



PO Box 701
Milwaukee, WI 53201-0701

December 31, 2009

Dear Shareholder:

Supply and Demand

One of the hardest things for investors to do is ignore the recent price action and believe in the ultimate effects of the laws of supply and demand. There is something very powerful in us which makes us want to be on the right trends. If we are not, we feel like we've been left holding the bag. At the Smead Value Fund, we actually believe that earning above average returns is a function of regularly ignoring current favorable trends and assuming that new ones will be created.

Performance Investor Class SMVLX				
Average Annual Total Returns as of 12/31/09				
	Fourth Qtr 2009	YTD 2009	1 Year	Annualized Since Inception 1/2/2008
Smead Value Fund	5.06%	30.81%	30.81%	-13.25%
S&P 500	6.04%	26.46%	26.46%	-10.11%
Russell 1000 Value	4.22%	19.69%	19.69%	-12.48%

Gross Expense Ratio: 2.08%

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, through 1/2/11.

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 1-877-807-4122. Investment performance reflects fee waivers. In the absence of such waivers, total returns would be reduced.

A few examples could help you understand our premise. In the year 2009, investors have poured billions into bond funds and have been net sellers of US equity mutual funds. Companies and the US Treasury are pumping out a new supply of bonds as they refinance new and existing debt at the current rates of interest. The Treasury is funding massive deficits. Corporations are repairing their balance sheets with long-term funding. The demand for these bonds has everything to do with the huge stock market decline from October 2007 to March of 2009 and how much better bonds did for investors than stocks did in the prior decade. With huge increases in supply, a potentially huge price decline could be coming if anything occurs to reduce demand for bonds. Since demand for bonds has never been higher than in the last two years, it is safe to bet that demand could go down a great deal in the next two years.

Shares of common stock are actually disappearing in the US stock market. This year has seen a dearth of new companies going public (IPOs). At the same time, non-financial companies have more cash on their

balance sheets as a percentage of stock market capitalization as anytime in the last 25 years. Many are buying back their own stock or using the cash to buy other public companies which are in their own industry. Amgen announced a new \$5 billion buyback the week ended December 18th, 2009. Merck bought Schering-Plough, Pfizer bought Wyeth, Exxon is buying XTO Energy, Disney bought Marvel and the list goes on and on. Much of the purchase price is in cash, reducing the total supply of shares. When something happens to the psyche of US households and they decide to buy US equity mutual funds again, you could see some fireworks to the upside.

We believe that 2010 could be the year that investors fall in love with their favorite US companies because of the strength in the domestic side of their business. As the economy recovers and sales pick up, huge operating leverage could be realized and earnings per share could grow immensely. We believe the demand which corporate success could create for shares could find significantly less supply and drive up prices for many years to come. We believe that the Eight Criteria we use has the potential to find these companies. Thank you for your capital, patience and trust.

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, and it may be obtained by calling 1- 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.

As of 12/31/09 the fund held 4.1% of Amgen, 4.4% of Merck, 3.3% of Pfizer and 4.3% of Disney. 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.

Earnings per share (EPS) is calculated by taking the total earnings divided by the number of shares outstanding.

The Smead Value Fund is distributed by Quasar Distributors, LLC.