

**Acadian Core International Equity Fund  
Annual Management Report of Fund Performance  
As at December 31, 2017**

This annual report of fund performance contains financial highlights but does not contain the complete annual financial statements for the investment fund. You may request a copy of the 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.

**Investment Objective and Strategies**

The Acadian Core International Equity Fund (the “Fund”), seeks to provide long-term capital growth through a portfolio of international equities, which are sufficiently diversified to minimize investment risk. To achieve its objective, the Fund invests in stocks issued by companies outside of North America, located primarily in Europe, the Far East and Australia, including up to 15% in Emerging Markets. The Fund may hold up to an aggregate of 5% in cash or cash equivalents.

The Fund utilizes an active, bottom-up strategy with a value orientation focusing on attractive stocks across the range of the capitalization spectrum. The strategy incorporates both active stock valuation and active region and industry multi-factor valuation techniques to target a diverse array of under-valued stocks with positive earnings trends and prospects. Stock valuations are based on proprietary combinations of factors that capture valuation, earnings and price movements. Acadian uses stock factors in an effort to predict how well each security in the stock universe will perform relative to its region/industry peer group.

**Risk**

Most of the Fund’s assets will be invested in non-North American common shares. As a result, the Fund is exposed to stock market risk, specific issuer risk as well as foreign security risk and currency risk. Stock market risk can be described as the potential for a decline in stock prices. Specific issuer risk of a company will be impacted by various factors including profit growth, dividend policy, balance sheet leverage, quality of management, market share, product development, and technology investment.

The Fund may also invest in American and Global Depository Receipts and would therefore be exposed to ADR/GDR risk.

The Acadian Core International Equity Fund may enter into securities lending transactions. These transactions will be used in conjunction with the Fund’s other strategies in an appropriate manner to achieve the Fund’s investment objectives. Accordingly, it may be subject to securities lending risks.

Overseas equity markets enjoyed a very positive year during 2017. Robust returns with minimal volatility was the perfect scenario for most investors to witness significant growth in their portfolios. Investors’ “rational exuberance” was driven by a combination of synchronized global growth, relatively low interest rates and rising corporate profits.

The strength in the Eurozone was a major surprise in 2017. The stronger euro was a benefit for Canadians holding investments in that region. The manufacturing data coming out of France and Germany was quite impressive. The employment picture is demonstrating significant improvement. Quarterly GDP is coming in close to the peak since 2007.

However, there remain some uncertainties. Political angst will remain with new Italian elections on March 4 and the feud between Catalonia and Spain. Business leaders in the United Kingdom are becoming impatient as the government appears to be in a quandary regarding lack of transparency relating to the timing and the details surrounding Brexit. At the same time the Bank of England raised its base interest rate in November after ten years of easing monetary policy.

The Japanese economy experienced better than expected growth, however, the higher level of activity was largely export-driven, despite initiatives to encourage domestic consumer spending. Japan will be challenged to maintain its recent growth rate. Inventories have been building in recent months which, coupled with a low unemployment rate, suggests there is not much slack in the system.

In China, officials continue to manage risks with a combination of policymaking, reforms and public investment. However, non-financial sector debt is at unsustainable levels.

India enjoyed economic growth in 2017 almost on par with China. The country has bounced back after some slowing in 2016. Yet Prime Minister Modi's party won a regional election by a smaller margin than expected. Thus, there are some concerns about the support for his economic reform agenda.

In the smaller developing economies, prospects for the individual markets continue to vary based on a range of variables, including a country's relationship to fluctuating commodity prices, monetary policy changes and geopolitical tensions.

As at December 31, 2017, one unitholder held approximately 54% of the outstanding units of the Fund. The purchase or redemption of a substantial number of securities of a Fund may require the manager to change the composition of the Fund's portfolio significantly or may force the Fund's sub-advisor to buy or sell investments at unfavourable prices, which can affect the Fund's return.

## **Management Discussion of Fund Performance**

### **Results of Operations**

The Fund consistently generated performance exceeding its benchmark throughout the year. For the fourth quarter, six-month and one-year periods ended December 31st, 2017, the Fund gained 5.1%, 8.8% and 28.1% respectively. In comparison, the Fund's benchmark (100% Morgan Stanley Capital International – Europe, Australasia and Far East (Net) Index) returned 4.4%, 6.0% and 16.8% during the same respective periods. All returns are presented in Canadian dollar terms and gross of investment management fees. Returns for periods less than one year are not annualized.

International stock markets broadly performed quite well in 2017, outpacing North American equities. Macroeconomic data and corporate news flow were broadly supportive, with global economic growth exhibiting greater geographic breadth.

Political developments were positive catalysts. The long-awaited Chinese Communist Party plenum took place in Beijing, the principal outcome being that President Xi further consolidated his power. Meanwhile, in Japan, Prime Minister Abe scored a decisive victory following his decision to call a snap election. The first phase of Brexit negotiations between the UK and the European Union concluded, enabling talks to move onto the next stage in 2018.

Among the major European indices, Germany, France and the United Kingdom delivered the most impressive returns in 2017. Throughout most of the year, manufacturing activity was progressing nicely and corporate profits improving in these countries. In Japan, the Nikkei index reached levels not seen in over a quarter of a century. Shinzo Abe's win was welcomed by investors, on the basis that "Abenomics" is likely to remain intact for the foreseeable future.

The outstanding performer within international equities during 2017 was emerging markets. China, India, South Korea, Chile and several other markets generated returns in excess of 25% in Canadian dollar terms. Improving standards of living in these countries coupled with these economies benefitting from growing external demand for their goods has generated improving corporate profits. These markets attracted large flows of foreign money, particularly from U.S. investors, during the past year.

The cyclical areas of the overseas markets were dominant during the past year. Information Technology, Materials and Industrials stocks all returned more than 20% in Canadian dollar terms. On the other hand, the defensive portions of these markets were laggards, particularly, Telecom Services and Health Care. Interestingly, these two sectors were the worst performers in 2016 as well.

The Fund enjoyed positive relative performance once again in 2017. The incremental active return was a result of both country allocations and stock selection. On a geographic basis, the portfolio added value relative to its benchmark as a result of holdings in the United Kingdom, Australia, Japan and opportunistic investing in emerging markets. Additionally, stock selection in Germany and France was particularly beneficial to relative returns. For instance, in Germany the airline Deutsche Lufthansa had a solid year.

Drilling down into the different industry groups, the Fund added substantial value with stock selection in the Health Care, Industrials and Consumer Discretionary sectors. The one area where the portfolio was not well positioned was Materials where the Fund was underweight the sector.

Amongst the major factor categories in Acadian's quantitative models, the "growth" and "quality" variables enhanced relative performance. The Fund's "top down effects" variable also proved positive with the investments in emerging markets.

Fund expenses vary period over period mainly as the result of changes in average Net Asset Values and investment activity. Overall, expenses were lower year over year. This was largely the result of lower operating costs and transaction expenses, coupled with reduced withholding taxes.

The Fund experienced net redemptions of \$12.4 million during 2017.

### **Recent Developments**

The global economy is beginning 2018 on solid footing on the heels of steady and accelerating growth during 2017. Growth in developed and emerging areas continues to gain momentum as central banks see the fruits of their stimulative actions since the global financial crisis. To date, inflation in key economies remains unexpectedly low given near-full employment in many developed economies and may remain so considering that a number of evolving dynamics may no longer fit the models of the past for example globalization and technology.

Threats persist within the global economy, however, carrying the potential to negatively impact forecasted growth trajectories. The unpredictable Trump Administration has shaken the geopolitical landscape with unexpected policy stances in the Middle East and aggressive rhetoric directed towards North Korea. Elsewhere, political populism continues to linger in Europe and will remain in the headlines as Brexit talks continue and voters will be visiting polling stations in a number of countries. In emerging markets, Chinese debt levels remain a risk as are potential political shifts in India, Turkey and Brazil.

Within Acadian's dynamic weighting model, technical factors are among the most favourable. In particular, momentum and short interest are well positioned to have outsized return in the next year. Momentum is particularly attractive in Europe, Hong Kong, Singapore and Australia. Price to Intrinsic Asset Value continues to offer opportunities in the Energy sector. Income-based measures of value are starting to look attractive in Australia and Hong Kong.

The portfolio is currently overweight Energy, Transportation, Software & Services and Technology Hardware and Equipment. The underweights include Financial Services and Consumer Staples.

The geographic overweights are South Korea, Malaysia and South Africa.

The largest holdings in the Fund are Royal Dutch Shell, Nestle, BP PLC and DBS Group Holdings.

### **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 and future events, prior to the release of the next Management Report on Fund Performance.

**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, the Fund's Manager receives management fees from the Fund's unitholders, based on the net asset value 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.

## 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 past 5 years. This information is on a per unit basis and is derived from the Fund's audited annual financial statements.

<b>Integra Acadian Core International Equity Fund</b>					
	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Net Assets, beginning of year <sup>(1)</sup>	\$5.78	\$5.82	\$4.88	\$4.75	\$3.68
<b>Increase (decrease) from operations:</b>					
Total revenue	0.18	0.20	0.15	0.17	0.15
Total expenses	(0.04)	(0.04)	(0.04)	(0.04)	(0.03)
Realized gains (losses)	0.91	0.38	0.53	1.10	0.43
Unrealized gains (losses)	0.58	(0.52)	0.40	(0.89)	0.63
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>\$1.63</b>	<b>\$0.02</b>	<b>\$1.04</b>	<b>\$0.34</b>	<b>\$1.18</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.14)	—	—	—	(0.12)
From dividends	—	(0.15)	(0.11)	(0.17)	—
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
<b>Total Annual Distributions<sup>(3)</sup></b>	<b>(\$0.14)</b>	<b>(\$0.15)</b>	<b>(\$0.11)</b>	<b>(\$0.17)</b>	<b>(\$0.12)</b>
<b>Net Assets per unit, end of year<sup>(1)</sup></b>	<b>\$7.25</b>	<b>\$5.78</b>	<b>\$5.82</b>	<b>\$4.88</b>	<b>\$4.75</b>
<b>Ratios and Supplemental Data (Based on Pricing NAV)</b>					
Net asset values (000's)	\$72,306	\$70,896	\$85,880	\$78,602	\$126,115
Number of units outstanding	9,971,656	12,124,415	14,759,485	16,121,023	26,578,131
Expense ratio (%)	0.26%	0.33%	0.32%	0.24%	0.20%
Expense ratio before waivers or absorptions (%)	0.26%	0.33%	0.32%	0.24%	0.20%
Portfolio turnover rate (%) <sup>(4)</sup>	67.80%	76.10%	72.11%	75.27%	44.42%
Trading expense ratio (%) <sup>(5)</sup>	0.09%	0.14%	0.08%	0.10%	0.10%

### Ratios and Supplemental Data

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

1. The information for 2017, 2016, 2015, 2014 and 2013 are derived from the Fund's financial statements prepared in accordance with International Financial Reporting Standards ("IFRS").
2. 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 period.
3. Distributions were paid in cash/reinvested in additional units of the Fund, or both.
4. The Fund's portfolio turnover rate is a measure of trading activity in a Fund's portfolio. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high portfolio turnover rate and the performance of a Fund.
5. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the Fund's average net asset value during the year.

### Management Fees

The Fund pays no management fees to Integra. For management services provided to them by Integra, clients of Integra will pay an investment management fee directly to Integra, as set out in their agreement with Integra. The amount of the investment management fee is negotiable between the client and Integra.

## Acadian Core International Equity Fund Past Performance

The performance reported below assumes that all distributions made by the Fund in the year shown were reinvested in additional units of the Fund. If an investor holds the Fund outside of a registered plan, he/she will be taxed on these distributions.

How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

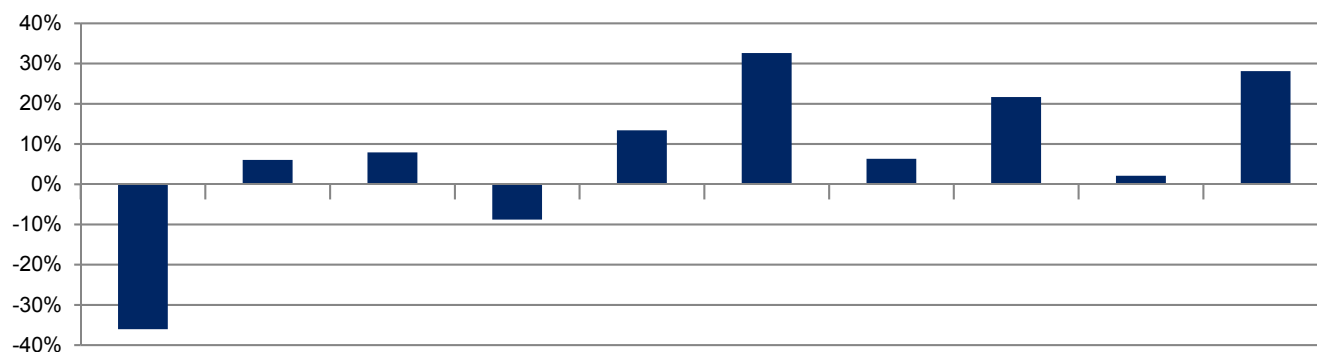
All rates of return are calculated based on Pricing NAV and are in Canadian dollars unless stated otherwise.

**Fund Inception** - September 27, 2000

### 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.

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
-36.04%	6.02%	7.91%	-8.81%	13.40%	32.61%	6.32%	21.67%	2.07%	28.11%



### Annualized Returns

This table shows the fund's historical annualized returns for the year ending December 31, 2017.

Annualized Returns	Past 1 year	Past 3 years	Past 5 years	Past 10 Years
Acadian Core International Equity Fund	28.11%	16.74%	17.54%	5.43%
Benchmark	16.82%	10.66%	12.97%	4.72%

### Benchmark

The Acadian Core International Equity Fund Benchmark reflects the market sectors in which the Fund invests.

100.0%	Morgan Stanley Capital International EAFE (ND) Index*
--------	---

\*EAFE - European, Australasian, and Far East Index

The MSCI EAFE (ND) Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. It consists of approximately 21 European, Australasian, and Far East country indices. Indices with net dividends reinvested use the same dividend minus-tax-credit calculations, but subtract withholding taxes retained at the source for foreigners who do not benefit from a double taxation treaty.

**Acadian Core International Equity Fund**  
**Summary of Investment Portfolio**  
**as at December 31, 2017**

**Asset Mix**

	% of Fund's Net Asset Value
International Equities	98.72%
Other Assets, Net of Liabilities	1.28%

**Country Mix**

	% of Fund's Net Asset Value
Australia	3.18%
Austria	1.39%
Belgium	0.15%
Brazil	0.29%
China	0.30%
Colombia	0.04%
Denmark	1.10%
Finland	0.84%
France	5.76%
Germany	14.33%
Guernsey	0.07%
Hong Kong	0.46%
Indonesia	0.13%
Ireland	0.62%
Israel	0.72%
Italy	2.14%
Japan	18.93%
Jersey C.I	0.10%
Luxembourg	0.29%
Malaysia	1.56%
Mexico	0.14%
Netherlands	8.37%
New Zealand	0.46%
Norway	3.11%
Poland	0.66%
Portugal	0.16%
Qatar	0.20%
Russia	0.31%
Singapore	6.19%
South Africa	1.33%
South Korea	4.80%
Spain	1.89%
Sweden	3.21%
Switzerland	3.15%
Taiwan	0.25%
Thailand	0.57%
United Kingdom	11.52%

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund. The most recent annual 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).

**Top 25 Top Holdings**

(excluding cash equivalents)	% of Fund's Net Asset Value
1 Royal Dutch Shell PLC, Class 'A'	3.68%
2 Nestlé SA, Series 'B', Registered	2.98%
3 DBS Group Holdings Ltd.	2.43%
4 Unilever NV	2.35%
5 Allianz AG, Registered	2.14%
6 BASF SE	2.13%
7 Deutsche Lufthansa AG	2.08%
8 Nippon Telegraph & Telephone Corp.	1.95%
9 Samsung Electronics Co. Ltd.	1.93%
10 ACS Actividades de Construcción y Servicios SA	1.92%
11 Deutsche Post AG, Registered	1.82%
12 Fiat Chrysler Automobiles NV	1.72%
13 Daiwa House Industry Co. Ltd.	1.70%
14 Taisei Corp.	1.70%
15 UbiSoft Entertainment SA	1.69%
16 Daito Trust Construction Co. Ltd.	1.68%
17 BP PLC	1.65%
18 Beiersdorf AG	1.57%
19 Volvo AB, Series 'B'	1.57%
20 Aristocrat Leisure Ltd.	1.54%
21 Sony Corp.	1.53%
22 Qantas Airways Ltd.	1.52%
23 AstraZeneca PLC	1.52%
24 Norsk Hydro ASA	1.49%
25 SK Hynix Inc.	1.44%

**International Sector Mix**

	% of Fund's Net Asset Value
Consumer Discretionary	12.58%
Consumer Staples	8.16%
Energy	10.59%
Financials	15.54%
Health Care	7.06%
Industrials	16.87%
Information Technology	13.01%
Materials	6.56%
Real Estate	4.00%
Telecommunication Services	3.00%
Utilities	1.35%

Total Fund Net Asset Value: \$72,306,272

Integra Capital Limited  
2020 Winston Park Drive, Suite 200  
Oakville, Ontario  
L6H 6X7

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

**Auditors**  
KPMG LLP, Toronto, Ontario

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