



PRO FTSE RAFI EMERGING MARKETS INDEX FUND

PRO-FINANCIAL ASSET MANAGEMENT INC.
MANAGEMENT REPORT OF FUND PERFORMANCE
June 30, 2009

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-877-566-5145, by writing to us at Glen Abbey Golf Course, Old Abbey Building 1333 Dorval Drive, Suite 100, Oakville, ON L6M 4G2 or by visiting our website at www.pro-financial.ca or SEDAR at www.sedar.com.

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

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Management Discussion of Fund Performance

This management discussion of Fund performance presents the perspective of Pro-Financial Asset Management Inc. (the “Manager”) regarding the position and results for the Pro FTSE RAFI Emerging Markets Index Fund (the “Fund”) for the period as well as factors and developments that have led to such results.

Investment Objectives and Strategies

The investment objective of the Fund is to track the performance of the FTSE RAFI Emerging Index (the “Index”), net of expenses. The investment strategy of this Fund is to invest in and hold the constituent or equivalent securities of the Index in the same proportion as they are reflected in that Index. This Index was launched on July 9, 2007 and is made up of the top 350 companies with the largest fundamental value, selected from the constituents of the FTSE Emerging All Cap Index. To reduce index tracking error, the Manager may on a temporary basis invest a portion of the assets of the Fund in exchange traded funds (“ETFs”) that are based on securities in this Index.

Risk

The risks of investing in the Fund are disclosed in the prospectus of the Fund. Additionally, ETFs are used to ensure that large cash positions do not build up in the Fund and to maintain exposure in regions where the fund is not yet able to directly invest. There are fundamental differences between the ETF and the Index which would have caused tracking error between the Fund and the Index. Also there may have been timing differences during this allocation process, which may contribute to tracking error between the Fund and the Index.

Due to the Fund’s size and trading constraints, a resampled portfolio consisting of about 300 Emerging Market securities was used instead of the full portfolio of securities. The use of this resampling may cause a small tracking error between the Fund and the Index, but reduced trading expenses.

Also ADRs are often used where it is deemed to be economical. In such instances, the ADR may exhibit returns that vary from that of the underlying security.

The Fund is suitable for investors looking for exposure to Emerging Market equity securities and having a high tolerance for risk and a long-term investment time horizon.

Results of Operations

The value of the Fund increased by \$5.5 million to \$11.4 million during the six month period ending June 30, 2009. The Fund had net subscriptions of \$3.7 million while the portfolio’s performance increased net assets by \$1.8 million.

The performance of the Class A, B and F units were 26.83%, 26.69%, and 27.46% respectively for the 6 month period ended June 30, 2009. Emerging markets returned

29.39% during this period in Canadian Dollar terms as measured by the MSCI EMF – Gross (CAD) Index.

The RAFI methodology relies on sales, cash flow, dividends, and book value. At the start of the period these were generally depressed throughout the marketplace.

As at June 30, 2009, the total net assets of the Fund were \$11,402,193.

Recent Developments

The growing confidence and importance of emerging markets in the global economy was highlighted when China, India, Russia, and Brazil held an inaugural summit in Russia. Leaders from these four countries called for greater involvement from emerging economies in global financial institutions and voiced their desire for increased economic reform. In general, emerging markets have surged in the first half of the year, after some trying times in the first two months as the declines of 2008 continued. A return of confidence in emerging markets, the desire for higher returns, and the search for undervalued companies supported the markets' uptrend.

Regionally, the exposure of the Fund to Korea increased noticeably while the exposure to Taiwan decreased.

Changeover to International Financial Reporting Standards (“IFRS”)

The Fund will be required to adopt International Financial Reporting Standards (“IFRS”) beginning January 1, 2011. The Manager is in the process of developing a plan per the changeover. However, based on the Manager's current evaluation of the differences between Canadian GAAP and IFRS, the Manager does not expect that net assets attributable to shareholders or net asset value per share will be impacted by the changeover to IFRS. Currently, the Manager expects that the impact of IFRS on the Fund's financial statements will result in additional disclosures and potentially different presentation of shareholder interests and certain other items.

Related Party Transactions

OPERATING EXPENSES

The Fund pays its own operating expenses. They include but are not limited to, administration and accounting costs, FundServ costs, the costs of any back-office service provider retained by the Manager, brokerage commissions, applicable taxes, audit and legal fees, custodial fees, index licensing fees, the cost of preparing and submitting annual financial statements, unitholder reports, semi-annual financial statements to unitholders, the cost of preparing a prospectus and other disclosure documents (other than the initial prospectus of the Funds) and the cost of forwarding those documents to unitholders.

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 fiscal periods indicated. The information is derived from the Fund's audited financial statements.

Net Asset Value (NAV) per Unit - Class A

	30-Jun-09	31-Dec-08
Net asset value, beginning of year	\$ 5.90	\$ 9.67
Increase (decrease) from operations:		
Total revenue:	\$0.09	\$0.22
Total expenses	(\$0.07)	(\$0.12)
Realized gains (losses) for the period	(\$0.38)	(\$1.08)
Unrealized gains (losses) for the period	\$1.93	(\$2.79)
Total Increase (decrease) from Operations	\$1.57	(\$3.77)
Distributions:		
From income (excluding dividends)	-	-
From dividends -	-	-
From capital gains -	-	-
Return of capital -	-	-
Total annual distributions -	-	-
Net asset value, end of the period	\$ 7.47	\$ 5.90

Net Asset Value (NAV) per Unit - Class B

	30-Jun-09	31-Dec-08
Net asset value, beginning of year	\$ 5.89	\$ 9.67
Increase (decrease) from operations:		
Total revenue:	\$0.09	\$0.23
Total expenses	(\$0.07)	(\$0.12)
Realized gains (losses) for the period	(\$0.38)	(\$1.09)
Unrealized gains (losses) for the period	\$1.91	(\$2.80)
Total Increase (decrease) from Operations	\$1.55	(\$3.78)
Distributions:		
From income (excluding dividends)	-	-
From dividends -	-	-
From capital gains -	-	-
Return of capital -	-	-
Total annual distributions -	-	-
Net asset value, end of the period	\$ 7.44	\$ 5.89

Net Asset Value (NAV) per Unit - Class F

	30-Jun-09	31-Dec-08
Net asset value, beginning of year	\$ 9.67	\$ 10.00
Increase (decrease) from operations:		
Total revenue:	\$0.22	\$0.00
Total expenses	(\$0.11)	(\$0.04)
Realized gains (losses) for the period	(\$1.07)	\$0.03
Unrealized gains (losses) for the period	(\$2.74)	(\$0.32)
Total Increase (decrease) from Operations	(\$3.70)	(\$0.33)
Distributions:		
From income (excluding dividends)	-	-
From dividends -	-	-
From capital gains -	-	-
Return of capital -	-	-
Total annual distributions -	-	-
Net asset value, end of the period	\$ 5.97	\$ 9.67

(1) Net Asset value 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 of units outstanding over the financial period.

Ratios and Supplemental Data

	30-Jun-09	31-Dec-08
Pro FTSE RAFI Emerging Market Index Fund - Class A		
Net assets (000's)	\$ 4,968	\$ 2,604
Number of units outstanding	684,136	459,767
Management expense ratio	2.28%	2.01%
Management expense ratio before waivers or absorptions	2.28%	3.26%
Portfolio turnover rate	23.73%	92.15%
Trading expense ratio	0.29%	0.77%
Closing market price or pricing NAV	\$ 7.51	\$ 5.92
Pro FTSE RAFI Emerging Market Index Fund - Class B		
Net assets (000's)	\$ 2,287	\$ 1,341
Number of units outstanding	341,420	260,109
Management expense ratio	2.49%	2.20%
Management expense ratio before waivers or absorptions	2.49%	3.46%
Portfolio turnover rate	23.73%	92.15%
Trading expense ratio	0.29%	0.77%
Closing market price or pricing NAV	\$ 7.03	\$ 5.90
Pro FTSE RAFI Emerging Market Index Fund - Class F		
Net assets (000's)	\$ 4,147	\$ 1,916
Number of units outstanding	494,720	271,004
Management expense ratio	1.29%	0.99%
Management expense ratio before waivers or absorptions	1.29%	2.25%

Portfolio turnover rate	23.73%	92.15%
Trading expense ratio	0.29%	0.77%
Closing market price or pricing NAV	\$ 7.63	\$ 5.98

(1) The information is provided as at December 31st or June 30^h of the year shown.

(2) Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

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

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

(5) Differences due to rounding.

Management Fees

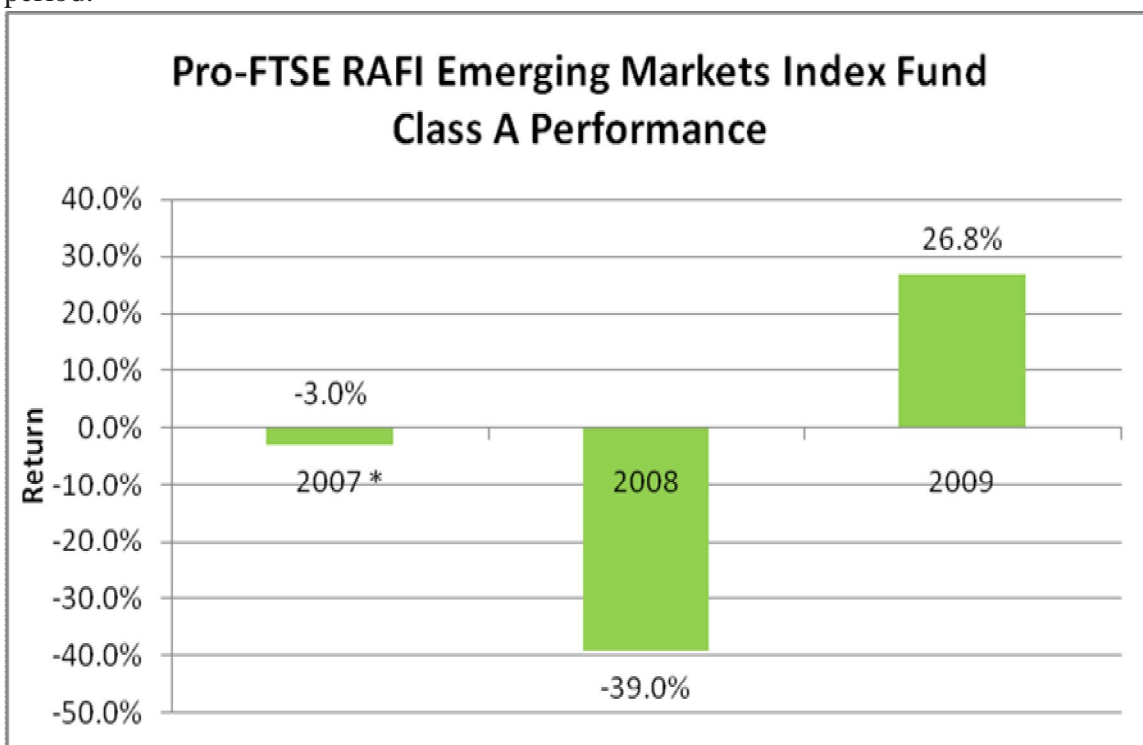
The Fund pays management fees at an annual rate of 1.60% for Class A units, 1.80% of the net assets of Class B units, and 0.65% for Class F units. The management fee is calculated and accrued daily based on the net asset value of that Class of units.

Past Performance

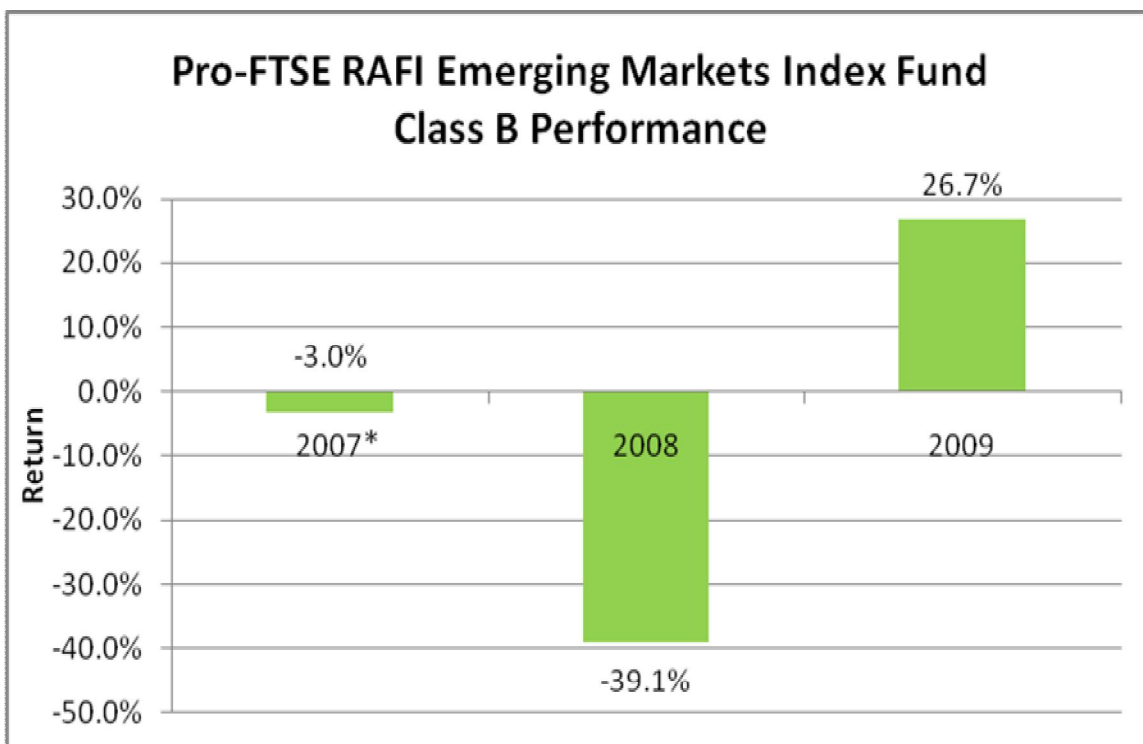
The following charts and tables are tools used to reflect the past performance of the Class A, B and F units of the Fund. In calculating the rates of return, it is assumed that all distributions are reinvested in additional units of the relevant Class of the Fund and rates of return do not take into account sales, redemptions, distributions or other optional charges payable by any unitholder that may reduce returns. Also, past performance returns are not indicative of future performance and how the Fund has performed in the past does not necessarily indicate how it will perform in the future.

Year-By-Year Returns

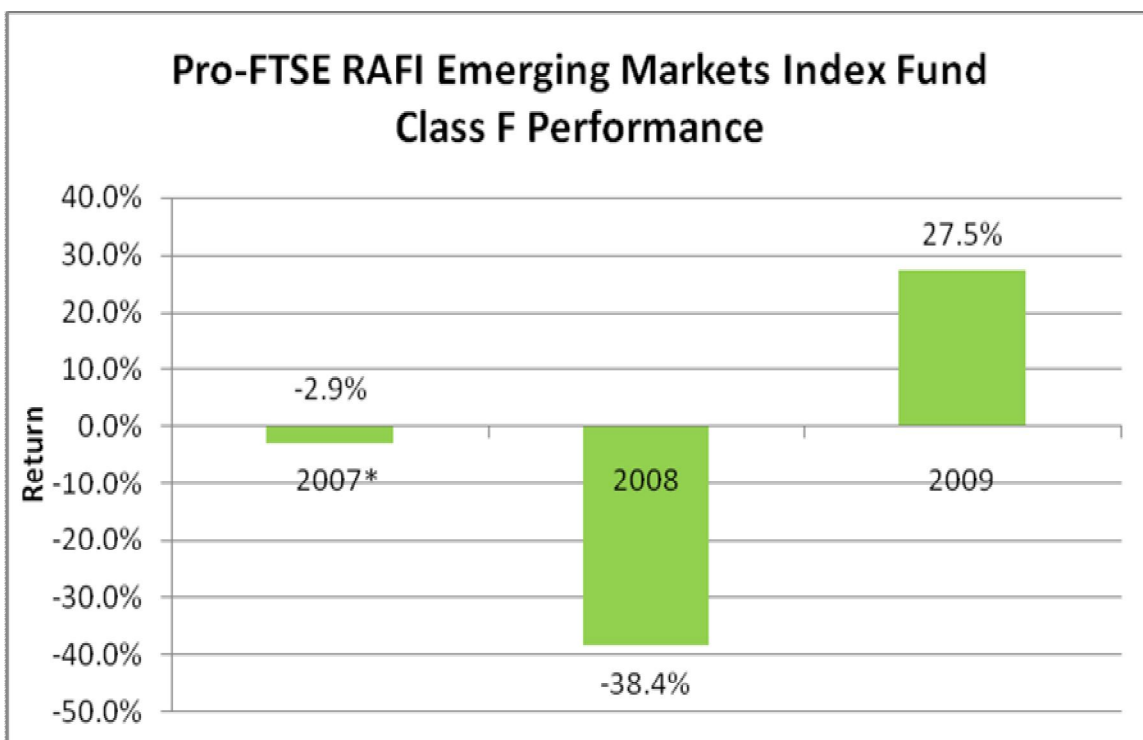
The Year-by-Year return charts indicate the annual performance of each Class of units of the Fund, reflecting how the Fund’s performance has varied from year to year and shows the Fund’s performance for the six month period ended June 30, 2009, and for each of the previous financial periods ended December 31. The charts show in percentage terms how an investment made on January 1 would have increased or decreased by the end of the period.



*Performance returns were calculated from the launch date of December 1, 2007 until December 31, 2007.



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COMPOUND RETURNS

The following table shows the compounded return for each class of the Fund from inception to June 30, 2009. The compounded total return is also compared to the MSCI EMF Index calculated on the same compounded basis.

Unless otherwise noted below, all index returns are calculated in Canadian dollars on a total return basis, meaning that all distributions are reinvested.

Compound Returns	1 year	3 year	5 year	10 year	Since Inception (Dec 1 2007)
Pro-FTSE RAFI Emerging Markets Index Fund Class A	-15.7%	N/A	N/A	N/A	-16.6%
Pro-FTSE RAFI Emerging Markets Index Fund Class B	-15.9%	N/A	N/A	N/A	-16.8%
Pro-FTSE RAFI Emerging Markets Index Fund Class F	-14.8%	N/A	N/A	N/A	-15.7%
MSCI EMF (Emerging Markets Free) - Gross (CAD)	-17.6%	N/A	N/A	N/A	-17.1%

MSCI EMF Index is a free float-adjusted market capitalization index that aims to measure the performance of the equity markets in emerging countries.

Summary of Investment Portfolio as at June 30, 2009.

ASSET DETAIL	% of NET ASSETS
EMERGING MARKETS SECURITIES	97.48%
CASH AND EQUIVALENTS	1.70%
OTHER ASSETS (LIABILITIES)	0.82%
TOTAL	100.00%

SECTOR ALLOCATION	% of NET ASSETS
FINANCIALS	22.27%
ENERGY	22.09%
MATERIALS	15.33%
INFORMATION TECHNOLOGY	9.90%
INDUSTRIALS	9.69%
CONSUMER DISCRETIONARY	6.66%
TELECOMMUNICATION SERVICES	6.01%
CONSUMER STAPLES	2.85%
UTILITIES	2.68%
HEALTH CARE	0.00%
CASH AND EQUIVALENTS	1.70%
OTHER ASSETS (LIABILITIES)	0.82%
TOTAL	100.00%

GEOGRAPHIC ALLOCATION	% of NET ASSETS
KOREA	25.76%
CHINA	22.26%
BRAZIL	10.34%
TAIWAN	8.10%
RUSSIA	6.59%
SOUTH AFRICA	6.08%
INDIA	5.99%
MEXICO	4.44%
MALAYSIA	1.63%
TURKEY	1.32%
THAILAND	1.22%
POLAND	0.99%
INDONESIA	0.75%
HUNGARY	0.70%
CHILE	0.54%
EGYPT	0.33%
COLOMBIA	0.22%
ARGENTINA	0.12%
PHILIPPINES	0.10%
CASH AND EQUIVALENTS	1.70%
OTHER ASSETS (LIABILITIES)	0.82%
TOTAL	100.00%

TOP 25 HOLDINGS	% of NET ASSETS
PETROCHINA	6.38%
SAMSUNG ELECTRONIC	2.96%
CHINA PETE AND CHEM	2.82%
GAZPROM	2.60%
BANK OF CHINA	2.10%
IND & COM BANK CHINA	2.00%
LUKOIL OIL COMPANY	1.89%
PETROLEO BRASILEIRO	1.73%
CASH	1.70%
ITAU UNIBANCO HOLDING	1.66%
RELIANCE INDS	1.48%
HONAM PETROCHEM	1.42%
CHINA SHENHUA ENERGY	1.39%
HDFC BANK	1.38%
POSCO	1.36%
BCO BRADESCO	1.21%
HYUNDAI MOTOR	1.18%
LOTTE CHILSUNG BEV	1.16%
SK CORP	1.14%
CHINA LIFE INSURANCE	0.95%
ON MEDIA CORPORATION	0.93%
LG ELECTRONICS	0.92%
VALE SA	0.89%
HON HAI PRECISION	0.89%
ICICI BANK	0.88%
TOTAL	43.01%

Corporate Information

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