

# Cullen Funds Trust

Cullen International High Dividend Fund

ANNUAL REPORT

June 30, 2009



# CULLEN INTERNATIONAL HIGH DIVIDEND FUND

August 28, 2009

Dear Shareholder:

For the twelve months ended June 30, 2009, the Cullen International High Dividend Fund's Retail Class (the "Fund") performance was -36.68% versus -30.96% for the MSCI EAFE Index ("MSCI EAFE").

## **Portfolio Review**

From a sector allocation perspective, the fund's relative performance was negatively impacted by our underweight allocations to Health Care and Consumer Discretionary and our overweight allocations to Energy. Contrarily, our overweight allocations to Consumer Staples and Telecom and our underweight allocations to Materials, Financials, and Industrials aided relative performance. While the exposure to more defensive sectors such as Consumer Staples and Telecom aided performance over the period when markets declined significantly, this same exposure has hurt relative performance more recently as global markets have made marked advances.

From a country allocation perspective, the Fund's relative performance was negatively impacted by our underweight allocations to Japan and Switzerland and our overweight allocations to Brazil, South Korea, and Canada. Contrarily, our overweight allocations to Singapore, China, and Sweden and our underweight allocations to Belgium, Austria, Norway, and Ireland aided relative performance. Further, while our exposure to equities in traditionally higher yielding markets such as United Kingdom and Australia performed well in local currency terms, the poor performance of the currencies of these markets in the second half of 2008 hurt relative performance.

Currency exposure was a major headwind to the performance of the Fund and the Index during the period. Foreign currency translation swings hurt the Index's performance by 5.9% and we estimate the fund's performance was negatively impacted by even more. During the second half of 2008, investors favored major global currencies such as the U.S. Dollar, Japanese Yen and Swiss Franc which have historically performed best during periods of heightened risk and benefit when parties close currency positions associated with carry-trades.\* For example, the Japanese Yen appreciated approximately 17.2% against the U.S. Dollar during the period. This factor had a meaningful impact on relative performance since Japan has an average weight of 24% in the MSCI EAFE whereas the Fund had an average weight of 4% during the year. We continue to be underweight Japanese stocks relative to the index as companies in this market generally provide unattractive dividend yields.

Portfolio turnover during the period was 124% versus 169% a year ago. The portfolio turnover was higher than what we anticipate it should be over the long term given the relatively small asset base and significant number of fund share purchases and sales over the period. Additionally, the significant change in the economic environment over the period and the resulting impact on the dividend policies of companies globally

necessitated an abnormally high number of changes to the portfolio in order to preserve our goal of attaining a high absolute dividend yield and sustainable long term dividend growth.

Our top five country exposures at the end of the year were to United Kingdom, Germany, Switzerland, France, and Taiwan. Developed Market Exposure increased 5.0% during the period to 72.8% while Emerging Market exposure decreased and ended the period at 27.2%.

### **Outlook**

We have long maintained the opinion that the most important thing about bear markets as they relate to recessions is that the stock market usually turns up long before the recession ends and often while headline news is at its worst. At the February 2009 lows, the MSCI EAFE was down over 60% from its October 2007 highs, corporate earnings were projected to be down significantly from estimates of a year ago, and the economic news just seemed to be getting worse as the recession wore on. From our perspective, as investors that adhere to a strict valuation discipline and 5-year time horizon, the best time to invest is when earnings are down and the market is at multi-year lows, as historically that's when we have seen the best 5-year returns for value investors. According to our research, in the 5-year periods following the 1973-1974 and 1981 recessions, the 100 stocks at the beginning of each year with the lowest P/E ratios in the S&P 500 returned 26.5% annualized and 34.3% annualized, respectively. While historical international equity data is not as robust as U.S. equity data, historical trends have been similar as in the U.S. due to the correlated nature of global equity markets and the dominating contribution of the U.S. to the global economy and stock markets.

In the U.S., the same trend even held true after the Great Depression of the 1930's. By the middle of 1932, the market was down 85%, and the market started a major rally in the face of continuing bad economic news. In fact, the economy continued to worsen, corporate earnings deteriorated, and unemployment continued to rise while the market rallied. And, once the first major market rally occurred, it broke the back of the bear market and set the stage for a 5-year recovery where the S&P 500 returned 350%. The historical data suggests that once a bear market has run its course and you see an initial rally, the market can begin to recover even if the recession is not completely over. Further supporting the recovery is the sizable amount of cash currently invested in savings deposits and money market funds giving investors low rates of return worldwide. These factors make the risk/reward for equities look appealing from our perspective.

The recovery period may not be completely smooth, as after all major market drops, the market struggles with conflicting economic news during the initial phases of the recovery. However, the period of early recovery is a key time for investors to re-enter the market, provided they use a strict price discipline and 5-year time horizon. The global market rally that began in March was typical of the first major rally in a new bull market, where short covering becomes a dominant force and low quality stocks lead the rally. The

March-April 2009 rally was no exception; the companies that outperformed were those with unfavorable credit ratings, no relative earnings, and no dividend--most notably Financial, Materials, and Consumer Discretionary companies. However, as market rallies continue, historically they broaden out, which is what we've seen since May 2009 when the rally began to include Energy, Healthcare, Telecom, and Consumer Staples companies. This has positive implications for the sustainability of the recovery, as companies with stronger fundamentals are beginning to participate in the market appreciation.

In the second half of 2008, portfolio selection focused on assuring the sustainability of portfolio dividend yield and growth as it became clear that the weakening economic environment would cause an unprecedented number of dividend cuts globally. Because we became concerned of this trend early on, we have been successful in defending portfolio dividend yield and growth and are optimistic that we can produce dividend growth in 2009 versus 2008. This is despite the preponderance of dividend cuts seen globally in 2009 which will cause a significant decline in annual income for major market indices such as MSCI EAFE and S&P 500 over the same period. We believe that not only will 2009 dividend growth preserve our historical trend of above average dividend growth, but the conservative decision making processes companies took earlier this year in setting 2009 dividend levels accompanied by the improving economic and earnings environment should set the stage for above average dividend growth over the next several years.

As we gained confidence in the sustainability of portfolio yield, in the 1st quarter of 2009 we used the opportunity provided by the steep sell off in global stocks to upgrade portfolio exposure by buying shares in companies whose businesses we had always liked, but whose valuations had only recently become quite compelling. This has allowed us to build what we consider our highest quality portfolio since inception. The majority of our companies are among the best operators globally within their respective industries and their positioning is highlighted by leading market shares, competitive advantages, high levels of profitability and long-standing histories of operational excellence. These additions to the portfolio complement our long-standing predilection for global industrial, consumer goods, telecom, energy and healthcare companies with predictable and stable cash flows, high dividend yields, sustainable dividend growth, strong balance sheets and attractive valuations. As a result of this exposure, the portfolio has benefited from the recent broadening of the market rally and is well-positioned to take advantage of a sustained recovery. As the bear market continues to show signs of coming to an end and as the clarity of future dividend streams improves for more companies globally, we are likely to buy more cyclical names thereby positioning the portfolio for a possible recovery.

We are seeing signs of recovery in many of the world's economies and stock markets as the markets rally have gained strength and the economic data points have started to show improvement. Money market funds and savings deposits investors are becoming less risk

averse given their recent level of withdrawals. And, although money market fund assets as a percentage of global stock market capitalization are down from March 2009 highs, they are still significantly higher than the long-term average, signaling that investors still have cash on the sidelines that could further fuel the recovery. While we cannot predict future volatility, one thing we are comfortable with is that after the 50-60% decline in stock prices we had seen at the February 2009 lows, the next 5 years could be very rewarding for equity investors, especially for those that adhere to a strict valuation discipline.

### Summary

We have been studying the market's behavior for 40 years, and our studies continuously remind us that the stock market can be volatile in the short term. 2008-2009 was clearly a volatile and difficult period. However, we have always believed and advocated that if one uses a consistent valuation discipline, doesn't react to headline news, and invests for the long term (i.e. 5 years), an investor has a good chance of achieving above-average results. This belief has not changed.



James P. Cullen  
President/Portfolio Manager



Rahul Sharma  
Vice President/Portfolio Manager

## CULLEN INTERNATIONAL HIGH DIVIDEND FUND

\* *Carry trades refer to transactions in which investors borrow in low yielding currencies and sell these borrowed currencies to purchase other currencies that historically have provided better yields*

The above outlook reflects the opinions of the authors, is subject to change, is not guaranteed, and should not be considered investment advice.

**Past performance does not guarantee future results. Mutual fund investing involves risk. Principal loss is possible. Foreign investments involve additional risks, which include currency exchange-rate fluctuations, political and economic instability, differences in financial reporting standards, and less-strict regulation of securities markets.**

Price to Earnings Ratio (P/E) is a common tool for comparing the prices of different common stocks and is calculated by dividing the current market price of a stock by the trailing 12-month earnings per share. Cash flow measures equals cash inflows minus cash outflows during a period.

The MSCI EAFE Index is an unmanaged index of common stocks in Europe, Australia, Asia and the Far East. It is not possible to invest directly in an index.

Fund holdings and/or sector allocations are subject to change and are not recommendations to buy or sell any security. Please refer to the Schedule of Investments in the report for complete fund holdings information.

*Current and future portfolio holdings are subject to risk.*

Investment performance reflects fee waivers. In the absence of such waivers, total returns would be reduced.

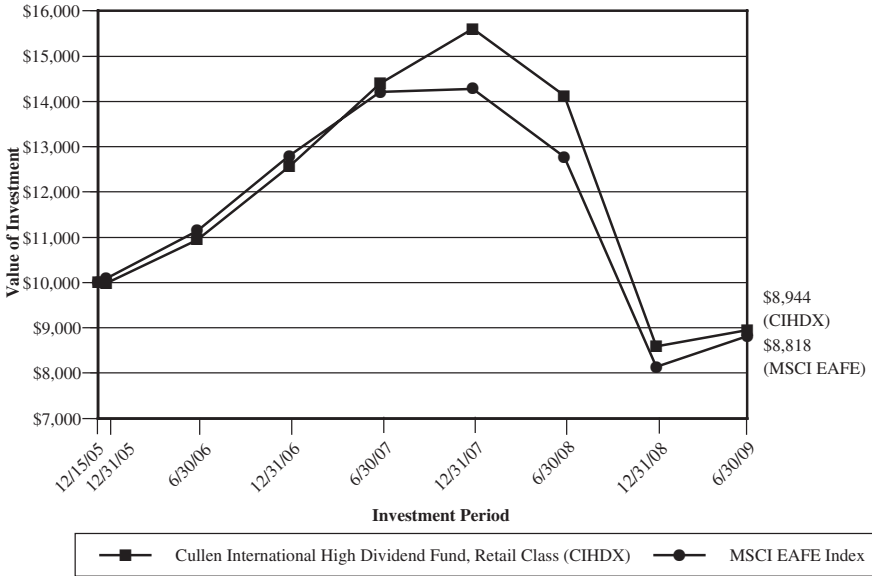
**Must be accompanied or preceded by a current prospectus.**

The Cullen International High Dividend Fund is distributed by ALPS Distributors, Inc. (8/09)

# CULLEN INTERNATIONAL HIGH DIVIDEND FUND

## FUND PERFORMANCE

### RETAIL CLASS



### Total Return as of June 30, 2009

	One Year	Annualized Since Inception (12/15/05)
Cullen International High Dividend Fund, Retail Class	(36.68)%	(3.10)%
MSCI EAFE Index	(30.96)%	(3.49)%

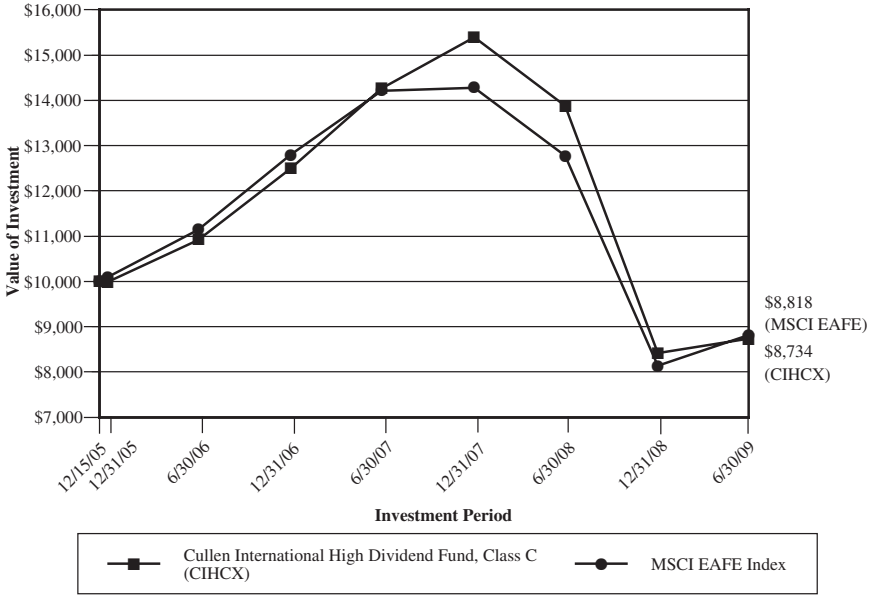
The MSCI EAFE Index is an unmanaged index of common stocks in Europe, Australia, Asia and the Far East.

This chart assumes an initial gross investment of \$10,000 made on 12/15/05 (commencement of operations). Returns shown include the reinvestment of all dividends but do not reflect the deduction of taxes that you may pay on fund distributions or redemption of shares.

**Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting [www.cullenfunds.com](http://www.cullenfunds.com).**

# CULLEN INTERNATIONAL HIGH DIVIDEND FUND

## CLASS C



### Total Return as of June 30, 2009

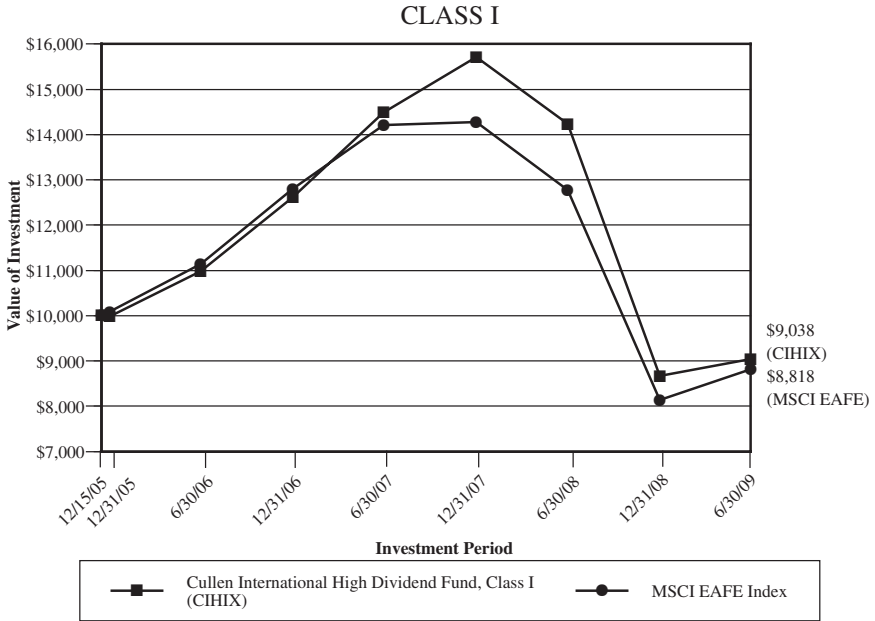
	One Year	Annualized Since Inception (12/15/05)
Cullen International High Dividend Fund, Class C	(37.06)%	(3.75)%
MSCI EAFE Index	(30.96)%	(3.49)%

The MSCI EAFE Index is an unmanaged index of common stocks in Europe, Australia, Asia and the Far East.

This chart assumes an initial gross investment of \$10,000 made on 12/15/05 (commencement of operations). Returns shown include the reinvestment of all dividends but do not reflect the deduction of taxes that you may pay on fund distributions or redemption of shares.

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# CULLEN INTERNATIONAL HIGH DIVIDEND FUND



## Total Return as of June 30, 2009

	<u>One Year</u>	<u>Annualized Since Inception (12/15/05)</u>
Cullen International High Dividend Fund, Class I	(36.53)%	(2.80)%
MSCI EAFE Index	(30.96)%	(3.49)%

The MSCI EAFE Index is an unmanaged index of common stocks in Europe, Australia, Asia and the Far East.

This chart assumes an initial gross investment of \$10,000 made on 12/15/05 (commencement of operations). Returns shown include the reinvestment of all dividends but do not reflect the deduction of taxes that you may pay on fund distributions or redemption of shares.

**Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting [www.cullenfunds.com](http://www.cullenfunds.com).**

# CULLEN INTERNATIONAL HIGH DIVIDEND FUND

## STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2009

**Assets:**

Investments, at value (cost of \$64,250,891)	\$ 67,695,044
Foreign currencies, at value (cost of \$320,469)	367,295
Receivable for securities sold	144,335
Receivable for fund shares sold	464,087
Dividends and interest receivable	405,470
Prepaid expenses and other assets	56,026
Total assets	69,132,257

**Liabilities:**

Payable for securities purchased	140,445
Payable for fund shares purchased	1,823
Investment advisor fees payable	30,264
Distribution fees payable	17,309
Accrued administration expense	13,732
Accrued audit expense	36,322
Accrued fund accounting expense	10,492
Accrued transfer agent expense	15,981
Accrued expenses and other liabilities	21,701
Total liabilities	288,069

**Net assets**

\$ 68,844,188

**Net assets consist of:**

Paid in capital	\$ 94,779,603
Accumulated net investment income (loss)	73,997
Accumulated net realized gain (loss) on investments and foreign currency related transactions	(29,457,311)
Net unrealized appreciation (depreciation) on investments and foreign currency related transactions	3,447,899

**Net assets**

\$ 68,844,188

**Retail Class:**

Net assets applicable to outstanding Retail Class shares	\$ 56,225,296
Shares issued (Unlimited number of beneficial interest authorized, \$0.001 par value)	7,268,412

**Net asset value, offering price and redemption price per share**

\$ 7.74

**Class C:**

Net assets applicable to outstanding Class C shares	\$ 2,042,250
Shares issued (Unlimited number of beneficial interest authorized, \$0.001 par value)	264,476

**Net asset value, offering price and redemption price per share**

\$ 7.72

**Class I:**

Net assets applicable to outstanding Class I shares	\$ 10,576,642
Shares issued (Unlimited number of beneficial interest authorized, \$0.001 par value)	1,363,199

**Net asset value, offering price and redemption price per share**

\$ 7.76

The accompanying notes are an integral part of these financial statements.

# CULLEN INTERNATIONAL HIGH DIVIDEND FUND

## STATEMENT OF OPERATIONS Year Ended June 30, 2009

**Investment income:**

Dividends (net of foreign taxes withheld of \$270,673)	\$ 2,786,326
Interest	51
	2,786,377

**Expenses:**

Investment advisory fees (Note 5)	561,600
Administration fees	81,689
Custody fees (Note 5)	55,814
Shareholder servicing fees	87,247
Fund accounting fees	62,900
Registration and filing fees	47,907
Professional fees	37,853
Shareholder reports	16,502
Trustees' fees and expenses	24,000
Distribution fees (Note 6)	
Distribution fees - Retail Class	103,418
Distribution fees - Class C	19,636
Other expenses	1,576
	1,100,142
Total expenses before reimbursement from Adviser	1,100,142
Expense reimbursement from Adviser	(415,488)
	684,654
Net expenses	684,654
<b>Net investment income</b>	<b>2,101,723</b>

**Realized and unrealized gain (loss) on investments:**

Net realized gain (loss) on:	
Investments	(25,208,934)
Foreign currency related transactions	(54,995)
Net change in unrealized gain (loss) on:	
Investments	1,776,759
Foreign currency related transactions	6,250
	(23,480,920)
<b>Net realized and unrealized gain (loss) on investments</b>	<b>(23,480,920)</b>
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$(21,379,197)</b>

The accompanying notes are an integral part of these financial statements.

# CULLEN INTERNATIONAL HIGH DIVIDEND FUND

## STATEMENT OF CHANGES IN NET ASSETS

	<u>Year Ended</u> <u>June 30, 2009</u>	<u>Year Ended</u> <u>June 30, 2008</u>
<b>Operations:</b>		
Net investment income	\$ 2,101,723	\$ 1,478,874
Net realized gain (loss) on investments and foreign currency related transactions	(25,263,929)	(3,201,388)
Net change in unrealized gain (loss) on investments and foreign currency related transactions	<u>1,783,009</u>	<u>(1,466,107)</u>
Net increase (decrease) in net assets resulting from operations	<u>(21,379,197)</u>	<u>(3,188,621)</u>
<b>Capital Share Transactions:</b>		
Proceeds from shares sold		
Retail Class shares	68,305,605	52,707,803
Class C shares	853,685	1,717,673
Class I shares	5,492,377	13,483,524
Proceeds from shares issued to holders in reinvestment of dividends		
Retail Class shares	1,559,182	1,806,699
Class C shares	39,059	131,136
Class I shares	412,666	1,409,749
Cost of shares redeemed		
Retail Class shares	(41,588,109)	(28,668,685)
Class C shares	(384,687)	(206,532)
Class I shares	<u>(7,648,816)</u>	<u>(1,851,842)</u>
Net increase in net assets from capital share transactions	<u>27,040,962</u>	<u>40,529,525</u>
<b>Distributions to Shareholders From:</b>		
Net investment income		
Retail Class	(1,583,224)	(895,517)
Class C	(52,985)	(43,411)
Class I	(441,118)	(582,571)
Net realized gains		
Retail Class	—	(996,117)
Class C	—	(102,849)
Class I	—	(957,296)
Total distributions	<u>(2,077,327)</u>	<u>(3,577,761)</u>
<b>Total net increase (decrease) in net assets</b>	<b>3,584,438</b>	<b>33,763,143</b>
<b>Net Assets:</b>		
Beginning of year	<u>65,259,750</u>	<u>31,496,607</u>
End of year (includes \$73,997 and (\$5,297) of undistributed net investment income (loss), respectively)	<u>\$ 68,844,188</u>	<u>\$ 65,259,750</u>

The accompanying notes are an integral part of these financial statements.

# CULLEN INTERNATIONAL HIGH DIVIDEND FUND

## FINANCIAL HIGHLIGHTS

	Retail Class			
	Year Ended June 30,			December 15, 2005 <sup>+</sup>
	2009	2008	2007	to June 30, 2006
<b>Net Asset Value -</b>				
<b>Beginning of Period</b>	<u>\$12.64</u>	<u>\$13.89</u>	<u>\$10.82</u>	<u>\$10.00</u>
<b>Income from</b>				
<b>Investment Operations:</b>				
Net investment income	0.29	0.37	0.28	0.13
Net realized and unrealized gain (loss) on investments	<u>(4.91)</u>	<u>(0.56)</u>	<u>3.10</u>	<u>0.82</u>
Total from investment operations	<u>(4.62)</u>	<u>(0.19)</u>	<u>3.38</u>	<u>0.95</u>
<b>Less Distributions:</b>				
Dividends from net investment income	(0.28)	(0.35)	(0.31)	(0.13)
Distributions from net realized gains	<u>—</u>	<u>(0.71)</u>	<u>—</u>	<u>—</u>
Total distributions	<u>(0.28)</u>	<u>(1.06)</u>	<u>(0.31)</u>	<u>(0.13)</u>
<b>Net Asset Value - End of Period</b>	<u>\$ 7.74</u>	<u>\$12.64</u>	<u>\$13.89</u>	<u>\$10.82</u>
<b>Total Return</b>	(36.68%)	(1.92%)	31.56%	9.47%(1)
<b>Ratios and Supplemental Data:</b>				
Net assets,				
end of period (thousands)	\$56,225	\$40,707	\$18,992	\$4,966
Ratio of expenses to average net assets:				
Before expense reimbursement	1.99%	2.16%	3.48%	8.36%(2)
After expense reimbursement	1.25%	1.25%	1.25%	1.25%(2)
Ratio of net investment income to average net assets:				
Before expense reimbursement	2.97%	1.92%	0.81%	(3.45%)(2)
After expense reimbursement	3.71%	2.83%	3.04%	3.66%(2)
Portfolio turnover rate	124%	169%	102%	42%(1)

+ Commencement of operations was December 15, 2005.

(1) Not Annualized

(2) Annualized

The accompanying notes are an integral part of these financial statements.

# CULLEN INTERNATIONAL HIGH DIVIDEND FUND

## FINANCIAL HIGHLIGHTS

	Class C			
	Year Ended June 30,			December 15, 2005 <sup>+</sup>
	2009	2008	2007	to June 30, 2006
<b>Net Asset Value -</b>				
<b>Beginning of Period</b>	<u>\$12.60</u>	<u>\$13.86</u>	<u>\$10.81</u>	<u>\$10.00</u>
<b>Income from</b>				
<b>Investment Operations:</b>				
Net investment income	0.25	0.25	0.28	0.07
Net realized and unrealized gain (loss) on investments	<u>(4.91)</u>	<u>(0.54)</u>	<u>3.00</u>	<u>0.85</u>
Total from investment operations	<u>(4.66)</u>	<u>(0.29)</u>	<u>3.28</u>	<u>0.92</u>
<b>Less Distributions:</b>				
Dividends from net investment income	(0.22)	(0.26)	(0.23)	(0.11)
Distributions from net realized gains	<u>—</u>	<u>(0.71)</u>	<u>—</u>	<u>—</u>
Total distributions	<u>(0.22)</u>	<u>(0.97)</u>	<u>(0.23)</u>	<u>(0.11)</u>
<b>Net Asset Value - End of Period</b>	<u>\$ 7.72</u>	<u>\$12.60</u>	<u>\$13.86</u>	<u>\$10.81</u>
<b>Total Return</b>	(37.06%)	(2.71%)	30.61%	9.21%(1)
<b>Ratios and Supplemental Data:</b>				
Net assets,				
end of period (thousands)	\$2,042	\$2,619	\$1,235	\$306
Ratio of expenses to average net assets:				
Before expense reimbursement	2.74%	2.91%	4.23%	9.11%(2)
After expense reimbursement	2.00%	2.00%	2.00%	2.00%(2)
Ratio of net investment income to average net assets:				
Before expense reimbursement	2.22%	1.17%	0.06%	(4.20%)(2)
After expense reimbursement	2.96%	2.08%	2.29%	2.91%(2)
Portfolio turnover rate	124%	169%	102%	42%(1)

+ Commencement of operations was December 15, 2005.

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# CULLEN INTERNATIONAL HIGH DIVIDEND FUND

## FINANCIAL HIGHLIGHTS

	Class I			
	Year Ended June 30,			December 15, 2005 <sup>+</sup>
	2009	2008	2007	to June 30, 2006
<b>Net Asset Value -</b>				
<b>Beginning of Period</b>	<u>\$12.68</u>	<u>\$13.93</u>	<u>\$10.84</u>	<u>\$10.00</u>
<b>Income from</b>				
<b>Investment Operations:</b>				
Net investment income	0.36	0.40	0.34	0.14
Net realized and unrealized gain (loss) on investments	<u>(4.98)</u>	<u>(0.56)</u>	<u>3.09</u>	<u>0.83</u>
Total from investment operations	<u>(4.62)</u>	<u>(0.16)</u>	<u>3.43</u>	<u>0.97</u>
<b>Less Distributions:</b>				
Dividends from net investment income	(0.30)	(0.38)	(0.34)	(0.13)
Distributions from net realized gains	<u>—</u>	<u>(0.71)</u>	<u>—</u>	<u>—</u>
Total distributions	<u>(0.30)</u>	<u>(1.09)</u>	<u>(0.34)</u>	<u>(0.13)</u>
<b>Net Asset Value - End of Period</b>	<u>\$ 7.76</u>	<u>\$12.68</u>	<u>\$13.93</u>	<u>\$10.84</u>
<b>Total Return</b>	(36.53%)	(1.69%)	31.96%	9.76%(1)
<b>Ratios and Supplemental Data:</b>				
Net assets,				
end of period (thousands)	\$10,577	\$21,934	\$11,270	\$3,663
Ratio of expenses to average net assets:				
Before expense reimbursement	1.74%	1.91%	3.23%	8.47%(2)
After expense reimbursement	1.00%	1.00%	1.00%	1.00%(2)
Ratio of net investment income to average net assets:				
Before expense reimbursement	3.23%	2.17%	1.06%	(3.61%)(2)
After expense reimbursement	3.97%	3.08%	3.29%	3.86%(2)
Portfolio turnover rate	124%	169%	102%	42%(1)

+ Commencement of operations was December 15, 2005.

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(2) Annualized

The accompanying notes are an integral part of these financial statements.

# CULLEN INTERNATIONAL HIGH DIVIDEND FUND

## SCHEDULE OF INVESTMENTS June 30, 2009

	Shares	Value
<b>COMMON STOCKS 95.3%</b>		
<b>Brazil 8.1%</b>		
Cia Energetica de Minas Gerais - ADR	132,450	\$ 1,780,128
Cia Siderurgica Nacional SA - ADR	94,000	2,100,900
Itau Unibanco Banco Multiplo SA - ADR	109,600	<u>1,734,968</u>
		<u>5,615,996</u>
<b>Canada 3.0%</b>		
Enerplus Resources Fund	13,900	298,711
Primaris Real Estate Investment Trust	16,450	167,449
RioCan Real Estate Investment Trust	39,450	518,244
Vermilion Energy Trust	42,300	<u>1,063,001</u>
		<u>2,047,405</u>
<b>China 2.4%</b>		
PetroChina Co., Ltd. - ADR	15,000	<u>1,657,200</u>
<b>Finland 2.3%</b>		
Nokia OYJ - ADR	108,120	<u>1,576,390</u>
<b>France 8.5%</b>		
BNP Paribas SA	33,100	2,147,602
Total SA - ADR	36,100	1,957,703
Vallourec SA	14,200	<u>1,723,730</u>
		<u>5,829,035</u>
<b>Germany 9.4%</b>		
Deutsche Lufthansa AG	97,850	1,225,819
K+S AG	21,900	1,229,826
Muenchener Rueckversicherungs AG	14,750	1,990,380
RWE AG	25,900	<u>2,037,977</u>
		<u>6,484,002</u>
<b>Greece 1.9%</b>		
Tsakos Energy Navigation Ltd.	82,100	<u>1,325,094</u>
<b>Hong Kong 0.3%</b>		
Hopewell Holdings	74,000	<u>232,024</u>
<b>Italy 2.5%</b>		
ENI SpA - ADR	35,850	<u>1,699,649</u>

The accompanying notes are an integral part of these financial statements.

# CULLEN INTERNATIONAL HIGH DIVIDEND FUND

## SCHEDULE OF INVESTMENTS – Continued June 30, 2009

	Shares	Value
<b>Japan 3.0%</b>		
Honda Motor Co. Ltd.	11,000	\$ 303,732
Nintendo Co. Ltd.	6,250	1,727,695
		<u>2,031,427</u>
<b>Malaysia 1.1%</b>		
Berjaya Sports Toto Berhad	393,900	565,916
British American Tobacco Malaysia Berhad	12,500	159,139
		<u>725,055</u>
<b>Netherlands 2.7%</b>		
Eurocommercial Properties NV	13,700	421,861
Unilever NV - ADR	59,600	1,441,128
		<u>1,862,989</u>
<b>Singapore 7.1%</b>		
Raffles Medical Group Ltd.	1,409,900	924,748
Singapore Technologies Engineering Ltd.	235,000	397,508
Singapore Telecommunications Ltd.	785,000	1,625,932
United Overseas Bank Ltd.	192,500	1,951,049
		<u>4,899,237</u>
<b>South Africa 3.5%</b>		
MTN Group Ltd.	155,000	2,378,090
<b>South Korea 2.6%</b>		
KT&G Corp.	31,545	1,782,833
<b>Spain 1.1%</b>		
Telefonica SA - ADR	11,500	780,735
<b>Sweden 2.2%</b>		
Sandvik AB	27,300	202,592
Volvo AB-B Shares	215,650	1,330,577
		<u>1,533,169</u>
<b>Switzerland 8.6%</b>		
ABB Ltd - ADR	107,200	1,691,616
Nestle SA	32,100	1,208,902
Nestle SA - ADR	25,650	965,104
Novartis AG - ADR	50,650	2,066,013
		<u>5,931,635</u>

The accompanying notes are an integral part of these financial statements.

# CULLEN INTERNATIONAL HIGH DIVIDEND FUND

## SCHEDULE OF INVESTMENTS – Continued June 30, 2009

	Shares	Value
<b>Taiwan 8.2%</b>		
Acer, Inc.	726,506	\$ 1,264,355
Chunghwa Telecom Co. Ltd. - ADR	57,951	1,149,168
Chunghwa Telecom	345,895	690,524
Siliconware Precision Industries Ltd. - ADR	714,000	828,031
Taiwan Semiconductor Manufacturing Co., Ltd. - ADR	1,046,000	1,743,865
		5,675,943
<b>United Kingdom 16.8%</b>		
AstraZeneca PLC - ADR	44,650	1,970,851
BP PLC - ADR	35,300	1,683,104
British American Tobacco PLC - ADR	33,500	1,869,300
Diageo PLC - ADR	27,300	1,562,925
HSBC Holdings PLC	175,083	1,483,113
HSBC Holdings PLC - ADR	15,000	626,550
Vodafone Group PLC - ADR	121,500	2,368,035
		11,563,878
Total Common Stocks (Cost \$62,187,633)		65,631,786
<b>SHORT-TERM INVESTMENTS 3.0%</b>		
<b>Money Market Funds 3.0%</b>		
Dreyfus Cash Management Fund	2,063,258	2,063,258
Total Short-Term Investments (Cost \$2,063,258)		2,063,258
<b>TOTAL INVESTMENTS</b> (Cost \$64,250,891) 98.3%		
Other Assets in Excess of Liabilities 1.7%		67,695,044
<b>TOTAL NET ASSETS 100.0%</b>		\$68,844,188

Percentages are stated as a percent of net assets.

ADR - American Depository Receipt

The accompanying notes are an integral part of these financial statements.

# CULLEN INTERNATIONAL HIGH DIVIDEND FUND

## SCHEDULE OF INVESTMENTS – Continued June 30, 2009

The Fund has adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157 “Fair Value Measurements” (“FAS 157”) which establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

Investments whose values are based on quoted market prices in active markets, and are therefore classified within level 1, include active listed equities and certain money market securities. Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. Investments classified within level 3 have significant unobservable inputs, as they trade infrequently or not at all. Refer to footnote 2(a) for further discussion regarding the Fund’s valuation policy.

The table below is a summary of the inputs used to value the Fund’s investments as of June 30, 2009.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Equity</b>				
Brazil	\$ 5,615,996	\$ —	\$ —	\$ 5,615,996
Canada	2,047,405	—	—	2,047,405
China	1,657,200	—	—	1,657,200
Finland	1,576,390	—	—	1,576,390
France	5,829,035	—	—	5,829,035
Germany	6,484,002	—	—	6,484,002
Greece	1,325,094	—	—	1,325,094
Hong Kong	232,024	—	—	232,024
Italy	1,699,649	—	—	1,699,649
Japan	2,031,427	—	—	2,031,427
Malaysia	725,055	—	—	725,055
Netherlands	1,862,989	—	—	1,862,989
Singapore	4,899,237	—	—	4,899,237
South Africa	2,378,090	—	—	2,378,090
South Korea	1,782,833	—	—	1,782,833
Spain	780,735	—	—	780,735
Sweden	1,533,169	—	—	1,533,169
Switzerland	5,931,635	—	—	5,931,635
Taiwan	5,675,943	—	—	5,675,943
United Kingdom	11,563,878	—	—	11,563,878
Total Equity	\$65,631,786	\$ —	\$ —	\$65,631,786
Short-Term Investments	\$ 2,063,258	—	—	2,063,258
Total Investments in Securities	\$67,695,044	\$ —	\$ —	\$67,695,044

The accompanying notes are an integral part of these financial statements.

# CULLEN INTERNATIONAL HIGH DIVIDEND FUND

## SCHEDULE OF INVESTMENTS – Continued June 30, 2009

At June 30, 2009, Sector diversification of the Fund was as follows:

	% of Net Assets	Value
<b>Foreign Common Stock</b>		
Consumer Discretionary	1.3%	\$ 869,648
Consumer Staples	13.1	8,989,331
Energy	12.1	8,359,367
Financials	16.0	11,041,216
Health Care	7.2	4,961,613
Industrials	11.8	8,128,960
Information Technology	10.4	7,140,334
Materials	4.8	3,330,727
Telecommunication Services	13.1	8,992,485
Utilities	5.5	3,818,105
Total Foreign Common Stock	95.3	65,631,786
Short-Term Investments	3.0	2,063,258
<b>TOTAL INVESTMENTS</b>	98.3	67,695,044
Other Assets in Excess of Liabilities	1.7	1,149,144
<b>TOTAL NET ASSETS</b>	100.0%	\$68,844,188

The accompanying notes are an integral part of these financial statements.

**NOTES TO FINANCIAL STATEMENTS****June 30, 2009****1. Organization**

The Cullen Funds Trust (the “Trust”) is an open-end management investment company created as a Delaware business trust on March 25, 2000 and is registered under the Investment Company Act of 1940, as amended (the “1940 Act”). The Trust currently offers two separate series to investors, the Cullen High Dividend Equity Fund and the Cullen International High Dividend Fund (the “Fund” and collectively the “Funds”). The Funds are open-end, diversified management investment companies registered under the 1940 Act. The investment objective of the Fund is long-term capital appreciation and current income.

The Fund offers Retail Class, Class C, Class I, Class R1 and Class R2 Shares. The Fund commenced operations on December 15, 2005 offering Retail Class, Class C and Class I shares, and Class R1 and R2 shares commenced operations on April 24, 2009. The Class R1 and Class R2 Shares have not experienced any subscriptions since inception. Each class of shares differs principally in its respective administration, transfer agent, and distribution expenses and sales charges, if any. Each class of shares has identical rights to earnings, assets, and voting privileges, except for class-specific expenses and exclusive rights to vote on matters affecting only individual classes.

**2. Significant Accounting Policies**

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. These policies are in conformity with accounting principles generally accepted in the United States.

- a) Valuation of Securities – Securities that are primarily traded on a national or foreign securities exchange are valued at the last sales price on the exchange on which they are primarily traded on the day of valuation or, if there has been no sale on such day, at the mean between the bid and asked prices. Securities primarily traded in the National Association of Securities Dealers Automated Quotation (“NASDAQ”) National Market System for which market quotations are readily available are valued using the NASDAQ Official Closing Price (“NOCP”). If the NOCP is not available, such securities are valued at the last sale price on the day of valuation, or if there has been no sale on such day, at the mean between the bid and asked prices. Money market mutual funds are valued at the net asset value (“NAV”) of shares held by the Fund at year end. Any securities or other assets for which market quotations are not readily available are valued at fair value as determined in good faith by the Valuation Committee of the Fund’s Board of Trustees under supervision of the full Board. The values for foreign securities are reported in local currency and converted to U.S. dollars using currency exchange rates at the time of valuation. Exchange rates are provided daily by recognized independent pricing agents.
- b) Distributions to Shareholders – Dividends from net investment income, if any, are declared and paid quarterly for the Fund. Dividends from realized capital gains, if any, are declared and paid at least annually.

NOTES TO FINANCIAL STATEMENTS – Continued

June 30, 2009

**2. Significant Accounting Policies – Continued**

- c) Federal Income Taxes – The Fund intends to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders in a manner which results in no tax cost to the Fund. Therefore, no federal income or excise tax provision is recorded.

The Fund has reviewed all open tax years and major jurisdictions and concluded that there is no tax liability resulting from unrecognized tax benefits relating to uncertain income tax positions taken or expected to be taken for the period ended June 30, 2009. Open tax years are those that are open for exam by taxing authorities, and as of June 30, 2009, open Federal tax years include the tax years ended June 30, 2007 through 2009. The Fund has no examination in progress and is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

- d) Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from those estimates.
- e) Guarantees and Indemnification – In the normal course of business the Fund enters into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. Based on experience, however, the Fund expects the risk of loss to be remote.
- f) Other – Investment and shareholder transactions are recorded on trade date. The Fund determines the gain or loss realized from the investment transactions by comparing the original cost of the security lot sold with the net sales proceeds on a high cost basis.

Dividend income is recognized on the ex-dividend date or as soon as information is available to the Fund and interest income is recognized on an accrual basis. Income, expenses (other than expenses attributable to a specific class), and realized and unrealized gains or losses on investments are allocated to each class of shares based on its respective shares outstanding.

The Fund separately reports the results of operations due to fluctuations in foreign exchange rates on investments from gains or losses arising from the sales or changes in values of the portfolio securities. Net realized gains (loss) and net change in unrealized gain (loss) on foreign currency related transactions arise for sales of foreign currencies and currency gains or losses between trade date or ex-date and settlement date on security or dividend transactions.

# CULLEN INTERNATIONAL HIGH DIVIDEND FUND

## NOTES TO FINANCIAL STATEMENTS – Continued June 30, 2009

### 3. Capital Share Transactions

Share transactions were as follows:

	<b>Retail Class</b> <b>Year Ended</b> <b>June 30, 2009</b>	<b>Class C</b> <b>Year Ended</b> <b>June 30, 2009</b>	<b>Class I</b> <b>Year Ended</b> <b>June 30, 2009</b>
Shares sold	8,925,486	94,332	673,129
Shares reinvested	201,490	4,871	49,914
Shares redeemed	(5,080,102)	(42,476)	(1,090,094)
Net increase (decrease)	4,046,874	56,727	(367,051)
Shares outstanding:			
Beginning of year	<u>3,221,538</u>	<u>207,749</u>	<u>1,730,250</u>
End of year	<u>7,268,412</u>	<u>264,476</u>	<u>1,363,199</u>
	<b>Retail Class</b> <b>Year Ended</b> <b>June 30, 2008</b>	<b>Class C</b> <b>Year Ended</b> <b>June 30, 2008</b>	<b>Class I</b> <b>Year Ended</b> <b>June 30, 2008</b>
Shares Sold	3,823,645	124,697	949,716
Shares Reinvested	132,471	9,460	101,659
Shares Redeemed	(2,102,002)	(15,494)	(130,361)
Net increase	1,854,114	118,663	921,014
Shares outstanding:			
Beginning of year	<u>1,367,424</u>	<u>89,086</u>	<u>809,236</u>
End of year	<u>3,221,538</u>	<u>207,749</u>	<u>1,730,250</u>

# CULLEN INTERNATIONAL HIGH DIVIDEND FUND

## NOTES TO FINANCIAL STATEMENTS – Continued June 30, 2009

### 4. Investment Transactions

Purchases and sales of investments, excluding short-term investments, for the year ended June 30, 2009 were \$98,103,864 and \$67,407,797, respectively.

As of June 30, 2009, the Fund's most recent fiscal year end, the components of accumulated earnings (losses) on a tax basis were as follows:

Cost of investments (a)	<u>\$ 67,616,770</u>
Gross unrealized appreciation	6,606,088
Gross unrealized depreciation	<u>(6,524,068)</u>
Net unrealized appreciation	<u>82,020</u>
Undistributed ordinary income	85,171
Undistributed long-term capital gain	<u>—</u>
Total distributable earnings	85,171
Other accumulated gains (losses)	<u>(26,102,606)</u>
Total accumulated earnings (losses)	<u><u>\$(25,935,415)</u></u>

(a) Represents cost for federal income tax purposes and differs from the cost for financial reporting purposes due to various book-to-tax differences. Those differences primarily relate to wash sale adjustments and adjustments due to investments in Passive Foreign Investment Companies.

At June 30, 2009, the Fund had \$19,558,231 post-October loss deferrals. This loss is treated as occurring on July 1, 2009 for tax purposes. The Fund may periodically make reclassifications among certain of its capital accounts as a result of the recognition and characterization of certain income and capital gain distributions determined annually in accordance with federal tax regulations which may differ from accounting principles generally accepted in the United States. These principles require that permanent financial reporting and tax differences be reclassified in the capital accounts. Further, as a result of permanent book-to-tax differences arising from differing treatment of certain income items and non-deductible current year expenses, reclassification adjustments were made to increase (decrease) the amounts listed below:

Paid-in Capital	Undistributed Net Investment Income	Undistributed Net Realized Loss
—	\$54,898	\$(54,898)

At June 30, 2009, the Fund had tax basis capital loss carryforwards of \$6,544,375 to offset future gains. The losses expire June 30, 2017.

The tax composition of dividends paid during the year ended June 30, 2009 and the year ended June 30, 2008 was as follows:

	June 30, 2009	June 30, 2008
Ordinary Income	\$2,077,327	\$2,526,666
Long-Term Capital Gain	—	1,051,095

NOTES TO FINANCIAL STATEMENTS – Continued  
 June 30, 2009

**5. Investment Advisory and Other Agreements**

The Trust has an agreement with Cullen Capital Management LLC (the “Adviser”), with which certain officers and trustees of the Trust are affiliated, to furnish investment advisory services to the Fund. Under the terms of the agreement, the Fund will compensate the Adviser for its management services at the annual rate of 1.00% of the Fund’s average daily net assets. Through October 31, 2010, the Adviser has agreed to waive its fees and absorb expenses to the extent that the Fund’s total annual operating expenses (excluding taxes) exceed 1.25%, 2.00%, 1.00%, 1.75% and 1.50% of the Retail Class, Class C, Class I, Class R1 and Class R2 net assets, respectively. For a period of three years after the year in which the Adviser waives or reimburses expenses, the Adviser may seek reimbursement from the Fund to the extent that total annual Fund operating expenses are less than the expense limitation in effect at the time of the waiver or reimbursement. The Adviser waived or reimbursed expenses of \$415,488 associated with the Fund for the year ended June 30, 2009.

As of June 30, 2009, reimbursed/absorbed expenses for the Fund subject to potential recovery by year of expiration are as follows:

<u>Year of Expiration</u>	<u>Amount</u>
June 30, 2010	\$333,910
June 30, 2011	\$449,863
June 30, 2012	\$415,488

U.S. Bancorp Fund Services, LLC serves as transfer agent, administrator and accounting services agent for the Trust. The Bank of New York serves as custodian for the Fund. Refer to Note 8 for discussion regarding changes in these service providers subsequent to June 30, 2009.

**6. Distribution Plan**

The Fund has adopted a Service and Distribution Plan (the “Plan”) pursuant to Rule 12b-1 under the 1940 Act. The Plan authorizes payments by the Fund in connection with the distribution of its shares at an annual rate, as determined from time to time by the Board of Trustees, of up to 0.25%, 1.00%, 0.50% and 0.25% of the average daily net assets of Retail Class, Class C, Class R1 and Class R2. Amounts paid under the Plan by the Fund may be spent by the Fund on any activities or expenses primarily intended to result in the sale of shares of the Fund. This may include, but is not limited to, advertising, compensation for sales and marketing activities of financial institutions and others such as dealers and distributors, shareholder account servicing, the printing and mailing of prospectuses to other than current shareholders and the printing and mailing of sales literature. The Fund incurred \$103,418 for the Retail Class shares and \$19,636 for Class C shares pursuant to the Plan for the year ended June 30, 2009.

**NOTES TO FINANCIAL STATEMENTS – Continued**  
**June 30, 2009****7. Shareholder Servicing Plan**

The Trust has adopted a Shareholder Servicing Plan (the “Servicing Plan”) with respect to the Fund’s Class R1 and Class R2 shares. For providing certain account administration services to participants in retirement plans that are beneficial owners of such shares, the Servicing Plan authorizes each Fund to compensate plan administrators or other intermediaries up to 0.25% of the average daily net assets of Class R1 and Class R2.

**8. Subsequent Events**

At a special meeting (the “Meeting”) held on May 7, 2009, the Board of Trustees (the “Board”) of the Trust, including a majority of the Trustees who are not “interested persons” of the Trust, as that term is defined in the 1940 Act, as amended (the “Independent Trustees”), voted to terminate the custody agreement with U.S. Bank, N.A. (“USB”) and the administrative, transfer agent, dividend disbursing and fund accounting services arrangements with U.S. Bancorp Fund Services, LLC (“USBFS”). The Board also voted to terminate the distribution agreement with Quasar Distributors, LLC.

At the Meeting, the Board approved on behalf of the Fund: (i) a new transfer agent and dividend disbursing agent arrangements with ALPS Fund Services, Inc.; (ii) a new custody agreement with The Bank of New York Mellon (“BNYM”); (iii) a new fund administration and accounting agreement with BNYM; and (iv) a new distribution agreement with ALPS Distributors, Inc.

The new custody agreement and new fund administration and accounting agreement with BNYM became effective on July 1, 2009, and the changes to the Fund’s transfer agent, dividend disbursing agent and distributor became effective on July 27, 2009.

Subsequent events have been evaluated through August 28, 2009, which is the date the financial statements were issued. Subsequent events have not been evaluated after this date.

**9. Derivatives**

The Fund has adopted FASB Statement of Financial Accounting Standards No. 161, Disclosures about Derivative Instruments and Hedging Activities, an amendment to FASB Statement No. 133, (“FAS 161”), which requires qualitative disclosures about objectives and strategies for using derivatives and quantitative disclosures about fair value amounts of and gains and losses on derivative instruments. The Fund may enter into forward foreign currency contracts to hedge against exchange rate risk arising from investments in securities denominated in foreign currencies. Contracts are valued at the contractual forward rate and are marked to market daily, with the change in market value recorded as an unrealized gain or loss. When the contracts are closed, a realized gain or loss is recorded. Risks may arise from changes in market value of the underlying instruments and from the possible inability of counterparties to meet the terms of their contracts.

NOTES TO FINANCIAL STATEMENTS – Continued

June 30, 2009

**10. Foreign Investment Risk**

The Fund invests in foreign securities. Investments in securities issued by entities based outside the United States may be subject to political, social and economic uncertainty to a greater extent and may also be affected by currency controls; different accounting, auditing, financial reporting, and legal standards and practices in some countries; expropriation; changes in tax policy; greater market volatility; differing securities market structures; higher transaction costs; and various administrative difficulties, such as delays in clearing and settling portfolio transactions or in receiving payment of dividends.

**11. Federal Tax Information (Unaudited)**

The Fund has designated 100% of the dividends declared from net investment income during the year ended June 30, 2009 as qualified dividend income under the Jobs Growth and Tax Reconciliation Act of 2003.

For the year ended June 30, 2009, 0% of the ordinary distributions paid by the Fund qualify for the dividend received deduction available to corporate shareholders.

For the year ended June 30, 2009, 0% of taxable ordinary income distributions that was designated as short-term capital gain distributions under Internal Revenue Section 871(k)(2)(c).

For the year ended June 30, 2009, 1% of taxable ordinary income was qualified interest income.

NOTES TO FINANCIAL STATEMENTS – Continued  
 June 30, 2009

11. Federal Tax Information (Unaudited) – Continued

For the year ended June 30, 2009, the International High Dividend Fund earned foreign source income and paid foreign taxes, which they intend to pass through to their shareholders pursuant to Section 853 of the Internal Revenue Code as follows:

	<u>Foreign Source Income Earned (per share)</u>	<u>Foreign Taxes Paid (per share)</u>
Australia	0.004689	0.000320
Bermuda	0.006351	0.000000
Brazil	0.037789	0.003841
Britain	0.067797	0.000099
Canada	0.027370	0.003985
China	0.004448	0.000425
Denmark	0.022789	0.003501
France	0.024957	0.004136
Finland	0.006602	0.001033
Germany	0.008898	0.001252
Hong Kong	0.024029	0.000000
Italy	0.007389	0.001665
Japan	0.009590	0.000671
Malaysia	0.007210	0.000885
Netherlands	0.013240	0.001975
New Zealand	0.005036	0.000782
Philippines	0.000219	0.000055
Singapore	0.028543	0.000000
South Korea	0.004365	0.000720
Sweden	0.004932	0.000740
Switzerland	0.012735	0.001931
Taiwan	0.011735	0.002410

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Trustees and Shareholders of  
Cullen Funds Trust:

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Cullen International High Dividend Fund (the “Fund”) at June 30, 2009, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as “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 of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at June 30, 2009 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

*Pricewaterhousecoopers LLP*

Milwaukee, Wisconsin  
August 28, 2009

## EXPENSE EXAMPLE June 30, 2009 (Unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs; redemption fees; and exchange fees; and (2) ongoing costs, including management fees; service fees; and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in each of the Funds and to compare these costs with the ongoing costs of investing in other mutual funds. The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from January 1, 2009 to June 30, 2009.

### Actual Expenses

The first set of lines of the tables below provide information about actual account values and actual expenses. Although the Fund charges no sales loads or transaction fees, you will be assessed fees for outgoing wire transfers, returned checks and stop payment orders at prevailing rates charged by U.S. Bancorp Fund Services, LLC, the Funds' transfer agent. If you request that a redemption be made by wire transfer, currently a \$15.00 fee is charged by the Funds' transfer agent. IRA accounts will be charged a \$15.00 annual maintenance fee. The examples below include, but are not limited to, management fees, shareholder servicing fees, fund accounting, custody and transfer agent fees. However, the examples below do not include portfolio trading commissions and related expenses. You may use the information within these lines, together with the amount you invested, to estimate the expenses that you paid over the six-month period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

### Hypothetical Example for Comparison Purposes

The second set of lines within the tables below provide information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratios and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other mutual funds. Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, redemption fees or exchange fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

# CULLEN INTERNATIONAL HIGH DIVIDEND FUND

## EXPENSE EXAMPLE – Continued June 30, 2009 (Unaudited)

	Beginning Account Value 1/1/09	Ending Account Value 6/30/09	Expenses Paid During Period <sup>(1)</sup> 1/1/09 – 6/30/09
<b>Actual</b>			
International High Dividend Fund			
Retail Class	\$1,000.00	\$1,040.90	\$ 6.33
Class C	\$1,000.00	\$1,037.30	\$10.10
Class I	\$1,000.00	\$1,042.20	\$ 5.06
<b>Hypothetical (5% return before expenses)</b>			
International High Dividend Fund			
Retail Class	\$1,000.00	\$1,018.60	\$ 6.26
Class C	\$1,000.00	\$1,014.88	\$ 9.99
Class I	\$1,000.00	\$1,019.84	\$ 5.01

(1) Expenses are equal to the International High Dividend Fund's Retail Class, Class C and Class I expense ratios of 1.25%, 2.00% and 1.00%, respectively, multiplied by the average account value over the period, multiplied by 181/365 days (to reflect one half-year period).

# CULLEN INTERNATIONAL HIGH DIVIDEND FUND

## BOARD OF TRUSTEES (Unaudited)

<u>Name, Address and Age</u>	<u>Positions Held with Trust</u>	<u>Principal Occupation(s) During Past 5 Years</u>	<u>Number of Portfolios in the Fund Complex Overseen by Trustee</u>	<u>Other Directorships Held by Trustee</u>
<b>INTERESTED TRUSTEES</b>				
James P. Cullen Cullen Capital Management LLC 645 Fifth Avenue New York, NY 10022 Born: 1938	Trustee and President	President, controlling Member and Portfolio Manager, Cullen Capital Management LLC, since May 2000; President, Schafer Cullen Capital Management, Inc., a registered investment adviser, from December 1982 to present.	2	None
Dr. Curtis J. Flanagan c/o Cullen Capital Management LLC 645 Fifth Avenue New York, NY 10022 Born: 1921	Trustee	Private investor, 1998 to present; Chairman, South Florida Pathologists Group, prior thereto.	2	None
<b>INDEPENDENT TRUSTEES</b>				
Matthew J. Dodds c/o Cullen Capital Management LLC 645 Fifth Avenue New York, NY 10022 Born: 1941	Independent Trustee	Private investor, 1999 to present; Vice President - Research, Schafer Cullen Capital Management, Inc., from 1995 to 1999.	2	None
Robert J. Garry c/o Cullen Capital Management LLC 645 Fifth Avenue New York, NY 10022 Born: 1945	Independent Trustee	Executive Vice President/ Chief Financial Officer, New York City Off-Track Betting Corporation, since November 2007; Corporate Controller, Yonkers Racing Corporation, 2001 to September 2007; Chief Operations Officer, The Tennis Network Inc., March 2000 to 2001; Senior Vice President and Chief Financial Officer, National Thoroughbred Racing Association, 1998 to 2000; Director of Finance and Chief Financial Officer, United States Tennis Association, prior thereto.	2	None

**CULLEN INTERNATIONAL HIGH DIVIDEND FUND**

**BOARD OF TRUSTEES – Continued  
(Unaudited)**

<u>Name, Address and Age</u>	<u>Positions Held with Trust</u>	<u>Principal Occupation(s) During Past 5 Years</u>	<u>Number of Portfolios in the Fund Complex Overseen by Trustee</u>	<u>Other Directorships Held by Trustee</u>
Stephen G. Fredericks c/o Cullen Capital Management LLC 645 Fifth Avenue New York, NY 10022 Born: 1942	Independent Trustee	Institutional Trader, Raymond James & Associates, February 2002 to present; Institutional Trader, ABN AMRO Inc., January 1, 1995 to May 2001.	2	None

**OFFICERS**

James P. Cullen Cullen Capital Management LLC 645 Fifth Avenue New York, NY 10022 Born: 1938	Trustee and President	President, controlling Member and Portfolio Manager, Cullen Capital Management LLC, since May 2000; President, Schafer Cullen Capital Management, Inc., a registered investment adviser, from December 1982 to present.	2	None
John C. Gould Cullen Capital Management LLC 645 Fifth Avenue New York, NY 10022 Born: 1961	Executive Vice President	Executive Vice President and Portfolio Manager, Cullen Capital Management LLC, May 2000 to present; Executive Vice President and Portfolio Manager, Schafer Cullen Capital Management, Inc., from 1989 to present.	N/A	None
Steven M. Mullooly Cullen Capital Management LLC 645 Fifth Avenue New York, NY 10022 Born: 1964	Chief Compliance Officer	Chief Compliance Officer, Cullen Capital Management LLC and Schafer Cullen Capital Management, Inc., since August 2006; Chief Compliance Officer, Ladenburg Thalmann & Co., Inc., Ladenburg Thalmann Asset Management and Ladenburg Thalmann Europe from November 2004 to June 2006; Vice President - Compliance, Donaldson Lufkin and Jenrette and Co., from July 2000 to June 2004.		None

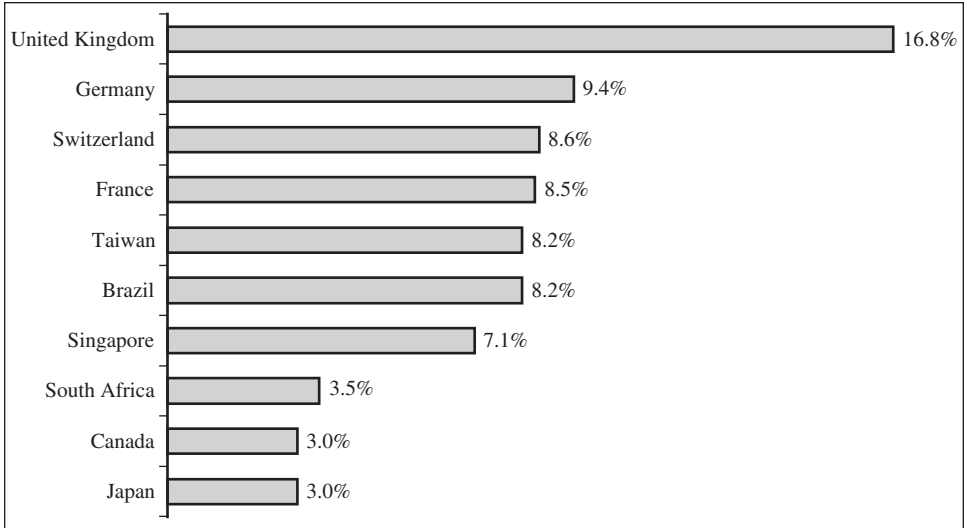
# CULLEN INTERNATIONAL HIGH DIVIDEND FUND

## BOARD OF TRUSTEES – Continued (Unaudited)

<u>Name, Address and Age</u>	<u>Positions Held with Trust</u>	<u>Principal Occupation(s) During Past 5 Years</u>	<u>Number of Portfolios in the Fund Complex Overseen by Trustee</u>	<u>Other Directorships Held by Trustee</u>
Brooks H. Cullen Cullen Capital Management LLC 645 Fifth Avenue New York, NY 10022 Born: 1967	Vice  President	Vice President and Portfolio Manager, Cullen Capital Management LLC, since May 2000; Vice President and Portfolio Manager, Schafer Cullen Capital Management, Inc., from 1996 to present.		None
Jeffrey T. Battaglia Cullen Capital Management LLC 645 Fifth Avenue New York, NY 10022 Born: 1978	Treasurer	Chief Financial Officer, Cullen Capital Management LLC and Schafer Cullen Capital Management, Inc., since February 2007; Manager, KPMG LLP, from September 2001 to February 2007; Certified Public Accountant, Washington State.		None
Rahul D. Sharma Cullen Capital Management LLC 645 Fifth Avenue New York, NY 10022 Born: 1970	Secretary	Secretary and Portfolio Manager, Cullen Capital Management LLC, since May 2000; Vice President and Portfolio Manager, Schafer Cullen Capital Management, Inc., 1998 to present.		None

The Fund's statement of additional information contains additional information about the Fund's trustees and is available, without charge, (1) upon request by calling 1-877-485-8586, (2) at [www.cullenfunds.com](http://www.cullenfunds.com), or (3) on the U.S. Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov).

**Top 10 Countries – As of June 30, 2009 (Unaudited)**



Percentages are based upon net assets.

This report and the financial statements contained herein are submitted for the general information of the shareholders of the Fund. This report may be distributed to others only if preceded or accompanied by a current prospectus. The Fund is distributed by Quasar Distributors, LLC, a member of the NASD.

**How to Obtain a Copy of the Funds’ Proxy Voting Policy**

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available (1) without charge upon request by calling 1-877-485-8586; (2) at [www.cullenfunds.com](http://www.cullenfunds.com); and (3) on the U.S. Securities and Exchange Commission’s website at [www.sec.gov](http://www.sec.gov). The Fund’s proxy voting record is available on the SEC’s website at [www.sec.gov](http://www.sec.gov) no later than August 31 for the prior 12 months ended June 30.

**Quarterly Filings on Form N-Q**

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund’s Form N-Q is available on the SEC’s website at [www.sec.gov](http://www.sec.gov). The Fund’s Form N-Q may be reviewed and copied at the SEC’s Public Reference Room in Washington, D.C. and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. Information included in the Fund’s N-Q will also be available upon request by calling 1-877-485-8586.

## **BOARD APPROVAL OF CONTINUATION OF INVESTMENT ADVISORY AGREEMENT (Unaudited)**

At its meeting on May 7, 2009, the Board of Trustees (the “Board”) of the Cullen Funds Trust (the “Trust”) and its two series, the Cullen High Dividend Equity Fund (the “High Dividend Fund”) and the Cullen International High Dividend Fund (the “International Fund”), including the Trustees who are not “interested persons” (as defined in the Investment Company Act of 1940) of the Funds, voted to re-approve the current investment advisory agreement (the “Advisory Agreement”) between the High Dividend Fund and Cullen Capital Management LLC (the “Adviser”). In connection with its re-approval of the High Dividend Fund’s Advisory Agreement, the Board considered the following factors:

The Adviser:

- Provides investment management for the International Fund.
- Continues to retain the services of the Trust’s Chief Compliance Officer and will make all reasonable efforts to ensure that the International Fund is in compliance with the securities laws.
- Oversees distribution of the International Fund through third-party broker/dealers and independent financial institutions.
- Oversees those third party service providers that support the International Fund in providing fund accounting, fund administration, fund distribution, fulfillment, transfer agency and custodial services.

The Board also (i) reviewed the past performance of the International Fund and the expense ratios of the High Dividend Fund, (ii) considered the fees charged by the Adviser (iii) considered the profitability of the Adviser as shown in the board materials provided at the meeting and (iv) took into account the disciplined value oriented investment philosophy that the Adviser has developed and adheres to and its confidence in this philosophy and the experience of the Adviser in implementing this philosophy over many years.

The Board then discussed economies of a scale and breakpoints and determined that the Funds, managed by the Advisor, have not yet grown to be so significant in size as to warrant the use of breakpoints by the Advisor.

The Board reviewed the Funds’ expense ratios and comparable expense ratios of similar funds. The Board used data from Lipper, as presented in the charts in the board book, showing funds similar in nature to the Funds (i.e. Equity Income, International). The Board determined that the after reimbursement total expense ratio of the Funds fell within the range of the ratios of other funds in their classification. (Please see Lipper charts provided in the Board Materials). The Board considered the renewal of the Operating

**BOARD APPROVAL OF CONTINUATION OF  
INVESTMENT ADVISORY AGREEMENT – Continued  
(Unaudited)**

Expense Limitation Agreement for an additional year between the Advisor and the International Fund which limits the annual operating expenses of each of the Retail Class, Class C, Class I, Class R1 and Class R2 shares of the Fund to 1.00%, 1.75%, 0.75%, 1.50% and 1.25% respectively, of the average net asset value of such respective Class for such year, until October 31, 2010. The Board also considered the renewal of the Operation Expense Limitation Agreement for an additional year between the Advisor and the International Fund which limits the annual operating expenses of each of the Retail Class, Class C, Class I, Class R1 and Class R2 shares of the Fund to 1.25%, 2.00%, 1.00%, 1.75% and 1.50% respectively, of the average net asset value of such respective Class for such year, until October 31, 2010.

The Board also referenced the Adviser's Form ADV and a copy of the current Investment Advisory Agreement. In addition, the Board referenced a comparison of fees charged the Adviser and Schafer Cullen Capital Management, Inc., an affiliate of the Adviser, to other clients. All of the factors above were considered separately by the non-interested Trustees in an executive session during which management of the Adviser and the interested Trustees were not present. The factors were viewed in their totality by the Board, with no single factor being the principal or determinative factor in the Board's determination of whether to approve the continuation of the Advisory Agreement. The Board was also assisted in its review, consideration and discussion of the Advisory Agreement by independent legal counsel, who had prepared a summary of the Board's legal obligations and who further summarized the Board's legal obligations at the Board meeting. Based on the factors discussed above, the Board, including all non-interested Trustees, approved continuation of the Advisory Agreement.

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**INVESTMENT ADVISER**

Cullen Capital Management LLC  
*New York, New York*

**DISTRIBUTOR**

Quasar Distributors, LLC  
*Milwaukee, Wisconsin*

**INDEPENDENT REGISTERED  
PUBLIC ACCOUNTING FIRM**

PricewaterhouseCoopers LLP  
*Milwaukee, Wisconsin*

**LEGAL COUNSEL**

Sidley Austin LLP  
*Chicago, Illinois*

**ADMINISTRATOR, TRANSFER AGENT,  
AND FUND ACCOUNTANT**

U.S. Bancorp Fund Services, LLC  
*Milwaukee, Wisconsin*

**CUSTODIAN**

The Bank of New York  
*New York, New York*