



April 1, 2008

Dear Fellow Shareholders:

On January 2, 2008 we launched The Smead Value Fund. Fidelity reports that the first two months of the Fund's existence was the worst start of a year for the Dow Jones Industrial Average since 1933. We at Smead Capital Management (SCM) believe that the next three years have the potential to treat our shareholders very favorably and we could give you a litany of reasons. Instead, we'll give you three simple ones:

- 1) More money is invested in money market funds relative to money invested in stocks in over 30 years.
- 2) Most investor sentiment readings are comparable to past major market bottoms.
- 3) Certain investments are either overly popular (Oil, Gold, Commodities, Foreign Markets), sitting in the dog house (real estate) or just not offering much return (interest rates).

In a time like this it is important to remind ourselves that the purpose of the Fund is long-term capital appreciation. Most panic oriented markets like the one we've seen the last 9 months culminate in a major financial institution failure (Bear Stearns) and some important individual becoming a poster child for a bottom (Elliot Spitzer). Lastly, when the government and public officials get actively involved in the markets the animals are usually already out of the barn.

Our portfolio is split fairly evenly between premier large-cap growth companies trading at historically low price-to-earnings (P/E) ratios and classic value stocks with low P/E's and high dividends. I'd like to highlight two in each of those categories:

Large Cap Growth

Disney (DIS)

I remember looking at Disney back in 2001 and 2002 in the aftermath of the 9/11 attacks and thinking how great it could be if it were run by someone who focused on the original vision of the company as laid out by Walt Disney (Wholesome Family Entertainment). The current CEO, Bob Iger, is doing just that. Disney owns 80% of ESPN and controls a huge part of the eyeball time of males age 8-98. They own the Disney Channel, ABC, the Family Channel and parts of other successful cable channels. When I walked into a Toys-R-Us store last December, I was shocked at how Disney brands like Hannah Montana and High School Musical dominated the shelves. Their parks could be flooded with foreign visitors this summer as folks from Europe, Australia and Canada come here to vacation and take advantage of the cheap dollar. Disney sells at one of the

lowest price-to-earnings ratios (13 P/E) it has traded at in 20 years and has substantial free-cash flow.

Ebay (EBAY)

We are human here at Smead Capital Management and in the past we have envied people who owned shares of an exciting company when its stock was screaming. The early years of trading in Ebay were spectacular. Someone would buy a Big Bertha driver at 50% off retail prices and then switch to an online-trading account and buy 200 shares of Ebay stock to celebrate (1998-1999). There was good reason for them to be excited about the business model and how quickly the brand has become a synonym for where you resell pre-owned goods or buy great bargains (“I bought it on Ebay”). Ebay is a retailer with no inventory and a worldwide market. In a slower growing economy they would be offering price savings to lure the over-40 crowd. As the under-40 crowd ages and becomes the dominate force in the economies around the world, the use of technology for purchases could become totally commonplace. At less than 20 P/E (our estimate) with no debt and \$3.50 per share in cash, we believe this high cash-flow stock has the potential to be a long-term winner.

Large Cap Value

AT&T (T)

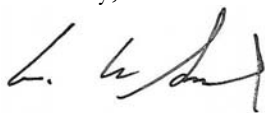
This one is very complex. My kids would give up food before they gave up their cellular phone. The cell phone is now a body part and there are two main providers of the service. AT&T sells at 12 P/E and pays a luscious 4.4% dividend.

American International Group (AIG)

American International Group is the largest insurance company in the world with approximately \$1 trillion of assets. A small part of their assets were involved in “sub-prime mortgages”, but when you are as big as they are your small problems (\$30 billion) look big to everyone else. If you believe that the world economy is going to grow these guys could be an ideal way to participate in our estimation. The stock trades at a discount to book value and a 7.5 P/E. It pays a 1.7% dividend which we think should grow smartly going forward.

We’ve never been more excited about the future of our portfolio. So that you know that we eat our own cooking, I am the largest shareholder of the Fund and every full-time employee of SCM owns the Fund. As the next three years play out, it is our opinion that we will look back at the terrible market of early 2008 and consider it a great irony. Thank you for your trust and confidence as we embark on this journey together.

Sincerely,



William W. Smead
Portfolio Manager

The Smead Value Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company, and it may be obtained by calling 877-807-4122 or visiting www.smeadfunds.com. Read it carefully before investing.

Mutual fund investing involves risk. Principal loss is possible. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual stock volatility than a diversified fund.

The fund held the following percentage of assets in the securities mentioned in this letter as of 3/31/08:

Disney (DIS)	4.6%
Ebay (Ebay)	4.2%
AT&T (T)	4.8%
American International Group (AIG)	3.5%

Fund holdings are subject to change at any time and should not be considered recommendations to buy or sell any security.

The **Dow Jones Industrial Average** is an unmanaged index of common stocks comprised of major industrial companies and assumes reinvestment of dividends. It is not possible to invest directly in an index. **Price to Earnings (P/E) Ratio** is calculated by dividing the current price of a stock by the company's trailing 12 months' earnings per share. **Book value** is the net asset value of a company, calculated by subtracting total liabilities from total assets. **Free Cash Flow** is revenue less operating expenses, including interest expense and maintenance capital spending. It is the discretionary cash that a company has after all expenses and is available for purposes such as dividend payments, investing back into the business, or share repurchases.

The Smead Value Fund is distributed by Quasar Distributors, LLC (3/08).