

Pro FTSE RAFI Hong Kong China Index Fund

Semi-Annual Financial Statements

June 30, 2010

Management's Responsibility for Financial Reporting

The accompanying financial statements of the Fund (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 Fund are described in the notes to the financial statements.

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

On behalf of Pro-Financial Asset Management Inc.,
Manager of the Fund



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



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

August 27, 2010

Pro FTSE RAFI Hong Kong China Index Fund
Statement of Net Assets

	As at June 30, 2010 (unaudited)	As at December 31, 2009 (audited)
Assets		
Cash and cash equivalents	\$ 72,255	\$ 5,947
Subscriptions receivable	39,561	12,709
Dividends receivable	3,499	4,251
Investments in securities at market value	5,591,937	4,846,570
	5,707,252	4,869,477
Liabilities		
Accrued Liabilities	(52,484)	-
Distribution Payable - A	(2)	-
Distribution Payable - B	(1)	-
Distribution Payable - F	(151)	-
	(52,639)	-
Net assets - GAAP NAV (Note 2)	\$ 5,654,612	\$ 4,869,477
Units outstanding		
Series A	354,512	317,769
Series B	107,407	109,037
Series F	134,373	79,738
Total Units outstanding (Note 6)	596,292	506,544
Net asset value per unit - GAAP NAV (Note 2)		
Series A	\$ 9.46	\$ 9.59
Series B	\$ 9.43	\$ 9.57
Series F	\$ 9.59	\$ 9.74

See accompanying notes to financial statements

Approved by Pro-Financial Asset Management Inc.



Stuart McKinnon
Director



John Farrell
Director

Pro FTSE RAFI Hong Kong China Index Fund
Statement of Operations
For the period from January 1 to June 30 (unaudited)

	2010	2009
Investment Income		
Dividend income	\$ 95,790	\$ 53,484
Interest income	-	-
Total investment income	95,790	53,484
Expenses		
Management fees (Note 4)	37,150	21,711
Operating costs	14,947	4,385
Printing costs	511	927
Securityholder reporting costs	2,046	458
Audit fees	9,167	9,002
Legal fees	10,833	9,174
Custodial fees	3,756	2,021
Independent review committee fees	1,313	1,250
Total expenses	79,723	48,928
Less expenses absorbed by Manager (Note 4)	(32,147)	(17,160)
Net expenses	47,576	31,768
Net investment income (loss)	48,214	21,716
Realized and unrealized gain (loss) on investments		
Net realized gain (loss) on sale of investments	(9,443)	(141,696)
Net change in unrealized appreciation (depreciation) of investments	(83,154)	772,688
Transaction costs	(12,724)	(7,913)
Net gain (loss) on investments	(105,320)	623,079
Increase (decrease) in net assets from operations	\$ (57,106)	\$ 644,795
Increase (decrease) in net assets from operations per unit		
Series A	\$ (0.13)	\$ 1.80
Series B	\$ (0.14)	\$ 1.78
Series F	\$ (0.15)	\$ 1.86

Pro FTSE RAFI Hong Kong China Index Fund
Statement of Changes in Net Assets
For the period from January 1 to June 30 (unaudited)

	2010	2009
Net assets, beginning of period		
Series A	\$ 2,966,991	\$ 1,389,545
Series B	697,573	339,235
Series F	1,204,913	531,373
Net assets, beginning of period	4,869,477	2,260,153
Increase (decrease) in net assets from operations		
Series A	(33,951)	442,965
Series B	(10,286)	154,621
Series F	(12,870)	47,209
	(57,106)	644,795
Capital transactions		
Proceeds from issue of units		
Series A	922,758	1,287,533
Series B	478,873	121,158
Series F	331,620	141,946
	1,733,251	1,550,637
Redemption of units		
Series A	(503,018)	(736,074)
Series B	(153,493)	(81,632)
Series F	(234,345)	(94,691)
	(890,855)	(912,397)
Reinvested distributions		
Series A	(2)	-
Series B	(1)	-
Series F	(151)	-
	(154)	-
Increase (decrease) in net assets	785,135	1,283,035
Net assets, end of period		
Series A	3,352,779	2,383,969
Series B	1,012,666	533,382
Series F	1,289,167	625,837
Net assets, end of period - GAAP (Note 2)	\$ 5,654,612	\$ 3,543,188

Pro FTSE RAFI Hong Kong China Index Fund
Statement of Investment Portfolio
As at June 30, 2010 (unaudited)

Security Name	No. of Shares	Average Cost (\$)	Market Value (\$)	% of Net Assets
BANK OF EAST ASIA	34,020	130,987	131,843	
BOC HONG KONG HOLDINGS LTD	89,500	200,573	218,511	
CATHAY PACIFIC AIRWAYS	44,000	90,957	93,109	
CHEUNG KONG HOLDINGS LTD	28,000	385,657	346,015	
CHEUNG KONG INFRASTRUCTURE	4,000	15,447	15,748	
CHINA ZHONGWANG HOLDINGS LTD	32,800	32,157	22,239	
CHINESE ESTATES HOLDINGS LTD	9,500	16,215	17,947	
CLP HOLDINGS LTD	44,500	328,781	342,177	
COUNTRY GARDEN HOLDINGS CO	41,000	14,948	11,658	
ESPRIT HOLDINGS LTD	26,071	211,110	151,466	
FOSUN INTERNATIONAL	30,000	20,285	22,720	
FOXCONN INTERNATIONAL HLDGS	42,000	36,027	29,281	
GREAT EAGLE HOLDINGS LTD	12,000	33,025	32,414	
GUOCO GROUP LTD	5,000	55,428	51,946	
HANG LUNG GROUP LTD	15,000	76,777	85,711	
HANG LUNG PROPERTIES LTD	22,000	83,552	90,372	
HANG SENG BANK LTD	14,800	225,858	211,016	
HENDERSON LAND DEVELOPMENT	18,672	128,931	117,158	
HONG KONG + CHINA GAS	52,060	114,402	137,350	
HONGKONG ELECTRIC HOLDINGS	29,000	173,469	183,349	
HONGKONG LAND HOLDINGS LTD	30,000	129,746	167,339	
HUTCHISON WHAMPOA LTD	97,000	790,118	639,790	
JARDINE MATHESON HLDGS LTD	4,800	153,790	203,975	
JARDINE STRATEGIC HLDGS LTD	3,000	48,979	75,047	
KERRY PROPERTIES LTD	12,000	57,337	55,446	
KINGBOARD CHEMICALS HOLDINGS	12,000	59,655	55,446	
LENOVO GROUP LTD	138,000	72,518	79,609	
LI + FUNG LTD	24,000	102,349	115,156	
LINK REIT	34,000	83,166	90,074	
MTR CORP	21,033	71,622	76,624	
NEW WORLD DEVELOPMENT	71,836	141,430	125,303	
NWS HOLDINGS LTD	16,000	30,626	30,665	
ORIENT OVERSEAS INTL LTD	10,000	56,059	76,142	
PCCW LTD	391,000	131,748	121,865	
SEMICONDUCTOR MANUFACT ADR	11,700	40,637	40,478	
SHANGRI LA ASIA LTD	26,000	46,640	51,820	
SINO LAND CO	40,000	71,071	76,552	
SJM HOLDINGS LTD	68,000	27,358	60,979	
SUN HUNG KAI PROPERTIES	31,000	452,929	454,281	
SWIRE PACIFIC LTD A	31,500	368,666	381,731	
TINGYI (CAYMAN ISLN) HLDG CO	12,000	30,437	31,496	
TPV TECHNOLOGY LTD	92,000	63,599	58,606	
WHARF HOLDINGS LTD	24,000	116,137	125,163	
WHEELLOCK + CO LTD	16,000	48,776	48,118	
YUE YUEN INDUSTRIAL HLDG	11,500	35,556	38,201	

Transaction costs (22,185)

Total Investments	5,583,351	5,591,937	98.9
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Net Assets (GAAP NAV):

Total investments	5,591,937	98.9
Cash and cash equivalents	72,255	1.3
Other net assets (liabilities)	(9,580)	(0.2)
	5,654,612	100.0

Pro FTSE RAFI Hong Kong China Index Fund
Notes to Statement of Investment Portfolio
As at June 30, 2010 (unaudited)

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 June 30, 2010, and groups the securities by asset type and geographic region. 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 Hong Kong China 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 sold). 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
Hong Kong Dollar	5,105,097	90.3
United States Dollar	486,839	8.6
Total	5,591,936	98.9

As at June 30, 2010, if the Canadian dollar had strengthened or weakened by 5% in relation to all currencies, with all other variables held constant, Net Assets would have decreased or increased, respectively, by approximately \$242,000.

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 June 30, 2010. 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 June 30, 2010, 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 \$559,193 (approximately 9.9% of total net assets). In practice, the actual trading results may differ and the difference could be material.

NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF THE FUND

The Pro FTSE RAFI Hong Kong China 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 Hong Kong China Index, net of expenses.

2. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies used in preparing the semi-annual financial statements are consistent with those used in preparing the annual financial statements. The semi-annual financial statements should be read in conjunction with the most recent annual financial statements. These financial statements are prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"), which require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses during the reporting period. Actual results could differ from these estimates. The following is a summary of significant accounting policies followed by the Fund:

Investments:

Investments are deemed categorized as held-for-trading in accordance with Section 3855, Financial Instruments - Recognition and Measurement ("Section 3855") and, therefore, recorded at fair value as follows:

For financial reporting purposes under GAAP, 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.

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 series of units on a business day by the total number of units of the series 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 in arrears.

The Fund is responsible for the payment of all expenses relating to its operations and the carrying on of its business. These expenses include, but are not limited to, administration and accounting costs, the costs of any back-office service provider retained by the Manager, transaction costs, audit and legal fees, custodial fees, index licensing fees, regulatory filing fees, the costs of preparing and distributing annual and semi-annual financial statements, prospectuses, unitholder reports and investor communications. At times, the Manager has paid a portion of the expenses otherwise payable by the Fund.

NOTES TO FINANCIAL STATEMENTS

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.

	June 30, 2010		December 31, 2009	
	Net assets per unit (GAAP NAV)	Net asset value per unit (Transactional NAV)	Net assets per unit (GAAP NAV)	Net asset value per unit (Transactional NAV)
Class A	\$9.46	\$9.42	\$9.59	\$9.60
Class B	\$9.43	\$9.40	\$9.57	\$9.59
Class F	\$9.59	\$9.56	\$9.74	\$9.75

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. FUTURE ACCOUNTING STANDARDS

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.

At June 30, 2010, the Manager is developing a transition plan to meet the timetable published by the CICA for changeover to IFRS. The key elements of the plan include disclosures of the qualitative and quantitative impact, if any, in the December 31, 2010 annual financial statements and the preparation of the December 31, 2011 annual financial statements in accordance with IFRS with comparatives. The Manager currently believes that there will be no impact to the net assets or the net asset value per unit of the Fund from the changeover to IFRS. The impact of IFRS on accounting policies and implementation decisions is anticipated currently to be in the areas of additional disclosure in the financial statements and potentially different presentation of unitholder interests and certain other items.