



**SMEAD**  
VALUE FUND

**Investor Share Class - SMVLX**  
**Institutional Share Class - SMVMX**

Managed by **SMEAD**  
capital management

[www.smeadfunds.com](http://www.smeadfunds.com)

**4th Quarter 2009**  
**(December 31, 2009)**

### Key Facts

Fund Inception	1/02/08
Investment Style	Large-Cap Value
Total Net Assets	\$29.5 million
Total Number of Holdings	32
Dividend Payout	Annually

### Tickers, CUSIPs and Minimums

#### Investor Share Class

Ticker	SMVLX
CUSIP	89833W774
Minimum Investment	\$3,000

#### Institutional Share Class

Ticker	SMVMX
CUSIP	89833W568
Minimum Investment	\$1,000,000

### Fund Expenses

#### Investor Share Class

Gross Expense Ratio	2.08%
Net Expense Ratio*	1.41%

#### Institutional Share Class

Gross Expense Ratio	1.83%
Net Expense Ratio*	1.16%

\*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% and 1.15% of the Fund's average net assets for the Investor Class and Institutional Class, respectively, through 1/2/11.

### Equity Characteristics

Weighted Avg Market Cap	68 Billion
Portfolio Price/Earnings	18.50x
Portfolio Price/Book	2.20x
Price/Cash Flow	11.30x

### Top Sectors

Consumer Discretionary	27.2%
Financials	22.8%
Healthcare	20.0%
Information Technology	14.1%
Consumer Staples	6.7%

### Investment Objective

The Fund's investment objective is long-term capital appreciation.

### Principal Investment Strategy

The Fund will seek long-term capital appreciation through concentrated positions, therefore the fund will maintain approximately 25-30 companies in its portfolio. The Fund will invest in U.S. large capitalization ("large cap") companies through the ownership of common stock.

### The Eight Criteria

#### Required over entire holding period

- Meets an economic need
- Strong competitive advantage (wide moats or barriers to entry)
- Long history of profitability and strong operating metrics
- Generates high levels of free cash flow
- Available at a low price in relation to intrinsic value

#### Favored, but not required

- Management's history of shareholder friendliness
- Strong balance sheet
- Strong insider ownership (Preferably with recent purchases)

**The Portfolio is built around high quality companies whose businesses have strong competitive advantages that we believe can be sustained for the long term.**

### Performance Investor Class SMVLX

Average Annualized Total Returns as of December 31, 2009

	Inception Date	1 Month	Quarter	1 Year	Since Inception
Smead Value Fund	1/2/08	2.45%	5.06%	30.81%	-13.25%
S&P 500 Index		1.93%	6.04%	26.46%	-10.11%
Russell 1000 Value		1.77%	4.22%	19.69%	-12.48%

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. Performance reflects Investor Class shares. For information about other share classes available, please consult the prospectus. Performance of Fund classes will differ. Please see the prospectus for details. Investment performance reflects fee waivers. In the absence of such waivers, total returns would be reduced.

The S&P 500 Index is a market-value weighted index consisting of 500 stocks chosen for market size, liquidity, and industry group representation. The Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. One cannot invest directly in an index.

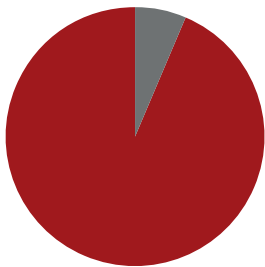


### Top Ten Holdings

eBay Inc. (EBAY)	5.5%
Starbucks Corp. (SBUX)	5.0%
Microsoft Corp. (MSFT)	4.8%
Franklin Resources Inc. (BEN)	4.7%
Merck & Co. Inc. (MRK)	4.4%
Walt Disney Co. (DIS)	4.3%
Amgen Inc. (AMGN)	4.1%
Nordstrom Inc. (JWN)	4.0%
Berkshire Hathaway Inc. (BRK.B)	3.7%
Wal Mart Stores Inc. (WMT)	3.7%

### Asset Allocation

- Common stock 93.5%
- Cash & Equivalent 6.5%



Fund holdings and sector allocation and asset allocations are subject to change and are not recommendations to buy or sell any security.

### Portfolio Commentary

In some ways we feel like a broken record. Our 2nd Quarter 2008 Commentary described how over-priced we felt that commodities were and how crowded we felt that the ownership of investments in Oil and Basic Materials had been. Here we are at the end of 2009 thinking the same thing. To understand why we think we can benefit our shareholders by avoiding these sectors, you must first understand what we call a "Well Known Fact".

A "well known fact" is a body of economic information which is known to everyone and has been acted upon by almost everyone who could care. We believe that interest in Emerging Markets and the Commodities which benefit from their faster growth don't have many humans left to act on those beliefs.

Commodity, Basic Materials and Heavy Industrial businesses have some characteristics which are the opposite of what we look for in a business. They are capital intensive, labor intensive and cyclical. The extended period of favor that Emerging Markets have enjoyed has postponed but not eliminated the cyclicity.

We at the Smead Value Fund believe that recession-resistant businesses with strong balance sheets, abundant free cash flow and wide moats could enjoy a great deal of affection if the attention moves away from trying to make money from China's boom. We'd like to think a new love affair could begin between high quality US companies and investors, both individual and institutional alike.

### Portfolio Managers

*William W. Smead, Portfolio Manager*

William W. Smead is the manager of the Smead Value Fund and is primarily responsible for the investment decisions in the Fund's holdings. Bill has over 27 years of experience in the investment industry.



*Tony Scherrer, CFA, Portfolio Manager*

Tony Scherrer is the co-manager of the Smead Value Fund and is jointly responsible for the day-to-day management of the Fund. Tony has over 14 years of experience in the investment industry.



Consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. The Prospectus contains this and other information about the Fund and is available at [www.smeadfunds.com](http://www.smeadfunds.com) or by calling 1-877-807-4122. Read the Prospectus carefully before investing.

**Price/Earnings:** the ratio of a firm's closing stock price & its trailing 12 months' earnings/share. **Price/Book:** the ratio of a firm's closing stock price & its fiscal year end book value/share. **Book value:** is the net asset value of a company, calculated by subtracting total liabilities from total assets. **Cash flow:** measures the cash generating capability of a company by adding non-cash charges (e.g. depreciation) and interest expense to pretax income. **Earnings per share (EPS):** is calculated by taking the total earnings divided by the number of shares outstanding. **Price to sales ratio:** is a tool for calculating a stock's valuation relative to other companies, calculated by dividing a stock's current price by its revenue per share. **Price/Cash Flow:** A measure of a company's financial health calculated by dividing a company's cash flow into the current stock price.

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

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