



June 30, 2009

Dear Shareholders:

When you own quality common stocks for many years and manage portfolios by executing a stock picking discipline, the short run is inherently challenging. We are halfway through the year 2009 and as you can see below the Smead Value Fund has gained 4.93% and has outperformed our benchmarks in the process. However, given the massive volatility of the market YTD, it has felt to us like going to Hades and back to get there. Our Net Asset Value started the year at \$14.20 and ended the quarter at \$14.90. In between it fell as low as \$10.77. On the way down, high quality out-performed lower quality securities, but on the way back up the opposite has been true.

Average Annual Total Returns as of 6/30/09

| | Second Qtr 2009 | YTD 2009 | 1 Year | Since Inception 1/2/2008 |
|---------------------------|-----------------|----------|---------|--------------------------|
| Smead Value Fund | 14.53% | 4.93% | -22.54% | -28.67% |
| S&P 500 | 15.93% | 3.16% | -26.21% | -24.34% |
| Russell 1000 Value | 16.70% | -2.87% | -29.03% | -27.25% |

Gross Expense Ratio: 3.52%

Net Expense Ratio: 1.41%*

*The Adviser has contractually agreed to waive its fees and/or absorb expenses of the Fund to ensure that Total Annual Operating Expenses do not exceed 1.40% of the Fund's average net assets, for at least three years and for an indefinite period thereafter.

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-800-998-3190. Investment performance reflects fee waivers. In the absence of such waivers, total returns would be reduced.

Our best opportunities going forward appear to be created by how contrary our recession resistant businesses are as compared to what is most popular today. Most portfolio managers seem to believe that inflation is the price we will pay for economic recovery. Market participants with this view want to overweight energy, commodity related and industrial material companies. They believe that the emerging markets of China and India will lead a worldwide economic recovery and it will be inflationary. They are considered bullish on the stock market even though what they believe would be good for the economy would be the same things that would ultimately ruin it. To us they have one foot in the market and one foot out the door.

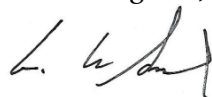
Smead Value Fund

Another major group of market participants believe that our economy won't rebound or that the rebound will be so anemic that it will continue to be difficult for publicly traded companies to prosper. In their view, the housing market needs to contract for two or more years and prices need to fall more to "clear" the market. Lenders would have new write-offs and the economic recovery would be postponed into the future. These investors want to hold liquid investments like CD's and U.S. Treasury securities. To beat them you need to make a 3 to 4% pre-tax return over the next five years. As the portfolio managers of the Smead Value Fund, we like that challenge.

At Smead Capital Management, we agree with parts of these opinions and have a much more optimistic take on the future. We believe that our economy will recover beginning in the fourth quarter of 2009 as one year of our economic "reset" has passed. However, we don't believe it will be lead by demand from China and India and don't agree that it will be inflationary. Our belief is that the economy will recover slowly and consistently for many years. The slowness could prevent inflation and give the Federal Reserve a chance to "pull the punch bowl" before inflation rears its head. The consistency would defy those that believe we will contract even more.

We have added positions in Bristol Myers (BMY) and McDonald's (MCD). The consistent customer bases, financial strength and reasonable entry prices among the bluest of Blue Chip stocks continues to amaze us and makes us very excited about the next few years and beyond.

Warm Regards,



William Smead



Tony Scherrer

The information contained herein represents the opinion of Smead Capital Management and is not intended to be a forecast of future events, a guarantee of future results, nor investment advice.

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. [Click here for a prospectus](#). 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.

As of 6/30/09 the fund held 3.6% of Bristol Meyers and 2.8% of McDonald's. Fund holdings are subject to change at any time and should not be considered recommendations to buy or sell any security.

The S&P 500 Index is a broad based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values. You cannot invest directly in an index.

The Price to Book ratio is calculated by dividing the current price of the stock by the company's book value per share.

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