



September 30, 2008

Dear Fellow Shareholders:

Despite the huge decline in stocks on September 29th, we see a sliver of great hope at the Smead Value Fund. First, our fund has just come through one of the most difficult quarters in history and significantly outperformed the S&P 500 Index. Second, we have looked the possibility of financial abyss in the eye by contemplating the 1930's style depression and our opinion is that our portfolio has the financial strength to see us through. Third, the U.S. government seems to understand the core problem and hopes to have a Congress with the resolve to address it.

	<u>Third Quarter 2008</u>	<u>Since Inception (1/2/08)</u>
Smead Value Fund	-3.75%	-24.96%
S&P 500	-8.88%	-19.40%
Gross Expense Ratio: 1.53%		
Net Expense Ratio: 1.40% ¹		

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. Short term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns. Investment performance reflects fee waivers. In the absence of such waivers, total returns would be reduced.

The old adage is that you've got to be able to walk before you run. It applies to portfolio management as well. In the past, it has been a great sign when we have had good relative performance (to the S&P 500 Index) and held on to more of our money in a market decline. We hope that this recent improvement is a precursor of strong future results, although it may come under the heading of "what doesn't kill us will make us stronger."

¹ 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.

The severity of panic among investors has reminded us why our first two stock picking criteria are strong balance sheets and long histories of profits and/or dividends and stock buybacks. In our opinion there isn't any question that our companies will be on the other side of this market's valley. Many of our companies either have zero debt or have more cash and liquid securities than debt (Accenture, Ebay, Microsoft, Merck and Pfizer). Among the ones which do have debt most of them supply a product or service (cable television, high-speed internet access, cell phone service, medical supplies, etc.) which would be the last expense to be dropped. This gives us a great confidence in our portfolio's long term success.

As we write this letter, the U.S. Treasury Secretary Hank Paulson is working with Congress and the President to put together a passable government response to deal with the illiquidity of poor performer mortgages and mortgage-backed assets and derivatives. This illiquidity has locked up our normal credit delivery system and sent depositors to FDIC insurance and bond investors to treasuries. Since the core asset behind our current pickle is single family homes, I am very hopeful because homes have a great deal of economic value above and beyond their long-term investment potential (nobody wanted to live in a stock certificate in 1931). There were 4.3 million babies born in the U.S. in 2007 (the most since 1957). From what I see at church or UW Husky football games, there are more coming this year. Babies being born traditionally leads to a strong set of first-time home buyers. It will take time, but ultimately that is how all the unsold homes find buyers and our country and its economy return to something closer to normal.

Lastly, we'd like to share one more thought which convinces us why we think there has rarely been a better time to be optimistic and buy into the great companies we own. The economy and investments go well when we start with people living inside their means and investors taking risk with a healthy fear of loss etched in their minds. We think this difficult environment has served that purpose.

Warm Regards,



William W. 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, 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 9/30/08:

Microsoft (MSFT)	5.6%
Merck & Co (MRK)	4.6%
Accenture (CAN)	4.5%
Ebay (EBAY)	3.9%
Pfizer (PFE)	2.6%

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. You cannot invest directly in an index.

The Smead Value Fund is distributed by Quasar Distributors, LLC (10/08).