

**NOTICE OF SPECIAL MEETING AND MANAGEMENT INFORMATION CIRCULAR**  
**FOR**  
**SPECIAL MEETING OF UNITHOLDERS**  
**OF**  
**WEBB ENHANCED GROWTH FUND**  
**DECEMBER 30, 2009**

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**WEBB ENHANCED GROWTH FUND**  
**(the “Growth Fund”)**  
**NOTICE OF SPECIAL MEETING OF UNITHOLDERS**

**NOTICE IS HEREBY GIVEN** that a special meeting (the “**Meeting**”) of holders (“**Unitholders**”) of Series A, Series F, and Series I units of the Growth Fund (“**Units**”) will be held at the offices of the manager of the Growth Fund, Webb Asset Management Canada, Inc. (the “**Manager**”), Suite 930, 26 Wellington Street East, Toronto, Ontario, M5E 1S2 on December 30, 2009 at 10:30 a.m. (Toronto time) for the following purposes:

1. to consider and, if thought fit, to pass, with or without amendment, a resolution (the “**Resolution**”) to ratify, confirm and approve a transaction (the “**Proposed Transaction**”), pursuant to which the Growth Fund will acquire 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 (the “**Performance Fund**”) in exchange for newly issued Series A, Series F and Series I Units of the Growth Fund
2. to transact such further and other business as may properly come before the Meeting or any adjournment(s) thereof.

The proposed text of the Resolution and the details of the Proposed Transaction are set forth in the accompanying Management Information Circular. Unitholders are invited to attend the Meeting, which is being called by the Trustee of the Growth Fund. Unitholders of record at the close of business on December 7, 2009, will be entitled to receive notice of and vote at the Meeting. No person acquiring Units after such date shall be entitled to receive notice of or vote at the Meeting or any adjournment thereof.

Unitholders who are unable to attend the Meeting in person are requested to complete, sign and return the accompanying form of proxy and return it in the envelope provided for that purpose. **Unitholders that are unable to attend have the right to appoint a person other than the person specified in the form of proxy to attend and act on such Unitholder’s behalf at the Meeting.** Such right may be exercised by inserting the name of the person to be appointed in the space provided, or by completing another proper form of proxy. A person appointed as a proxyholder need not be a Unitholder.

To be effective, a proxy must be received by the President, c/o Webb Asset Management Canada, Inc., 26 Wellington Street East, Toronto, Ontario, M5E 1S2 prior to the close of business (5:00 p.m. Toronto time) on December 24, 2009, or on the last business day (being any day other than a Saturday or holiday in the City of Toronto, Ontario) preceding any adjournment of the Meeting, or deposited with the chairman of the Meeting on the day of the Meeting (or any adjournment thereof) prior to the commencement of such Meeting.

Dated at Toronto, Ontario the 8<sup>th</sup> day of December, 2009.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
WEBB ASSET MANAGEMENT CANADA, INC. as Trustee of  
WEBB ENHANCED GROWTH FUND**

(Signed) *Derek Webb*  
Chief Executive Officer and  
Director

(Signed) *Michael Kirby*  
Chief Financial Officer

**WEBB ENHANCED GROWTH FUND**  
**(the “Growth Fund”)**

**MANAGEMENT INFORMATION CIRCULAR**

**December 8, 2009**

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

**This Management Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by Webb Asset Management Canada, Inc. (the “Manager”), the manager of the Growth Fund for use at the special meeting (the “Meeting”) of unitholders of the Growth Fund (“Unitholders”) or any adjournments thereof to be held at the offices of the Manager on December 30, 2009 at 9:30 a.m. (Toronto time) for the purposes set forth in the Notice of Special Meeting of Unitholders accompanying this Circular.**

While it is expected that solicitation will be primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Manager at nominal cost. The Growth Fund will bear the costs of convening the Meeting and of the solicitation of proxies.

**Appointment and Revocation of Proxies**

The individuals named in the accompanying form of proxy for the Meeting are directors and officers of the Manager. **A Unitholder has the right to appoint a person (who need not be a Unitholder) other than the persons named in the accompanying form of proxy to represent him or her at the Meeting, either by inserting such person’s name in the blank space provided in the form of proxy and striking out the other names or by completing another proper form of proxy.**

To be effective, a proxy must be received by the President, c/o Webb Asset Management Canada, Inc., 26 Wellington Street East, Toronto, Ontario, M5E 1S2 prior to the close of business (5:00 p.m. Toronto time) on December 24, 2009, or on the last business day (being any day other than a Saturday or holiday in the City of Toronto, Ontario) preceding any adjournment of the Meeting, or deposited with the chairman of the Meeting on the day of the Meeting (or any adjournment thereof) prior to the commencement of such Meeting.

Proxies given by Unitholders for use at the Meeting may be revoked at any time prior to their use. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the Unitholder or his or her attorney authorized in writing, or where the Unitholder is a corporation, by a duly authorized officer or attorney of the corporation, to the registered office of the Growth Fund at any time up to and including the last business day (being any day other than a Saturday, Sunday or civic or statutory holiday in the City of Toronto, Ontario) preceding the day of the Meeting (or any adjournment thereof), at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting (or any adjournment thereof) prior to the commencement of such Meeting and upon either of such deposits the proxy is revoked. Any such revocation will have effect only in respect of those matters upon which a vote has not already been cast pursuant to the authority conferred by the revoked proxy.

**Voting and Discretion of Proxies**

Units represented by proxies which are hereby solicited (if properly executed and deposited) will be voted for or against the matters identified in the form of proxy, in each case in accordance with the

instructions of the Unitholder. **In the absence of any instructions on the form of proxy, it is the intention of the persons named in the accompanying form of proxy to vote the Securities represented by proxies in favour the proposed resolution and in favour of all other matters proposed by management at the meeting or any adjournment thereof as provided in this Circular.**

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments to or variations of the matters set out in the accompanying Notice of Special Meeting of Unitholders and with respect to other matters that may properly come before the Meeting.

As of the date of this Circular, the Manager knows of no matters that may properly come before the Meeting other than the matters referred to in the accompanying Notice of Special Meeting of Unitholders. If any such amendments, variations or other matters are properly brought before the Meeting, the persons named in the accompanying form of proxy will vote thereon in accordance with their best judgment.

### **Voting of Securities and Principal Unitholders**

Every question submitted to a meeting of Unitholders shall be decided by a majority of the votes cast. The vote shall be taken in such manner as the chairman of the Meeting may direct and the result shall be deemed to be the resolution of the meeting at which the vote was taken. Every Unitholder who, being an individual, is present in person or is represented by proxy or, being other than an individual, is present by proxy shall have one vote for each Unit owned by such Unitholder, with no voting rights being attributed to portions of a Unit

The record date for the determination of Unitholders entitled to receive the Notice of Special Meeting of Unitholders and Preferred Shareholders has been fixed as December 7, 2009 (the “**Record Date**”).

No person acquiring Units after the Record Date shall be entitled to receive notice of or vote at the Meeting or any adjournment thereof, in accordance with the Growth Fund’s Declaration of Trust (the “**Declaration of Trust**”) made as of January 11, 2008 by Webb Asset Management Canada, Inc. (the “**Trustee**” or the “**Manager**”).

As at the close of business on December 1, 2009, the following Units of the Growth Fund were issued and outstanding:

Series A Units	532,457.68
Series F Units	55,001.95
Series I Units	0
<b>Total</b>	<b>587,459.63</b>

Each Unit carries the right to one vote and all Units may be voted at the Meeting, except as disclosed below. The affirmative vote of a majority of the votes cast at the Meeting is required for approval of the resolution referred to in the Notice of Special Meeting of Unitholders and discussed below.

To the extent any of them holds Units from time to time, the Trustee, the Manager, any insider (as defined in the *Securities Act* (Ontario)), of the Growth Fund, any affiliate of the Trustee or of the Manager of the Growth Fund or any director or officer of such persons is entitled to vote the Units held by them on a resolution. In the case of an equality of votes, the chairman of the Meeting shall not have a casting vote and the resolution shall be deemed defeated.

In accordance with the Declaration of Trust a quorum for purposes of the Meeting shall be two Unitholders of the Growth Fund present in person or represented by proxy.

As of November 30, 2009 and to the knowledge of Trustee and Manager of the Growth Fund and its directors and senior officers, the following Unitholders owned more than 10% of a series of the issued and outstanding units of the Growth Fund:

Unitholder	Series	Ownership	Number of Securities Owned	% of Issued and Outstanding Units of the Class
Larry Makelki	Series F	Directly	11,886.149	21.6%
Angus Addley	Series F	Directly	5,634.567	10.2%

## INTERESTS IN MATTERS TO BE ACTED UPON

The Manager of the Growth Fund receives a management fee in respect of the Growth Fund and the Webb Asset Management Canadian Performance Fund (the “**Performance Fund**”). Neither the Manager nor any of the Manager’s directors or senior officers, nor any associate or affiliate of any of them, has any material interest, direct or indirect, by way of beneficial ownership of Units or otherwise, in any matter to be acted upon at the Meeting other than as described in this Circular.

## THE GROWTH FUND

### General Information about the Growth Fund

Pursuant to the Declaration of Trust, the beneficial interest in the Growth Fund is divided into three classes: Series A units, Series F units and Series I units (each a “**Series**” and collectively, the “**Series**”), referred to as whole units (the “**Units**”), and fractions thereof. Each Unit of a Series outstanding from time to time shall participate *pro rata* in any distributions made by the Growth Fund in respect of such Series and, in the event of termination of the Growth Fund, in the net assets of the Growth Fund allocable to that Series.

The principal place of business of the Growth Fund and the registered office of the Manager is 26 Wellington Street East, Suite 930, Toronto, Ontario M5E 1S2.

The auditors of the Funds are KPMG LLP of Toronto, Ontario. Any changes in the auditors by the Growth Fund may be made only in accordance with securities regulatory policies.

For a description of the respective investment objectives and investment strategies of each of the Performance Fund and the Growth Fund see “Business of the Meeting – Comparison of the Performance Fund and the Growth Fund” below.

### Management, Investment Advisors and Portfolio Managers of the Growth Fund

Webb Asset Management Canada, Inc., the Manager of the Growth Fund, is responsible for the management functions for the Growth Fund and is also the Trustee of the Growth Fund. The Manager has the authority to manage the operations and affairs of the Growth Fund, to make all decisions regarding the business of the Growth Fund and to bind the Growth Fund. The Manager may delegate any of its powers to third parties, including by entering into a portfolio management or administration agreement, where, in the opinion of the Manager, it would be in the best interests of the Growth Fund to do so. Currently, the

Manager and Trustee is also the investment advisor (the “**Investment Advisor**”) of the Growth Fund. Webb Asset Management, Inc.(the “**Sub-Advisor**”) is the portfolio manager of the Growth Fund and the Performance Fund. In the most recently completed financial year, the Growth Fund paid \$79,880.89 in management fees to the Manager.

The name, municipality of residence, position with the Manager of the Growth Fund and principal occupation of each of the directors and officers of the Manager are set out below:

Name and Municipality of Residence	Position(s) with Manager	Principal Occupation During the Last 5 Years <sup>(1)</sup>
Derek Webb San Francisco, California	President, Chief Executive Officer and Director	President, Chief Executive Officer and Director, Webb Asset Management Canada, Inc. (since 2006); President & Chief Executive Officer, Webb Asset Management, Inc. (since 2006); President, Webb Capital Management, Inc. (2001 – 2005)
Michael Kirby Toronto, Canada	Chief Financial Officer	Chief Financial Officer, Webb Asset Management Canada, Inc. (since 2009); Self-Employed (2002 – 2009); Regional Sales Manager, Franklin Templeton Investments (2000-2001);
Ken McCord Toronto, Canada	Director	President, AlphaPro Management Inc. (since 2009); Vice President, JovInvestment Management Inc. (since 2009); Director Webb Asset Management Canada, Inc. (since 2006); President, Chief Executive Officer, Portfolio Manager, Chief Compliance Officer, Webb Asset Management Canada, Inc. (2006 - 2009);
Mike Schantz San Francisco, California	Director	Director, Webb Asset Management Inc. (since 2009); Portfolio Manager, Webb Asset Management, Inc. (2005-2008);

<sup>(1)</sup> Where a person has held multiple positions within a company, the above table only refers to the last position held at that company.

As of November 30, 2009 and to the knowledge of Trustee and Manager of the Growth Fund and its directors and senior officers, none of the directors and officers of the Manager owned more than 10% of a Series of the issued and outstanding units of the Growth Fund:

## BUSINESS OF THE MEETING

### Acquisition of the investment portfolio of the Performance Fund by the Growth Fund

At the Meeting, Unitholders of the Growth Fund are being asked to consider and if thought fit to pass a resolution (the “**Resolution**”), with or without amendment, to ratify, approve and confirm:

- (a) a transaction (the “**Proposed Transaction**”), pursuant to which the Growth Fund will acquire all or substantially all of the securities and non-cash portfolio assets contained the investment portfolio to the Performance Fund (the “**Acquired Assets**”) in exchange for newly issued Series A, Series F and Series I Units of the Growth Fund; and
- (b) the issuance of Series A, Series F and Series I Units as necessary to acquire the Acquired Assets.

This Resolution (a copy of which is attached hereto as Schedule “A”), which requires approval by not less than a majority of the votes cast by the Unitholders in respect of the resolution, will also authorize



any other steps as may be necessary or desirable to give effect to the foregoing. For the Meeting of Unitholders, the form of proxy accompanying this Circular permits a Unitholder to specify that Units registered in the name of the Unitholder shall be voted for or against this Resolution.

## **Background**

This Circular incorporates by reference the:

- (a) Simplified Prospectus (the “**Simplified Prospectus**”) and Annual Information Form of the Growth Fund, each dated July 29, 2009, as amended by Amendment No. 1 dated September 29, 2009; and
- (b) Manager’s Press Release dated September 22, 2009 regarding the appointment of the Investment Advisor as portfolio manager and administrator of the Performance Fund and Growth Fund.

For a table comparing key attributes of the Performance Fund and the Growth Fund see “Business of the Meeting – Comparison of the Performance Fund and the Growth Fund” below. The investment objective, investment strategy, risk factors and other aspects of the Performance Fund are described in the Offering Memorandum of the Performance Fund, Amended and Restated as of June 1, 2007 (the “**Offering Memorandum**”). You may obtain a copy of the Offering Memorandum by email at [info@WAMFunds.com](mailto:info@WAMFunds.com).

Additional information, including financial information, about the Growth Fund is available in the Growth Fund’s management reports of fund performance and financial statements. You may obtain a copy of these documents and of the Growth Fund’s Simplified Prospectus and Annual Information Form at no cost by calling toll free: 1-866-611-9590, from your dealer, or by e-mail at: [info@WAMFunds.com](mailto:info@WAMFunds.com). All of these documents pertaining to the Growth Fund and other information about the Growth Fund, such as information circulars and material contracts are also available on the Webb Asset Management Canada, Inc. internet site at: [www.WAMFunds.com](http://www.WAMFunds.com) or at [www.sedar.com](http://www.sedar.com).

## **General Information about the Performance Fund**

The Performance Fund is an privately offered, open-end investment fund, established in Ontario pursuant to a trust agreement (the “**Performance Trust Agreement**”) dated as of May 9, 2006, between HSBC Trust Company (Canada), as trustee and Webb Asset Management Canada, Inc. (“**Manager**”), as manager and investment advisor.

Pursuant to the Performance Trust Agreement, the beneficial interest in the Growth Fund is divided into three classes: Class A units, Class F units and Class I units (each a “**Class**” and collectively, the “**Classes**”) and fractions thereof. Each unit of a Class outstanding from time to time shall participate *pro rata* in any distributions made by the Performance Fund in respect of such Class and, in the event of termination of the Performance Fund, in the net assets of the Performance Fund allocable to that Class.

The principal place of business of the Performance Fund and the registered office of the Manager is 26 Wellington Street East, Suite 930, Toronto, Ontario M5E 1S2.

The auditors of the Funds are KPMG LLP of Toronto, Ontario.

For a description of the respective investment objectives and investment strategies of each of the Performance Fund and the Growth Fund see “Business of the Meeting – Comparison of the Performance Fund and the Growth Fund” below.

## Comparison of the Performance Fund and the Growth Fund

A summary of the investment objectives and strategies of, and other pertinent information concerning the Performance Fund and the Growth Fund is set out below:

	<b>Performance Fund</b>	<b>Growth Fund</b>
<b>Investment Objective</b>	The principal objective of the Performance Fund is to produce high returns with reasonable volatility and to provide unitholders of the Performance Fund with highly attractive risk-adjusted returns. To achieve its objective, the Sub-Advisor uses a proprietary investment process that is systematic, proven and reliable	The objective of the Growth Fund is to achieve long-term capital growth by investing in equities and equity-related securities of companies that the Sub-Advisor believes have exceptional growth potential. The Growth Fund intends to invest primarily in North America
<b>Investment Strategy</b>	<p>The Performance Fund intends to profit from both long and short positions, primarily in Canadian equities (including common shares, preferred shares, trust or limited partnership units) and derivatives on such securities using the Sub-Advisor’s proprietary investment process. The Sub-Advisor’s investment process is the result of the Sub-Advisor’s study of the long-term historical performance of securities in a number of global equity markets. The study concluded as follows:</p> <ul style="list-style-type: none"> <li>• An earnings-based investment process, systematically applied to long and short positions in equities, produced the highest absolute and risk-adjusted returns. The earnings-based investment process favours companies with rapid and unexpected growth in earnings as long positions and companies with rapid and unexpected declines in earnings as short positions.</li> <li>• In conjunction with the primary earnings-based investment process, risk-adjusted returns (returns relative to levels of volatility, or the “Sharpe Ratio”) could be improved by giving further consideration to factors including (among others) valuation, consistency of growth and relative price strength.</li> <li>• Risk-adjusted returns could be further improved through active and systematic management of the long/short exposure. When short exposure was reduced</li> </ul>	<p>To achieve its objective, the Sub-Advisor uses a proprietary investment process. The investment strategy used is described in detail below. The Growth Fund aims to outperform its benchmark. Please see “What are the Characteristics of the Indices Comprising the Benchmark?” in the Simplified Prospectus.</p> <p>The Growth 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 Sub-Advisor’s proprietary investment process. The Sub-Advisor’s investment process is the result of The 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.</p> <p>The Sub-Advisor’s earnings-based investment process screens a data base of stocks to identify those that are attractive investment or short selling opportunities. The screening process identifies as attractive investments, those companies with; adequate liquidity, a positive change in the growth rate of earnings, an increase in analysts’ consensus expectations for future earnings and a positive surprise in reporting earnings versus the analysts’ consensus expectation. The screening process identifies as attractive short positions, those</p>

	<b>Performance Fund</b>	<b>Growth Fund</b>
	<p>through the systematic profit taking of short positions, volatility was reduced significantly and risk-adjusted returns improved. Specifically, short positions were covered and profits were realized if specific price targets were reached within specific timelines.</p> <p>The conclusions of the study are the foundation of the Sub-Advisor's proprietary long/short investment process. The Sub-Advisor's investment process is the result of a thorough study of cause and effect relationships between stock prices and related factors. The 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 Performance Fund, the Sub-Advisor studies the capital markets on a continuous basis and refines its investment process where appropriate.</p> <p>The Performance Fund is managed in accordance with the Sub-Advisor's proprietary long/short investment process and the following strategies:</p> <ul style="list-style-type: none"> <li>• <i>Investing Long</i> The Sub-Advisor monitors a database of stocks and income trusts and buys (goes long) those securities identified as attractive investment candidates.</li> </ul> <p>Long positions are allowed to appreciate to any size within the Performance 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.</p>	<p>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.</p> <p>The 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 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.</p> <p>The Sub-Advisor also seeks 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.</p> <p>The Sub-Advisor's investment process is the result of a thorough study of cause and effect relationships between stock prices and related factors. The 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 Growth Fund, The Sub-Advisor studies the capital markets on a continuous basis and refines its investment process where appropriate.</p> <p>Under normal market conditions, the Growth Fund seeks to be fully invested in long or short equity positions. There may, however, be certain periods where the Growth Fund may hold cash or fixed income securities for strategic reasons,</p>

	<b>Performance Fund</b>	<b>Growth Fund</b>
	<p data-bbox="396 300 618 331"><i>Use of Derivatives</i></p> <p data-bbox="396 333 902 564">The Performance Fund may use derivative instruments to hedge certain risks associated with an existing long or short position or positions, to create leverage or to enhance yield. It is not expected that the Performance Fund will use derivatives for speculative purposes.</p> <p data-bbox="396 602 548 634"><i>Short Selling</i></p> <p data-bbox="396 636 902 932">The Performance 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 covered if it is no longer considered an unattractive investment or through the systematic profit taking process.</p> <p data-bbox="396 970 902 1201">Short selling is used by the Performance Fund along with purchasing long, collectively, as a primary discipline of buying securities with the expectation that they will appreciate in price, and selling those which are expected to depreciate in price.</p> <p data-bbox="396 1304 824 1335"><i>Managing Long and Short Positions</i></p> <p data-bbox="396 1337 902 1936">The Performance Fund is generally expected to have positive, but not full, market exposure. Over an entire market cycle, the Performance Fund is generally expected to hold a net long exposure to the equity market. the Sub-Advisor may alter the net market exposure of the Performance Fund depending on its expectations of returns, risk and volatility within a permitted range of 150% net long exposure and 50% net short exposure. The Performance Fund is permitted a maximum 150% gross long exposure and a 100% gross short exposure. The Performance Fund holds an amount in cash or money market instruments approximately equal to the Performance Fund's short exposure.</p>	<p data-bbox="928 201 1455 264">including eligible money market securities with maturities of one year or less.</p> <p data-bbox="928 300 1149 331"><i>Use of Derivatives</i></p> <p data-bbox="928 333 1455 596">The Growth 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 Growth Fund will only use derivatives as permitted by securities regulations.</p> <p data-bbox="928 602 1081 634"><i>Short Selling</i></p> <p data-bbox="928 636 1455 898">The Growth 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.</p> <p data-bbox="928 936 1455 1031">The Growth Fund holds an amount in cash or money market instruments of no less than 150% of the Growth Fund's short exposure.</p> <p data-bbox="928 1304 1357 1335"><i>Managing Long and Short Positions</i></p> <p data-bbox="928 1337 1455 1768">The Growth Fund is generally expected to have positive, but not full, market exposure. Over an entire market cycle, the Growth Fund is generally expected to hold a net long exposure to the equity market. Webb may alter the net market exposure of the Growth 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 Growth Fund is permitted a maximum 100% gross long exposure and a 20% gross short exposure.</p>

	<b>Performance Fund</b>	<b>Growth Fund</b>
	<p><i>Use of Leverage</i> The strategy allows for leverage to be employed. The Performance Fund is authorized to borrow for purposes of increasing its investment leverage. Margin requirements are adhered to by the Performance Fund. As required by rules governing Canadian equity markets (including the rules of the Investment Dealers Association of Canada), any proceeds from short sales are held in cash with a custodian. Further, the Performance Fund’s use of options contains an element of embedded leverage which increases the Performance Fund’s overall risk profile. The Performance Fund is permitted to use leverage only within the maximum long and short exposure range.</p> <p><i>Use of Debt securities</i> The Performance 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 Performance Fund.</p> <p><i>Securities Lending, Repurchase and Reverse Repurchase Transactions</i> 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, the Performance 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, the Performance Fund sells its securities for cash through an authorized agent and at the same time assumes an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, the Performance</p>	<p>The Growth Fund is not permitted to use leverage.</p> <p><i>Use of Debt securities</i> The Growth 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 Growth Fund.</p> <p><i>Securities Lending</i> The Growth Fund may enter into securities lending, repurchase and reverse repurchase transactions to generate additional income or as a short-term cash management tool.</p> <p>Please see “<i>Securities Lending, Repurchase and Reverse Repurchase Transactions</i>” in the Simplified Prospectus</p>

	<b>Performance Fund</b>	<b>Growth Fund</b>
	<p>Fund buys securities for cash and at the same time agrees to resell the same securities for cash (usually at a higher price) at a later date.</p> <p>The Performance Fund 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.</p> <p><i>Risk Management Process</i> The Sub-Advisor monitors and systematically manages for risk on a continuous basis to seek to limit volatility, drawdowns 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.</p>	<p><i>Use of Commodity Pools</i> Pursuant to an exemption granted by the Canadian Securities Administrators, the Growth 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 Growth Fund is permitted to invest no more than 20% of its net assets in the specified commodity pools and the shorting of securities. The Growth Fund is also not permitted to invest in commodity pools with an underlying index based on a physical commodity other than gold.</p>

	<b>Performance Fund</b>	<b>Growth Fund</b>
<b>Management Fees</b>	<p>The Performance Fund pays the following management fees to the Manager:</p> <p>Class A units: 2.00% of the Class A net asset value</p> <p>Class F units: 1.00% of the Class F net asset value</p> <p>Class I units: separately negotiable with the Manager but will not exceed 2.00% per annum of the of the Class I net asset value.</p> <p>For each of the classes, the management fees are calculated and accrued on each valuation day and are payable monthly in arrears.</p>	<p>The Growth Fund pays the following management fees to the Manager:</p> <p>Series A Units: 2.00% of the Series A net asset value;</p> <p>Series F Units: 1.00% of the Series F net asset value</p> <p>Series I Units: separately negotiable with the Manager</p> <p>Management fees are calculated and accrued daily and are paid monthly on the weighted average net asset value of the applicable series of the Growth Fund.</p> <p>All agreements with respect to Class I Units of the Performance Fund will apply to Series I Units of the Growth Fund received as a result of the Proposed Transaction.</p>
<b>Performance Fee</b>	<p>The Performance Fund pays performance fees to the Manager equal to 20% of the amount by which the Growth Fund outperforms a high watermark (the “<b>High Watermark</b>”), which was initially the offering price of \$10 per unit.</p> <p>On the first valuation day on which the class net asset value per unit exceeds the offering price of \$10, performance fees are earned and the Class net asset value per unit calculated on that valuation day will become the new High Watermark. On any valuation day that the Class net asset value per unit exceeds the then current High Watermark and performance fees are earned and subsequently paid, the High Watermark is reset to that valuation day’s Class net asset value per unit. The High Watermark is adjusted for distributions paid by the Growth Fund.</p> <p>For each of the classes, the performance fees are separately calculated and accrued on each valuation day and are payable quarterly in arrears.</p>	<p>The Growth Fund pays performance fees to the Manager equal to 20% of the amount by which the Growth Fund outperforms 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 “<b>Benchmark</b>”).</p> <p>Performance fees are payable in all circumstances where the performance of the Growth Fund exceeds its Benchmark (even in circumstances where the overall performance of the Growth Fund has declined, but is still positive relative to its Benchmark).</p> <p>Performance fees are be calculated and accrued daily (and payable by the Growth Fund quarterly) such that, to the extent possible, the Unit price each day reflects any performance fees payable as at the end of such day. If at any time the performance of the Growth Fund is less than its Benchmark (a “<b>Return Deficiency</b>”), then no performance fees are payable for any subsequent period until the performance of the Growth Fund relative to its Benchmark has exceeded the amount of the Return</p>

	<b>Performance Fund</b>	<b>Growth Fund</b>
		Deficiency.
<b>Distribution Policy</b>	<p>The Performance Fund intends to distribute sufficient net income and net realized capital gains, if any, to unitholders in each calendar year to ensure that the Performance Fund is not liable for income tax under Part I of the Income Tax Act (Canada) (the “<b>Tax Act</b>”), after taking into account any loss carry forwards and capital gain refunds. All distributions are made on a <i>pro rata</i> basis within each class of units to each registered unitholder as determined as of the close of business on the date of distribution.</p> <p>The costs, if any, of the distributions are be paid by the Performance Fund.</p> <p>All distributions to unitholders (less any amounts required by law to be deducted therefrom) are automatically be reinvested for the account of each unitholder in additional units of the same Class.</p>	<p>The Growth 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. The Manager may make additional distributions, on a date other than the distribution date, in any year if determined to be appropriate.</p> <p>Distributions are reinvested in the Growth Fund unless (i) you notify us that you want to receive cash and (ii) the cash distribution is greater than \$10.00.</p> <p>The portfolio turnover rate for the Growth 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 Growth Fund’s portfolio, which may increase distributions to Unitholders.</p>
<b>Sales Charges</b>	<p>Dealers may receive a sales commission of up to 5% of the amount you invest in Class A units, negotiable between you and your dealer.</p> <p>There are no sales charges on Class F or Class I units. Depending on your agreement with your dealer you are required to pay your dealer an advisory or asset-based fee in addition to the management fees charged to the Class F or Class I units held.</p>	<p>No sales charges are payable on Units of the Growth Fund received by you as a result of the Proposed Transaction. Subsequent purchases of Units of the Growth Fund will be subject to the sales charges disclosed in the Simplified Prospectus.</p>
<b>Switch Fee</b>	Not applicable.	<p>You may switch your Units of the Growth Fund for units of the same series of another Fund managed by the Manager at any time and without charge (other than short-term trading fees and/or switching fees your dealer may charge).</p> <p>If, within 90 days of the Proposed Transaction, you wish to switch Units of the Growth Fund for units of the Webb Enhanced Income Fund, the 2% short term trading fee normally charged by the Growth Fund will be waived.</p>



	<b>Performance Fund</b>	<b>Growth Fund</b>
<b>Redemption Fees</b>	A redemption charge of 2% may be charged on units of any class tendered for redemption within 180 days of purchase. No redemption charge will be charged on units of any class upon the Proposed Transaction.	There are no redemption fees, other than short-term trading fees, if applicable.
Short-Term Trading Fee	A short-term trading fee of 2% may be charged if your units are redeemed within 180 days of your purchase. Such short-term trading fee is charged by the Performance Fund, and the proceeds of such charge are retained by the Performance Fund. No short-term trading fee will be charged on units of any class upon the Proposed Transaction.	A short-term trading fee of 2% may be charged if you redeem or switch Series A, Series F or Series I Units of the Growth Fund within 90 days from the date of purchase. This amount will be retained by the Growth Fund you are redeeming, and not Webb or your dealer.  If, within 90 days of the Proposed Transaction, you wish to switch Units of the Growth Fund for units of the Webb Enhanced Income Fund, the 2% short term trading fee normally charged by the Growth Fund will be waived.
Dealer Compensation	<b>Trailing Commission</b> - The Manager pays dealers a trailing commission at the end of each quarter at an annual rate of up to 1% for the ongoing advice and service relating to Class A units, calculated as a percentage of the aggregate Unit price of the Class A units held by clients of the dealer.  There are no trailing commissions paid with respect to Class F or I units because holders of such Classes will pay an advisory or asset-based fee directly to their dealers in respect of such units.	<b>Trailing Commission</b> - The Manager may pay dealers a trailing commission equal to 1% of the value of Series A Units of the Growth Fund 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 these Unitholders by the dealer.  There are trailing commissions in respect of Series F Units.  The Manager may pay dealers a trailing commission in respect of Series I Units of the Growth Fund. The amount payable in respect of Series I Units is negotiated between the Manager and the dealer and may be between 0% and 1% of the value of Series I Units held through that dealer.  The Manager may pay reduced or no trailing commissions to dealers who do not actually service their clients' accounts (i.e. "discount" brokers).  The trailing commissions are paid by the Manager out of its management fees and are not paid directly by you or by a Fund. The Manager may, at its discretion, negotiate,

	<b>Performance Fund</b>	<b>Growth Fund</b>
	<p><b>Performance Fees</b> - The Manager will pay dealers a portion of any performance fees earned and collected by the Manager relating to the value of Class A units held by clients of the dealer. The Manager will pay 10% of its performance fees to such dealers (i.e. 2 of the 20% Performance Fee).</p> <p>The Manager may also pay dealers a portion of any Performance Fees earned and collected by the Manager relating to the value of Class F units held by their clients (at rates not to exceed the rate provided above on Class A units).</p> <p><b>Other Kinds of Dealer Compensation</b> – The Manager may elect to share certain other costs with dealers under certain circumstances. Please refer to “Other Kinds of Dealer Compensation” in the Offering Memorandum.</p>	<p>change the terms and conditions of or discontinue trailing commissions</p> <p><b>Performance Fees</b> – The Manager does not pay any portion of the performance fees earned on the Growth Fund to dealers.</p> <p><b>Other Kinds of Dealer Compensation</b> – The Manager may elect to share certain other costs with dealers under certain circumstances. Please refer to “Other Kinds of Dealer Compensation” in the Simplified Prospectus.</p>

### **Reasons for the Proposed Transaction**

After considering a range of options that are in the best interests of the Unitholders, the Manager believes that the Proposed Transaction will be beneficial to Unitholders for the following reasons:

- The Unitholders would become unitholders of larger fund, as the Proposed Transaction will increase the net asset value of the Growth Fund from approximately \$5,042,008.94 to approximately \$10,000,903.25 based on net asset values as of the close of business on November 30, 2009, excluding any redemptions that may occur in the normal course. Unitholders would therefore have the opportunity to realize greater economies of scale, which could potentially lower the per-unit cost of administration of the Growth Fund.
- The Proposed Transaction will be executed at the current net asset value per Unit, so the impact for the existing Unitholders will be the same as, or less than, that of any large regular subscription of Units.
- The Growth Fund will receive assets that are consistent with its current portfolio rather than cash, so the Growth Fund will not incur additional costs, such as brokerage commissions, that would otherwise be necessary to acquire such assets.

### **Procedure for the Proposed Transaction**

The procedure for the Proposed Transaction will be as follows:

- The Growth Fund will issue Units in such number and Series as will be necessary to acquire all or substantially all of the securities and non-cash portfolio assets contained in the investment portfolio of the Performance Fund (the “**Acquired Assets**”). The total number of Units to be issued will be based upon the value of the Acquired Assets and the net asset value of the Growth Fund on the closing date of the Proposed Transaction. The number of Units of each Series to be issued will depend on the number of units of each Class of the Performance Fund held by unitholders of the Performance Fund.
- The Growth Fund will then acquire the Acquired Assets from the Performance Fund in exchange for the issued Units.

The closing dated for the Proposed Transaction is expected to be December 30, 2009.

### **IRC Approval**

As required by National Instrument 81-107 – *Independent Review Committee for Investment Funds*, the Manager of the Growth Fund referred the proposal relating to the Proposed Transaction to the Growth Fund’s independent review committee (“**IRC**”) for its review. On December 7, 2009 the IRC informed the Manager that, after making reasonable enquiry, the IRC had concluded that the calling of the Meetings, the presentation to the Unitholders of the Proposed Transaction for their consideration, and, if approved, the implementation of the Proposed Transaction, would achieve a fair and reasonable result for the Unitholders of the Growth Fund.

### MANAGEMENT’S RECOMMENDATION

**The Manager recommends that Unitholders vote in favour of the Resolution. In the absence of a contrary instruction or if no choice is specified in the proxy with respect to this matter, the persons named in the enclosed form of proxy intend to vote in favour the Resolution.** The text of the Resolution is set out in Schedule “A” to this Circular.

Any or all of the matters contained in the Resolution may, at any time before or after the holding of the Meeting be delayed or terminated by the Manager without further notice to, or action on the part of the Unitholders, if the Manager determines in its sole discretion that it would be necessary or advisable.

DIRECTOR'S APPROVAL

The contents and the sending of this Circular have been approved by the Board of Directors of the Manager and Trustee of the Growth Fund.

BY ORDER OF THE BOARD OF DIRECTORS OF  
WEBB ASSET MANAGEMENT CANADA, INC. AS MANAGER OF THE GROWTH FUND

(Signed) "Derek Webb"  
President and Chief Executive Officer

(Signed) "Michael Kirby"  
Chief Financial Officer

DATED at Toronto, Ontario this 8<sup>th</sup> day of December, 2009.

## SCHEDULE A

### WEBB ENHANCED GROWTH FUND (the "Growth Fund")

#### RESOLUTION OF UNITHOLDERS

BE IT RESOLVED THAT:

1. the Trustee is hereby authorized and directed on behalf of the Growth Fund as appropriate to:
  - (a) acquire all or substantially 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 (the "**Acquired Assets**") in exchange for Series A, Series F and Series I Units issued by the Growth Fund;
  - (b) issue such number of Series A, Series F and Series I Units as necessary to acquire the Acquired Assets;
2. the Trustee is hereby authorized and directed for and on behalf of the Fund a to execute and deliver all such documents and to take such actions as may be necessary or advisable in order to carry out the intent of the foregoing resolution, and the matters authorized thereby, including making consequential amendments to the Growth Fund's Declaration of Trust, such determination to be conclusively evidenced by the execution and delivery of such documents or the performance of such actions by any director or officer of the Trustee;
3. notwithstanding that this resolution has been passed by the Unitholders, the Manager is hereby authorized to delay or terminate the changes contemplated by this resolution if the Manager determines in its sole discretion that it would be necessary or desirable; and
4. all capitalized terms not otherwise defined in this resolution have the meanings ascribed thereto in the Management Information Circular of the Growth Fund dated December 8, 2009.