



WEBB ASSET MANAGEMENT

Interim Management Report of Fund Performance

June 30, 2008

Webb Enhanced Growth Fund



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Webb Enhanced Growth Fund

MANAGEMENT REPORT OF FUND PERFORMANCE

This interim management report of fund performance does not contain the complete unaudited interim financial statements for the investment fund. You may request a copy of the investment fund's unaudited interim financial statements, interim management report of fund performance, current proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosures at no cost from Webb Asset Management Canada, Inc. ("WAM Funds" or the "Manager"), by calling (toll free) 1-866-611-9590, or locally (416) 646-0975, 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.

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

The investment objective of the Webb Enhanced Growth Fund (the "Fund") is to achieve long-term capital growth by investing in equities and equity-related securities of companies that the Manager believes have exceptional growth potential. The Fund intends to invest primarily in North America.

Investment Strategies

To achieve its objective, the Fund intends to profit from both long and short equity positions and derivatives on such securities using the Manager's proprietary investment process. The Manager's investment process is earnings-based and is systematically applied to long and short positions in equities.

The Manager'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' consensus expectations for future earnings and a positive surprise in reporting earnings versus the



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Management Report of Fund Performance *(continued)*

analysts' consensus expectation. The screening process identifies as attractive short positions, those companies with; adequate 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 adequately diversified across sectors and in number of securities throughout the period. The Fund was exposed to both Canadian and U.S. securities.

By the end of the reporting period, the Fund had realized a significant gain in a small allocation it had made to a private placement in 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 restricts the fund from selling PON until October, 2008. Until then, the relatively high exposure to PON represents notable single-stock and liquidity risk to investors in the Fund. For example, as at the period end, should PON decline 10% in value, the Fund would decline approximately 0.8%. This risk will be reduced as either some of the position in PON is sold once the restriction ends, or the fund grows its assets and dilutes the current weighting in PON to a more reasonable level.

Otherwise, the Fund's objectives and strategy require that it be exposed to normal levels of stock market risk, timing risk, liquidity risk, regulator risk, foreign security risk, currency risk, derivatives risk and short-selling risk.

The Fund remains well-suited to growth-oriented investors looking for capital appreciation and willing to accept equity-market levels of volatility.

Results of Operations

The Fund was established on January 11, 2008 with the first price struck on January 22, 2008. Since this is the Fund's first reporting period, there are no material changes from previous reporting periods.



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Management Report of Fund Performance *(continued)*

Performance from January 22, 2008 to June 30, 2008 for Series A was 15.48% and 16.02% for Series F as compared with the S&P/TSX Total Return Index return of 20.80%. The Fund asset mix at period-end was 31.10% cash and cash equivalents, 26.40% Canadian equities, 24.60% U.S. equities and 15.30% other assets less liabilities.

Given the Fund's investment objective and investment strategy, its core investments are in stocks that are experiencing accelerating earnings and posting results that exceed consensus forecasts, while short of stocks that are experiencing decelerating earnings and posting results that fall short of consensus forecasts. As such, the Fund was heavily exposed to long positions in energy, materials and U.S. industrial stocks, while exposed to short positions in consumer stocks.

Through the reporting period, a significant run-up in commodity prices and commodity-related stocks had introduced some risk to the portfolio. By the end of the reporting period, commodity prices – especially oil prices – started a rather material decline. Energy-related and other commodity stocks began to correct in mid-June. The risk of further declines was material enough for the Manager to reduce the Fund's exposure to commodity-related positions that had appreciated the most. The cash position of the Fund increased to 31.10% to help mitigate a further correction in energy and materials stocks.

Significant gains were made, but unrealized, in the private placement issue and warrants of Potash North Resources ("PON"). By the end of the reporting period, PON and PON warrants represented 7.70% of the Fund. The Fund's position in PON is restricted until October, 2008, so the Fund will be somewhat more exposed to the performance of PON and PON warrants until the position can be reduced or, through new Fund sales, diluted.

The largest expense of the Fund was performance fees paid to the Manager in the amount of \$148,580. The performance fee was accrued throughout the reporting period as the Fund outperformed its stated performance fee hurdle. The accrued performance fee was paid out at the end of the reporting period.

The Manager paid \$34,000 of fund expenses that were payable by the Fund. The Fund will not be responsible for paying this amount back to the Manager.

The Fund did not borrow any money over the reporting period.

Recent Developments

In light of a correction in commodities prices, especially crude oil, and a rally in financial and consumer stocks, the Fund reduced its exposure to both long and short positions heading into the third quarter. With commodity-related stocks appreciating so much in the first half of 2008, a continued correction in commodity prices, may cause significant sell-offs in those stocks. As such, the Fund remains below fully invested in anticipation of the end of the correction phase. Once the correction appears complete, the Fund will again approach a fully invested allocation.

A reduction in the Fund's exposure to stocks, both long and short, may mitigate downside risk should the corrective phase continue, but it will also reduce upside potential if the correction ends and the markets move in favour of the Fund's positions. The Manager is prepared to make the necessary investments when it is deemed prudent in order to capture performance opportunities as they arise.



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Management Report of Fund Performance *(continued)*

Adoption of New Accounting Standards

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 subscription and redemptions.

On April 1, 2005, the Canadian Institute of Chartered Accountants (“CICA”) issued Section 3855, “Financial Instruments – Recognition and Measurement” of the CICA Handbook – Accounting, 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. Additionally, Section 14.2 of National Instrument 81-106 (“NI 81-106”), issued by the Canadian Securities Administrators in 2005, requires the daily net asset value of an investment fund to be calculated in accordance with Canadian Generally Accepted Accounting Principles (“GAAP”). The adoption of Section 3855 would result in the use of different valuation techniques for certain investments for financial reporting purposes.

Canadian securities regulatory authorities granted relief to investment funds from the requirement to comply with Section 3855, for the purposes of calculating of net asset value used for the investor transactions (“Pricing NAV”) until the earlier of September 30, 2008, or the date that various proposed changes to Section 14.2 of National Instrument 81-106 come into affect. The Canadian Securities Administrators (the “CSA”) are currently reviewing the suitability of applying Section 3855 for the purposes other than the preparation of financial statements. Depending on the outcome of such review, the method by which net asset value is calculated as governed by Section 3855 may result in a change to the purchase and redemption price of an investment fund on the date of such change. We have adopted the provisions of Section 3855 retroactively without restatement of prior periods.

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 in operations. It may also affect certain business functions. The 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.

As at June 30, 2008, the Manager is assessing the impact of IFRS on net asset value per unit and accounting policies of the Fund and will be developing its changeover plan to meet the timetable published by the CICA for changeover to IFRS. The plan will be disclosed in the 2008 annual financial statements as at December 31, 2008.



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Management Report of Fund Performance *(continued)*

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.

Manager and Portfolio Advisor

Webb Asset Management Canada, Inc. is the trustee (the “Trustee”) and manager (the “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 the 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.



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Management Report of Fund Performance *(continued)*

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.



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Financial Highlights

As of the date of this document, the Fund has not completed a financial year end as a reporting issuer. Financial Highlights information for the Fund will be included in the annual management report of fund performance for the period ended December 31, 2008.

Management Fees

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

As of the date of this document, the Fund has not completed a financial year end as a reporting issuer. Annual performance information for the Fund will be included in the annual management report of fund performance for the period ended December 31, 2008.



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Summary of Investment Portfolio

As at June 30, 2008

Asset Mix	Net Assets	% of Fund's Net Assets
Long Position		
Canadian Equities	\$ 3,611,010	42.2%
U.S. Equities	2,098,210	24.6%
Foreign Equities	221,494	2.6%
Cash and Cash Equivalents	2,655,840	31.1%
Net Other Assets	1,311,209	15.3%
Short Position		
Canadian Equities	(1,351,789)	-15.8%
	\$ 8,545,974	100.0%

Sector Mix	Net Assets	% of Fund's Net Assets
Long Position		
Energy	\$ 3,338,713	39.1%
Cash and Cash Equivalents	2,655,840	31.1%
Net Other Assets	1,311,209	15.3%
Industrials	1,151,122	13.4%
Materials	1,123,722	13.1%
Information Technology	158,730	1.9%
Consumer Staples	149,231	1.8%
Consumer Discretionary	9,196	0.1%
Short Position		
Information Technology	(16,768)	-0.2%
Financials	(17,004)	-0.2%
Energy	(100,018)	-1.2%
Consumer Staples	(124,459)	-1.5%
Health Care	(172,398)	-2.0%
Industrials	(240,469)	-2.8%
Materials	(335,586)	-3.9%
Consumer Discretionary	(345,087)	-4.0%
	\$ 8,545,974	100.0%



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Summary of Investment Portfolio *(continued)*

As at June 30, 2008

Top 25 Holdings	% of Fund's Net Assets
Long Position	
Potash North Resource Corporation	7.7%
Petrobank Energy and Resources Limited	4.0%
Suncor Energy Inc.	3.7%
Canadian Natural Resources Limited	3.5%
Apache Corporation	3.5%
Fluor Corporation	3.1%
Duvernay Oil Corporation	3.1%
Denbury Resources Inc.	3.0%
Petro-Canada	2.5%
Carrizo Oil & Gas Inc.	2.4%
Murphy Oil Corporation	2.3%
Occidental Petroleum Corporation	2.2%
Nuvista Energy Limited	2.0%
Fording Canadian Coal Trust	1.9%
Harvest Energy Trust	1.9%
Celestica Inc.	1.9%
TBS International Limited 'A'	1.8%
Talisman Energy Inc.	1.8%
Labrador Iron Ore Royalty Income Fund	1.6%
Genco Shipping & Trading Limited	1.6%
Parallel Petroleum Corporation	1.5%
Canadian Oil Sands Trust	1.5%
Andarko Petroleum Corporation	1.4%
Short Position	
MDS Inc.	-1.5%
Great Canadian Gaming Corporation	-1.1%

The summary of investment portfolio may change due to the ongoing portfolio transactions of the Fund. The most recent financial reports 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, or by visiting our website at www.WAMfunds.com.



WEBB ASSET MANAGEMENT CANADA, INC.

26 Wellington Street East, Suite 920
Toronto, Ontario
M5E 1S2
www.WAMfunds.com



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