



PRO FTSE RAFI HONG KONG CHINA 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 Hong Kong China 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 Hong Kong China 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 the Index. This Index was launched on November 28, 2005 and is made up of the Hong Kong China stocks which form part of the FTSE RAFI Global ex US 1000 Index, which is in turn made up of the 1000 non-US listed companies with the largest fundamental value, selected from the stocks that make up the FTSE Developed ex US 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. Initially, related ETFs were used to ensure that large cash positions do not build up in the Fund. As the Fund size grew, the Manager, Pro-Financial Asset Management Inc., eliminated the use of ETFs to ensure lower transaction expenses and turnover. There were 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 might have contributed to tracking error between the Fund and the Index.

The Fund is suitable for investors looking for equity exposure to Hong Kong listed 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 \$1.3 million to \$3.5 million during the six month period ending June 30, 2009. The Fund had net subscriptions of \$0.6 million while the portfolio’s performance increased net assets by \$0.7 million.

The performance of the Class A, B and F units were 24.66%, 24.53%, and 25.28% respectively for the 6 month period ended June 30, 2009. Hong Kong equity markets also performed well during this period and in Canadian dollar terms the MSCI Hong Kong – Gross (CAD) returned 28.36%.

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 \$3,543,188.

Recent Developments

To improve trade and economic relations with its global counterparts, a number of agreements with the EU, Brazil and Taiwan were entered into in the second quarter. A rebound in industrial production and retail sales growth offered evidence of the success of the government's fiscal stimulus program.

Investment in fixed assets increased year-over-year, further indication that government efforts to boost economic recovery is providing real results. GDP also grew, although at a lower rate – mainly due to a decline in export growth and lower manufacturing and industrial growth. Consumer prices continued to decline year-over-year due to lower transport, food, and housing costs.

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	\$ 7.31	\$ 11.70
Increase (decrease) from operations:		
Total revenue:	\$0.15	\$0.37
Total expenses	(\$0.09)	(\$0.17)
Realized gains (losses) for the period	(\$0.39)	(\$0.40)
Unrealized gains (losses) for the period	\$2.13	(\$4.19)
Total Increase (decrease) from Operations	\$1.80	(\$4.39)
Distributions:		
From income (excluding dividends)	-	-
From dividends -	-	-
From capital gains -	-	-
Return of capital -	-	-
Total annual distributions -	-	-
Net asset value, end of the period	\$ 9.11	\$ 7.31

Net Asset Value (NAV) per Unit - Class B

	30-Jun-09	31-Dec-08
Net asset value, beginning of year	\$ 7.29	\$ 11.69
Increase (decrease) from operations:		
Total revenue:	\$0.16	\$0.37
Total expenses	(\$0.09)	(\$0.18)
Realized gains (losses) for the period	(\$0.39)	(\$0.40)
Unrealized gains (losses) for the period	\$2.10	(\$4.19)
Total Increase (decrease) from Operations	\$1.78	(\$4.40)
Distributions:		
From income (excluding dividends)	-	-
From dividends -	-	-
From capital gains -	-	-
Return of capital -	-	-
Total annual distributions -	-	-
Net asset value, end of the period	\$ 9.07	\$ 7.29

Net Asset Value (NAV) per Unit - Class F

	30-Jun-09	31-Dec-08
Net asset value, beginning of year	\$ 7.43	\$ 11.76
Increase (decrease) from operations:		
Total revenue:	\$0.15	\$0.36
Total expenses	(\$0.09)	(\$0.17)
Realized gains (losses) for the period	(\$0.40)	(\$0.39)
Unrealized gains (losses) for the period	\$2.20	(\$4.13)
Total Increase (decrease) from Operations	\$1.86	(\$4.33)
Distributions:		
From income (excluding dividends)	-	-
From dividends -	-	-
From capital gains -	-	-
Return of capital -	-	-
Total annual distributions -	-	-
Net asset value, end of the period	\$ 9.29	\$ 7.43

(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 Hong Kong Index Fund - Class A		
Net assets (000's)	\$ 2,384	\$ 1,390
Number of units outstanding	267,200	197,481
Management expense ratio	2.30%	1.97%
Management expense ratio before waivers or absorptions	2.30%	3.93%
Portfolio turnover rate	27.04%	45.29%
Trading expense ratio	0.30%	0.32%
Closing market price or pricing NAV	\$ 9.12	\$ 7.30
Pro FTSE RAFI Hong Kong Index Fund - Class B		
Net assets (000's)	\$ 533	\$ 339
Number of units outstanding	93,268	89,276
Management expense ratio	2.51%	2.15%
Management expense ratio before waivers or absorptions	2.51%	4.11%
Portfolio turnover rate	27.04%	45.29%
Trading expense ratio	0.30%	0.32%
Closing market price or pricing NAV	\$ 9.08	\$ 7.27
Pro FTSE RAFI Hong Kong Index Fund - Class F		
Net assets (000's)	\$ 626	\$ 531
Number of units outstanding	28,477	22,961
Management expense ratio	1.29%	1.03%

Management expense ratio before waivers or absorptions	1.29%	2.99%
Portfolio turnover rate	27.04%	45.29%
Trading expense ratio	0.30%	0.32%
Closing market price or pricing NAV	\$ 9.30	\$ 7.41

(1) The information is provided as at December 31st or June 30th 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

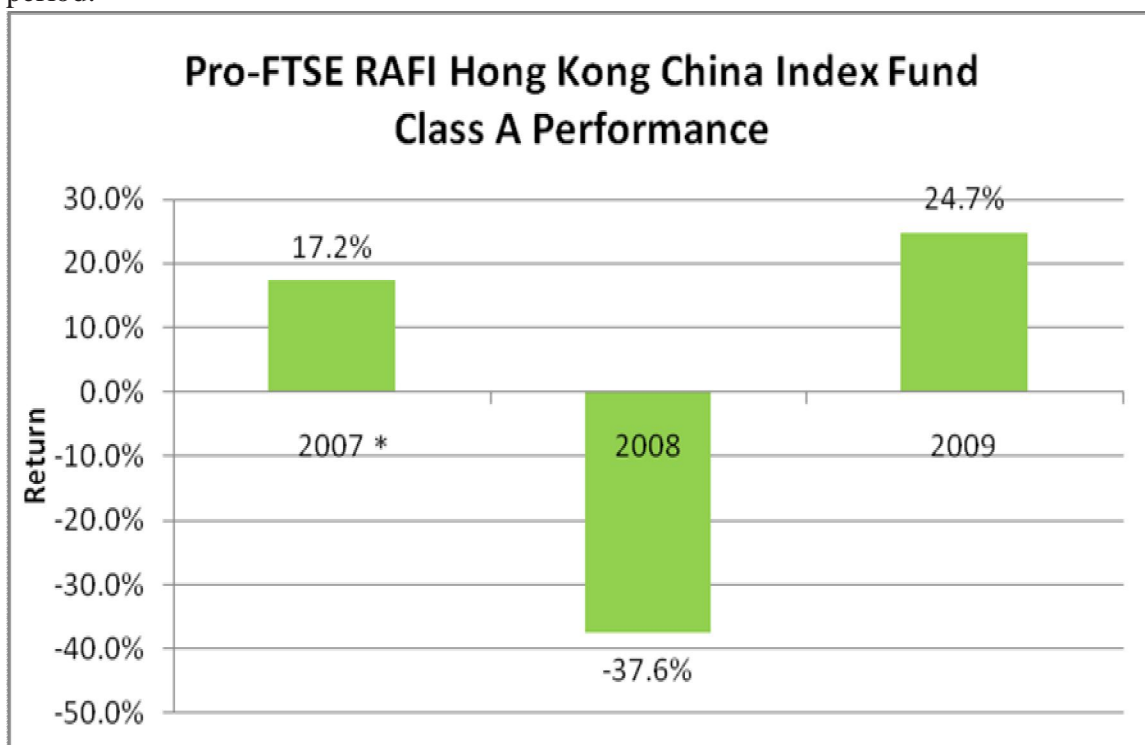
The Fund pays management fees at an annual rate of 1.60% for Class A units, 1.80% of the net assets of Class B units, and 0.65% for Class F units. The management fee is calculated and accrued daily based on the net asset value of that Class of units.

Past Performance

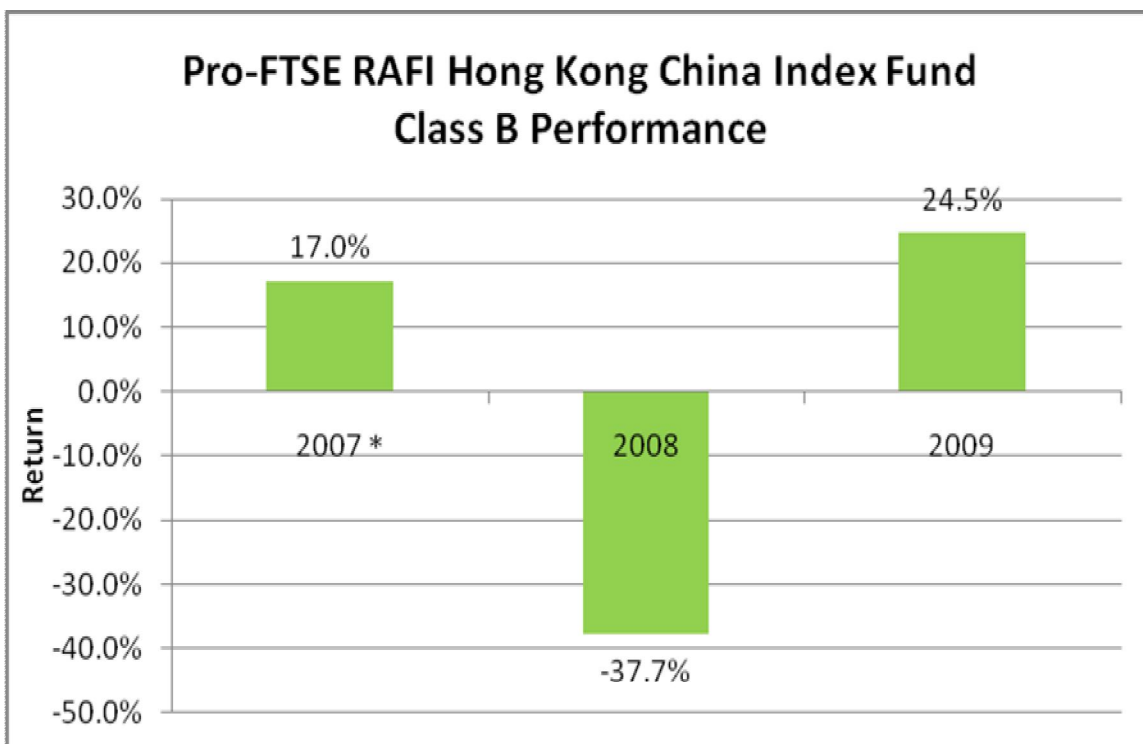
The following charts and tables are tools used to reflect the past performance of the Class A, B and F units of the Fund. In calculating the rates of return, it is assumed that all distributions are reinvested in additional units of the relevant Class of the Fund and rates of return do not take into 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

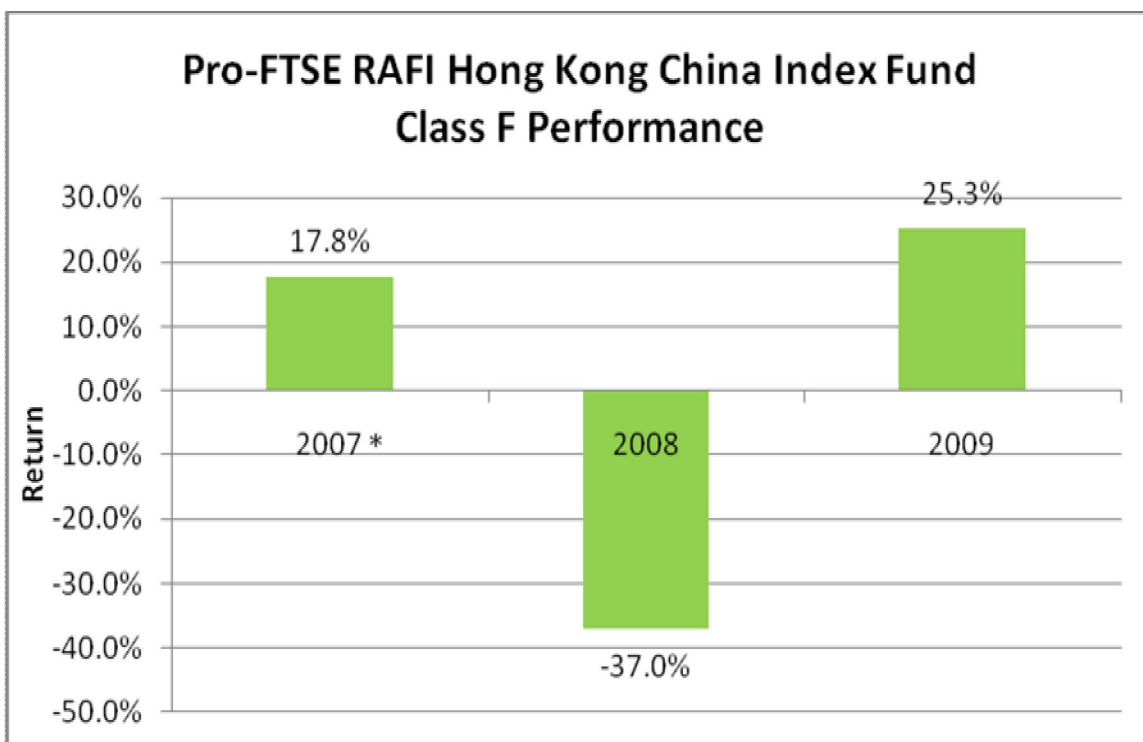
The Year-by-Year return charts indicate the annual performance of each Class of units of the Fund, reflecting how the Fund’s performance has varied from year to year and shows the Fund’s performance for the six month period ended June 30, 2009, and for each of the previous financial periods ended December 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 April 3, 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 compound total return is also compared to the MSCI Hong Kong 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 (Apr 3 2007)
Pro-FTSE RAFI Hong Kong China Index Fund Class A	-7.9%	N/A	N/A	N/A	-4.0%
Pro-FTSE RAFI Hong Kong China Index Fund Class B	-8.1%	N/A	N/A	N/A	-4.2%
Pro-FTSE RAFI Hong Kong China Index Fund Class F	-6.9%	N/A	N/A	N/A	-3.2%
MSCI Hong Kong - Gross - (LCL) (CAD)	-3.4%	N/A	N/A	N/A	-3.0%

MSCI Hong Kong Index is a free float-adjusted market capitalization index that aims to measure the performance of the Hong Kong equity market.

Summary of Investment Portfolio as at June 30, 2009.

ASSET DETAIL	% of NET ASSETS
HONG KONG SECURITIES	95.48%
CASH AND EQUIVALENTS	2.37%
OTHER ASSETS (LIABILITIES)	2.14%
TOTAL	100.00%

SECTOR ALLOCATION	% of NET ASSETS
FINANCIALS	46.05%
INDUSTRIALS	17.26%
TELECOMMUNICATION SERVICES	12.69%
UTILITIES	5.81%
CONSUMER DISCRETIONARY	5.29%
ENERGY	3.97%
INFORMATION TECHNOLOGY	3.77%
MATERIALS	0.63%
CONSUMER STAPLES	0.00%
HEALTH CARE	0.00%
CASH AND EQUIVALENTS	2.37%
OTHER ASSETS (LIABILITIES)	2.14%
TOTAL	100.00%

TOP 25 HOLDINGS	% of NET ASSETS
HUTCHISON WHAMPOA	8.86%
CHINA MOBILE	7.27%
SUN HUNG KAI PROPS	6.85%
SWIRE PACIFIC	5.53%
CHEUNG KONG(HLDGS)	5.19%
HUTCHISON TELECOMMUNICATIONS	4.83%
CNOOC	3.97%
BOC HONG KONG HOLDINGS LTD	3.25%
NEW WORLD DEVEL CO	2.68%
HONG KONG LAND HLD	2.40%
CASH	2.37%
HANG SENG BANK	2.36%
CLP HOLDINGS	2.35%
WHARF(HLDGS)	2.33%
BANK OF EAST ASIA	2.21%
HENDERSON LAND DEV	2.16%
CHINA UNICOM	1.94%
HONG KONG EXCHANGE	1.91%
LENOVO GROUP	1.82%
JARDINE MATHESON	1.77%
HONG KONG ELECTRIC	1.61%
SINO LAND CO	1.50%
HANG LUNG PROP	1.50%
CITIC PACIFIC LTD	1.33%
HONGKONG & CHINA GAS	1.33%
TOTAL	79.32%

Corporate Information

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