



# CAUSEWAY FUNDS

AS OF JUNE 30, 2010

# EMERGING MARKETS FUND

INSTITUTIONAL CLASS

## ABOUT THE ADVISER

Causeway Capital Management LLC is an investment management firm which began operations in June 2001. Causeway has \$9.0 billion in global and international equity assets under management, and has 45 employees, 14 of whom are investment professionals.

ARJUN JAYARAMAN, PhD, CFA  
Head of Quantitative Research,  
Portfolio Manager

Dr. Jayaraman joined the firm in January 2006 and is head of the quantitative research group at Causeway. He has been co-portfolio manager of Causeway Emerging Markets Fund since March 2007. Dr. Jayaraman has a PhD from New York University (Stern School of Business), has a BA in Economics from Columbia University, and is a CFA charterholder.

MACDUFF KUHNERT, CFA  
Director,  
Portfolio Manager

Mr. Kuhnert performs quantitative research for Causeway. His responsibilities include product development, asset allocation, risk management, and the design and implementation of proprietary valuation models and other quantitative tools. He joined the firm in July 2001 and has been a co-portfolio manager of Causeway Emerging Markets Fund since March 2007. Mr. Kuhnert has a BA in Chemistry from Dartmouth College. He is a CFA charterholder and member of the Los Angeles Society of Financial Analysts.

## INVESTMENT OBJECTIVE

The Fund's investment objective is to seek long-term growth of capital.

The Fund normally invests at least 80% of its total assets in equity securities of companies located in emerging (less developed) markets and other investments that are tied economically to emerging markets.

## FUND FEATURES

- Actively managed, tracking-error oriented, quantitative strategy
- Combines bottom-up and top-down factors in security selection
- Supports strict risk controls in stock selection process
- Provides diversification benefits to a developed markets portfolio
- Adviser is majority-owned by its employees

## FUND STATISTICS

Fund Inception	March 29, 2007
CUSIP	149498107
Ticker	CEMIX
Minimum Initial Investment	\$1 Million
Maximum Sales Charge	None
Net Expenses	1.36%*
Gross Expenses	1.89%
Redemption Fee	2.00%**
Net Assets	\$19,404,127

\* Contractual fee waivers are in effect until 1/31/2011.

\*\* On shares held less than 60 days. If your account incurred a redemption fee, your performance will be lower than the performance quoted.

## TOTAL RETURNS - AS OF 06/30/2010

	Current Quarter	Year To Date	1 Year	3 Year	Since Inception
Institutional Class	-7.59%	-5.52%	27.69%	-3.57%	0.82%
MSCI Emerging Markets Index (Gross)	-8.29%	-6.04%	23.48%	-2.22%	2.42%

*The performance data quoted herein represents past performance. Past performance is not a guarantee of future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth less than their original cost, and current performance may be lower than the performance quoted. For performance data current to the most recent month end, please call 1.866.947.7000.*

*Returns greater than one year are annualized. Total returns assume reinvestment of dividends and capital gains distributions at net asset value when paid. Investment performance reflects contractual fee waivers. In the absence of such fee waivers, total return would be reduced.*

*The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The Index is gross of withholding taxes, assumes reinvestment of dividends and capital gains, and assumes no management, custody, transaction or other expenses. It is not possible to invest directly in an index.*

## MARKET COMMENTARY

Causeway Emerging Markets Fund (the "Fund") outperformed the MSCI Emerging Markets Index ("EM Index"), which posted negative performance of -8.29% during the quarter. In our investment process, we use a combination of bottom-up and top-down quantitative factors in order to perform security selection. The Fund's exposure to our bottom-up factors added to relative performance. All three factor groups added value, with our technical factors adding the most, followed by our earnings growth factors and then by our value factors. From a country perspective, stock selection within Brazil contributed the most to the Fund's return relative to the EM Index. The largest contributor to active performance was an overweight to Companhia de Saneamento Basico do Estado de Sao Paulo, a water utility, which announced better than expected quarterly earnings. Another notable contributor to relative outperformance was stock selection within Thailand. The main contribution came from Charoen Pokphand Foods PCL, a farming and food production company, which performed well after reporting a fourfold rise in first-quarter profit. The Fund benefited from its holding in the South African general merchandise, food, and liquor distributor and retailer, Massmart Holdings Limited, which outperformed the EM Index after the Company announced favorable guidance for operating profits in the second half of 2010. The Company has also been the subject of takeover speculation, with Wal-Mart Stores Inc. mentioned as a potential suitor. Stock selection within India hurt relative Fund performance. The most negative contribution came from holding the integrated aluminum manufacturing company Hindalco Industries Limited. The stock underperformed the EM Index due to fears that a slowdown in Chinese growth would negatively impact the demand for commodities. The portfolio also had negative stock selection in China, mainly due to an overweight in the auto manufacturing company, Dongfeng Motor Group Company Limited. The Company was adversely impacted by fears that China would end a tax break for small, fuel-efficient cars. Stock selection within Poland adversely impacted the Fund, due to our holding of the copper and silver mining stock, KGHM Polska Miedz S.A., which, like Hindalco, fell on fears of slowing Chinese growth.

*\*Weights as of 6/30/10: Companhia de Saneamento Basico do Estado de Sao Paulo (2.2%), Charoen Pokphand Foods PCL (1.5%), Massmart Holdings Limited (0.8%), Hindalco Industries Limited (1.8%), Dongfeng Motor Group Company Limited (0.8%), KGHM Polska Miedz S.A. (1.4%). Holdings are subject to change; additionally current and future holdings are subject to risk.*

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## TOP TEN HOLDINGS

Samsung Electronics	South Korea	3.0%
China Mobile Ltd	China	2.8%
Lukoil OAO	Russia	2.7%
Vale SA	Brazil	2.8%
China Construction Bank	China	2.5%
China Petroleum & Chemical	China	2.5%
Bank of China Ltd.	China	2.5%
Gazprom OAO - GDR	Russia	2.3%
Cia de Saneamento Basico do Estado de Sao Paulo	Brazil	2.2%
Astra International TBK PT	Indonesia	1.8%

*Holdings are subject to change. Exchange Traded Funds are excluded from Top Ten Holdings.*

## TOP TEN COUNTRIES

China	18.3%
South Korea	14.8%
Brazil	14.3%
Taiwan	11.8%
India	8.1%
Russia	7.0%
South Africa	5.1%
Indonesia	4.9%
Mexico	4.1%
Malaysia	3.1%

## TOP TEN INDUSTRIES

Energy	15.3%
Banks	12.4%
Materials	11.6%
Technology Hardware & Equipment	8.3%
Telecommunication Services	7.9%
Utilities	6.3%
Real Estate	5.7%
Capital Goods	4.8%
Semiconductors & Semi Equipment	4.7%
Automobiles & Components	4.6%

*Exchange Traded Funds are excluded from Top Ten Countries and Top Ten Industries.*

***This information must be preceded or accompanied by the current prospectus for Causeway Emerging Markets Fund. Please read the prospectus carefully before you invest or send money. To obtain additional information including charges, expenses, investment objectives, or risk factors, or to open an account, call 1.866.947.7000, or visit us online at [www.causewayfunds.com](http://www.causewayfunds.com).***

*Mutual fund investing involves risk, including possible loss of principal. In addition to the normal risks associated with equity investing, international investing may involve risk of capital loss from unfavorable fluctuations in currency values, from differences in generally accepted accounting principles, or from economic or political instability in other nations. Emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. Current and future holdings are subject to risk.*

*The market commentary expresses the portfolio managers' views as of the date hereof, and should not be relied on by the reader as research or investment advice regarding any stock. These views are subject to change. There is no guarantee that any forecasts made will come to pass. Holdings and country and industry allocations are subject to change.*

*Causeway Capital Management LLC serves as investment adviser for Causeway Emerging Markets Fund. The Fund is distributed by SEI Investments Distribution Co., which is not affiliated with Causeway Capital Management LLC.*