegian Krone	2,248,120	—	2,248,120	3.11
Swiss Franc	2,216,192	—	2,216,192	3.07
United States Dollar	2,080,152	—	2,080,152	2.88
Malaysian Ringgit	1,155,428	—	1,155,428	1.60
South African Rand	1,136,548	—	1,136,548	1.57
Danish Krone	812,447	—	812,447	1.12
Hong Kong Dollar	565,202	—	565,202	0.78
Polish Zloty	486,024	—	486,024	0.67
Israeli Shekel	481,274	—	481,274	0.67
Thai Baht	410,335	—	410,335	0.57
New Zealand Dollar	342,860	—	342,860	0.47
Brazilian Real	213,380	—	213,380	0.30
Qatari Rial	141,537	—	141,537	0.20
Mexican Peso	111,638	—	111,638	0.15
Indonesian Rupiah	95,138	—	95,138	0.13
Colombian Peso	25,841	—	25,841	0.04
Philippine Peso	691	—	691	—
Peruvian Nuevo Sol	106	—	106	—

*Amounts reflect the carrying value of monetary and non-monetary items.

ACADIAN CORE INTERNATIONAL EQUITY FUND

Risk Disclosures (continued)

Years ended December 31, 2017 and 2016

2. Risk management (continued):

2016	Currency risk- exposed holdings*	Foreign exchange contracts	Net exposure	% of net assets
Euro	\$ 23,761,535	\$ —	\$ 23,761,535	33.90
Japanese Yen	13,116,997	—	13,116,997	18.72
British Pound	9,010,676	—	9,010,676	12.86
Australian Dollar	3,708,658	—	3,708,658	5.29
U.S. Dollar	3,357,643	—	3,357,643	4.79
Swiss Franc	3,120,696	—	3,120,696	4.45
Swedish Krona	2,839,635	—	2,839,635	4.05
South Korean Won	2,373,822	—	2,373,822	3.39
Singapore Dollar	1,914,104	—	1,914,104	2.73
Norwegian Krone	1,327,628	—	1,327,628	1.89
South African Rand	1,054,878	—	1,054,878	1.51
Israeli Shekel	837,564	—	837,564	1.20
Malaysian Ringgit	792,106	—	792,106	1.13
Danish Krone	710,462	—	710,462	1.01
New Zealand Dollar	502,766	—	502,766	0.72
Polish Zloty	478,254	—	478,254	0.68
Hong Kong Dollar	352,219	—	352,219	0.50
Mexican Peso	292,978	—	292,978	0.42
Indonesian Rupiah	254,531	—	254,531	0.36
Qatari Rial	169,496	—	169,496	0.24
Thai Baht	131,903	—	131,903	0.19
Colombian Peso	22,957	—	22,957	0.03
Philippine Peso	1,201	—	1,201	—
Peruvian Nuevo Sol	110	—	110	—

*Amounts reflect the carrying value of monetary and non-monetary items.

As at December 31, 2017 had the Canadian dollar strengthened or weakened by 5% in relation to all currencies, with all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by \$3,595,441 (2016 - \$3,506,641). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

ACADIAN CORE INTERNATIONAL EQUITY FUND

Risk Disclosures (continued)

Years ended December 31, 2017 and 2016

2. Risk management (continued):

(d) Derivatives:

The Fund may utilize foreign exchange forward contract hedging in the management of currency risk associated with its investment in foreign securities. The objective is to protect the Fund from the possibility of capital losses on foreign-currency-denominated investments due to increases in the value of the Canadian dollar. However, credit and market risks associated with foreign exchange forward contracts potentially expose the Fund to losses.

In order to minimize the possibility of losses arising from credit risk, the Fund deals only with large financial institutions with a minimum of "A" credit rating.

Currency risk relates to the possibility that foreign exchange forward contracts change in value due to fluctuations in currency prices. The foreign exchange forward contracts are marked to market daily and the resulting unrealized gains or losses are recognized in the statements of financial position.

The result of employing foreign exchange forward contracts is that the foreign exchange gains and losses in the securities portfolio move substantially in opposite directions from the gains and losses in the hedging portfolio.

As at December 31, 2017 and 2016, the Fund did not hold any foreign exchange forward contracts.

(e) Interest rate risk:

Changes in market interest rates expose fixed-income securities, such as bonds, to interest rate risk. Funds that hold income investments are exposed to this risk since changes in prevailing market interest rates will affect the value of fixed-income securities.

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturities of three months or less, as a result, there is no significant risk of changes in their fair value and not subject to interest rate risk.

The majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

ACADIAN CORE INTERNATIONAL EQUITY FUND

Risk Disclosures (continued)

Years ended December 31, 2017 and 2016

2. Risk management (continued):

(f) Liquidity risk:

Liquidity risk is the possibility that investments of the Fund cannot be readily converted into cash when required. The Fund may be subject to liquidity constraints because of insufficient volume in the markets for the securities of the Fund or the securities may be subject to legal or contractual restrictions on their resale. In addition, holders of redeemable units may redeem their units on each valuation date. Liquidity risk is managed by investing in securities that are traded in active markets and can be readily disposed of, and by retaining sufficient cash and cash equivalent positions to maintain liquidity.

These liabilities are all current and are due within 90 days, with the exception of net assets attributable to holders of redeemable units which are due upon request by the unitholder (note 3).

(g) Other market risk:

Other market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, other than those arising from interest rate risk or currency risk, whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital.

The Sub-Advisor moderates this risk through a careful selection of investment strategies and selection of securities and other financial instruments within the parameters of the investment strategy developed by the Manager of the Fund.

The impact on net assets attributable to holders of redeemable units of the Fund as at December 31, 2017, due to a 5% increase or decrease in the Fund's benchmark (MSCI EAFE ND Index), with all other variables held constant, would have been \$3,468,532 (2016 - \$3,298,880). This calculation is based on the beta of the Fund, over the past 36 months. In practice, the actual trading results may differ from the sensitivity analysis and indicated above the difference could be material.

ACADIAN CORE INTERNATIONAL EQUITY FUND

Risk Disclosures (continued)

Years ended December 31, 2017 and 2016

2. Risk management (continued):

(h) Concentration risk:

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The following is a summary of the Fund's concentration risk:

	As a % of net assets	
	2017	2016
Common and preferred shares		
Australia	3.18	5.29
Austria	1.39	1.86
Belgium	0.15	0.33
Brazil	0.29	—
China	0.30	0.26
Colombia	0.04	0.03
Denmark	1.10	1.01
Finland	0.84	4.64
France	5.76	7.87
Gabon	—	0.02
Germany	14.33	5.97
Greece	—	0.09
Guernsey	0.07	—
Hong Kong	0.46	0.28
India	—	0.59
Indonesia	0.13	0.36
Ireland	0.62	0.45
Israel	0.72	1.19
Italy	2.14	1.71
Japan	18.93	18.67
Jersey C.I.	0.10	—
Luxembourg	0.29	0.25
Malaysia	1.56	1.11
Mexico	0.14	0.42
Netherlands	8.37	7.34
New Zealand	0.46	0.71
Norway	3.11	1.90

ACADIAN CORE INTERNATIONAL EQUITY FUND

Risk Disclosures (continued)

Years ended December 31, 2017 and 2016

2. Risk management (continued):

	As a % of net assets	
	2017	2016
Poland	0.66	0.68
Portugal	0.16	–
Qatar	0.20	0.24
Russia	0.31	0.02
Singapore	6.19	2.69
South Africa	1.33	1.27
South Korea	4.80	3.35
Spain	1.89	2.79
Sweden	3.21	4.13
Switzerland	3.15	5.35
Taiwan	0.25	1.63
Thailand	0.57	0.19
Turkey	–	0.02
United Kingdom	11.52	14.98
Total investment portfolio	98.72	99.69
Other assets, net of liabilities	1.28	0.31
Net assets attributable to holders of redeemable units	100.00	100.00

3. Capital risk management:

The capital of the Fund is represented by issued redeemable units with no par value. The units of the Fund are entitled to distributions, if any, and any redemptions are based on the Fund's net asset value ("NAV") per unit. The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of units. The relevant movements are shown on the statements of changes in net assets attributable to holders of redeemable units. The Fund endeavours to invest its subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

ACADIAN CORE INTERNATIONAL EQUITY FUND

Risk Disclosures (continued)

Years ended December 31, 2017 and 2016

4. Fair value measurements:

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

The hierarchy of inputs is summarized below:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - inputs for the asset or liability not based on observable market data (unobservable inputs).

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement and changes in valuation methods may result in transfers into or out of an investment's assigned level.

The tables below summarize the inputs used in valuing the Fund's financial assets carried at fair values:

2017	Level 1	Level 2	Level 3	Total
Financial assets:				
Equities	\$ 71,333,829	\$ 46,968	\$ –	\$ 71,380,797

2016	Level 1	Level 2	Level 3	Total
Financial assets:				
Equities	\$ 69,868,077	\$ –	\$ –	\$ 69,868,077

ACADIAN CORE INTERNATIONAL EQUITY FUND

Risk Disclosures (continued)

Years ended December 31, 2017 and 2016

4. Fair value measurements (continued):

All fair value measurements above are recurring. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable.

For the year ended December 31, 2017, no investments were transferred from Level 1 to Level 2 as a result of the securities no longer being traded in an active market (2016 - nil). No investments were transferred from any level as a result of the securities now being traded in an active market.

During the years ended December 31, 2017 and 2016, the reconciliation of investments measured at fair value using unobservable inputs (Level 3) is presented as follows:

	2017	2016
Balance, beginning of year	\$ —	\$ 15,364
Net transfers into and/or out of Level 3	—	—
Change in unrealized depreciation	—	(15,364)
Balance, end of year	\$ —	\$ —
Total change in unrealized depreciation during the year for assets held	\$ —	\$ (15,364)

As at December 31, 2017 and 2016, the potential impact of using reasonable possible alternative assumptions for valuing Level 3 financial instruments would have minimal impact on net assets.

ACADIAN CORE INTERNATIONAL EQUITY FUND

Notes to Financial Statements

Years ended December 31, 2017 and 2016

1. Establishment of the Fund:

The Acadian Core International Equity Fund is an open-ended investment unincorporated trust created under the laws of the Province of Ontario by a Declaration of Trust. The address of the Fund's registered office is Suite 200, 2020 Winston Park Drive, Oakville, Ontario. The Fund was established on March 3, 2000 and commenced operations on March 7, 2000.

Integra Capital Limited is the Manager and Trustee of the Fund and is the corporate entity registered with the Canadian regulatory authorities. The Fund's assets are custodied at the Canadian Imperial Bank of Commerce. The Manager is registered in every province as a portfolio manager and exempt market dealer and is registered in the Provinces of Newfoundland and Labrador, Ontario and Quebec as an investment fund manager. In the Province of Ontario, the Manager is additionally registered as a commodity trading manager.

2. Basis of preparation:

(a) Basis of accounting:

The financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS").

These financial statements were authorized for issue by the Manager on March 22, 2018.

(b) Basis of measurement:

These financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities at fair value through profit or loss ("FVTPL") which are presented at fair value.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Fund's functional currency.

ACADIAN CORE INTERNATIONAL EQUITY FUND

Notes to Financial Statements (continued)

Years ended December 31, 2017 and 2016

3. Significant accounting policies:

(a) Financial instruments

(i) Recognition, initial measurement and classification:

Financial assets and financial liabilities at FVTPL are initially recognized on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated.

Financial assets and financial liabilities at FVTPL are initially recognized at fair value, with transaction costs recognized in statements of comprehensive income. Financial assets or financial liabilities not at FVTPL are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue.

The Fund classifies financial assets and financial liabilities into the following categories:

Financial assets at FVTPL:

- Held for trading ("HFT"): derivative financial instruments;
- Designated as FVTPL: debt securities and equity investments; and
- Financial assets at amortized cost: all other financial assets are classified as loans and receivables.

Financial liabilities at FVTPL:

- HFT: derivative financial instruments; and
- Financial liabilities at amortized cost: all other financial liabilities are classified as other financial liabilities.

ACADIAN CORE INTERNATIONAL EQUITY FUND

Notes to Financial Statements (continued)

Years ended December 31, 2017 and 2016

3. Significant accounting policies (continued):

(ii) Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Fund measures instruments quoted in an active market at last sale or close price, where the close price falls within the day's bid-ask spread. In circumstances where the close price is not within the day's bid-ask spread, the Manager determines the point within bid-ask spread that is most representative of fair value based on specific facts and circumstances. Investments held include equities, listed warrants, options, short-term notes, treasury bills, bonds, asset-backed securities and other debt instruments.

Investments held that are not traded in an active market are valued based on the results of valuation techniques using observable market inputs where possible, on such basis and in such manner established by the Manager. Investments in other pooled funds are valued at the NAV per unit reported by each pooled fund. See risk disclosures for more information about the Fund's fair value measurements.

The fair value of a forward contract is the gain or loss that would be realized if, on the valuation date, the positions were closed out. The forward contract is valued using an interpolation of the foreign exchange rate based on the length of the forward contract. The change in fair value on forward contracts is reflected in the statements of comprehensive income as change in unrealized appreciation (depreciation) on derivatives. When the forward contracts are closed out, any gains or losses realized are included in net realized gain (loss) on derivatives.

The fair values of foreign currency denominated investments and other foreign currency denominated assets and liabilities are translated into Canadian dollars at exchange rates prevailing on the reporting date.

ACADIAN CORE INTERNATIONAL EQUITY FUND

Notes to Financial Statements (continued)

Years ended December 31, 2017 and 2016

3. Significant accounting policies (continued):

The fair values of other financial assets and liabilities approximate their carrying values due to the short-term nature of these instruments.

(iii) Offsetting:

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

(b) Cash and cash equivalents:

Cash and cash equivalents consist of cash on deposit and short-term, interest-bearing notes with a term to maturity of less than three months from the date of purchase.

(c) Investment transactions and income recognition:

The Fund follows the accrual method of recording investment income and expenses. Security transactions are recorded on the trade date. Dividends are accrued as of the ex-dividend date. Stock dividends are recorded in income based on the fair value of the security on the ex-dividend date.

The interest available for distribution purposes shown on the statements of comprehensive income represents the coupon interest received by the Fund accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight-line basis.

Realized gain on sale of investments and unrealized appreciation (depreciation) in investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds.

ACADIAN CORE INTERNATIONAL EQUITY FUND

Notes to Financial Statements (continued)

Years ended December 31, 2017 and 2016

3. Significant accounting policies (continued):

The Fund generally incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the statements of comprehensive income.

(d) Cost of investments:

The cost of investments represents the amount paid for each security and is determined on an average cost basis excluding commissions and other transaction costs.

(e) Transaction costs:

Commissions and other transaction costs are incremental costs that are directly attributable to the acquisition, issue, or disposal of an investment, which include fees and commissions paid to agents, advisors, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Commissions and transaction costs are included as expenses in the statements of comprehensive income.

(f) Securities lending transactions:

The Fund is permitted to enter into securities lending transactions. These transactions involve the temporary exchange of securities for collateral with a commitment to re-deliver the same securities at a future date. Income is earned from these transactions in the form of fees paid by the counterparty. Income earned from these transactions is recognized on an accrual basis and included in the statements of comprehensive income.

(g) Foreign currency translation:

The fair values of foreign currency denominated investments are translated into Canadian dollars, using the prevailing rate of exchange on each valuation date. Income, expenses and investment transactions in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing on the respective dates of such transactions. Foreign exchange gains and losses are presented as net realized gain (loss) on foreign exchange, except for those arising from financial instruments at FVTPL which are recognized as a component within net realized gain on sale of investments and change in net unrealized appreciation (depreciation) in the statements of comprehensive income.

ACADIAN CORE INTERNATIONAL EQUITY FUND

Notes to Financial Statements (continued)

Years ended December 31, 2017 and 2016

3. Significant accounting policies (continued):

(h) Income taxes:

The Fund presently qualifies as a unit trust under the provisions of the Income Tax Act (Canada), and accordingly, is not taxed on that portion of its taxable income, which is paid or payable to unitholders at the end of the taxation year. The Fund has elected for a December 31 taxation year end. The Fund pays out sufficient net income and net realized capital gains so that it will not be subject to income taxes. Accordingly, no provision for income taxes has been made in these financial statements.

Capital losses and non-capital losses incurred by the Fund cannot be allocated to unitholders but capital losses may be carried forward indefinitely to reduce future realized capital gains and non-capital losses may be carried forward for 20 taxation years to reduce future net income for tax purposes. As at December 31, 2017, the Fund had non-capital losses of nil (2016 - nil) and net capital losses carryforward of \$15,053,174 (2016 - \$19,503,409).

Certain dividend and interest income received by the Fund are subject to withholding tax imposed in the country of origin.

(i) Redeemable units:

For each Fund unit sold, the Fund receives an amount equal to the NAV per unit at the date of sale, which amount is included in net assets attributable to holders of redeemable units. Units are redeemable at the option of unitholders at their NAV on the redemption date. For each unit redeemed, net assets attributable to holders of redeemable units are reduced by the NAV of the unit at the date of redemption. The redeemable shares are measured at the present value of the redemption amounts and are considered a residual amount of the net assets attributable to holders of redeemable units.

The capital of the Fund is represented by issued redeemable units with no par value. The units of the Fund are entitled to distributions, if any, and any redemptions are based on the Fund's net asset attributable to holders of redeemable units per unit. The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of the units. The relevant movements are shown on the statements of changes in net assets attributable to holders of redeemable units. The Fund endeavours to invest its subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

ACADIAN CORE INTERNATIONAL EQUITY FUND

Notes to Financial Statements (continued)

Years ended December 31, 2017 and 2016

3. Significant accounting policies (continued):

Redeemable unit transactions during the years were as follows:

	2017		2016	
	Number of Fund units	Amount	Number of Fund units	Amount
Redeemable units issued	576,037	\$ 3,976,989	955,744	\$ 5,128,278
Redeemable units redeemed	(2,935,986)	(17,844,391)	(3,955,381)	(21,217,978)
Redeemable units issued on reinvestments	207,190	1,424,280	364,567	1,981,487

The number of issued and outstanding units as at December 31, 2017 is 9,971,656 (2016 - 12,124,415).

Net assets attributable to holders of redeemable units is calculated for each unit of the Fund by taking the proportionate share of the Fund's net assets attributable to holders of redeemable units and dividing by the number of units outstanding on the valuation date.

The increase in net assets attributable to holders of redeemable units per unit in the statements of comprehensive income represents the change in net assets attributable to holders of redeemable units divided by the weighted average number of units outstanding during the reporting year. Income, expenses other than management fees, and realized and unrealized capital gains (losses) are distributed in proportion to the amount invested in them.

The weighted average number of units outstanding for the year ended December 31, 2017 is 9,881,011 (2016 - 13,159,877).

The Fund's units are classified as a liability under International Accounting Standard ("IAS") 32, Financial Instruments - Presentation as there is a requirement to make cash distributions to unitholders, if requested. The units are measured at the present value of the redemption amount and are considered a residual amount.

As at December 31, 2017 and 2016, there is no difference between net assets attributable to holders of redeemable units and NAV attributable to holders of redeemable units.

ACADIAN CORE INTERNATIONAL EQUITY FUND

Notes to Financial Statements (continued)

Years ended December 31, 2017 and 2016

3. Significant accounting policies (continued):

- (j) Receivable or payable for securities sold or purchased:

In accordance with the Fund's policy of trade date accounting for regular way sale and purchase transactions, sales or purchase transactions awaiting settlement represent amounts receivable or payable for securities sold/purchased, but not yet settled as at the reporting date.

- (k) Future accounting changes:

The International Accounting Standards Board has issued the following new standards and amendments to existing standards that are not yet effective.

IFRS 9, Financial Instruments ("IFRS 9"):

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments, which addresses classification and measurement, impairment and hedge accounting. The new standard requires assets to be carried at amortized cost, FVTPL or fair value through other comprehensive income based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset. The classification and measurement of liabilities remains generally unchanged with the exception of liabilities recorded at FVTPL. For these liabilities, fair value changes attributable to changes in the entity's own credit risk are to be presented in other comprehensive income unless they affect amounts recorded in income. The new standard is effective for the Fund for its fiscal year beginning January 1, 2018. Based on the Manager's assessment, this new standard is not expected to have a material impact on the Fund's financial assets and liabilities.

4. Critical accounting estimates and judgments:

In preparing these financial statements, the Manager has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. The most significant accounting judgment and estimate that the Fund has made in preparing the financial statements is determining the fair value measurement of derivatives and investments not quoted in an active market, if any. See note 3 for more information on the fair value measurement of the Fund's financial instruments.

ACADIAN CORE INTERNATIONAL EQUITY FUND

Notes to Financial Statements (continued)

Years ended December 31, 2017 and 2016

5. Net changes from financial instruments at FVTPL:

Net changes in fair value on financial assets and financial liabilities at FVTPL are presented in the statements of comprehensive income and are comprised of the following: net realized gain on sale of investments, net change in unrealized appreciation (depreciation) of investments, interest income for distribution purposes and dividends. Their classifications between held for trading and designated at fair value are presented in the following table:

	Total income	
	2017	2016
Financial assets at FVTPL:		
Designated at inception	\$ 16,444,856	\$ 922,111

6. Brokerage commissions:

Brokerage commissions on portfolio transactions may also include research services provided to the Sub-Advisors. The value of the research services paid to certain brokers for the years ended December 31, 2017 and 2016 was nil.

7. Securities lending:

The Fund lends portfolio securities from time to time in order to earn additional income. The Fund has entered into a securities lending program with Bank of New York Mellon. The aggregate market value of all securities cannot exceed 50% of the net assets attributable to holders of redeemable units of the Fund. The Fund receives collateral in the form of debt obligations of the Government of Canada and any other Sovereign States and Canadian provincial governments, against the loaned securities. The Fund maintains a minimum collateral requirement of 102% for North American equities and 105% for Non-North American equities of the market value of the loaned securities during the period of the loan. As at December 31, 2017, certain securities shown in the statements of financial position with a market value of \$2,362,042 (2016 - \$2,318,496) had been loaned as part of the securities lending program. The counterparty has pledged securities with a market value of \$2,513,329 (2016 - \$2,500,321) as collateral for such loans. Under the terms of the program, the Fund may instruct that securities be returned within three days.

ACADIAN CORE INTERNATIONAL EQUITY FUND

Notes to Financial Statements (continued)

Years ended December 31, 2017 and 2016

7. Securities lending (continued):

The table below shows a reconciliation of the gross amount generated from the securities lending transactions of the Fund to the revenue from the securities lending disclosed in the statements of comprehensive income:

	2017		2016	
	Amount	% of gross securities lending revenue	Amount	% of gross securities lending revenue
Gross securities lending revenue	\$ 45,346	100.0	\$ 64,664	100.0
Withholding taxes	(1,110)	(2.4)	(1,295)	(2.0)
Agent fees - Bank of New York Mellon Corp. (The)	(17,673)	(39.0)	(25,296)	(39.1)
Securities lending revenue	\$ 26,563	58.6	\$ 38,073	58.9

8. Related party transactions and fund expenses:

The Manager administers and regulates the day-to-day operations of the Fund. In return for the services provided, the Manager receives management fees from the Fund's holders of redeemable units, based on the NAV of the Fund. These management fees are paid either by a redemption of units or the unitholder, if an institution, may be invoiced and payment will be delivered to the Manager.

The Manager may allocate various operating costs to the Fund. These expenses include a portion of the expenses related to trust accounting, fund accounting and administration functions that are performed by the Manager on behalf of the Fund. These costs are reported in the operating expenses of the Fund reported in the statements of comprehensive income.

The Fund is responsible for its operating expenses relating to the carrying on of its business, including custodial services, legal, Independent Review Committee fees, audit fees, transfer agency services relating to the issue and redemption of units, and the cost of financial and other reports in compliance with all applicable laws, regulations and policies. The Manager pays for such expenses on behalf of the Fund, except for certain expenses such as interest and taxes, and is then reimbursed by the Fund.

ACADIAN CORE INTERNATIONAL EQUITY FUND

Notes to Financial Statements (continued)

Years ended December 31, 2017 and 2016

8. Related party transactions and fund expenses (continued):

The Manager at its discretion may agree to waive or absorb certain expenses associated with the Fund. For the year ended December 31, 2017, expenses absorbed by the Manager in the amount of nil (2016 - nil) are shown in the statements of comprehensive income. Such absorption or waiver, where applicable, may be terminated by the Manager at any time without notice.

The Independent Review Committee (the "IRC") for the Fund consists of three industry professionals, none of whom have an interest in the Fund Manager or have an interest in the Fund outside of their roles as members of the IRC. For the year ended December 31, 2017, the fees paid to the IRC are disclosed in the statements of comprehensive income in the amount of \$7,501 (2016 - \$8,120).

Employees of the Manager may hold interests in the Fund via the company's group retirement plan or through a broker. However, the employees' interests cumulatively represent less than 5% of the Fund's outstanding units.