



WEBB ASSET MANAGEMENT

Management Report of Fund Performance

December 31, 2008

Webb Enhanced Growth Fund



Contents

MANAGEMENT REPORT OF FUND PERFORMANCE

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Webb Enhanced Growth Fund Management Report of Fund Performance

This annual management report of fund performance contains fiscal highlights but does not contain the complete audited annual financial statements for the investment fund. You can get a copy of the audited annual financial statements at your request, and at no cost, by calling (toll free) 1-866-611-9590, or (416) 646-0975, by writing to us at Webb Asset Management Canada, Inc. (“WAM Funds”, “Webb” or the “Manager”), 26 Wellington Street East, Suite 920, Toronto, Ontario, M5E 1S2, by visiting our website at www.WAMfunds.com or through SEDAR at www.sedar.com.

Unitholders may also contact us using one of these methods to request a copy of the investment fund’s proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure relating to the investment fund.

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance, or expectations that are not historical facts but instead represent our beliefs regarding future events. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements.

Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the fund may invest and the risks detailed from time to time in the fund’s simplified prospectus. We caution that the foregoing list of factors is not exhaustive, and that when relying on forward-looking statements to make decisions with respect to investing in the fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, the fund company does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

Management Discussion Of Fund Performance

Investment Objective and Strategies

The objective of the Webb Enhanced Growth Fund (the “Fund”) is to achieve long-term capital growth by investing in North American equities and equity-related securities of companies that Webb believes have exceptional growth potential.

The Fund intends to profit from both long and short equity positions and derivatives on such securities using Webb’s proprietary investment process. Webb’s investment process is earnings-based and is systematically applied to long and short positions in equities.

Webb’s earnings-based investment process screens a data base of stocks to identify those that are attractive investment or short selling opportunities. The screening process identifies as attractive investments, those companies with: adequate liquidity, a positive change in the growth rate of earnings, an increase in analysts’



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Management Report of Fund Performance *(continued)*

consensus expectations for future earnings and a positive surprise in reporting earnings versus the analysts' consensus expectation. The screening process identifies as attractive short positions, those companies with: inadequate liquidity, a negative change in the growth rate of earnings, a decrease in analysts' consensus expectations for future earnings and a negative surprise in reporting earnings versus the analysts' consensus expectation. Positions are sold or covered accordingly if the company no longer meets the required investment or short selling criteria.

Webb may seek to enhance performance by giving further consideration to relative price strength and other technical indicators as well as the active and systematic management of the long/short exposure. Specifically, Webb may seek to increase long exposures and decrease short exposures when technical indicators for a specific security or the market in general are favourable, or to decrease long exposures and increase short exposures when technical indicators for a specific security or the market in general are unfavourable.

Webb will also seek out opportunities to realize a low-risk profit from a long or short position (as appropriate) where the price of a specific security is out of line with its known intrinsic or stated value.

Risk

Active management of the Fund began on January 22, 2008, at which time the Fund became fully invested. The Fund was invested in accordance with the Fund's objectives and investment strategies. For each \$100 invested in the Fund, the Fund invested approximately \$90, while it sold short approximately \$20 in equity securities. The Fund remained diversified across sectors and securities throughout the period. The Fund was exposed to both Canadian and U.S. securities.

By the end of June, the Fund had realized a significant gain in a small allocation it had made to a private placement in stock and warrants of Potash North Resources ("PON"). The initial investment in PON represented a reasonable allocation of 0.3%. By the end of the reporting period, the appreciation of PON increased the Fund's exposure to approximately 7.7%. The private placement agreement restricted the fund from selling PON until October, 2008. The exposure to PON represented notable liquidity risk to investors in the Fund. Specifically, during the restriction period, PON shares could not be sold, even if Webb had wanted to realize a capital gain in the position. This liquidity risk ended when the restriction lifted in October. The Fund continued to hold its position in PON stock and warrants at the end of the period.

Equity markets experienced a rare and significant amount of volatility as the markets crashed in the second half of 2008. Much of the volatility was caused by a decline in the amount of capital available in the global financial markets. As capital became scarce, markets sold off materially and indiscriminately, without regard to company fundamentals. In such an environment, traditional and proven investment strategies often fail, including the process favoured by Webb.

In the opinion of Webb, continued use of its investment process, which was proving ineffective, exposed unitholders to an increased level of risk. In response, Webb allocated some of the Fund's assets to a strategy that relied on technical indicators. Taking advantage of technical indicators included the use of exchange-traded funds ("ETFs"). The ETFs used provided exposure or double exposure to the performance or inverse performance of common equity indexes, sub-indexes and commodities. Webb's intent in using these ETFs was to reduce the market, sector and security risk to which the Fund was exposed, and to improve the opportunity for realizing gains. The use of these ETFs may have actually exposed the Fund to more or less risk relative to other investment opportunities.



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Management Report of Fund Performance *(continued)*

In further response to market challenges, Webb also relied on more frequent trading and more concentrated positions. Specifically, Webb made a significant allocation to certain stocks that represented, in the opinion of Webb, superior risk-adjusted return opportunities. These included large positions in BCE and Fording Coal, both of which received firm takeover bids. Webb's intent in taking these positions was to reduce the market risk to which the Fund was exposed, and to improve the opportunity for realizing gains. These more concentrated positions may have affected the level of risk to which the Fund was exposed.

Please refer to the "Other Material Information" section for a full description of the investments referred to above.

Any changes in the risks associated with an investment in the Fund had no effect on the suitability or investor risk tolerance stated in the simplified prospectus.

Results of Operations

The Fund was established on January 11, 2008 with the first price struck on January 22, 2008. Interim financial statements and a Management Report on Financial Performance were prepared for the period ending June 30, 2008. Since that date, the Fund's performance and assets declined along with the dramatic decline in North American equity markets. A material change in investments in specific portfolio assets was made throughout the period as individual stock holdings were reduced in favour of more broadly diversified and liquid ETFs which provided exposure to broad market indexes or sub-indexes. As well, in certain cases, a material change in stock selection was made away from those with accelerating earnings characteristics to takeover targets with very high risk/reward characteristics.

The changes to the composition of the Fund were in keeping with the Fund's fundamental investment objectives and strategies, especially in light of the highly unusual economic and market events prevailing at the time.

There were no unusual trends in redemptions or sales during the period. The Fund experienced net redemptions through the July 1 – December 31 period, but they were immaterial relative to the size of the Fund.

The most significant components to revenue and expenses throughout the entire period were: management fees of \$91,874; performance fees of \$156,363, which were accrued and paid for the period ending June 30 only; independent review committee fees of \$34,310, administration fees (includes fund accounting and recordkeeping among other things) of \$49,395, other expenses (including foreign currency hedging) of \$37,889; and an expense rebate of \$63,565, which represents amounts payable by the Fund that were paid by the Manager.

The most significant event that affected past performance was the market crash that occurred between the end of the interim reporting period (June 30) and the end of the full reporting period (December 31). The market crash was a direct result of the unwinding of heavily leveraged investment portfolios around the world. As credit conditions deteriorated, investors were forced to reduce margin positions, which caused significant selling. This selling was not driven by fundamentals, rather by a simple need to raise cash. Very few stocks escaped significant declines. Many companies with the earnings characteristics that we look for were particularly punished by this sell-off as they were the most widely held and most liquid. As such, the Fund suffered significant declines throughout the market crash.



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Management Report of Fund Performance *(continued)*

Recent Developments

The Fund, through the underlying portfolio, remains invested in accordance with the objectives and strategies of the Fund.

In light of the bear market that started in 2008 and continues through the date of this report, the Fund has maintained a more conservative stance and remains less than fully invested. The Fund has covered all its short positions given the high degree of risk of being short after such a significant market decline.

In light of events described in the “Other Material Information” section, the Fund did not seek renewal of its simplified prospectus and annual information form pending the results of a review by the Ontario Securities Commission (“The Commission”). As such, the Fund is out of distribution, meaning it cannot issue new units. Existing units may be redeemed. The Manager intends to file a preliminary simplified prospectus and annual information form once the review of the Fund and the Manager is concluded to the satisfaction of The Commission. In the mean time, the Fund continues to be managed according to its objectives and strategies.

The Fund remains relatively small, which has imposed cost burdens on unitholders. With a bear market in place, there is little expectation that, in the near future, the Fund can grow to a size that will offset these expenses. The Manager has sought and received price concessions and payment deferrals from many of the Fund’s service providers to help offset these expenses.

Adoption of New Accounting Standards

On January 22, 2008, the Fund adopted the Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 3862 “Financial Instruments – Disclosures” and Section 3863 “Financial Instruments – Presentation”. These new standards replace Section 3861 “Financial Instruments – Disclosure and Presentation” with increased emphasis on the disclosure of risks associated with financial instruments and how those risks are managed. The previous requirements related to presentation of financial instruments have been carried forward unchanged. The new reporting standards do not impact the net asset value of the Fund or the net asset value per unit used to process capital unit transactions.

On April 1, 2005, the CICA issued Section 3855 “Financial Instruments – Recognition and Measurement” of the CICA Handbook – Accounting (“Section 3855”), which establishes standards for the fair valuation of investments as well as the accounting treatment of transaction costs. Section 3855 applies to fiscal years beginning on or after October 1, 2006. The adoption of Section 3855 results in the use of different valuation techniques for certain investments for financial reporting purposes.

Canadian securities regulatory authorities had previously granted relief to investment funds from the requirement to comply with Section 3855, for the purposes of calculating and reporting of net asset value used for investor transactions. Effective September 8, 2008, amendments to National Instrument 81-106 (“NI 81-106”) came into force to address the implications of Section 3855. The amendments permit investment funds to have two different net asset values: (i) one for financial statements, which will be prepared in accordance with Canadian Generally Accepted Accounting Principles (“GAAP”) including Section 3855 (and referred to as “net assets”, previously disclosed as “GAAP Net Assets”); and (ii) another for all other purposes, including unit pricing for investor transactions (referred to as “net asset value”, previously referred to as “Pricing NAV”). These amendments to NI 81-106 will not impact the financial position of the Fund nor cause a significant change to the Fund’s current valuation practices.



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Management Report of Fund Performance *(continued)*

Future Accounting Standards

The Canadian Accounting Standards Board recently confirmed January 1, 2011 as the date International Financial Reporting Standards (“IFRS”) will replace current Canadian standards and interpretations as Canadian GAAP for publicly accountable enterprises such as investment funds and other reporting issuers.

Changing from current Canadian GAAP to IFRS will be a significant undertaking that may materially affect the Fund’s reported position and results of operations. It may also affect certain business functions. The Canadian Securities Administrators (“CSA”) has issued CSA Staff Notice 52-320, which requires the Managers to provide progress updates on the changeover plan to the new reporting standards at each interim and annual reporting period up until the changeover date.

For the Fund, IFRS will be effective for the interim and annual periods starting January 1, 2011, including the preparation and reporting of one year of comparative figures. In order to prepare for the transition to IFRS, the Manager has developed a high level implementation plan and has commenced assessing the impact of significant accounting differences between IFRS and Canadian GAAP. The Manager has presently determined that there will be no material impact to the net assets per units or net asset value from the changeover to IFRS. The impact of IFRS on accounting policies and implementation decisions will mainly be in the areas of presentation and additional note disclosures in the financial statements of the Fund.

Further updates on implementation progress and potential reporting impact from the adoption of IFRS will be provided during the implementation period.

Independent Review Committee

The Manager has established an independent review committee (the “IRC”).

National Instrument 81-107 – Independent Review Committee for Investment Funds (“NI 81-107”) came into force on November 1, 2007. NI 81-107 requires all publicly offered investment funds, such as the Fund, to establish an IRC. The Manager must identify and refer all conflict of interest matters for review or approval to the IRC. The mandate of the IRC is to consider and provide recommendations to the Manager on any conflicts of interest to which it may be subject in managing the Fund. NI 81-107 also imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, to maintain records in respect of these matters and to provide the IRC with guidance and assistance in carrying out its functions and duties. The cost of the establishment and ongoing activities of the IRC are a cost of the funds for which they act.

The IRC is fully operational and functioning in accordance with the applicable securities laws. According to NI 81-107, the IRC must be comprised of a minimum of three independent members, and is subject to requirements to conduct regular assessments of its members and provide reports in respect of those functions, at least annually, to the Fund and its unitholders. The report prepared by the IRC will be available on the Fund’s website www.WAMfunds.com, or at a unitholders request, at no cost, by contacting the Fund at 26 Wellington Street East, Suite 920, Toronto, Ontario M5E 1S2 or at info@WAMfunds.com.



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Management Report of Fund Performance *(continued)*

Manager and Portfolio Advisor

Webb Asset Management Canada, Inc. is the trustee and manager of the Fund. The registered office of Webb Asset Management Canada, Inc. is located at 26 Wellington Street East, Suite 920, Toronto, Ontario M5E 1S2. Further contact information of the Manager is as follows:

Tel: (416) 646-0975

Fax: (416) 777-5181

E-mail: info@WAMFunds.com

Website: www.WAMFunds.com

Toll free number: 1-866-611-9590

Under the Declaration of Trust, the Manager is responsible for providing all management and administrative services required by each Fund, which includes the management of the investment portfolio, investment analysis, recommendations and decisions, the implementation of the portfolio purchase and sale transactions and arranging for the distribution of the Fund's units. Pursuant to the Declaration of Trust, the Manager may delegate any or all of its duties and responsibilities to one or more agents to assist it in the performance of such duties and responsibilities. The Manager may resign as manager of a Fund on 90 days' prior written notice.

As Trustee, the Manager holds title to the securities owned by the Fund on behalf of unitholders. The Manager has exclusive authority over the assets and affairs of the Fund with a fiduciary responsibility to act in the best interests of the unitholders.

Pursuant to an Investment Advisory Agreement dated January 11, 2008, the Manager has appointed Webb Asset Management, Inc. to be the Fund's portfolio sub-advisor (the "Portfolio Sub-advisor").

Webb Asset Management Canada, Inc. and Webb Asset Management, Inc. are related parties.

Transfer Agent

Felcom Data Services Inc. ("Felcom") is the registrar and transfer agent of the Fund. Felcom receives fees from the Fund calculated at a scaled rate per unitholder account, accrued daily and paid monthly in advance, with certain minimum fees for the collective investor accounts for the transfer agent and registrar services provided.

Pricing and Bookkeeping

Felcom maintains the Fund's accounting records. The valuation and bookkeeping fee charged to the Fund is calculated on a base fee as determined by certain criteria such as frequency of valuation, size of Fund, or the types of securities in which the Fund invests, plus any direct charges, and is accrued daily and paid monthly.



Webb Enhanced Growth Fund

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance since inception on January 11, 2008. This information is derived from the Fund's annual audited financial statements and the unaudited interim financial statements. Please see the front page for information on how you may obtain the Fund's annual or interim financial statements.

The Fund's Net Assets per Unit

Series A

<i>Period</i>		2008
Net assets, beginning of period⁽¹⁾	\$	10.00
Decrease from operations:		
Total revenue		0.22
Total expenses		(0.58)
Realized losses		(6.37)
Unrealized losses		(0.45)
Total decrease from operations⁽³⁾		(7.18)
Total annual distributions⁽⁴⁾		–
Net assets, end of period⁽²⁾⁽⁵⁾	\$	5.58

Series F

<i>Period</i>		2008
Net assets, beginning of period⁽¹⁾	\$	10.00
Decrease from operations:		
Total revenue		0.22
Total expenses		(0.54)
Realized losses		(6.57)
Unrealized losses		(0.90)
Total decrease from operations⁽³⁾		(7.79)
Total annual distributions⁽⁴⁾		–
Net assets, end of period⁽²⁾⁽⁵⁾	\$	5.64



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Financial Highlights *(continued)*

Series I

<i>Period</i>		2008
Net assets, beginning of period⁽¹⁾	\$	10.00
Increase from operations:		
Total revenue		0.11
Total expenses		(0.29)
Realized losses		(90.05)
Unrealized gains		92.11
Total increase from operations⁽³⁾		1.88
Total annual distributions⁽⁴⁾		—
Net assets, end of period⁽²⁾⁽⁵⁾	\$	4.94

- (1) *This information is derived from the Fund's audited annual financial statements. Series A units, Series F units and Series I units list their initial offering price of \$10.00 per unit as the opening net asset value although such units may not have actually been issued at the beginning of the period. The inception date for Series A, F and I units was January 11, 2008.*
- (2) *The net assets per unit presented in the financial statements may differ from the net asset value calculated for Fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements.*
- (3) *Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the average number of units outstanding over the financial period.*
- (4) *Distributions, if any, were paid in cash/reinvested in additional units of the Fund, or both.*
- (5) *The Financial Highlights are not intended to act as a continuity of the opening and closing net assets per unit.*



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Financial Highlights *(continued)*

Ratios and Supplemental Data

Series A

<i>Period</i> ⁽¹⁾		2008
Net asset value ⁽²⁾ (000s)	\$	4,068
Number of units outstanding		719,717
Management expense ratio ⁽³⁾		7.15%
Management expense ratio before waivers or absorptions ⁽⁴⁾		8.55%
Trading expense ratio ⁽⁵⁾		1.54%
Portfolio turnover rate ⁽⁶⁾		2857.99%
Net asset value per unit, end of period ⁽²⁾	\$	5.65

Series F

<i>Period</i> ⁽¹⁾		2008
Net asset value ⁽²⁾ (000s)	\$	560
Number of units outstanding		97,908
Management expense ratio ⁽³⁾		6.67%
Management expense ratio before waivers or absorptions ⁽⁴⁾		8.09%
Trading expense ratio ⁽⁵⁾		1.54%
Portfolio turnover rate ⁽⁶⁾		2857.99%
Net asset value per unit, end of period ⁽²⁾	\$	5.72



Webb Enhanced Growth Fund

Financial Highlights *(continued)*

Series I

<i>Period</i> ⁽¹⁾		2008
Net asset value ⁽²⁾ (000s)	\$	1
Number of units outstanding		200
Management expense ratio ⁽³⁾		3.02%
Management expense ratio before waivers or absorptions ⁽⁴⁾		3.08%
Trading expense ratio ⁽⁵⁾		1.54%
Portfolio turnover rate ⁽⁶⁾		2857.99%
Net asset value per unit, end of period ⁽²⁾	\$	5.00

- (1) *This information is provided as at period end of the years shown, as applicable.*
- (2) *The impact of the adoption of the accounting policy Section 3855 on net assets may result in a different valuation of securities held by the Fund, for financial reporting purposes, than the market value used to determine the net asset value of the Fund for the purchase and redemption of the Fund's units. As a result, the net assets and the net assets per unit presented may differ from the net asset value and net asset value per unit as of December 31, 2008.*
- (3) *Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. Out of its management fees, the Manager pays for such services to the Fund as portfolio manager compensation, service fees and marketing. Management expense ratio is inclusive of performance fees.*
- (4) *The Manager, at its discretion, waived and/or absorbed a portion of the fees and/or expenses otherwise payable by the Fund. The waiving and/or absorption of such fees and/or expenses by the Manager may be terminated at any time, or continued indefinitely, at the discretion of the Manager. Management expense ratio is inclusive of performance fees.*
- (5) *The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.*
- (6) *The Fund's portfolio turnover rate indicates how actively the Sub-Advisor trades the Fund's portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.*



Webb Enhanced Growth Fund

Financial Highlights *(continued)*

Management Fees

The following table shows the Fund's annual management fee rates and the maximum trailer fee rates for each series of units. Webb pays trailer fees to dealers out of management fees. The trailer fees are a percentage of the average daily value of the units of the Fund held by the dealer's clients. The fees depend on the series of units held.

SERIES OF UNIT	MANAGEMENT FEE	PERFORMANCE FEE
Series A Units	2.00%	20.00% of performance over benchmark
Series F Units	1.00%	20.00% of performance over benchmark
Series I Units	Negotiable	Negotiable

Past Performance

National Instrument 81-106F1 4.1 (2) does not require that performance data be provided for any period if the investment fund was not a reporting issuer at all times during the period. The Webb Enhanced Growth Fund was not a reporting issuer at all times during the period. As such, performance data is not provided.



Webb Enhanced Growth Fund

Summary of Investment Portfolio

As at December 31, 2008

Asset Mix	Net Asset Value	% of Fund's Net Asset Value
Cash and Cash Equivalents	\$ 2,280,078	49.3%
Canadian Equities	1,753,027	37.9%
U.S. Equities	1,504,908	32.5%
Foreign Equities	1,245,579	26.9%
Net Other Assets	(2,155,182)	-46.6%
	\$ 4,628,410	100.0%

Sector Mix	Net Asset Value	% of Fund's Net Asset Value
Cash and Cash Equivalents	\$ 2,280,078	49.3%
Materials	1,630,504	35.2%
Industrials	758,059	16.4%
Energy	503,782	10.9%
Financials	458,281	9.9%
Information Technology	445,948	9.6%
Health Care	265,571	5.7%
Consumer Staples	231,716	5.0%
Utilities	145,935	3.2%
Telecommunications	63,718	1.4%
Net Other Assets	(2,155,182)	-46.6%
	\$ 4,628,410	100.0%



Webb Enhanced Growth Fund

Summary of Investment Portfolio *(continued)*

As at December 31, 2008

Top Holdings	% of Fund's Net Asset Value
Horizons BetaPro S&P/TSX Capped Financials® Bull Plus ETF	9.9%
Lihir Gold Limited ADR	9.9%
AngloGold Ashanti Limited ADR	9.5%
Agnico-Eagle Mines Limited	9.4%
Frontline Limited	7.6%
Axsys Technologies Inc.	6.0%
Labrador Iron Ore Royalty Income Fund	5.6%
Yamana Gold Inc.	5.6%
General Mills Inc.	5.0%
Syntel Inc.	4.9%
Red Hat Inc.	4.8%
Granite Construction Inc.	4.7%
Cubist Pharmaceuticals Inc.	4.6%
Inter Pipeline Fund	3.2%
Pembina Pipeline Income Fund	3.0%
NTELOS Holdings Corporation	1.4%
Genoptix Inc.	1.2%
Potash North Resource Corporation	0.8%
Oilexco Inc.	0.4%

The summary of investment portfolio may change due to the ongoing portfolio transactions of the Fund. The most recent financial statements are available at no cost by calling 1-866-611-9590, by writing to us at 26 Wellington Street East, Suite 920, Toronto, Ontario, M5E 1S2, by visiting our website at www.WAMfunds.com or through SEDAR at www.sedar.com.



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Other Material Information

Throughout the reporting period, the Fund violated various securities rules. These violations were identified by the Manager and self-disclosed to the Commission on January 7, 2009.

The rules violated, a description of the rule, and a list of the securities involved in the violations are listed below.

The Rule: 81-102 2.1 (1) Concentration Restriction

Description of the Rule

A mutual fund shall not purchase a security of an issuer, enter into a specified derivatives transaction or purchase index participation units if, immediately after the transaction, more than 10 percent of the net assets of the mutual fund, taken at market value at the time of the transaction, would be invested in securities of any issuer.

Securities Involved

Security Name	Ticker	Date Purchased	Maximum % of NAV	Date sold or reduced <10%	# days >10
BCE	BCE	02/12/08	16%	04/18/08	49
		05/12/08	12%	05/30/08	15
		09/16/08	15%	09/22/08	5
		10/08/08	32%	12/03/08	40
Fording Canadian Coal	FDG.UN	09/16/08	14%	10/02/08	13
		10/13/08	30%	10/24/08	10
Toronto-Dominion Bank	TD	11/25/08	18%	12/03/08	7

The Rule: 81 – 102 2.5 (2) Investments in Other Mutual Funds

Description of the Rule

(2) A mutual fund shall not purchase or hold a security of another mutual fund unless,

(a) the other mutual fund is subject to this Instrument and National Instrument 81-101,

(b) at the time of the purchase of that security, the other mutual fund holds no more than 10% of the market value of its net assets in securities of other mutual funds,

(c) the securities of the mutual fund and the securities of the other mutual fund are qualified for distribution in the local jurisdiction,

(d) no management fees or incentive fees are payable by the mutual fund that, to a reasonable person, would duplicate a fee payable by the other mutual fund for the same service,



Webb Enhanced Growth Fund

Other Material Information *(continued)*

(e) no sales fees or redemption fees are payable by the mutual fund in relation to its purchases or redemptions of the securities of the other mutual fund if the other mutual fund is managed by the manager or an affiliate or associate of the manager of the mutual fund, and

(f) no sales fees or redemption fees are payable by the mutual fund in relation to its purchases or redemptions of securities of the other mutual fund that, to a reasonable person, would duplicate a fee payable by an investor in the mutual fund.

(3) Paragraphs (2)(a) and (c) do not apply if the security

(a) is an index participation unit issued by a mutual fund, or

(b) is issued by another mutual fund established with the approval of the government of a foreign jurisdiction and the only means by which the foreign jurisdiction permits investment in the securities of issuers of that foreign jurisdiction is through that type of mutual fund.

DEFINITION: “index participation unit” means a security traded on a stock exchange in Canada or the United States and issued by an issuer the only purpose of which is to

(a) hold the securities that are included in a specified widely quoted market index in substantially the same proportion as those securities are reflected in that index, or

(b) invest in a manner that causes the issuer to replicate the performance of that index.



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Other Material Information *(continued)*

As at December 31, 2008

Securities Involved

Security Name	Ticker	Date Purchased	Date sold	# days
Horizons BetaPro NYMEX Crude Oil Bear Plus	HOD	06/10/08	07/22/08	31
ProShares Ultra S&P500	SSO	1/24/08	1/24/08	1
		9/29/08	10/2/08	4
		10/09/08	10/14/08	4
		10/16/08	10/30/08	11
		11/05/08	11/05/08	5
ProShares Ultra Financials	UYG	11/21/08	11/21/08	3
		07/17/08	07/18/08	1
		07/23/08	07/24/08	1
ProShares UltraShort S&P 500	SDS	12/01/08	12/10/08	8
ProShares Ultra Dow 30	DDM	9/29/08	10/02/08	4
ProShares UltraShort FTSE/Xinhua China 25	FXP	9/23/08	09/26/08	4
		10/14/08	10/21/08	6
		12/3/08	12/9/08	5
HOLDRs Oil Services	OIH	8/21/08	9/3/08	9
PowerShares Zacks Micro Cap	PZI	12/16/08	12/23/08	5
ProShares UltraShort Real Estate	SRS	12/03/08	12/10/08	6
Horizons BetaPro NYMEX® Natural Gas Bull Plus	HNU	8/27/08	9/3/08	5
Horizons BetaPro NYMEX® Crude Oil Bull Plus	HOU	9/29/08	9/30/08	1

The Rule: Betapro Management Inc. – Exemptive Relief Order (SEDAR No. 1262940)

Description of the Exemptive Relief Order

(a) no more than 10% of the Fund's net assets, in the aggregate at the time of purchase, may be invested in securities of the HBP Pools;

(b) if the Fund has obtained relief to use short selling it may invest up to, but no more than, 20% of its net assets in aggregate at the time of purchase in securities of the HBP Pools and the shorting of securities;

(c) the investment by the Fund in securities of a HBP Pool is in accordance with the fundamental investment objective of the Fund;

(d) the prospectus of the Fund discloses, or will disclose the next time it is renewed after the date hereof, that the Fund may invest in commodity pools that use financial instruments that correlate to the performance of an Underlying Index and, to the extent applicable, the risks associated with such an investment; and

(e) the Fund will not invest in an HBP Pool with an Underlying Index based on:

i. a physical commodity other than gold, or

ii. a specified derivative of which the underlying interest is a physical commodity other than gold.



Webb Enhanced Growth Fund

Other Material Information *(continued)*

As at December 31, 2008

Securities Involved

Security Name	Ticker	Date Purchased	Maximum % of NAV	Date sold or reduced <10%	# days >10%
Horizons BetaPro S&P/TSX 60 TM Bear Plus	HXD	04/18/08	18%	04/29/08	11
Horizons BetaPro COMEX [®] Gold Bullion Bull Plus	HBU	10/09/08	13%	10/13/08	4
Horizons BetaPro S&P/TSX Capped Financials TM Bull Plus	HFU	10/30/08 12/08/08	38% 11%	12/04/08 12/09/08	34 1
Horizons BetaPro S&P/TSX Global Gold TM Bull Plus	HGU	08/13/08 08/21/08 10/07/08 10/30/08	14% 18% 28% 11%	08/18/08 08/26/08 10/10/08 10/31/08	4 4 4 1
Horizons BetaPro S&P/TSX 60 TM Bull Plus	HXU	10/01/08	10%	10/02/08	1

In light of these violations, the Commission is conducting a review of the Fund and Manager.



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