



WEBB ASSET MANAGEMENT

February, 2008

Canadian Performance Fund

SYSTEMATIC, PROVEN & RELIABLE

Process

We screen a database of over 3,000 stocks and trust units. Those securities with adequate liquidity are tested and ranked according to their earnings characteristics. Specifically, we look for the rate of change in reported earnings and reported earnings in relation to expected earnings. The securities are further screened for strong fundamentals and attractive technical indicators. The securities that best pass these tests are selected as long positions for the Fund. Those companies that screen the worst are selected as short positions for the Fund. Each position in the portfolio, long or short, is monitored on a continuous basis. Should any security no longer meet our investment criteria, the position is sold or covered accordingly.

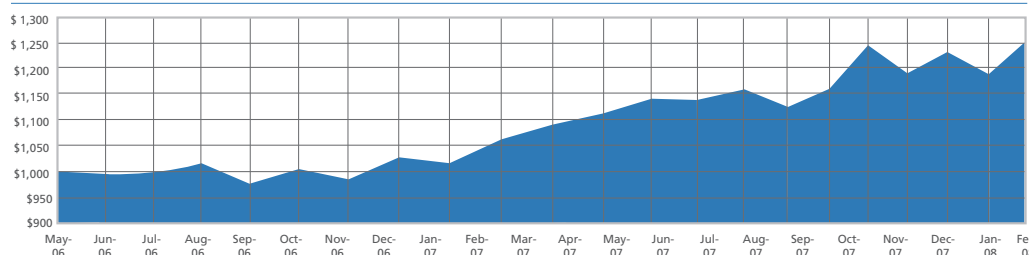
Commentary

This market is about the "haves" and the "have nots". Finally, the market is punishing companies that are suffering in this difficult environment and rewarding those that are flourishing despite it. The sub-prime crisis and a slowing US economy are driving EPS growth lower for financials and companies exposed to the US consumer. However, weakness in US credit and economic conditions is driving interest rates down, the US dollar lower and commodity prices higher, which benefits commodity producers as global demand remains strong. Our model is squarely focused on this trend with the Fund long companies in precious metals, agriculture, energy, iron ore and coal, while short many consumer-related names.

As the financial stocks hit new lows, commodity prices are hitting new highs. New highs have been reached in oil, gold, silver, platinum, palladium, potash, nitrogen, phosphate, wheat, corn and soybeans. Why this divergence? The meltdown in the financial system has forced the Fed to cut rates and make aggressive liquidity injections. Such moves lower the US dollar and increase commodity prices. Throwing bales of money out of the helicopter might help mitigate the US credit crisis, but it will certainly create a bubble elsewhere. Liquidity must flow somewhere, and right now it is flowing into commodities. This time period is analogous to the Long Term Capital Management meltdown and Russian default crisis of 1998, when the Fed's actions created a bubble in internet stocks.

What is also interesting is the increased irrelevancy of the US in the global economy. Twenty years ago, changes in copper prices were highly correlated to changes in US industrial production. Currently, the US is in a slow down and copper prices are ready to break out to all time highs. Clearly, something significant has changed as copper is the most economically sensitive commodity in the world. This decade is not about US housing starts or changes in retail sales at Wal-Mart. It is myopic to think the US is that important. As we have stated many times before, this decade is about the economic freedom and advancement of three billion people in developing economies (China, India, Brazil, Russia, etc). Canada stands to benefit remarkably from this trend. Until the media focuses on the strong and consistent demand in these countries, we advise you to turn off your TV's.

Growth of \$1000



Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2008	-4.75	6.31											1.26
2007	-0.53	4.71	2.91	1.36	3.33	-0.72	2.36	-2.71	2.69	7.71	-4.43	3.80	21.77
2006						-0.77	0.13	1.02	-3.44	2.68	-1.67	3.75	1.52

Webb Asset Management Canada, Inc.

Phone (416) 646 0975 Toll Free (866) 611 9590 Fax (416) 777 5181 | 920 – 26 Wellington St. E Toronto, Ontario M5E 1S2 | info@WAMfunds.com www.WAMfunds.com

Performance Statistics

Total Returns (%)

1 month	6.31
3 months	5.11
6 months	11.11
YTD	1.26
12 months	18.39
Inception ('06/06)	25.20

Fund Positions (as of February 29, 2008)

Top 5 Long Positions

- 1 BCE
- 2 Labrador Iron Ore
- 3 Interactive Brokers Group
- 4 Berry Petroleum
- 5 Kinross Gold

Top 5 Short Positions

- 1 West Fraser Timber
- 2 Onex
- 3 Garda World Security
- 4 OPTI Canada
- 5 Paramount Resources

Sectors	Long (%)	Short (%)	Net (%)
Energy	14.1	6.4	7.7
Materials	39.1	5.8	33.3
Industrials	9.4	4.0	5.4
Consumer	0.0	2.6	-2.6
Health Care	0.0	0.8	-0.8
Financials	4.5	1.4	3.1
Technology	4.9	0.6	4.3
Telecom	16.4	0.0	16.4
Utilities	0.0	0.0	0.0
Total	88.4	21.6	66.8

Disclaimer: Commissions, trailing commissions, management fees and expenses all may be associated with the Fund. The investment may not be suitable for all investors. Some conditions apply. Investors should carefully review the Fund's Offering Memorandum, including the risk factors detailed therein under the heading "Risk Factors", prior to investing in the Fund. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. There can be no assurance that the Fund objectives will be met. The Fund is not guaranteed, its value changes frequently and past performance may not be repeated. The opinions expressed in the commentary are those of the author and do not necessarily reflect the views and opinions of the Manager or any distributor of the Manager Funds. The views expressed are of a general nature should not be interpreted as investment advice to you in any way. Please consult a qualified financial advisor before making an investment decision. The portfolio manager/advisor/sub-advisor has a direct interest in the management and performance fees of the Fund, and may, at any given time, have a direct interest in the Fund itself.