

**WEBB FUNDS**  
**SIMPLIFIED PROSPECTUS**  
**DATED AUGUST 9, 2010**

*Offering Series A, F and I Units of*

**WEBB ENHANCED GROWTH FUND**  
**WEBB ENHANCED INCOME FUND**

No securities regulatory authority has expressed an opinion about these units and it is an offence to claim otherwise.

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## INTRODUCTION

This simplified prospectus contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor in the Webb Enhanced Growth Fund and the Webb Enhanced Income Fund (collectively, the “**Funds**”).

In this simplified prospectus “you” and “your” mean the person who invests in a Fund. The manager of each of the Funds is Webb Asset Management Canada, Inc., and is referred to in this document as “**Webb**” or “we”. In this document we use the term “financial advisor” to mean an individual from whom you receive advice with respect to investing in mutual funds. We use the term “dealer” to mean the company with which a financial advisor is associated.

This simplified prospectus contains information about the Funds and the risks of investing in mutual funds generally, as well as the names of the firms responsible for the management of the Funds.

This document is divided into two parts:

- The first part, from pages 2 to 19, contains general information applicable to all of the Funds.
- The second part, from pages 20 to 34, contains specific information about each of the Funds.

Additional information about each Fund is available in the Funds’ annual information form, the Funds’ most recently filed annual financial statements, any interim financial statements of the Funds filed after those annual financial statements, the most recently filed annual management report of fund performance and any interim management report of fund performance filed after the annual management report of fund performance. These documents are incorporated by reference into this simplified prospectus, which means that they legally form part of this document just as if they were printed in it. You can get copies of these documents, at your request, and at no cost, by calling us toll free at 1-866-611-9590 or from your dealer.

These documents are also available at [www.WAMfunds.com](http://www.WAMfunds.com) or by contacting us at [info@WAMfunds.com](mailto:info@WAMfunds.com).

These documents and other information about the Funds are also available electronically on the Internet site of SEDAR (the System for Electronic Document Analysis and Retrieval, which was established by the Canadian Securities Administrators) at [www.sedar.com](http://www.sedar.com).

## **PART A**

### **WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?**

#### *What is a Mutual Fund?*

A mutual fund is an investment vehicle that allows investors with similar investment objectives to pool their investments in a single legal structure. Investors in the mutual fund become unitholders of the mutual fund. Mutual fund unitholders share (in proportion to the units they own) in the income, expenses, gains and losses that the mutual fund makes on its investments. Investors realize the value of an investment in a mutual fund by redeeming the units they hold.

A mutual fund may own different types of investments – stocks, bonds, cash, derivatives – all depending upon its investment objectives. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, capital markets and company news, with these and other factors affecting mutual funds with varying degrees of impact. For example, mutual funds that invest in equity securities will be more influenced by changes in the equity markets generally, while a mutual fund investing solely in bonds would not. The value of a mutual fund’s units may go up and down, and the value of your investment may be more or less when you redeem it than when you purchased it.

Webb does not guarantee that the full amount of your original investment in a Fund will be returned to you. Unlike bank accounts or GICs, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer. Under exceptional circumstances, a Fund may suspend redemptions of units. Please see page 10 – “Purchases, Switches, Conversions and Redemptions – Redemptions”.

There are three primary types of mutual funds:

**Money Market Funds or Short-term Income Funds** – The primary objective of these funds is safety of principal. These types of mutual funds usually invest in assets such as term deposits, cash in bank accounts, government savings bonds, short-term paper (treasury bills, discount notes) issued by governments, and bonds and short-term paper (bankers’ acceptances and commercial paper) issued by large corporations. These funds are considered low risk and usually offer lower returns than income or growth funds.

**Income Funds** – The primary objective of income funds is to generate a consistent stream of investment income to their investors. These types of mutual funds invest primarily in debt instruments such as bonds issued by different governments or large corporations, mortgages, preferred shares, dividend paying common shares, investment trust units and other income generating securities. Income fund valuations will be largely affected by interest rates and the financial well-being of the issuer of the investments. An increase in interest rates will generally cause the value of fixed income securities to decline and, conversely, a decrease in interest rates will generally cause the value of these securities to increase. In order to reduce risk, income funds may elect to hold primarily high-quality government and corporate securities, a strategy which is designed to reduce volatility.

Preferred shares, common shares and investment trust units represent ownership in the issuing company. These companies may elect to pay income to their shareholders or unitholders in the form of dividends or distributions in an amount determined by the company. Securities that represent ownership are not obligated to make payments to security holders, and as such are considered to be of higher risk than debt instruments. Income funds are considered to be of moderate risk.

**Growth Funds** – The primary objective of growth funds is to deliver capital appreciation to their investors. These types of mutual funds invest primarily in equity securities such as common stocks and investment trusts, which represent ownership in a company. A mutual fund that concentrates on equity investments is affected not only by general economic and financial conditions, but will also be affected by specific company developments and general stock market conditions. Accordingly, equity-oriented funds are generally more volatile, and the value of their units may vary more widely, than fixed-income-oriented funds. Growth funds are considered to be of higher risk than income funds.

**Exchange Traded Funds (“ETFs”)** – These mutual funds are traded on stock exchanges located anywhere in the world. The investments of these types of mutual funds can include securities and other financial instruments and, as a result, the risks and benefits of investing in an ETF will mirror the risks and benefits of the particular investments made by such ETF. One category of exchange traded funds issues index participation units that trade on a Canadian or American stock exchange and either: (i) invest in securities that are included in a specified widely quoted market index in substantially the same proportion as those securities are reflected in the referenced index; or (ii) invest in a manner that substantially replicates the performance of the referenced index (“**Index Participation Units**”). Index Participation Units replicate the performance, risks and benefits of entire market indices and, while they are less sensitive to individual company results, they are designed to closely mirror the overall returns of the equity and income markets the index represents. Mutual funds, like the Funds, are permitted to invest in ETFs that issue Index Participation Units.

The specific investment objectives and strategies of the Funds are separately described in Part B of this document under the heading “What Does the Fund Invest In?” in the fund profile for each Fund.

When you are making your investment decision, it is very important that you are completely aware of the different investment types, their relative returns over time, and their volatility.

Mutual funds offer an investor many advantages.

#### *Diversification*

A mutual fund allows diversification of investments with a small cash outlay. Diversification may reduce the volatility of investment returns. While some securities may go down, others may go up thereby offsetting underperforming securities. Generally it takes about 20-30 securities to achieve a well-diversified portfolio, which can be difficult and costly for an individual investor to achieve outside a mutual fund.

#### *Professional Investment Management*

Investors in a mutual fund have a professional portfolio sub-advisor that manages the investments in the fund on their behalf. The portfolio sub-advisor has the necessary skills, experience and time to do research and make informed investment decisions. Although the portfolio sub-advisor is entitled to a fee for such service, the fee is spread over many unitholders of the fund and is a cost effective form of professional money management for many investors. Many portfolio sub-advisors manage more than one mutual fund and may also manage pension funds, endowment funds, insurance portfolios and the assets of high net worth individuals.

#### *Liquidity*

The units held in a mutual fund can be redeemed (i.e., sold back) to the fund easily, at any time and with minimal restrictions.

### *Cost Effectiveness*

A well-diversified investment portfolio might require hundreds of thousands of dollars to be efficiently diversified and cost effective. Smaller investors benefit from mutual funds by pooling their money together. This allows the fund's portfolio sub-advisor to negotiate better brokerage commissions and spread the fixed administrative costs over many unitholders. Record keeping and reporting are a significant cost in any investment program.

### ***What are the Risks of Investing in a Mutual Fund?***

Everyone has a different tolerance for risk. Some individuals are more conservative than others when making their investment decisions. It is important to take into account your own comfort with risk as well as the amount of risk suitable for your financial goals. In addition, you should discuss your particular investment needs and goals with your financial advisor to determine the optimal risk levels for your investments generally and how the Funds would be consistent with such levels.

The risks associated with investing in a mutual fund depend on the securities held in that mutual fund and the investment strategies it employs. The Funds may invest in other mutual funds, including ETFs that issue Index Participation Units that are exposed to these risks, as well as invest in debt and equity securities directly. The risks to which the Funds, directly, or indirectly through the underlying funds in which they invest, may be exposed include:

**Stock Market Risk** – The value of most securities, in particular equity securities, changes with stock market conditions. These conditions are affected by general economic and market conditions.

**Exchange Traded Funds Risk** – Some of the Funds may invest in ETFs that issue Index Participation Units. These ETFs seek to provide returns similar to the performance of a particular market index or industry sector index. These ETFs may not achieve the same return as their benchmark market or industry sector indices due to differences in the actual weightings of securities held in the ETF versus the weightings in the relevant index and due to the operating and administrative expenses of the ETF.

**Timing Risk** – Timing risk is the risk that a mutual fund buys or sells a security, or enters or exits the market, at inopportune times. Mutual funds seek to earn positive returns by buying low and selling high, but sometimes markets may not exhibit any clear trend. In such cases a fund may inadvertently buy high and sell low, which may lead to losses in the value of the fund.

**Reliance on Historical Data Risk** – We have relied upon historical data in the design of our investment strategy. The opportunities identified through the use of this data may not be repeated in the future. In addition, we obtain some of the data we rely upon from third parties. Although we only deal with companies we believe to be highly reliable and of high reputation, we cannot guarantee the accuracy of the data they provide.

**Specific Issuer Risk** – The value of all securities will vary positively or negatively with developments within the specific companies or governments that issue the securities.

**Interest Rate Risk** – The value of fixed income securities will generally rise if interest rates fall and, conversely, will generally fall if interest rates rise. Changes in interest rates may also affect the value of equity securities.

**Liquidity Risk** – Liquidity risk is the possibility that a mutual fund will not be able to convert its investments to cash when it needs to. The value of securities that are not regularly traded (less liquid) will generally be subject to greater fluctuation.

**Slippage Risk** – Related to liquidity risk and a characteristic of active trading, slippage is the possibility that the price of a security will move adversely between the time a trade signal is given and when the trade is finally executed. This discrepancy may adversely affect the return of a mutual fund. Slippage is inversely related to liquidity. That is, as liquidity decreases, slippage is more likely.

**Credit Risk** – The value of fixed income securities depends, in part, on the perceived ability of the government or company that issued the security to pay the interest and to repay the principal. Securities issued by issuers who have a low credit rating are considered to have a higher credit risk than securities issued by issuers with a higher credit rating.

**Regulatory Risk** – Changing government regulations may significantly affect the value of equity securities. Restrictions to ownership, environmental laws, taxation, deregulation, monopoly grants, subsidies imposed or removed are just a few examples of regulatory risk.

**Foreign Security Risk** – The value of foreign securities may be affected by additional factors such as the absence of timely information, less stringent auditing standards and less liquid markets. As well, different financial, political and social factors may result in risks not typically associated with investing in Canada.

**Currency Risk** – The value of securities denominated in a currency other than Canadian dollars will be affected by changes in the value of the Canadian dollar relative to the value of the currency in which the security is denominated.

**Multiple Series Risk** – Each series of units of a Fund will be charged, as a separate series, any expenses that are specifically attributable to that series. However, those expenses do continue to be a liability of the Fund as a whole and, therefore, if there are insufficient assets of a series to pay those expenses, the remaining assets of the Fund would be used to pay those excess expenses. In such circumstances, the unit price of the other series would decline.

**Derivatives Risk** – The use of derivatives does not guarantee that there will not be a loss or that there will be a gain. The following are some examples of the risks associated with the use of derivatives:

- in the case of over-the-counter options and forward contracts, there is no guarantee that a market will exist for these investments when a Fund wants to close out its position; and in the case of exchange-traded options and futures contracts, there may be a risk of a lack of liquidity when a Fund wants to close out its position;
- futures exchanges may impose daily trading limits on certain derivatives, which could prevent a Fund from closing out its position;
- if the other party to the derivative in the case of over-the-counter transactions is unable to fulfill its obligations, a Fund could experience a loss or fail to realize a gain;
- if the fund has an open position in an options, futures or forward contract with a dealer who goes bankrupt, the Fund could experience a loss and, for an open futures contract, a loss of margin deposits with that dealer; and
- if a derivative is based on a market index and trading is halted on a substantial number of securities in the index, or if there is a change in the composition of the index, it could have an adverse affect on the derivative.

**Securities Lending, Repurchase and Reverse Repurchase Transaction Risk** – The Funds are authorized to enter into securities lending, repurchase and reverse repurchase transactions in accordance with NI 81-



102 of the Canadian Securities Administrators. In a securities lending transaction, a Fund lends its portfolio securities through an authorized agent to another party (often called a “**counterparty**”) in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, a Fund sells its portfolio securities for cash through an authorized agent while at the same time assuming an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, a Fund buys portfolio securities for cash while at the same time agreeing to resell the same securities for cash (usually at a higher price) at a later date. The following are some examples of the risks associated with securities lending, repurchase and reverse repurchase transactions:

- when entering into securities lending, repurchase and reverse repurchase transactions, the Fund is subject to the credit risk that the counterparty may default under the agreement and the Fund would be forced to make a claim in order to recover its investment;
- when recovering its investment on default, a Fund could incur a loss if the value of the portfolio securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the Fund; and
- similarly, a Fund could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by such Fund to the counterparty.

**Short Selling Risk** – The Funds have received the consent of the Canadian Securities Administrators to engage in a limited amount of short selling. A “short sale” occurs when a Fund borrows securities from a lender which are then sold in the open market (or “**sold short**”). At a later date, the same number of securities are repurchased by the Fund in the open market and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the Fund pays fees to the lender. If the value of the securities declines between the time that the Fund borrows the securities (and sells short) and the time it repurchases and returns the securities, the Fund makes a profit for the difference (less any fees the Fund is required to pay to the lender). Short selling involves certain risks. There is no assurance that securities will decline in value during the period of the short sale sufficient to offset the fees paid by the Fund and make a profit for the Fund, and securities sold short may instead appreciate in value. The Fund also may experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The lender from whom the Fund has borrowed securities may go bankrupt and the Fund may lose the collateral it has deposited with the lender. The Funds will adhere to controls and limits that are intended to offset these risks by short selling only securities of larger issuers for which a liquid market is expected to be maintained and by limiting the amount of exposure for short sales. The Funds will also deposit collateral only with lenders that meet certain criteria for creditworthiness and only up to certain limits. Possible losses from short sales differ from losses that may be incurred from purchases of securities, because losses from short sales may be unlimited, whereas losses from purchases are limited to the total amount invested. To deliver securities to a purchaser, a Fund must arrange through a broker to borrow the securities, and, as a result, the Fund becomes obligated to replace the securities borrowed at the market price at the time of replacement, whatever that price may be. A short sale therefore involves the theoretically unlimited risk of loss in the event of an increase in the market price of the security between the date of the short sale and the date on which the Fund covers its short position. In addition, borrowing of securities entails the payment of a borrowing fee (which may increase during the borrowing period) and the payment of any dividends or interest payable on the securities until they are replaced. As any Fund engaged in short selling will be required to maintain cash cover for its short positions, other investments may need to be sold quickly (and at potentially unattractive prices) to maintain sufficient cash cover. Please see Part B of this document for a description of applicable proposed short selling initiatives for each Fund and the limitations and requirements to be implemented to minimize certain of the risks described above.

**Investment Trust Risk** – The Funds may invest in real estate, royalty, income and other investment trusts which are investment vehicles in the form of trusts rather than corporations. To the extent that claims, whether in contract, in tort or as a result of tax or statutory liability, against an investment trust are not satisfied by the trust, investors in the investment trust, including mutual funds, could be held liable for such obligations. Investment trusts generally seek to make this risk remote in the case of contract by including provisions in their agreements that the obligations of the investment trust will not be binding on investors personally. However, investment trusts could still have exposure to damage claims such as personal injury and environmental claims. Certain jurisdictions have enacted legislation to protect investors in investment trusts from the possibility of such liability. In addition, recent amendments to the *Income Tax Act* (Canada) result in changes to the income tax treatment of certain publicly traded income trusts and limited partnerships. As a result of these amendments, these entities are subject to tax at corporate rates on the nonportfolio earnings portion of their distributions. The changes generally apply beginning in the 2007 taxation year for trusts and limited partnerships that began to be publicly-traded after October 31, 2006, and generally would only apply beginning with the 2011 taxation year to those income trusts and limited partnerships that were already publicly-traded on or before October 31, 2006. To the extent that a mutual fund invests in an income trust or limited partnership, returns on such investments may be reduced.

## ORGANIZATION AND MANAGEMENT OF THE WEBB FUNDS

<p><b><i>Manager</i></b>  Webb Asset Management Canada, Inc.  26 Wellington Street East  Suite 920  Toronto, Ontario  M5E 1S2  Tel: 416-646-0975  Fax: 416-777-5181  www.WAMfunds.com  Toll free: 1-866-611-9590</p>	<p>As manager for the Funds, we manage the overall undertaking of the Funds, including providing administration services and making provisions for fund account.</p> <p>Effective as of October 19, 2009, as Manager of the Funds, we have delegated certain administrative duties to JovInvestment Management Inc. (“<b>JovInvestment</b>”).</p>
<p><b><i>Administrator</i></b>  JovInvestment Management Inc.  Toronto, Ontario, Canada</p>	<p>As the Funds’ administrator, JovInvestment is responsible for providing marketing and administrative services to the Manager and the Funds, including accounting facilities and clerical staff.</p>
<p><b><i>Trustee</i></b>  Webb Asset Management Canada, Inc.  Toronto, Ontario, Canada</p>	<p>All of the Funds are organized as trusts. When you invest in any of the Funds, you are buying units of a trust. In our capacity as the Funds’ trustee, we hold actual title to the property in the Funds – the cash and securities – on your behalf (although physical custody of such property is held by the Funds’ custodian, as described below).</p>

<p><b><i>Portfolio Advisor</i></b>  JovInvestment Management Inc.  26 Wellington Street East  Suite 608  Toronto, Ontario  M5E 1S2  Tel: 416-933-5750  Fax: 416-933-5751</p>	<p>As the Funds’ portfolio advisor, JovInvestment (the “<b>Portfolio Advisor</b>”) is responsible for co-ordinating portfolio management and advisory services to the Funds including retaining and supervising the Portfolio Sub-Advisor.</p>
<p><b><i>Portfolio Sub-Advisor</i></b>  Webb Asset Management, Inc.  San Francisco, California</p>	<p>The Portfolio Advisor has retained Webb Asset Management, Inc. (the “<b>Portfolio Sub-Advisor</b>”) of San Francisco, California, as the portfolio sub-advisor of the Funds to provide portfolio management services in respect of the Funds. The Portfolio Advisor is responsible for any investment advice given to the Funds by the Portfolio Sub-Advisor. Since the Portfolio Sub-Advisor and its assets are located outside of Canada, it may be difficult to enforce any legal rights against it.</p>
<p><b><i>Custodian</i></b>  NBCN Inc.  250 Yonge Street  10<sup>th</sup> Floor  Toronto, Ontario  M5B 2L7</p>	<p>The custodian has physical custody of the Funds’ property.  An application was made to the Ontario Securities Commission (the “<b>OSC</b>”), as the principal regulator of the Funds, for an exemptive relief to enable the Funds to enter into arrangements with National Bank Financial Inc. to act as custodian or-custodian of the Funds. Such application is currently under review by the OSC.</p>
<p><b><i>Registrar</i></b>  CIBC Mellon Global Securities  Services Company  Toronto, Ontario</p>	<p>The registrar keeps track of the owners of units of each of the Funds and processes purchases.</p>
<p><b><i>Auditors</i></b>  KPMG LLP  Toronto, Ontario</p>	<p>The auditors are responsible for auditing the annual financial statements of the Funds.</p>

<i>Independent Review Committee</i>	The Independent Review Committee (the “ <b>IRC</b> ”) will provide independent oversight of conflict of interest matters that may arise between Webb and the Funds. Among other things, the IRC will prepare annually a report of its activities for unitholders of the Funds which will be available on our website at <a href="http://www.WAMFunds.com">www.WAMFunds.com</a> or upon request by any unitholder, at no cost, by calling 1-866-611-9590 or emailing to <a href="mailto:info@WAMfunds.com">info@WAMfunds.com</a> . The IRC comprises three members, each of whom is independent of Webb and its affiliates. Additional information concerning the IRC, including the names of its members, and governance of the Funds is available in the Funds’ annual information form.
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## **PURCHASES, SWITCHES, CONVERSIONS AND REDEMPTIONS**

You may purchase, switch, convert or redeem your units in either of the Funds through registered dealers in each of the provinces and territories of Canada (other than Quebec). If you do not have a financial advisor, please call Webb toll free at 1-866-611-9590 and we will be pleased to recommend financial advisors in your area.

The declaration of trust of the Funds permits each Fund to have one or more series of units and to issue an unlimited number of units of each series. Each of the Funds offers Series A units, Series F units and Series I units each of which is described more fully below. Although the money you and other investors pay to purchase units is tracked on a series by series basis in each Fund’s administrative records, the assets of each series of a Fund are combined into a single pool to create one portfolio for investment purposes for that Fund. The Series A, Series F and Series I units are each targeted to a specific type of investor, as described below.

### *Series A Units*

You can purchase Series A units through your financial advisor. You may be charged a sales commission when you purchase Series A units. The sales commission is negotiable between you and your financial advisor and will be deducted from the amount you are investing. Please refer to page 13 – “Fees and Expenses – Fees and Expenses Payable Directly by You”. The amount of compensation paid by Webb to your dealer is referred to on page 15 – “Dealer Compensation”.

### *Series F Units*

Series F units are generally only available to investors who have opened a fee-based account with their financial advisor. You will not be charged a sales charge by your dealer when you purchase Series F units. Please refer to 13 – “Fees and Expenses – Fees and Expenses Payable Directly by You”. No service commissions will be paid to your dealer by Webb in respect of Series F units. Please refer to page 15 – “Dealer Compensation”. Your dealer will require you to pay a fee to it directly in respect of your investment in Series F units. Additional conditions may apply to your investment in Series F units, including minimum investment levels and participation in your dealer’s investment programs.

### *Series I Units*

Series I units are generally only available for certain investors who make large investments in a fund. You will not be charged a sales charge by your dealer when you purchase Series I units. Please refer to page 13 – “Fees and Expenses – Fees and Expenses Payable Directly by You”. No service fees will be paid to your

dealer by Webb. Please refer to page 15 – “Dealer Compensation”. Your dealer may require you to pay a fee to it directly in respect of your investment in Series I units and Webb will charge a management fee to you or your dealer directly in respect of your investment in Series I units. Additional conditions may apply to your investment in Series I units, including minimum investment levels and participation in your dealer’s investment programs.

If we become aware that you are no longer eligible to hold Series I or Series F units, we will exchange your Series I or Series F units for Series A units of the same Fund after giving you 30 days’ notice. We will not make the change if you or your dealer notifies us during the notice period that you are once again eligible to hold Series I or Series F units. When changing from Series I or Series F units to Series A units, your dealer may charge you a front-end sales charge. We may also issue Series I or Series F units to other investors for whom we do not incur any distribution costs.

### ***How We Price a Fund’s Units***

We calculate a separate unit price (often referred to as “**net asset value per unit**” or “**unit value**”) for each series of units of a Fund by taking the series’ proportionate share of the Fund’s common assets less common liabilities and deducting from this amount all liabilities that relate solely to a specific series. The unit price per series unit is derived by dividing the net asset value of the series by the total number of outstanding units in that series. Unit price is determined on each day that the Toronto Stock Exchange is open for trading (each, a “**Valuation Day**”) after the close of trading. You will find more information about the calculation of net asset value attributable to a series in the Funds’ annual information form. The unit price will fluctuate with the value of the Fund’s investments.

The price used for purchases, switches, conversions and redemptions of units will be the unit price next determined after we receive the purchase, switch, conversion or redemption order. If we receive your order prior to 4:00 p.m. (Toronto time) on any Valuation Day, we will process your order based on the unit price for that Valuation Day. Otherwise, we will process your order at the unit price on the next Valuation Day.

Currently, each of the Funds is valued and may be bought in Canadian dollars only.

### ***Purchases***

For Series A and Series F units, your initial investment in a Fund must be at least \$2,000. Any subsequent purchase (other than under a preauthorized payment plan, as described below) must be of at least \$1,000. These amounts may be changed by Webb without giving any prior notice. For Series I units, your initial investment is negotiated directly with you, your dealer and Webb.

Payment for units must be received within three business days of your order or we will redeem your units on the next Valuation Day. In addition, if your cheque is returned, we will redeem your units on the next Valuation Day. In either such case, if the proceeds of redemption are greater than the payment you owe, the Fund is required by securities regulation to keep the difference. If the proceeds are less than the payment you owe, your dealer must pay the difference (and your dealer may seek to collect this amount plus expenses from you).

We may accept or reject your order to buy within one business day of receiving it. If we accept your order, we will send you a confirmation within seven days, which is your proof of the transaction. If you sign up for a pre-authorized payment plan (as described below under “**Optional Services**”), you will only receive confirmation of the first transaction made under the plan. If we reject your order, we will return any money we have received immediately, without interest. We do not issue a certificate when you purchase units of a Fund, but you will receive a confirmation of the transaction. A record of the number of units you own and their value appears on your account statement.

### ***Switches***

You can redeem units of one Fund to buy units of the same series of the other Fund as long as you meet the minimum initial investment and minimum account balance requirements. This is called a switch. Your dealer may charge you a switching fee. We may charge you a short-term trading fee of 2% if your units are switched within 90 days of your original purchase (this amount will be retained by the original Fund, and not by Webb or your dealer). When we receive your order to switch, we will sell your units in the original Fund and use the proceeds to buy units of the same series of the new Fund. Switching may result in a capital gain or loss for tax purposes for a unitholder other than in a registered plan. Please see “Income Tax Considerations for Investors” on page 15 for further details.

### ***Conversions***

You can convert from one series of units to another series of units of the same Fund as long as you meet the minimum initial investment and minimum account balance requirements. This is called a conversion. You can convert from one series of units to another series of units of the same Fund through your dealer. Your dealer may charge you a conversion fee. A conversion of units from one series to another series of the same Fund should not be a disposition for tax purposes and consequently should not result in a capital gain or loss to a converting unitholder.

### ***Redemptions***

Redemption orders in respect of a Fund will be implemented based on the unit value for that Fund determined as of the close of business on the day on which an order is deemed received. Payment for any units redeemed (including by reason of a mandatory redemption as described below or upon termination of a Fund), less all taxes required to be withheld and any applicable short-term trading fees (2% where units are redeemed within 90 days of purchase) will be made within three business days of the determination of the redemption price. Unless you request otherwise, the cheque representing the redemption proceeds will be mailed to your address on the register of the Fund. If you request, we will EFT (electronic funds transfer) the redemption proceeds to a designated bank account. You may redeem your units in a Fund on demand by providing written notice to your financial advisor. Your dealer is required to forward your redemption order to our offices on the same day the dealer receives it from you. Your written redemption order must have your signature guaranteed by a bank, trust company or dealer for your protection.

If we do not receive all of the documentation we need from you to complete your redemption order within ten business days, we must repurchase your units. If the sale proceeds are greater than the repurchase amount, the applicable Fund is required by securities regulation to keep the difference. If the sale proceeds are less than the repurchase amount, your dealer will be required to pay the Fund the difference (and your dealer may seek to collect this amount plus expenses from you).

If the aggregate unit price of the units of a Fund in your account declines below \$2,000, we may cause the redemption of all units of the Fund you hold after 15 days’ written notice, provided that you may, within the notice period, increase your investment in units of the Fund to a level which meets the minimum requirement.

### ***Suspension of Redemptions***

Under exceptional circumstances, we may be unable to process your redemption orders. This would most likely occur if trading were suspended on stock or futures exchanges to which a Fund has significant exposure. Payment of the redemption price of units of the Fund that are subject to a redemption order may be postponed.

A Fund may suspend the calculation of unit value and the redemption of its units in the following cases: (a) for any period when normal trading is suspended on any stock exchange, options exchange or futures exchange on which securities are listed and traded, or on which permitted derivatives are traded, which represent more than 50% in value or underlying market exposure of the total assets of the Fund, without allowance for liabilities (provided that such securities or derivatives are not traded on any other exchange that represents a reasonably practical alternative for the Fund); or (b) if the Ontario Securities Commission authorizes such suspension. If the right of redemption is suspended, a unitholder may either withdraw his or her redemption request or receive payment based on the unit value next determined after the end of the suspension. A Fund will not be permitted to issue units during any period when the right to redeem units is suspended.

We do not charge you to switch or redeem units of a Fund. However, frequent trading in and out of a Fund can harm Fund performance since the affected Fund must keep a higher level of cash equivalents in its portfolio in order to fund more redemptions than would otherwise be required and transaction costs may be incurred by the Fund. As a result, we may charge you a short-term trading fee of 2% if you redeem units of a Fund within 90 days of your purchase. This amount will be retained by the Fund you are redeeming, and not by Webb or your dealer.

### ***Information you will receive on Purchases, Switches and Redemptions***

We will send you a confirmation statement for your initial purchase. Similarly, we will send you confirmations of additional purchases, transfers between Funds or redemptions of units. We will send confirmations for pre-authorized payments plan and automatic withdrawal plan (each of which is described below under “**Optional Services**”) for the first transaction only, unless you change instructions on them. If your account is considered a nominee account, your dealer will provide you with these materials.

## **OPTIONAL SERVICES**

### ***Registered Plans***

Webb does not currently offer registered plans of its own, however, you can open a registered tax plan through your financial advisor.

### ***Pre-Authorized Payment Plan***

Under a pre-authorized payment plan you can indicate a regular amount of investment (not less than \$100) to be made periodically (including, but not limited to, monthly, quarterly, semi-annually or annually) on the first Valuation Day of each applicable period and the bank chequing account from which the investment is to be debited. You may suspend or terminate such a plan on ten days’ prior written notice.

### ***Automatic Withdrawal Plan***

You can establish an automatic withdrawal plan, provided you are not investing through a retirement savings plan. Under an automatic withdrawal plan, you can indicate a regular amount of cash withdrawal (not less than \$100) to be made periodically (including, but not limited to, weekly, bi-weekly, semi-monthly, monthly, quarterly, semi-annually or annually) on the first Valuation Day of each applicable period, and the bank chequing account to which the withdrawn amounts are to be credited. Withdrawals will be made by way of redemption of units. **If withdrawals are in excess of distributions and net capital appreciation, they will result in encroachment on, or possible exhaustion of, your original capital.** To establish an automatic withdrawal plan in respect of a Fund, your account must have a minimum value of \$10,000. You may modify, suspend or terminate an automatic withdrawal plan on ten days’ prior written notice.

## FEES AND EXPENSES

The table below lists:

- all fees and expenses which are paid directly by the Funds before their unit prices are calculated, which reduces the value of your investment, and
- all fees and expenses payable directly by you.

<i>Fees and Expenses Payable by the Funds</i>	
<b>Management Fees</b>	<p><i>Management Fees</i></p> <p>Each Fund pays management fees to Webb for the provision of general management and administrative services. Webb pays an administration fee to the administrator. The management fee for each Fund (and for each series of units of a Fund) varies. Please refer to the fees section of each individual Fund description contained in this simplified prospectus for the management fee payable on Series A and Series F units. The management fee charged in respect of Series I units is separately negotiable with Webb. Management fees are calculated and accrued daily and are paid monthly on the weighted average net asset value of the applicable series of a Fund.</p> <p>We may reduce the management fees that we are entitled to charge to a Fund or a series of units of a Fund for certain unitholders. Such a reduction or waiver will be dependent upon a number of factors, including the amount invested, the total assets under administration and the expected amount of account activity. Any reduction of management fees will be paid in the form of a distribution to the unitholder. The amount of the management fee distribution will be reinvested in additional units of the applicable Fund.</p>
	<p><i>Performance Fees</i></p> <p>In addition, the Webb Enhanced Growth Fund and Webb Enhanced Income Fund pay Webb performance fees equal to 20% of the amount by which the subject Fund outperforms its benchmark (the “<b>Benchmark</b>”). The Benchmark for the Webb Enhanced Growth Fund is a combination of the S&amp;P/TSX Composite Total Return Index (60% weighting), the RUSSELL 3000 Total Return Index (20% weighting) and the MSCI EAFE Gross Total Return Index (20% weighting). The Benchmark for the Webb Enhanced Income Fund is a combination of the S&amp;P/TSX Preferred Share Total Return Index (40% weighting), the MSCI World High Dividend Yield USD Gross Total Return Index (40% weighting) and the Bloomberg/EFFAS Canadian Government Bond Total Return Index (20% weighting). The Benchmarks were selected because we believe that they best reflect the investment objectives of the Funds and provide for the fairest measurement standard possible. Performance fees will be payable in all circumstances where the performance of the Fund exceeds its Benchmark (even in circumstances where the overall performance of the Fund has declined, but is still positive relative to its Benchmark). Performance fees will be calculated and accrued daily (and payable by the Fund quarterly) such that, to the extent possible, the unit price each day will reflect any performance fees payable as at the end of such day. If at any time the performance of a Fund is less than its Benchmark (a “<b>Return Deficiency</b>”), then no performance fees will be payable for any subsequent period until the performance of such Fund relative to its Benchmark has exceeded the amount of the Return Deficiency.</p>



<p><b>Operating Expenses</b></p>	<p>Each Fund pays all of its operating expenses. Expenses include audit fees, trustee and custodial expenses, accounting and record keeping costs, legal expenses, permitted prospectus preparation and filing expenses, bank related fees and interest charges, unitholder reports and servicing costs, costs of the Independent Review Committee, and other day-to-day operating expenses. Each Fund also pays HST on most of its fees and expenses. We may, in our discretion, pay certain expenses of a Fund.</p> <p><i>Independent Review Committee</i></p> <p>Each Fund pays costs and expenses related to the IRC. Such fees and expenses include compensation payable to each IRC member. Each member of the IRC is entitled to receive from the Funds an annual fee and meeting fees for each meeting that he or she attends. Each member of the IRC will also be reimbursed for expenses in connection with performing his or her duties in this regard. The current annual compensation for the Chair of the IRC is \$10,000 and each member of the IRC receives \$7,000.</p> <p>Other fees and expenses payable by the Funds in connection with the IRC include insurance costs and an annual fee of \$20,000, together with an attendance fee of \$3,000 per meeting, payable to Independent Review Inc., a service provider which assists in the search for and appointment of IRC committee members, and on an ongoing basis provides secretariat and administrative and recordkeeping duties for the IRC.</p> <p>Operating expenses and other costs of the Funds are subject to applicable taxes.</p>
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<p><b>Fees and Expenses Payable Directly by You</b></p>	
<p><b>Sales Charges</b></p>	<p>You may be required to pay your dealer a sales commission of up to 5% of the amount you invest in Series A units of a Fund, negotiable between you and your dealer. There are no sales charges or service fees in connection with Series F or Series I units. Instead, you may be required to pay your dealer an advisory or asset based fee directly.</p>
<p><b>Switch Fee</b></p>	<p>You may switch your units of a Fund for units of the same series of another Fund (please see “Purchases, Switches, Conversions and Redemptions – Switches” above) at any time and without charge (other than short-term trading fees and/or switching fees your dealer may charge).</p>
<p><b>Redemption Fees</b></p>	<p>There are no redemption fees, other than short-term trading fees, if applicable.</p>
<p><b>Short-Term Trading Fee</b></p>	<p>A short-term trading fee of 2% may be charged if you redeem or switch Series A, Series F or Series I units of a Fund within 90 days from the date of purchase. This amount will be retained by the Fund you are redeeming, and not Webb or your dealer.</p>
<p><b>NSF Fees</b></p>	<p>Webb will charge you an NSF fee should any cheques or purchase orders be returned because of insufficient funds in your account. The fee will be \$50 for each returned item.</p>
<p><b>Fee Changes</b></p>	<p>Any change in the basis for calculation of a fee or expense that is charged to a Fund or a series of units of a Fund or directly to unitholders by the Fund or the Manager which could result in an increase in charges to the Fund or such series or the unitholders of the Fund must be approved by a majority of the votes cast at a meeting of the unitholders of the Fund or series called for such purpose. Approval is not required where the person or company charging the fee or expense to the Fund is at arm’s length to the Fund (and which is other than Webb and its associates and affiliates), provided that unitholders are given at least 60 days’ notice before the effective date of the change.</p>

The Funds may invest in other mutual funds and may invest in ETFs that issue Index Participation Units. There are fees and expenses payable by these underlying funds in addition to the fees and expenses payable

by the Funds. No management fees are payable by the Funds that, to a reasonable person, would duplicate a fee payable by the underlying fund for the same service. If an underlying fund is managed by the Manager, our affiliates, or our associates, no sales fees or redemption fees are payable by the Funds in relation to purchases or redemptions of securities of that underlying fund. No sales fees or redemption fees are payable by the Funds in relation to their purchases or redemptions of securities of underlying funds that to a reasonable person would duplicate a fee payable by an investor in the Funds. However, brokerage fees may be paid by the Funds for their investments in ETFs that issue Index Participation Units.

## IMPACT OF SALES CHARGES

The following table shows the amount of fees that you would have to pay if you made an investment of \$1,000 in Series A units of a Fund, if you held that investment for one, three, five or ten years and redeemed immediately before the end of that period.

	At Time of Purchase	1 Year	3 Years	5 Years	10 Years
Sales Charge Option <sup>(1)</sup>	\$50	Nil	Nil	Nil	Nil

(1) Assuming the maximum charge of 5% of the amount invested. There are no sales charges for Series F or Series I units. The Funds are sold on a “front-end load” basis only. There is no redemption charge (i.e. “back-end load”) option or “no-load” option available for the Funds.

## DEALER COMPENSATION

### *Sales Commission and Switching Fees*

When you purchase Series A units you may be required to pay your dealer a sales commission at the time of purchase. The sales commission may be up to 5% of the amount you invest, and is negotiated between you and your dealer. The total amount of the sales commission will be deducted from the amount you are investing. When you switch Series A units between Funds, your dealer may charge you a switch commission, negotiable between you and your dealer, of up to 2% of the aggregate unit value of the Series A units switched.

### *Service Commission*

We may pay your dealer an annual service commission (sometimes known as a “trailer fee” or “trailing commission”) equal to 1% of the value of Series A units of the Funds held through that dealer. This fee is calculated daily and paid quarterly. This fee is paid for the ongoing advice and account services provided to you by the dealer and your financial advisor.

We pay no service commissions in respect of Series F units.

We may pay your dealer an annual trailer fee in respect of Series I units of the Funds. The amount payable in respect of Series I units is negotiated between the Manager and your dealer and may be between 0% and 1% of the value of Series I units held through that dealer.

We may pay reduced or no service commissions to dealers who do not actually service their clients’ accounts (i.e. “discount” brokers).

The service commissions are paid by the Manager out of its management fees and are not paid directly by you or by a Fund. Webb may, at its discretion, negotiate, change the terms and conditions of or discontinue trailing commissions

### ***Other Kinds of Dealer Compensation***

We may share with dealers up to 50% of their eligible costs in marketing units of the Funds. For example, we may pay a portion of the costs of a dealer in advertising the availability of the Funds through the financial advisors of that dealer. We may pay part of the costs of a dealer in running a seminar to inform investors about the Funds or about the general benefits of investing in mutual funds. We may also pay up to 10% of the costs of some dealers to hold educational seminars or conferences for their financial advisors to teach them about, among other things, new developments in the mutual fund industry, financial planning or new financial products. The dealer makes all decisions about where and when the conference is held and who can attend.

We may also arrange for seminars for financial advisors where we inform them about new developments in the Funds, our products and services and mutual fund industry matters. We will invite dealers to send their financial advisors to any such seminars and the dealers (not Webb) will decide who attends. The financial advisors will be required to pay their own travel, accommodation and personal expenses of attending any such seminars.

We may also provide dealers with non-monetary benefits of a promotional nature and of minimum value and engage in business promotion activities that result in dealers receiving non-monetary benefits.

### **DEALER COMPENSATION FROM MANAGEMENT FEES**

During our financial year ended December 31, 2009, we paid total cash compensation (sales commissions, trailing commissions and other kinds of cash compensation) to dealers who distributed securities of the Funds representing approximately 45% of the total management fees which we received from the Funds.

### **INCOME TAX CONSIDERATIONS FOR INVESTORS**

The following is a general summary, as of the date hereof, of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposing of units of a Fund by a unitholder who acquires units pursuant to this prospectus. This summary is applicable to a unitholder who is an individual (other than a trust) resident in Canada, deals at arm's length with the particular Fund and holds units as capital property. Units will generally be considered capital property to a unitholder unless the unitholder holds the units in the course of carrying on a business or has acquired the units in a transaction or transactions considered to be an adventure in the nature of trade.

This summary is based on the current provisions of the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder, our understanding of the current published administrative positions and assessing practices of the Canada Revenue Agency (the "**CRA**") and all specific proposals to amend the Tax Act and regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (such proposals referred to hereafter as the "**Tax Proposals**"). This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account other federal or any provincial, territorial or foreign income tax legislation or considerations. There can be no assurance that the Tax Proposals will be enacted in the form publicly announced or at all.

**This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in units and does not describe the income tax considerations relating to the deductibility of interest on money borrowed to acquire units. Moreover, the income and other tax consequences of acquiring, holding or disposing of units will vary depending on an investor's particular circumstances including the province or territory in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or**

**tax advice to any investor. Investors should consult their own tax advisors for advice with respect to the income tax consequences of an investment in units, based on their particular circumstances.**

### *Status of the Fund*

This summary is based on the assumption that the Funds will qualify at all times as “mutual fund trusts” within the meaning of the Tax Act and that the Funds have not been established and will not be maintained primarily for the benefit of non-residents of Canada.

This summary is also based on the assumption that the Funds will not at any time be “specified investment flow-throughs” (“SIFTs”) as defined in the Tax Act. As long as the units and all other securities or debt instruments issued by the Funds are not listed at any time on a stock exchange or other public market, the Funds should not be SIFTs.

If a Fund is a SIFT at any time or were not to qualify as a mutual fund trust at all times, the income tax considerations as described below and under “Eligibility for Investment” would in some respects be materially different.

### *Taxation of the Funds*

In each year, income of each Fund, including the taxable portion of capital gains, if any, that is not paid or made payable to unitholders in that year will be taxed in the particular Fund under Part I of the Tax Act. Provided the particular Fund distributes all of its net taxable income and net taxable capital gains to the unitholders on an annual basis, it will not be liable for any income tax under Part I of the Tax Act. Income of a Fund which is derived from foreign sources may be subject to foreign taxes which may, within certain limits, be either deducted from taxable income in the Fund or allocated to unitholders to potentially offset taxes payable on foreign source income.

Each Fund is required to include in income for each taxation year all interest that accrues to it to the end of the year, or becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding taxation year.

Provided a Fund has elected in accordance with the Tax Act to have each of its securities that constitute a “Canadian security” treated as capital property, gains and losses realized by such Fund on the disposition of Canadian securities should be taxed as capital gains or capital losses. Upon the actual or deemed disposition of a security held by a Fund as capital property, such Fund will realize a capital gain (or capital loss) to the extent that the proceeds of disposition exceed (or are exceeded by) the adjusted cost base of such property and any reasonable costs of disposition.

The Webb Enhanced Income Fund will not realize any income, gain or loss upon entering into a forward agreement described below in “Webb Enhanced Income Fund – Investment Strategies”. Provided the Webb Enhanced Income Fund has elected in accordance with the Tax Act to have each of its Canadian securities treated as capital property, gains or losses realized by the Webb Enhanced Income Fund on the sale of Canadian securities will be taxed as capital gains or capital losses. If the obligations of the Webb Enhanced Income Fund and the counterparty under a forward agreement are settled by making cash payments, a payment made or received by the Webb Enhanced Income Fund may be treated as an income outlay or receipt, as applicable. If the Webb Enhanced Income Fund delivers securities in the Canadian Equity Portfolio to the counterparty in satisfaction of its obligations under a forward agreement and receives a payment from the counterparty equal to the price stipulated in the forward agreement, the Webb Enhanced Income Fund will realize capital gains (losses) equal to the amount by which such purchase price (less reasonable costs of disposition) exceeds (is less than) the aggregate adjusted cost base of such securities.

Generally, gains and losses realized by a Fund from the trading of futures and forward contracts will be treated as being on income account, rather than as capital gains and capital losses.

The Funds are required to compute all relevant amounts, including interest, the cost of property and proceeds of disposition, in Canadian dollars for purposes of the Tax Act. As a consequence, the amount of income, expenses and capital gains or capital losses for the Funds may be affected by changes in the value of a foreign currency relative to the Canadian dollar.

### ***Taxation of Unitholders***

#### *Units of a Fund Held in a Registered Plan*

A unitholder would generally pay no tax on earnings distributed by a Fund if the investment is held by the unitholder in a registered plan such as an RRSP, RRIF, DPSP, RDSP, RESP and TFSA (“**Registered Plans**”), nor on any capital gains realized by a Registered Plan from redeeming units (including as a result of switching between Funds), as long as the proceeds remain in the plan.

Notwithstanding the foregoing, if the units of a Fund are “prohibited investments” for the purpose of a TFSA, a unitholder will be subject to a penalty tax as set out in the Tax Act. A “prohibited investment” includes a unit of a trust which does not deal at arm’s length with the holder, or in which the holder has a significant interest, which, in general terms, means the ownership of 10% or more of the value of the Fund’s outstanding units by the holder, either alone or together with persons or partnerships with whom the holder does not deal at arm’s length. Unitholders are advised to consult their own tax advisors in this regard.

#### *Units of a Fund Not Held in a Registered Plan*

If a unitholder holds units of a Fund outside a Registered Plan, a unitholder will generally be required to include in computing income for a taxation year such part of the net income of the Fund, including the taxable portion of capital gains, if any, paid or payable to the unitholder in the taxation year. This is the case even though such distributions may be automatically reinvested in additional units and there may therefore be insufficient cash received by a unitholder to pay the tax payable in respect of such distributions of income. Any distributions in excess of income of a Fund in a year will not be taxable in the hands of a unitholder but, except for the non-taxable portion of capital gains, will reduce the adjusted cost base of the units. The non-taxable portion of capital gains distributed to a unitholder will not be taxable in the hands of the unitholders and will not, provided the appropriate designations are made by the Fund, reduce the adjusted cost base of the units.

Provided that appropriate designations are made by a Fund, such portion of (a) the net realized taxable capital gains of the Fund (b) the foreign source income of the Fund and foreign taxes eligible for the foreign tax credit and (c) the taxable dividends (including eligible dividends) received by the Fund on shares of taxable Canadian corporations as are paid or become payable to a unitholder will effectively retain their character and be treated as such in the hands of the unitholder. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the normal gross-up and dividend tax credit rules applicable to such dividends (including eligible dividends) will apply.

The net asset value per unit may reflect income and gains of the Funds that have accrued at the time units are acquired. Accordingly, a unitholder who acquires units may become taxable on the unitholder’s share of income and gains of the Funds that accrued before the units were acquired.

The Manager will furnish to each unitholder information to assist the unitholder in preparing tax returns.

Upon the redemption or other actual or deemed disposition of a unit (including a redemption to effect a switch to another Fund), a unitholder will realize a capital gain (or capital loss) to the extent that the proceeds of disposition exceed (or are exceeded by) the unitholder's adjusted cost base of the unit and any reasonable costs of disposition. For the purpose of determining the adjusted cost base of units to a unitholder, when units are acquired, including on the reinvestment of distributions, the cost of the newly acquired units will be averaged with the adjusted cost base of all units owned by the unitholder as capital property immediately before that time.

One-half of any capital gain realized on the disposition of units will be included in the unitholder's income and one-half of any capital loss realized may be deducted from taxable capital gains realized in a particular year, the three immediately preceding years or in subsequent years, subject to the rules in the Tax Act.

In general terms, net income of a Fund paid or payable to a unitholder that is designated as eligible dividends received on shares of taxable Canadian corporations, net realized taxable capital gains or taxable capital gains realized on the disposition of units may increase the unitholder's liability for alternative minimum tax.

### ***Eligibility for Investment***

Units offered hereby are qualified investments under the Tax Act for Registered Plans. See "Income Tax Considerations for Investors – Taxation of Unitholders – Units of a Fund Held in a Registered Plan".

## **WHAT ARE YOUR LEGAL RIGHTS?**

Securities legislation in some provinces gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving this simplified prospectus, or to cancel your purchase within 48 hours of receiving confirmation of your order. Securities legislation in some provinces and territories also allows you to cancel an agreement to buy units of a Fund and get your money back, or to make a claim for damages, if this simplified prospectus or the annual information form or financial statements misrepresent any facts about the Fund. These rights usually must be exercised within certain time limits. For more information, refer to the securities legislation of your province or territory, or consult your lawyer

## **PART B**

### **SPECIFIC INFORMATION ABOUT EACH OF THE MUTUAL FUNDS DESCRIBED IN THIS DOCUMENT**

The following information is meant to provide you with an understanding of the specific information about each of the Funds provided in this section of this document.

#### **Fund Details**

This chart should provide a handy quick reference for the following information, which is provided in “snapshot” format in the Fund descriptions:

**Type of Fund:** Depending on their investment objectives, funds are generally described as being either growth, balanced, income or money market in nature.

**Date Fund Started:** This is the date that the Fund received regulatory approval to begin offering units for sale to the public.

**Securities Offered:** The Funds are set up as unit trust mutual funds and each Fund issues units in series.

**Registered Plan Eligibility:** This information tells you whether the Fund units are eligible investments for Registered Plans.

**Management Fees:** This will show the annual management fee paid by the Fund to Webb on its Series A units and Series F as a percentage of the net assets of the Fund. As described on page 12 under “Fees and Expenses – Fees and Expenses Payable by the Funds”, each Fund also pays all of its operating expenses (in addition to the management fees).

#### **What Does The Fund Invest In?**

We provide information about each Fund’s fundamental investment objectives, the investment strategies followed in pursuit of those objectives, and any specific management style or investment selection process used by the Fund’s portfolio manager or portfolio sub-advisor.

##### ***Investment Objective***

This section describes the basic goal of the Fund, and the types of securities in which the Fund primarily invests under normal market conditions.

##### ***Investment Strategies***

This section explains how the Fund intends to achieve its investment objectives. The following is a discussion of some of the investment strategies that the Funds can use:

###### ***Investing Long***

The Portfolio Sub-Advisor monitors a database of securities and buys (goes long) those securities identified as attractive investment candidates. Specific investment strategies for each Fund’s long positions can be found in each Fund’s detailed section starting on page 24. Long positions are allowed to appreciate to any size within the Fund as long as they are identified as attractive investments and maintain adequate liquidity. A long position is sold if it is no longer considered an attractive investment.

### *Use of ETFs*

The Funds may, from time to time invest in index futures contracts, ETFs that issue Index Participation Units and their corresponding index options instead of investing directly in individual securities.

### *Derivatives*

Derivatives are investments whose value is based on the value of another investment, known as the underlying investment. Derivative investments are often used by mutual funds to help them achieve their investment objectives. Derivatives can be used to offset (or “**hedge**”) the risks of other securities held by a Fund or can be used to gain exposure to a type of issuer or security instead of purchasing the security directly. The Funds can only use derivatives as permitted by the Canadian Securities Administrators. A derivative is usually a contract between two parties in which the value of the contract is derived from the market price or value of an underlying investment such as currency, stocks, interest rates or stock market indices. Examples of derivatives that the Funds might use include forward contracts and options. A forward contract is an agreement to buy or sell the underlying investment at an agreed price at a future date. An option contract is the right, but not the obligation, to buy or sell the underlying investment at an agreed price within a certain time period. A call option is the right to buy; a put option is the right to sell.

### *Securities Lending, Repurchase and Reverse Repurchase Transactions*

Securities lending, repurchase and reverse repurchase transactions all involve the temporary exchange of securities for collateral (other securities or cash) with a simultaneous obligation to redeliver a like quantity of the same securities on a future date. In a securities lending transaction, a fund lends its securities through an authorized agent to another party (often called a “**counterparty**”) in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, a fund sells its securities for cash through an authorized agent and agrees to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, a fund buys securities for cash and agrees to resell the same securities for cash (usually at a higher price) at a later date.

The Funds may engage in securities lending, repurchase and reverse repurchase transactions with Canadian or foreign counterparties (often brokers and financial institutions) in order to earn additional income. Income from securities lending, repurchase and reverse repurchase transactions comes from the fees paid by the counterparty, compensation payments from the counterparty equal to the dividends paid on the securities loaned purchased or sold and interest paid on the cash or securities held as collateral. When engaging in securities lending, repurchase and reverse repurchase transactions, a Fund must:

- deal only with counterparties who must meet generally accepted creditworthiness standards and who are unrelated to the Fund’s portfolio advisor, portfolio sub-advisor, manager or trustee;
- hold collateral equal to a minimum of 102% (or such other amount as required by law) of the market value of the securities loaned (for securities lending transactions), sold (for repurchase transactions) or purchased (for reverse repurchase transactions) as the case may be;
- adjust the amount of the collateral provided each business day to ensure the collateral’s value relative to the market value of the securities loaned, sold or purchased is not less than the minimum 102% limit (or such other amount as required by law); and
- limit the aggregate value of all securities loaned or sold through securities lending and repurchase transactions to no more than 50% (or such other amount as required by law) of the total assets of each Fund (without including the collateral for loaned securities and cash for sold securities).



### *Short Selling*

The Funds have received the consent of Canadian Securities Administrators to engage in limited short selling. Short selling (or “**selling short**”) is an investment strategy whereby a Fund sells a security that it does not own on the basis that the Fund’s portfolio manager (or sub-advisor) believes that the security is overvalued and that its market value will decline. The resulting trade creates a “short position” which will create a profit for the Fund if the market value of the security does in fact decline. A successful short strategy will allow the Fund to subsequently purchase the security (and thereby repay its “**short position**”) at a price that is lower than the price the Fund received for selling the security, thereby creating a profit for the Fund.

The Funds will engage in short selling only within certain controls and limitations. Securities may be sold short only for cash and the Funds must receive the cash proceeds within normal trading settlement periods for the market in which the short sale is made. All short sales are effected only through market facilities through which those securities normally are bought and sold and the Funds short sell a security only if: (i) it is listed and posted for trading on a stock exchange, and (ii) the issuer of the security has a market capitalization of not less than \$300 million and at the time the short sale is made. As well, at the time securities of a particular issuer are sold short by a Fund, the aggregate market value of all securities of that issuer sold short by the Permitted Fund cannot exceed 5% of the total net assets of the Fund. The Fund also must place a “stop-loss” order (effectively a standing instruction) with a dealer to immediately repurchase the securities sold short if the trading price of the securities exceeds 120% of the price at which the securities were sold short. The aggregate market value of all securities sold short by a Fund do not exceed 20% of its total net assets on a daily marked-to market basis. The Fund may deposit assets with lenders in accordance with industry practice in relation to its obligations arising under short sale transactions. The Permitted Fund also holds cash cover in an amount, including the Fund’s assets deposited with lenders, that is at least 150% of the aggregate market value of all securities it has sold short on a daily marked-to-market basis. No proceeds from short sales are used by a Fund to purchase long positions other than cash cover. Where a short sale is effected in Canada, every dealer that holds Fund assets as security in connection with the short sale must be a registered dealer and a member of a self-regulatory organization that is a participating member of the Canadian Investor Protection Fund. Where a short sale is effected outside Canada, every dealer that holds Fund assets as security in connection with the short sale must be a member of a stock exchange and have a net worth in excess of the equivalent of \$50 million determined from its most recent audited financial statements. The aggregate assets deposited by a Fund with any single dealer as security in connection with short sales will not exceed 10% of the Fund’s total net assets at the time of deposit. Short selling is to be used by the Funds only as a complement to each Fund’s current primary discipline of buying securities with the expectation that they will appreciate in market value.

### *Risk Management Process*

The Portfolio Sub-Advisor will monitor and systematically manage for risk on a continuous basis to seek to limit volatility, draw downs and other risk exposures. The risk management process is intended to identify and control risks that may be caused by (among other things) security selection, liquidity and net market exposure.

### **What Are The Risks Of Investing In The Fund?**

This section lists the specific risks of the Fund. For details about the meaning of each type of risk, please see “What is a mutual fund and what are the risks of investing in a mutual fund?” commencing on page 2.

### **Who Should Invest In The Fund?**

This section describes generally whether the Fund is suitable or not suitable for certain types of investors. Whether the Fund is suitable for you will depend upon your own circumstances and you should discuss this with your financial advisor.

### **Distribution Policy**

This section indicates when the Fund distributes its income and capital gains. Distributions are reinvested in the same Fund unless (i) you notify us that you want to receive cash and (ii) the cash distribution is greater than \$10.00.

### **Certain Defined Terms**

*NI-81-102*: refers to National Instrument 81-102 Mutual Funds of the Canadian Securities Administrators.

**WEBB ENHANCED GROWTH FUND****Fund Details**

Type of Fund	Diversified Growth Fund
Date Fund Started	Series A Units: January 22, 2008 Series F Units: January 22, 2008 Series I Units: January 22, 2008
Securities Offered	Mutual fund units (Series A, Series F and Series I)
Registered Plan Eligibility	The Fund is a qualified investment for RRSPs, RESPs, RRIFs, RDSPs, DPSPs and TFSA's.
Management Fees	2.00% on Series A units and 1.00% on Series F units (for Series I units, separately negotiable with Webb)
Performance Fees	20% of the amount by which the Fund outperforms its Benchmark (60% the S&P/TSX Composite Total Return Index, 20% the Russell 3000 Total Return Index and 20% the MSCI EAFE Gross Total Return Index (please refer to the description of management fees and the more detailed description of the performance fees on page 12)

**What Does The Fund Invest In?*****Investment Objective***

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

Unitholder approval (by a majority of votes cast at a meeting of unitholders) is required prior to a material change of investment objectives.

***Investment Strategies***

To achieve its objective, the Portfolio Sub-Advisor uses a proprietary investment process. The investment strategy used is described in detail below. The Fund aims to outperform its Benchmark. Please see "What are the Characteristics of the Indices Comprising the Benchmark?" below.

The Fund intends to profit from both long and short equity positions (including common shares, preferred shares, investment trust or limited partnership units) and derivatives on such securities using the Portfolio Sub-Advisor's proprietary investment process. The Fund may also invest in ETFs that issue Index Participation Units that are consistent with its investment objective. The Portfolio Sub-Advisor's investment process is the result of the Portfolio Sub-Advisor's study of the long-term historical performance of securities in a number of global equity markets, which concluded that an earnings-based investment process, systematically applied to long and short positions in equities, produced the highest absolute and risk-adjusted returns.

The Portfolio Sub-Advisor's earnings-based investment process screens a database 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 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.

The Portfolio Sub-Advisor 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, the Portfolio Sub-Advisor 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

The Portfolio Sub-Advisor 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.

The Portfolio Sub-Advisor's investment process is the result of a thorough study of cause and effect relationships between stock prices and related factors. The Portfolio Sub-Advisor believes this investment process can produce high returns with reasonable volatility and highly attractive risk-adjusted returns. To ensure that its investment process remains well suited to meet the investment objectives of the Fund, the Portfolio Sub-Advisor studies the capital markets on a continuous basis and refines its investment process where appropriate.

Under normal market conditions, the Fund will seek to be fully invested in long or short equity positions. There may, however, be certain periods where the Fund may hold cash or fixed income securities for strategic reasons, including eligible money market securities with maturities of one year or less.

#### *Use of Derivatives*

The Fund may also invest in derivative instruments to (i) reduce transaction costs, (ii) increase liquidity and efficiency of trading, (iii) gain exposure to equity markets in a more efficient manner, (iv) reduce risk and (v) generate yield. The Fund will only use derivatives as permitted by securities regulations.

#### *Short Selling*

The Fund short sells (goes short) those securities identified as unattractive investment candidates. Short positions are monitored frequently and may be reduced to maintain adequate liquidity. A short position is closed out if it is no longer considered an unattractive investment or through the systematic profit taking process. The Fund will hold an amount in cash or money market instruments of no less than 150% of the Fund's short exposure.

#### *Managing Long and Short Positions*

The Fund is generally expected to have positive, but not full, market exposure. Over an entire market cycle, the Fund is generally expected to hold a net long exposure to the equity market. The Portfolio Sub-Advisor may alter the net market exposure of the Fund depending on its expectations of returns, risk and volatility within a permitted range of 100% net long exposure and 70% net long exposure (ex cash positions). The fund is permitted a maximum 100% gross long exposure and a 20% gross short exposure.

*Use of Debt securities*

The Fund may use debt securities (including, but not limited to, government or corporate bills, notes or bonds) to take advantage of certain investment opportunities, to enhance yield, or to reduce certain risks associated with other investments made by the Fund.

*Securities Lending*

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to generate additional income or as a short-term cash management tool.

*Use of Commodity Pools*

Pursuant to an exemption granted by the Canadian Securities Administrators, the Fund may invest no more than 10% of its net assets in a specified number of commodity pools that use financial instruments that correlate to the performance of an underlying index. Some of these commodity pools may be leveraged so that a negative performance of the underlying index may cause an even greater negative performance of the commodity pool. The Fund is permitted to invest no more than 20% of its net assets in the specified commodity pools and the shorting of securities. The Fund is also not permitted to invest in commodity pools with an underlying index that is based on a physical commodity other than gold.

**What are the Characteristics of the Indices Comprising the Benchmark?***S&P/TSX Composite Total Return Index*

This index is designed and maintained by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("**Standard & Poor's**") to be a proxy for a diversified Canadian equity portfolio. The index is based on the stock prices of certain large-capitalization companies listed on the Toronto Stock Exchange that meet certain size and liquidity criteria. The index is capitalization-weighted, representing the market value of all outstanding common shares of the firms listed (share price x shares outstanding). This means that a change in the price of any one stock influences the index in proportion to the relative market value of that firm's outstanding shares. This index is a "total return" index. This means that the index reflects distributions paid by the companies comprising the index.

*RUSSELL 3000 Total Return Index*

The RUSSELL 3000 Total Return Index is a broad-based modified capitalization weighted index that represents approximately 98% of the value of the investable U.S. equity markets. It is constructed to provide a comprehensive, unbiased, and stable barometer of the broad market, and is completely reconstituted annually to ensure that new and growing equities are reflected. The index is priced in U.S. dollars. This index is a "total return" index. This means that the index reflects distributions paid by the companies comprising the index.

*MSCI EAFE Gross Total Return Index (local currency basket)*

The MSCI EAFE Gross Total Return Index is widely used to measure international equity performance. It comprises 21 MSCI country indices, representing the developed markets outside of North America: Europe, Australasia and the Far East. MSCI aims to include in its international indices, 85% of the free float-adjusted market capitalization in each industry group, within each country. As of December 31, 2009 the MSCI EAFE Index contained 957 securities with a total market capitalization of over U.S.\$10 trillion. This index is a "total return" index. This means that the index reflects distributions paid by the companies comprising the index. The index has a local currency pricing variation, which is used for the purposes of the Benchmark.

## **What Are The Risks Of Investing In The Fund?**

The Fund is subject to the following risks which are described on pages 4 to 6:

- stock market risk
- timing risk
- reliance on historical data
- liquidity risk
- slippage risk
- credit risk
- exchange traded funds risk
- regulatory risk
- foreign security risk
- currency risk
- multiple series risk
- derivatives risk
- short selling risk
- investment trust risk

## **Who Should Invest in the Fund?**

The Fund is suitable for clients who consider growth or capital appreciation (through income and/or capital appreciation) an important investment objective. To recognize a reasonable rate of return, investors should be prepared to invest for the long term. This Fund is suitable for investors with a moderate to high risk tolerance level.

## **Distribution Policy**

The Fund will, prior to the end of each year, distribute any net income and capital gains to its unitholders as of the distribution date. This distribution policy may be varied, dependent upon future market conditions. We reserve the right to make additional distributions, on a date other than the distribution date, in any year if determined to be appropriate. In each case, distributions will be reinvested by purchasing additional units of the Fund unless you ask us in advance to be paid in cash rather than receive units of the Fund. The portfolio turnover rate for the Fund is expected to be high. On a yearly basis, this may result in a higher proportion of realized (rather than unrealized) gains and/or losses on the securities in the Fund's portfolio, which may increase distributions to unitholders.

## **Fund Expenses Indirectly Borne By Investors**

Mutual funds pay for some fees and expenses out of fund assets. That means investors in a mutual fund indirectly pay for these fees and expenses through lower returns. The Fund's management expense ratio is calculated without including any absorption of the Fund's expenses by the Manager.

Please see "Fees and Expenses" for more information about the costs of investing in the Fund.

## **Additional Information**

### ***Change in Registration***

The registration of the Manager as an adviser in the category of portfolio manager and as a dealer in the category of exempt market dealer with the OSC and as portfolio manager with The Manitoba Securities Commission was voluntarily terminated by the Manager in the jurisdictions of Ontario and Manitoba on January 31, 2010 following the transfer of portfolio management responsibilities in relation to the Funds to JovInvestment.

### ***Acquisition of the Assets of the Webb Asset Management Canadian Performance Fund***

On December 30, 2009, the Fund acquired all or substantially all of the securities and non-cash portfolio assets contained in the investment portfolio of the Webb Asset Management Canadian Performance Fund (a privately offered Canadian investment fund) in exchange for newly issued Series A, Series F and Series I Units of the Fund, which led to an increase in the net asset value of the Fund. The investment objective, the investment strategies and the risk factors of the Fund did not change as a result of this transaction. The transaction was completed as an in-specie transfer conducted in reliance on s.6.1 of NI 81-107.

## WEBB ENHANCED INCOME FUND

### Fund Details

Type of Fund	Diversified Income Fund
Date Fund Started	Series A Units: January 22, 2008 Series I Units: January 22, 2008 Series F Units: January 22, 2008
Securities Offered	Mutual fund units (Series A, Series F and Series I)
Registered Plan Eligibility	The Fund is a qualified investment for RRSPs, RESPs, RRIFs, RDPSs, DPSPs and TFSA's
Management Fees	2.00% on Series A units and 1.00% on Series F units (for Series I units, separately negotiable with Webb)
Performance Fees	20% of the amount by which the Fund outperforms its Benchmark (40% the S&P/TSX Preferred Share Total Return Index, 40% the MSCI World High Dividend Yield USD Gross Total Return Index and 20% the Bloomberg/EFFAS Canadian Government Bond Total Return Index (please refer to the description of management fees and the more detailed description of the performance fees on page 12)

### What Does The Fund Invest In?

#### *Investment Objective*

The objective of the Fund is to provide investors with a stable stream of tax-efficient monthly distributions, consisting of returns of capital and capital gains, and to provide for modest capital growth.

In order to achieve its objectives, the Fund invests primarily in equity securities of Canadian issuers (the “**Canadian Equity Portfolio**”). To produce tax-efficient distributions, the Fund will also enter into one or more forward agreements to obtain exposure to an underlying portfolio (the “**Underlying Portfolio**”), which includes dividend-paying common and preferred shares, bonds, debentures, income trusts, equity-related securities and convertible securities issued by issuers anywhere in the world. The objective of the Fund is to provide investors with returns based on the Underlying Portfolio and not the Canadian Equity Portfolio.

Unitholder approval (by a majority of votes cast at a meeting of unitholders) is required prior to a material change of investment objectives.

#### *Investment Strategies*

The assets of the Fund are invested in the Canadian Equity Portfolio. The Fund may also invest in ETFs that issue Index Participation Units that are consistent with its investment objective. To produce tax-efficient distributions, the Fund will also enter into one or more forward agreements to obtain exposure to the Underlying Portfolio, which includes dividend-paying common and preferred shares, bonds, debentures, income trusts, equity-related securities and convertible securities issued by issuers anywhere in the world.

The Underlying Portfolio will be invested in a manner consistent with meeting the objectives of the Fund. Unitholders will receive the performance of the Underlying Portfolio, not the Canadian Equity Portfolio.



Although the Fund has received permission from the Canadian Securities Administrators to engage in short selling and the Underlying Portfolio may also engage in short selling, the combined aggregate market value of all securities sold short by the Fund, directly, and by the Underlying Portfolio will not exceed 20% of the net assets of the Fund on a daily marked-to-market basis.

#### *The Forward Agreements*

A forward agreement is a form of a contract with another party (known as the “**counterparty**”) to buy or sell an asset at a later time. To obtain exposure to the Underlying Portfolio, the Fund will enter into one or more forward agreements under which the counterparties will agree to purchase all or part of the Canadian Equity Portfolio at a purchase price determined by reference to the value of the Underlying Portfolio. The Fund intends to enter into forward agreements in respect of 100% of the Canadian Equity Portfolio, and the Underlying Portfolio may be 100% comprised of securities of non-Canadian issuers. The Fund will partially settle the forward agreements from time to time in order to fund monthly distributions as well as redemptions of its units and payment of expenses of the Fund. Additional information about the forward agreements and the Underlying Portfolio are contained in the annual information form.

#### *Securities Lending, Repurchase and Reverse Repurchase Transactions by the Fund*

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to generate additional income or as a short-term cash management tool.

#### *Management of the Underlying Portfolio*

The Underlying Portfolio will be managed by the Portfolio Sub-Advisor. In selecting equity securities for the Underlying Portfolio, the Portfolio Sub-Advisor focuses primarily on securities that offer (i) an attractive expected dividend yield as an indication of value, (ii) low price betas as an indication of risk and volatility, and (iii) earnings acceleration, earnings surprises and growth in earnings estimates as an indication of growth.

The Portfolio Sub-Advisor may also purchase equities, against which call options are written and may also short sell equities, against which put options are written. Please see “Use of Derivatives by the Underlying Portfolio” below.

In selecting fixed-income securities for the Underlying Portfolio, the Portfolio Sub-Advisor (i) selects securities that offer an above average current income yield, (ii) monitors general economic conditions, inflation and monetary policy, and the potential impact on the Underlying Portfolio and (iii) analyzes the credit risk associated with company issuers.

Under normal market conditions, the Underlying Portfolio will seek to be fully invested. There may, however, be certain periods where the Underlying Portfolio may hold cash or fixed income securities for strategic reasons, including eligible money market securities with maturities of one year or less.

The Underlying Portfolio will be managed in accordance with the investment restrictions applicable to Canadian mutual funds under securities regulations.

#### *Use of Derivatives by the Underlying Portfolio*

The Underlying Portfolio may use derivatives such as options, futures, forward contracts and swaps (i) to generate yield through option writing, (ii) for hedging purposes to protect against losses from changes in interest rates, market indices or foreign exchange rates, and (iii) as a substitute for direct investment to efficiently adjust the Fund’s asset mix in a timely manner, to enhance yield or to create tax efficiencies.

The Underlying Portfolio will only use derivatives as permitted by securities regulations applicable to the use of derivatives by mutual funds.

*Securities Lending, Repurchase and Reverse Repurchase Transactions by the Underlying Portfolio*

The Underlying Portfolio may enter into securities lending, repurchase and reverse repurchase transactions to generate additional income or as a short-term cash management tool.

*Short Selling by the Underlying Portfolio*

The Underlying Portfolio may short sell (go short) securities to hedge against market risk and volatility. The Underlying Portfolio will hold an amount in cash or money market instruments of no less than 150% of its short exposure. The combined aggregate market value of all securities sold short by the Fund, directly, and by the Underlying Portfolio will not exceed 20% of the net assets of the Fund on a daily marked-to-market basis.

*Managing Long and Short Positions in the Underlying Portfolio*

The Underlying Portfolio is generally expected to have positive, but not full, market exposure. The Portfolio Sub-Advisor may alter the net market exposure of the Underlying Portfolio depending on its expectations of returns, risk and volatility within a permitted range of 100% net long exposure and 70% net long exposure (ex cash positions). The fund is permitted a maximum 100% gross long exposure and a 20% gross short exposure.

*Use of Commodity Pools in the Underlying Portfolio*

Pursuant to an exemption granted by the Canadian Securities Administrators, the Underlying Portfolio may invest no more than 10% of its net assets in a specified number of commodity pools that use financial instruments that correlate to the performance of an underlying index. Some of these commodity pools may be leveraged so that a negative performance of the underlying index may cause an even greater negative performance of the commodity pool. The Underlying Portfolio is permitted to invest no more than 20% of its net assets in the specified commodity pools and the shorting of securities. The Underlying Portfolio is also not permitted to invest in commodity pools with an underlying index that is based on a physical commodity other than gold.

**What are the Characteristics of the Indices Comprising the Benchmark?**

*S&P/TSX Preferred Share Total Return Index*

The index is comprised of preferred stocks trading on the Toronto Stock Exchange that meet criteria relating to minimum size, liquidity, issuer rating, and exchange listing. The index is based on a market capitalization weighted scheme and calculated by the divisor methodology used in Standard & Poor's equity indices. The index is rebalanced twice a year, in January and July, when index shares and constituents are reviewed. The index assumes dividends are reinvested in the index after the close on the ex-date.

*MSCI World High Dividend Yield USD Gross Total Return Index*

The MSCI World High Dividend Yield USD Gross Total Return Index serves as a performance benchmark for investors focusing on dividend yield. The Index objectively and passively depicts the high dividend yield opportunity set within the MSCI World Index and is intended to reflect dividend yield focused investment processes. The MSCI World High Dividend Yield USD Gross Total Index includes only securities that offer a meaningfully higher than average dividend yield relative to the MSCI World Index

and pass dividend sustainability and persistence screens. The Index offers broad market coverage and is free float market capitalization weighted to ensure that its performance can be replicated in institutional and retail portfolios. The Index is priced in \$U.S. The Index is rebalanced annually and reviewed quarterly.

*Bloomberg/EFFAS Canadian Government Bond Total Return Index*

The Bloomberg/EFFAS Canadian Government Bond Total Return Index was created by Bloomberg in conjunction with the European Federation of Financial Analyst Societies (EFFAS). The Index is designed as a transparent benchmark for Canadian government bonds with maturities greater than one year. Bloomberg calculates the value of the Index daily using the total value of 100.00 units originally invested on January 1, 1992. The value of the Index is calculated assuming that all coupon payments and partial redemptions are reinvested at the time they are received. It is calculated by taking the ratio of the current day's total market value and the previous day's total market value then multiplying the ratios by the previous day's value. Only business days are used in the calculations. Additional cash flows are included and affect the current day's total market value.

### **What Are The Risks Of Investing In The Fund?**

Most of the Fund's assets will be invested, directly or indirectly, in fixed income securities and equity securities of Canadian dividend paying companies. As a result, the Fund will be primarily exposed to the following risks which are described on pages 4 to 6:

- stock market risk
- reliance on historical data risk
- specific issuer risk
- interest rate risk
- credit risk
- exchange traded funds risk
- regulatory risk
- foreign security risk
- currency risk
- multiple series risk
- derivatives risk
- securities lending, repurchase and reverse repurchase transaction risk
- short selling risk
- investment trust risk

If the character and timing of the gain realized by the Fund on the physical settlement of a forward agreement were other than a capital gain (pursuant to the application of the general anti-avoidance rule under the Tax Act, or otherwise), after-tax returns to holders of Units could be reduced and the Fund could be subject to non-refundable income tax. In addition, during the financial year ended December 31, 2008, the Fund violated certain securities rules, including at various times holding more than 10% of its assets in the securities of a single issuer. The risks associated with the concentration of the Fund's assets in a single issuer are described below under "Additional Information".

## **Who Should Invest In The Fund?**

The Fund is suitable for investors who seek an ongoing source of tax-efficient monthly distributions and who want a diversified fund with potential for modest capital growth. This Fund is suitable for investors with a medium risk tolerance level.

## **Distribution Policy**

The Fund will initially seek to pay a monthly distribution equal to \$0.05 per unit (\$0.60 per annum to yield 6% on the initial price of \$10.00 per Unit). If the portfolio earns more income or capital gains than the fixed distribution, it will distribute the excess each December. If the portfolio earns less than the amount distributed, the difference is a return of capital. The monthly distribution amount is reviewed and established at the beginning of each calendar year based on the then prevailing market outlook, but then may be adjusted during the year as conditions change. In each case, distributions will be reinvested by purchasing additional units of the Fund unless you ask us in advance to be paid in cash rather than receive units in the Fund. From time to time in volatile markets, the Fund's portfolio turnover rate may be greater than 70%. The higher the portfolio turnover rate is, the greater the trading costs payable by the Fund, and the greater the chance of an investor receiving taxable capital gains, which may increase distributions to unitholders.

## **Fund Expenses Indirectly Borne By Investors**

Mutual funds pay for some fees and expenses out of fund assets. That means investors in a mutual fund indirectly pay for these fees and expenses through lower returns. The Fund's management expense ratio is calculated without including any absorption of the Fund's expenses by the Manager.

Please see "Fees and Expenses" for more information about the costs of investing in the Fund.

## **Additional Information**

### ***Change in Registration***

The registration of the Manager as an adviser in the category of portfolio manager and as a dealer in the category of exempt market dealer with the OSC and as portfolio manager with The Manitoba Securities Commission was voluntarily terminated by the Manager in the jurisdictions of Ontario and Manitoba on January 31, 2010 following the transfer of portfolio management responsibilities in relation to the Funds to JovInvestment.

## **WEBB FUNDS**

### **WEBB ENHANCED GROWTH FUND**

### **WEBB ENHANCED INCOME FUND**

Additional information about the Funds is available in the Funds' annual information form, management reports of fund performance and financial statements. These documents are incorporated by reference in this simplified prospectus, which means that they legally form part of this document just as if they were printed in it. You can obtain a copy of these documents at your request and at no cost by calling toll free 1-866-278-8696, or from your financial advisor or by e-mail to [info@WAMfunds.com](mailto:info@WAMfunds.com) or the internet at [www.WAMfunds.ca](http://www.WAMfunds.ca). These documents and other information about the Funds, such as information circulars and material contracts, are also available at the Internet site for SEDAR (the System for Electronic Document Analysis and retrieval established by the Canadian Securities Administrators) at [www.sedar.com](http://www.sedar.com).

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