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AUDITORS' REPORT TO THE UNITHOLDERS

We have audited the statements of net assets of Pro FTSE RAFI US Index Fund (the "Fund") as at December 31, 2008 and 2007, the statement of investment portfolio as at December 31, 2008 and the statements of operations and changes in net assets for the year ended December 31, 2008 and period from January 3, 2007 (date of inception) to December 31, 2007. These financial statements are the responsibility of the Fund's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets of the Fund as at December 31, 2008 and 2007, its investments held as at December 31, 2008 and the results of its operations and changes in net assets for the year ended December 31, 2008 and period from January 3, 2007 (date of inception) to December 31, 2007 in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Toronto, Canada

March 26, 2009

Management's Responsibility for Financial Reporting

The accompanying financial statements of the Funds (as defined in Note 1) have been prepared by Pro-Financial Asset Management Inc. (the "Manager"). The Manager of the Funds is responsible for the information and representations contained in these financial statements.

The Manager maintains appropriate procedures and controls to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada and include certain amounts that are based on estimates and judgements. The significant accounting policies which management believes are appropriate for the Funds are described in Note 2 to the financial statements.

An Independent Review Committee (the "IRC") for the Funds has been established by the Manager under *National Instrument 81-107, Independent Review Committee for Investment Funds*. The IRC is responsible for reviewing, and if desirable providing input on, the Funds' written policies and procedures on conflicts of interest involving the Funds. The IRC also review conflicts of interest matters referred to it by the Manager.

The Board of Directors of Pro-Financial Asset Management Inc. is responsible for approving the financial statements and ensuring that management fulfills its financial reporting responsibilities.



Stuart McKinnon
President & CEO
Pro-Financial Asset Management Inc.



John Farrell
Senior Vice President, CIO & CCO
Pro-Financial Asset Management Inc.

March 26, 2009

Pro-FTSE RAFI US Index Fund
Statement of Net Assets
As at December 31,

	2008		2007	
Assets				
Cash and cash equivalents	\$	93,230	\$	47,290
Subscriptions receivable		40,137		37,814
Dividends receivable		22,914		12,467
Investments in securities at market value		9,229,906		5,346,612
		9,386,187		5,444,183

Liabilities				
Accrued liabilities		-		(2,726)
Net assets (Note 2)	\$	9,386,187	\$	5,441,457

Units outstanding				
Class A		595,365		202,341
Class B		289,365		173,454
Class F		664,185		272,075
Total units outstanding (Note 6)		1,548,915		647,870

Net assets per unit (Note 2)				
Class A	\$	6.08	\$	8.40
Class B	\$	6.01	\$	8.31
Class F	\$	6.14	\$	8.40

See accompanying notes to financial statements

Approved by Pro-Financial Asset Management Inc.



Stuart McKinnon
Director



John Farrell
Director

Pro-FTSE RAFI US Index Fund

Statement of Operations

For the year ended December 31, 2008 and period January 1, 2007 to December 31, 2007

	2008	2007
Investment Income		
Dividend income	\$ 196,591	\$ 57,523
Interest income	522	43
Total investment income	197,113	57,566
Expenses		
Management fees (Note 4)	115,408	44,852
Operating costs	32,049	32,665
Audit fees	17,207	23,429
Legal fees	15,738	14,092
Marketing & printing costs	13,434	9,104
Securityholder reporting costs	13,377	14,892
Directors' fees	3,937	442
Custodial fees	715	3,024
Total expenses	211,865	142,500
Less expenses absorbed by Manager (Note 4)	(76,994)	(87,236)
Net expenses	134,871	55,264
Net investment income	62,242	2,302
Realized and unrealized gain (loss) on investments		
Net realized gain (loss) on sale of investments	(522,994)	7,642
Net change in unrealized depreciation of investments	(2,066,953)	(681,521)
Transaction costs	(33,191)	(15,927)
Net loss on investments	(2,623,138)	(689,806)
Decrease in net assets from operations	\$ (2,560,896)	\$ (687,504)
Decrease in net assets from operations per unit		
Class A	\$ (2.32)	\$ (1.60)
Class B	\$ (2.30)	\$ (1.69)
Class F	\$ (2.26)	\$ (1.60)

Pro-FTSE RAFI US Index Fund

Statement of Changes in Net Assets

For the year ended December 31, 2008 and period January 1, 2007 to December 31, 2007

	2008	2007
Net assets, beginning of period		
Class A	\$ 1,658,388	\$ -
Class B	2,378,117	-
Class F	1,416,565	-
Net assets, beginning of period	5,453,070	-
Decrease in net assets from operations		
Class A	(984,345)	(214,720)
Class B	(478,421)	(288,719)
Class F	(1,098,130)	(184,065)
	(2,560,896)	(687,504)
Capital transactions		
Proceeds from issue of units		
Class A	3,752,921	1,980,674
Class B	2,858,579	3,327,282
Class F	4,067,034	1,670,685
	10,678,534	6,978,641
Redemption of units		
Class A	(873,828)	(107,566)
Class B	(2,649,452)	(660,446)
Class F	(661,241)	(70,055)
	(4,184,521)	(838,067)
Increase in net assets	3,933,117	5,453,070
Net assets, end of period		
Class A	3,553,136	1,658,388
Class B	2,108,823	2,378,117
Class F	3,724,228	1,416,565
Net assets, end of period (Note 2)	\$ 9,386,187	\$ 5,453,070

Pro-FTSE RAFI US Index Fund
Statement of Investment Portfolio
As at December 31, 2008

Security Name	No. of Shares	Average Cost (\$)	Market Value (\$)	% of Net Assets
3M Company	700	54,273	49,130	
Abbott Laboratories Inc.	1200	69,567	78,111	
Accenture Limited	400	15,949	15,967	
ACE Limited	500	26,747	32,144	
AES Corporation	800	14,064	8,023	
Aetna Incorporated New	200	8,590	6,945	
Affiliated Computer Services Inc.	100	5,182	5,571	
AFLAC Inc.	300	18,716	16,757	
Air Products And Chemicals Inc.	200	16,273	12,248	
Alberto-Culver Company	400	11,145	11,912	
Alcoa Incorporated	800	31,141	10,967	
Allied Capital Corporation	100	3,378	319	
Allied Waste Industries Inc.	630	18,834	19,007	
Allstate Corporation	1100	57,324	43,910	
Altria Group Inc.	2900	63,630	53,181	
Ambac Financial Group Inc.	1800	12,110	2,720	
Ameren Corporation	400	17,239	16,211	
American Capital, Limited	200	5,385	748	
American Electric Power Company Inc.	900	38,356	36,442	
American Express Company	1100	48,729	24,863	
American International Group Inc.	3500	141,735	6,653	
Ameriprise Financial Inc.	100	5,546	2,844	
Amerisourcebergen Corporation	600	27,456	26,064	
Amgen Inc.	900	45,477	63,332	
AMR Corporation	1000	10,410	12,977	
Anadarko Petroleum Corporation	500	29,729	23,487	
Aon Corporation	300	13,321	16,695	
Apache Corporation.	200	23,056	18,163	
Apartment Investment and Management Co. "A"	250	9,560	3,494	
Apple Inc.	200	32,152	20,788	
Applied Materials Inc.	700	11,873	8,572	
Archer Daniels Midland Computer	700	25,224	24,565	
Arrow Electronics Inc.	300	11,059	6,887	
Ashland Inc.	100	5,234	1,277	
AT&T Inc.	6700	251,977	232,673	
Automatic Data Processing Inc.	400	17,421	18,882	
Autonation Inc.	700	14,651	8,427	
Avalonbay Cmnty Inc.	100	10,302	7,345	
Avery Dennison Corporation	100	5,320	3,983	
Avis Budget Group Inc.	300	7,021	249	
Avnet Inc.	200	5,758	4,433	
Avon Products Inc.	200	8,092	5,851	
Bank of America Corp.	10146	402,803	174,070	
Bank of New York Mellon Corp.	700	28,170	24,164	
Baxter International Inc.	400	25,711	26,120	
BB&T Corporation	1100	41,887	36,779	
Becton, Dickinson And Company	100	9,108	8,332	
Bed Bath & Beyond Inc.	200	6,755	6,183	
Berkshire Hathaway Inc.	10	42,167	39,163	
Best Buy Company Inc.	600	23,363	20,529	
Boeing Company	600	43,842	31,174	
Boston Properties Inc.	100	9,913	6,698	
Boston Scientific Corporation	1600	21,880	15,070	
Bristol-Myers Squibb Company	3200	80,841	90,578	
Bunge Limited	100	10,042	6,292	
Burlington Northern Santa Fe Corporation	300	30,296	27,672	
Cablevision Systems Corporation	300	7,201	6,134	
Capital One Financial Corporation	800	37,367	31,086	
Cardinal Health Inc.	800	48,016	33,601	
Carnival Corporation	700	26,503	20,744	
Caterpillar Inc.	500	37,025	27,197	
CBS Corporation "B"	1100	29,095	10,977	
Centerpoint Energy Inc.	1000	16,074	15,353	
Centex Corporation	200	5,348	2,593	
Charles Schwab Corporation	600	12,963	11,551	
Chevron Corporation	1600	146,099	143,627	
Chubb Corporation	500	27,900	31,060	
CIGNA Corporation	400	18,083	8,213	

Pro-FTSE RAFI US Index Fund
Statement of Investment Portfolio
As at December 31, 2008

Security Name	No. of Shares	Average Cost (\$)	Market Value (\$)	% of Net Assets
Cincinnati Financial Corporation	200	7,544	6,965	
Cisco Systems Inc.	3100	75,908	61,193	
CIT Group Inc.	600	12,444	3,268	
Citigroup Inc.	17300	480,000	141,236	
Clorox Company	100	5,864	6,770	
Coca-Cola Company	1500	88,646	82,651	
Coca-Cola Enterprises Inc.	500	10,886	7,317	
Colgate-Palmolive Company	300	22,618	25,044	
Comcast Corporation "A"	2500	52,552	51,390	
Comcast Corporation Special "A"	1100	21,966	21,352	
Computer Sciences Corporation	300	17,531	12,831	
Conagra Foods Inc.	1000	22,509	20,105	
Conocophillips	1800	148,180	113,613	
Consolidated Edison Inc.	700	33,518	33,163	
Constellation Energy Group Inc.	100	8,888	3,046	
Continental Airlines Inc. "B"	400	9,105	8,802	
Cooper Industries	200	9,310	7,123	
Corning Inc.	200	5,097	2,320	
Costco Wholesale Corporation	600	38,826	38,368	
Covidien Limited	300	14,456	13,248	
CSX Corporation	300	17,961	11,869	
Cummins Inc.	100	5,261	3,251	
CVS Caremark Corporation	700	27,707	24,505	
D.R. Horton Inc.	900	14,408	7,742	
Danaher Corporation	100	7,617	6,895	
Dean Foods Company	600	12,543	13,123	
Deere & Company	200	17,137	9,339	
Dell Incorporated	2100	42,971	26,151	
Devon Energy Corporation	300	33,458	23,995	
DIRECTV Group Inc.	400	10,848	11,161	
Discover Financial Services	900	14,893	10,440	
Disney (Walt) Company	1900	60,303	52,461	
Dominion Resources Inc.	1200	53,791	52,376	
Dover Corporation	100	5,053	4,011	
Dow Chemical Company	1900	72,195	34,936	
DTE Energy Company	400	19,221	17,386	
Duke Energy Corporation	3600	68,003	65,843	
Duke Realty Corporation	300	9,298	4,006	
E.I. Du Pont De Nemours & Company	1200	55,939	36,964	
Eastman Chemical Company	100	6,524	3,863	
Eastman Kodak Company	700	12,570	5,595	
Eaton Corporation	200	13,954	12,102	
Ebay Inc.	200	5,999	3,387	
Edison International	500	23,067	19,533	
Eli Lilly And Company	1000	50,025	49,057	
EMC Corporation	1300	19,041	16,569	
Emerson Electric Company	700	33,857	31,226	
Entergy Corporation	200	22,933	20,259	
Equity Residential	400	17,945	14,534	
Estee Lauder	100	5,204	3,769	
Exelon Corporation	600	48,064	40,649	
Expedia Inc.	200	5,118	1,950	
Exxon Mobil Corporation	2300	204,330	223,728	
Fedex Corporation	400	34,189	31,257	
Fidelity National Financial Inc.	1200	22,584	25,954	
Fifth Third Bancorp	1200	33,351	11,756	
Firstenergy Corporation	500	36,430	29,549	
Flextronics International Limited	1100	12,220	3,418	
Fluor Corporation	100	8,269	5,467	
Ford Motor Company	16400	113,854	45,762	
Fortune Brands Inc.	100	6,851	5,024	
FPL Group Inc.	500	31,768	30,664	
Franklin Resources Inc.	100	10,376	7,772	
Freeport-Mcmoran Copper & Gold	100	9,472	2,973	
Gannett Inc.	400	17,354	3,889	
Gap Inc.	600	12,567	9,789	
General Dynamics Corporation	300	27,270	21,052	
General Electric Company	13000	412,807	256,141	

Pro-FTSE RAFI US Index Fund
Statement of Investment Portfolio
As at December 31, 2008

Security Name	No. of Shares	Average Cost (\$)	Market Value (\$)	% of Net Assets
General Mills Inc.	400	25,683	29,571	
General Motors Corporation	5800	117,060	22,545	
Genuine Parts Company	200	8,789	9,226	
Genworth Financial Inc.	800	19,749	2,749	
Goldman Sachs Group	500	78,170	51,415	
Goodrich Corporation	100	5,995	4,511	
Goodyear Tire & Rubber	200	5,378	1,452	
H&R Block Inc.	500	12,098	13,836	
H. J. Heinz Company	300	14,759	13,734	
Halliburton Company	700	24,072	15,481	
Hartford Financial Services Group Inc.	500	36,262	9,986	
Hcp, Incorporated	200	6,696	6,768	
Hertz Global Holdings Inc.	1200	13,273	7,326	
Hewlett-Packard Company	2000	95,540	88,341	
Home Depot Inc.	3500	97,767	98,175	
Honeywell International Inc.	700	36,094	27,968	
Host Hotels & Resorts Inc.	300	5,285	2,650	
Illinois Tool Works Inc.	500	23,203	21,348	
Ingersoll-Rand Company Limited	200	8,881	4,228	
Ingram Micro Inc. "A"	1000	18,321	16,279	
Intel Corporation	5100	111,347	90,543	
International Business Machines Corporation	900	108,570	92,272	
International Paper Company	800	30,469	11,493	
ITT Corporation	100	5,526	5,592	
Johnson & Johnson	2500	171,803	182,105	
Johnson Controls Inc.	700	24,379	15,473	
JPMorgan Chase & Company	6800	306,369	261,251	
KB Home	300	5,752	4,979	
KBR Incorporated	200	7,541	3,694	
Kellogg Company	200	10,332	10,681	
Kimberly-Clark Corporation	500	33,171	32,126	
Kimco Realty Corporation	200	7,386	4,440	
Kohl's Corporation	300	14,681	13,218	
Kraft Foods Inc.	2400	80,230	78,432	
Kroger Company	1600	48,312	51,469	
L-3 Communications Holdings Inc.	100	11,135	8,990	
Legg Mason Inc.	100	6,023	2,662	
Lennar Corporation	300	5,340	3,169	
Liberty Media-Capital Group	900	17,494	3,301	
Limited Brands Inc.	700	16,072	8,555	
Lincoln National Corporation	300	16,583	6,887	
Lockheed Martin Corporation	300	32,715	30,735	
Loews Corporation	600	24,158	20,639	
Lowe's Companies Inc.	1800	44,221	47,178	
Macy's, Inc.	700	16,923	8,828	
Manpower Inc.	100	8,427	4,136	
Marathon Oil Corporation	1000	45,988	33,228	
Marriott International	200	6,683	4,730	
Marsh & McLennan Companies Inc.	900	27,319	26,594	
Masco Corporation	700	16,500	9,485	
Mattel Inc.	300	5,855	5,841	
Mcdonald's Corporation	800	48,590	60,594	
Mcgraw-Hill Companies Inc.	200	7,550	5,647	
Mckesson Corporation	800	46,143	37,686	
Meadwestvaco Corporation	200	7,618	2,727	
Medco Health Solutions Inc.	700	32,577	35,747	
Medtronic, Inc.	500	25,909	19,137	
Merck & Company Inc.	2500	105,765	92,545	
Merrill Lynch & Company Inc.	2800	90,467	39,713	
Metlife Inc.	1000	56,879	42,465	
Microsoft Corporation	9500	279,472	224,917	
Mohawk Industries Inc.	100	7,626	5,202	
Monsanto Company	100	11,594	8,566	
Morgan Stanley	2300	92,461	44,925	
Motorola Inc.	3800	35,381	20,466	
National City Corporation	2100	31,092	4,606	
Nationwide Financial Services Inc.	200	12,151	12,721	
Newell Rubbermaid Inc.	300	6,170	3,568	

Pro-FTSE RAFI US Index Fund
Statement of Investment Portfolio
As at December 31, 2008

Security Name	No. of Shares	Average Cost (\$)	Market Value (\$)	% of Net Assets
Newmont Mining Corporation	200	9,654	9,919	
News Corporation	300	5,527	3,433	
News Corporation "A"	2800	44,862	31,013	
Nike Inc. "B"	300	19,844	18,632	
Nisource Inc.	600	12,567	8,006	
Norfolk Southern Corporation	300	19,068	17,199	
Northeast Utilities Inc.	200	5,309	5,859	
Northrop Grumman Corporation	500	36,719	27,441	
NRG Energy Inc.	200	8,730	5,649	
Nucor Corporation	200	15,411	11,257	
Occidental Petroleum Corporation	500	39,851	36,531	
Office Depot Inc.	600	12,377	2,171	
Omnicom Group Inc.	200	9,418	6,551	
ONEOK Incorporated	100	5,141	3,540	
Oracle Corporation	2400	51,632	51,265	
Paccar Inc.	500	21,270	17,297	
Parker-Hannifin Corporation	100	6,987	5,183	
Paychex Inc.	200	6,649	6,305	
Penney (J C) Company Inc.	400	16,092	9,597	
Pepco Holdings Inc.	500	11,033	10,814	
Pepsico Inc.	1000	70,591	66,713	
Pfizer Inc.	11200	257,906	241,692	
PG&E Corporation	700	27,685	32,967	
PHH Corporation	100	3,336	1,550	
Philip Morris International Inc.	3100	161,633	164,315	
Pinnacle West Capital Corporation	200	6,807	7,830	
Pitney Bowes Inc.	300	13,867	9,307	
Plum Creek Timber Company	200	8,640	8,466	
PPG Industries Inc.	200	15,631	10,333	
PPL Corporation	400	17,313	14,949	
Praxair Inc.	200	16,062	14,464	
Principal Financial Group Inc.	200	11,064	5,500	
Procter & Gamble Company	2500	178,080	188,258	
Progress Energy Inc.	700	33,516	33,990	
Progressive Corporation	700	13,135	12,624	
Prologis	100	6,156	1,690	
Prudential Financial Inc.	500	38,488	18,393	
Public Storage Inc.	100	9,313	9,686	
Public Svc Enterprise Group Inc.	600	23,801	21,312	
Pulte Homes Inc.	800	11,778	10,655	
Qualcomm Inc.	700	31,034	30,510	
R.R. Donnelley & Sons Company	300	11,818	4,961	
Raytheon Company	400	23,635	24,877	
Regal Entertainment Group "A"	200	4,472	2,476	
Reliant Energy Inc.	200	5,373	1,404	
Reynolds American Inc.	200	12,056	9,811	
Rite Aid Corporation	800	5,193	292	
Rockwell Automation Inc.	100	5,773	3,925	
Rohm & Haas Company	200	13,843	15,056	
Royal Caribbean Cruises	200	5,976	3,314	
Ryder System Inc.	100	5,592	4,725	
Safeway Inc.	900	29,570	26,067	
Sanmina-SCI Corporation	1000	3,718	548	
Sara Lee Corporation	1900	29,784	22,642	
SCANA Corporation	200	8,072	8,676	
Schering-Plough Corporation	1100	21,858	22,813	
Schlumberger Limited	300	27,969	15,474	
Seagate Technology	300	6,220	1,568	
Sears Holdings Corporation	200	27,347	9,390	
Sempra Energy	300	16,638	15,572	
Sherwin-Williams Company	100	5,318	7,256	
Simon Property Group Inc.	200	19,655	12,945	
SLM Corporation	400	6,496	4,333	
Southern Company	1300	49,808	58,515	
Southwest Airlines Company	800	11,174	8,393	
Spectra Energy Corporation	400	10,414	7,667	
Sprint Nextel Corporation	9900	73,715	22,076	
Staples Inc.	500	12,490	10,839	

Pro-FTSE RAFI US Index Fund
Statement of Investment Portfolio
As at December 31, 2008

Security Name	No. of Shares	Average Cost (\$)	Market Value (\$)	% of Net Assets
Starbucks Corporation	300	5,465	3,400	
Starwood Hotels & Resorts Worldwide Inc.	100	5,502	2,181	
State Street Corporation	200	15,888	9,582	
Sun Microsystems Inc.	400	6,057	1,857	
Suntrust Banks Inc.	600	44,998	21,597	
Supervalu Inc.	700	23,192	12,436	
Symantec Corporation	700	13,949	11,114	
SYSCO Corporation	900	30,479	25,157	
Target Corporation	800	43,584	33,640	
Tech Data Corporation	200	8,144	4,262	
Texas Instruments	800	21,706	15,119	
Textron Inc.	100	5,455	1,686	
Thermo Fisher Scientific Inc.	200	11,499	8,303	
Time Warner Inc.	6000	104,181	73,476	
TJX Companies	400	13,652	10,026	
Travelers Companies Inc.	1000	49,081	55,064	
TRW Automotive Holdings Corporation	200	6,792	855	
Tyco Electronics Limited	425	16,634	8,395	
Tyco International Limited	1025	48,017	26,915	
Tyson Foods Inc.	1000	20,728	10,674	
U.S. Bancorp	2600	88,007	79,234	
UAL Corporation	300	6,712	3,933	
Union Pacific Corporation	500	32,518	29,116	
United Parcel Service Inc.	1000	71,127	67,212	
United States Steel Corporation	100	14,839	4,533	
United Technologies Corporation	800	54,693	52,240	
Unitedhealth Group Inc.	800	26,363	25,871	
Unum Group	600	15,067	13,591	
UST Inc.	200	13,722	16,903	
Valero Energy Corporation	800	36,342	21,095	
Verizon Communications Inc.	6300	249,933	260,235	
VF Corporation	100	8,077	6,643	
Viacom Inc. "B"	200	8,169	4,645	
Vornado Realty Trust	200	18,510	14,702	
Wachovia Corporation	4700	104,724	31,670	
Walgreen Company	1000	36,822	30,048	
Wal-Mart Stores Inc.	4100	233,386	279,818	
Washington Mutual Inc.	7300	92,269	-	
Waste Management Inc.	700	27,253	28,233	
Wellpoint Inc.	700	33,728	35,926	
Wells Fargo & Company	5900	202,898	211,936	
Weyerhaeuser Company	400	28,228	14,880	
Whirlpool Corporation	100	8,956	5,036	
Williams Companies Inc.	400	13,173	7,058	
Wyeth	1300	55,812	59,418	
Wyndham Worldwide	300	5,940	2,394	
Xcel Energy Inc.	900	20,258	20,343	
Xerox Corporation	1600	23,493	15,519	
XL Capital Limited "A"	600	23,331	2,676	
YRC Worldwide Inc.	300	5,080	965	
Yum Brands Inc.	200	8,271	7,545	

Transaction costs (33,532)

Total Investments	11,944,848	9,229,906	98.3
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Net Assets:

Total investments	9,229,906	98.3
Cash and cash equivalents	93,230	1.0
Other net assets	63,051	0.7
	9,386,187	100.0

Pro FTSE RAFI US Index Fund
Notes to Statement of Investment Portfolio
As at December 31, 2008

Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Statement of Investments presents the securities held by the Fund as at December 31, 2008, and groups the securities by asset type, geographic region and/or market segment. Significant risks that are relevant to the Fund are discussed below.

The Manager seeks to minimize potential adverse effects of these risks on the Fund's performance by employing professional, experienced portfolio advisors, by daily monitoring of the Fund's positions and market events, and by diversifying the investment portfolio within the constraints of the investment objective. To assist in managing risk, the Manager also uses internal guidelines that identify the target exposures for each type of risk, maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy, internal guidelines, and securities regulations.

The investment portfolio mainly holds the constituent or equivalent securities of the FTSE RAFI US 1000 Index in similar proportion as they are reflected in the index.

Liquidity Risk

The Fund is exposed to daily cash redemptions of redeemable units. In accordance with securities regulations, the Fund must maintain at least 90% of its assets in liquid investments (i.e. investments that are traded in an active market and can be readily disposed). In addition, the Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity.

Currency Risk

Currency risk is the risk that financial instruments which are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The table below indicates the foreign currencies to which the Fund had a significant exposure as at period end in Canadian dollar terms.

Currency	Investments	% of Net Assets
United States Dollar	9,229,906	98.3

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund does not have a significant credit risk exposure as at December 31, 2008. The carrying amount of other assets represents their maximum credit risk exposure, as they will be settled in the short term. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Other Price Risk

Other price 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 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 maximum risk resulting from financial instruments is equivalent to their fair value.

For this Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2008, had the prices on the respective stock exchanges for these securities raised or lowered by 10%, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$922,991 (approximately 9.8% of total net assets). In practice, the actual trading results may differ and the difference could be material.

**Pro FTSE RAFI US Index Fund
For the year ended December 31, 2008**

NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF THE FUND

The Pro FTSE RAFI US Index Fund (the "Fund") is a mutual fund trust created under the laws of the Province of Ontario by Trust Indenture dated January 3, 2007. The Fund commenced operations on January 3, 2007. Pro-Financial Asset Management Inc. is the Trustee and Manager of the Fund.

The investment objective of the Fund is to track the performance of the FTSE RAFI US 1000 Index, net of expenses.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The following is a summary of significant accounting policies:

Adoption of new accounting standards:

Section 3862, Financial Instruments - Disclosures ("Section 3862"), and Section 3863, Financial Instruments - Presentation ("Section 3863"), have replaced Section 3861, Financial Instruments - Disclosure and Presentation ("Section 3861"). Section 3862 requires additional disclosure by the Fund pertaining to the nature and extent of risks arising from financial instruments to which the Fund is exposed and how the Fund manages those risks. Section 3863 carries forward unchanged the presentation requirements of Section 3861 with respect to financial instruments. Both Section 3862 and Section 3863 apply to interim and annual financial statements of the Fund beginning for the fiscal year commencing January 1, 2008. Refer to the Statement of Investment Portfolio for further details regarding risk management.

Future accounting change:

The Canadian Accounting Standards Board ("AcSB") has confirmed January 1, 2011 as the date International Financial Reporting Standards ("IFRS") will replace GAAP for publicly accountable enterprises, which includes investment funds. The Fund will adopt IFRS for its fiscal year beginning January 1, 2011.

Investments:

Section 3855, Financial Instruments - Recognition and Measurement ("Section 3855"), establishes standards for the fair valuation of investments as well as the accounting treatment of transaction costs. Section 3855 applies to fiscal years beginning on or after October 1, 2006.

Investments are deemed categorized as held-for-trading in accordance with Section 3855 and, therefore, recorded at fair value as follows:

Investments in securities listed on a recognized public stock exchange are valued at their closing bid prices on the valuation date. If no closing bid price can be ascertained or if the securities are not quoted on an exchange, they will be valued at fair value based on management's best estimate. The difference between market value and average cost is shown as unrealized appreciation (depreciation) of investments in the Statement of Operations. Average cost is used to calculate the gain or loss on investments sold. The average cost excludes transaction costs.

Transaction costs:

In accordance with Section 3855, transaction costs such as brokerage commissions and other portfolio transaction costs are included in transaction costs in the Statement of Operations. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment. Prior to the adoption of Section 3855, transaction costs were capitalized and included in the cost of purchases or proceeds from sale of investments. There is no impact to the net assets or transactional net assets of the Fund from the adoption of this section.

Cash and cash equivalents:

Cash and cash equivalents are comprised of cash on deposit and short-term debt instruments with terms to maturity of less than 90 days at acquisition. Cash and cash equivalents are deemed to be held for trading and, therefore, carried at fair value, which approximates their carrying amounts.

NOTES TO FINANCIAL STATEMENTS

Other assets and liabilities:

The fair value of other financial assets (loans and receivables) and financial liabilities approximate their carrying amounts. For the purpose of categorization in accordance with Section 3855, subscriptions receivable and dividends receivable are designated as loans and receivables and recorded at cost. Similarly, accrued liabilities are designated as other financial liabilities and recorded at cost.

Investment transactions and income recognition:

All investment transactions are accounted for on the trade date. Gains and losses from the sale of investments are calculated on an average cost basis. Interest income is accrued daily and dividend income is recognized on the record date.

Use of estimates:

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Net assets per unit:

The net assets per unit are computed by dividing the net assets attributable to a class of units on a business day by the total number of units of the class outstanding on that day.

Foreign currency translation:

Investments at market value and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rates of exchange applicable on the valuation dates. Investment transactions and income and expenses are translated at the rates of exchange on the dates of such transactions.

3. INCOME TAXES

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is not subject to tax on net income, including net realized capital gains, which is paid or payable to unitholders. It is the intention of the Fund to distribute sufficient net income and net realized capital gains so that the Fund will not be subject to income taxes after taking into account applicable capital gains tax refunds. Accordingly, no provision for income taxes has been made.

Net capital losses are available to be carried forward indefinitely and applied against future net realized capital gains. Non-capital losses may be carried forward up to 20 years to reduce future taxable income.

4. EXPENSES OF THE FUND

The Manager provides investment and administrative services to the Fund. In consideration for these services the Manager receives a fee:

Class A – 1.60% per annum
Class B – 1.80% per annum
Class F – 0.65% per annum

of the net asset value of the Fund calculated daily and payable daily in arrears. For the year ended December 31, 2008, the management fee amounted to \$115,408.

The Fund is responsible for the payment of all expenses relating to its operations and the carrying on of its business. All expenses in the Fund are payable by the Manager, other than legal fees, audit fees, custodial fees, directors' fees, securityholder reporting costs, marketing and printing costs, operating costs, transaction costs and taxes. At times, the Manager has paid a portion of the expenses otherwise payable by the Fund, and the rebate has been highlighted in the Statement of Operations.

**Pro FTSE RAFI US Index Fund
For the year ended December 31, 2008**

NOTES TO FINANCIAL STATEMENTS

The management expense ratio (MER) is calculated based on the total management expenses of the Fund as a percentage of the weighted average net assets of the Fund. The MER is inclusive of the GST in accordance with National Instrument 81-102. The Fund's MER was:

Class A – 2.01% per annum
Class B – 2.23% per annum
Class F – 1.00% per annum

for the period ended December 31, 2008.

5. NET ASSET VALUE

For investments that are traded in an active market where quoted prices are readily available, Section 3855 requires bid prices to be used in the fair valuation of investments, rather than the use of closing sale prices currently used for the purpose of determining transactional net assets. These changes account for the difference between transactional net assets and net assets.

	2008	2007
Class A	\$6.09	\$8.42
Class B	\$6.01	\$8.33
Class F	\$6.15	\$8.42

6. UNITHOLDERS' EQUITY

For each unit sold, the Fund receives an amount equal to the net asset value per unit at the next valuation date, which is included in unitholders' equity. Units are redeemable at the option of unitholders at their net asset value on the next valuation date following the redemption date. For each unit redeemed, unitholders' equity is reduced by the net asset value of the unit at the next valuation date after the redemption date.

7. CONTINGENT LIABILITY

Agreements between the individual members of the Funds' Independent Review Committee ("IRC") and the Trustee, on behalf of the Funds, provides for the indemnification of each IRC member by the Funds from and against liabilities and costs in respect of any action or suit against the member by reason of being or having been a member of the IRC, provided that the member acted honestly and in good faith with a view to the best interest of the Funds, or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, that they had reasonable grounds for believing that his/her conduct was lawful. No claims with respect to such occurrences have been made and, as such, no amount has been recorded in these financial statements with respect to these indemnifications.

8. COMPARATIVE FIGURES

Certain prior period comparative figures have been reclassified to conform to the current period's financial statement presentation.