WEBB ASSET MANAGEMENT

June, 2009

Monthly Commentary

SYSTEMATIC, PROVEN & RELIABLE

Commentary

Example of a Buy Write

After a spectacular May it is not surprising that we gave up some ground in June. The green shoots which were the focus of investors' hopes quickly turned brown in the heat of summer. The mantra of growth and recovery has been cast aside as the significant gains from the March bottom are consolidated. We expect a range-bound and volatile market to persist. In such a market, covered call writing is one of the best strategies for making good returns. Covered call writing allows one to generate a significant yield from an equity position by selling away some potential upside returns in exchange for an upfront cash payment.

Let's examine a recent a covered call position to explore why this strategy makes good sense:
On June 19th we purchased Potash Corp. of Saskatchewan at $93 USD and
at the same time sold July $95 call options for $5.70 in premium.

By selling the calls we limited our potential maximum gain in the stock to $7.70 ($95 strike — $93 purchase price + the $5.70 premium) or 8.3% for the 28 day period. We would have done better without the option only if the stock rose above $100.70.

Though we had expected Potash to increase in price, it declined to $84 at one point in July. Had we not written the call options our loss would have been $9 or 9.7%. However, the loss with the call option is $3.30 ($5.70–$9.00) or 3.6%. By writing the calls we have lowered the losses from 9.7% to 3.6%.

If the stock price had closed back at $93 by expiration, we would have generated option premium income of $5.70 or 6.1%. Without the call, the return would have been 0%.

Given the likelihood of a sloppy, sideways market, covered call writing is a great way to increase returns, mitigate losses and lower volatility

-Derek Webb

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 Simplified Prospectus, 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 annualized compounded total returns (periods less than 1 year are un-annualized simple 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.

Webb Asset Management Canada, Inc.

| Telephone: USA (415) 229-3180 Canada (416) 601-2449 Toll Free (866) 611-9590 | 26 Wellington St. E Toronto, Ontario M5E 1S2 | info@WAMfunds.com www.wamfunds.com