WEBB ASSET MANAGEMENT

February, 2011

# Enhanced Income Fund

SYSTEMATIC, PROVEN & RELIABLE

## Webb Enhanced Income Fund - WAM 102

**February 28, 2011**

| | | | Securities | | | | | Options * | | | | | Yields | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Country | Name | Sector | Long/ Short | % Size | Current Price | Yield | Call / Put | Options Price | Days Out | Strike vs. Price | Yield | Annual Yield | Combined Annual Yield | Weighted Combined Annual Yield |
| USD | IPATH S&P 500 VIX ETN-NEW | VOLATILITY ETF | L | 6.0 | $30.18 | 0.0% | c | $1.78 | 29 | -0.1% | 6.1% | 77.3% | 77.3% | 4.6% |
| CAD | ENERPLUS CORP | PIPLIINE | L | 3.0 | $31.72 | 6.8% | | | | | | | 6.8% | 0.2% |
| CAD | CHEMTRADE LOGISTICS T/U | MATERIALS | L | 3.0 | $14.10 | 8.7% | | | | | | | 8.7% | 0.3% |
| CAD | CANFOR PULP PRODUCTS INC | MATERIALS | L | 3.0 | $17.08 | 17.3% | | | | | | | 17.3% | 0.5% |
| CAD | CANEXUS INCOME FUND T/U | MATERIALS | L | 3.0 | $7.24 | 7.5% | | | | | | | 7.5% | 0.2% |
| USD | VERIZON COMMUNICATIONS | COMMUNICATIONS | L | 3.0 | $36.92 | 5.4% | | | | | | | 5.4% | 0.2% |
| CAD | VERESEN INC | PIPLIINE | L | 3.0 | $13.02 | 7.5% | | | | | | | 7.5% | 0.2% |
| CAD | GENIVAR INC | INDUSTRIAL | L | 3.0 | $34.55 | 6.2% | | | | | | | 6.2% | 0.2% |
| CAD | Agrium inc. | MATERIALS | L | 3.0 | $92.12 | 0.0% | p | $2.15 | 29 | 3.5% | 2.4% | 30.1% | 30.1% | 0.9% |
| CAD | Potash Corp | MATERIALS | L | 3.0 | $59.86 | 0.0% | p | $7.52 | 29 | 0.0% | 4.2% | 52.6% | 52.6% | 1.6% |
| USD | TRW Automotive Holdings Corp | INDUSTRIAL | L | 3.0 | $56.80 | 0.0% | p | $2.57 | 29 | -0.8% | 4.3% | 53.9% | 53.9% | 1.6% |
| USD | SM Energy Co. | ENERGY | L | 3.0 | $72.47 | 0.0% | p | $2.25 | 29 | 2.1% | 3.5% | 43.6% | 43.6% | 1.3% |
| USD | Las Vegas Sands Corp | CONSUMER DISCRETIONARY | L | 3.0 | $46.64 | 0.0% | p | $1.67 | 29 | 1.6% | 3.6% | 44.7% | 44.7% | 1.3% |
| CAD | Magna International Inc. | INDUSTRIAL | L | 3.0 | $49.36 | 0.0% | p | $1.90 | 29 | 1.5% | 3.3% | 41.6% | 41.6% | 1.2% |
| USD | ASML Holding N.V. | TECHNOLOGY | L | 3.0 | $43.60 | 0.0% | p | $1.62 | 29 | 0.2% | 3.6% | 45.3% | 45.3% | 1.4% |
| CAD | Teck Resources Limited | MATERIALS | L | 3.0 | $55.42 | 0.0% | p | $2.40 | 29 | 0.1% | 4.4% | 54.9% | 54.9% | 1.6% |
| USD | Lululemon Athletica Inc | CONSUMER DISCRETIONARY | L | 3.0 | $77.51 | 0.0% | p | $2.70 | 29 | 2.6% | 3.4% | 42.5% | 42.5% | 1.3% |
| USD | ProShares UltraShort 20+ Year | INVERSE INTEREST RATE ETF | L | 3.0 | $37.63 | 0.0% | p | $1.25 | 29 | 0.4% | 3.1% | 39.3% | 39.3% | 1.2% |
| CAD | JDS Uniphase Corporation | TECHNOLOGY | L | 3.0 | $24.62 | 0.0% | p | $1.20 | 19 | 1.6% | 5.0% | 96.1% | 96.1% | 2.9% |
| USD | Netflix, Inc. | CONSUMER DISCRETIONARY | L | 3.0 | $206.67 | 0.0% | p | $8.95 | 19 | -0.2% | 4.4% | 83.9% | 83.9% | 2.5% |
| CAD | Cameco Corporation | MATERIALS | L | 3.0 | $40.74 | 0.0% | p | $1.30 | 19 | -0.6% | 3.2% | 60.9% | 60.9% | 1.8% |
| USD | Wynn Resorts, Limited | CONSUMER DISCRETIONARY | L | 3.0 | $122.93 | 0.0% | p | $4.10 | 19 | -0.6% | 3.4% | 64.6% | 64.6% | 1.9% |
| USD | JC Penny Company, Inc. | CONSUMER DISCRETIONARY | L | 3.0 | $34.91 | 0.0% | p | $0.96 | 19 | 1.3% | 2.8% | 54.2% | 54.2% | 1.6% |
| CAD | BONAVISTA ENERGY CORP | ENERGY | L | 2.5 | $30.67 | 4.8% | | | | | | | 4.8% | 0.1% |
| CAD | NORTH WEST CO INC | CONSUMER DISCRETIONARY | L | 2.5 | $22.50 | 6.2% | | | | | | | 6.2% | 0.2% |
| CAD | PEMBINA PIPELINE CORP | PIPLIINE | L | 2.0 | $22.06 | 7.2% | | | | | | | 7.2% | 0.1% |
| USD | TERRA NITROGEN LPU | MATERIALS | L | 2.0 | $119.48 | 6.6% | | | | | | | 6.6% | 0.1% |
| CAD | FREEHOLD ROYALTIES LTD | MATERIALS | L | 2.0 | $21.81 | 7.4% | | | | | | | 7.4% | 0.1% |
| CAD | UNITS-LABRADOR IRON ORE | MATERIALS | L | 2.0 | $72.00 | 4.7% | | | | | | | 4.7% | 0.1% |
| CAD | AG GROWTH INTL INC | INDUSTRIAL | L | 2.0 | $53.25 | 4.5% | | | | | | | 4.5% | 0.1% |
| CAD | BOSTON PIZZA ROYL INC T/U | CONSUMER DISCRETIONARY | L | 2.0 | $13.81 | 7.0% | | | | | | | 7.0% | 0.1% |
| CAD | CDN IMPERIAL BK COMMERCE | FINANCE | L | 2.0 | $82.19 | 4.2% | | | | | | | 4.2% | 0.1% |
| CAD | PENGROWTH ENERGY CORP | ENERGY | L | 2.0 | $12.50 | 6.6% | | | | | | | 6.6% | 0.1% |
| CAD | WAJAX CORP | INDUSTRIAL | L | 2.0 | $39.42 | 8.8% | | | | | | | 8.8% | 0.2% |
| CAD | IBI GROUP INC | INDUSTRIAL | L | 2.0 | $15.15 | 7.2% | | | | | | | 7.2% | 0.1% |
| CAD | KEG ROYALTIES INCM FD T/U | CONSUMER DISCRETIONARY | L | 2.0 | $13.10 | 7.4% | | | | | | | 7.4% | 0.1% |
| CAD | NORTHLAND POWER INC | UTIILITY | L | 1.0 | $15.99 | 7.0% | | | | | | | 7.0% | 0.1% |
| | **Total Invested** | | | **100.0%** | | | | | | | | | | |
| | **Simple Average** | | | | | **4.0%** | | | **26** | **0.8%** | **3.8%** | **55.3%** | **28.0%** | |
| | **Weighted Average** | | | | | **3.6%** | | | | | | **28.9%** | | **32.4%** |

**Running Option Statistics Since 1-1-09:**

| | |
|---|---|
| Number of options written | **173** |
| Number of options exercised | **55** |
| Average # of days for options written | **28** |
| Average % of strike price above stock price | **2.7%** |
| Average current yield of options written | **3.7%** |
| Average annualized yield of options written | **50.5%** |
| % of Fund with options this month | **51.0%** |

**Internal Retained Earnings Yield**

| | |
|---|---|
| Internal Cash Yield | **32.4%** |
| MER | -2.75% |
| Current Yield to Unit Hold | -7.1% |
| Retained Earnings Yield | **22.6%** |

**Yield to Unit Holders as of 2-28-11**

| | |
|---|---|
| Fund Price | **$8.46** |
| Monthly Distribution | **$0.05** |
| **Current Yield to Unit Holders** | **7.1%** |
| Interest Equivalent Yield | **11.8%** |

* Option numbers are based on the time the options were actually written.

** Assumes Personal Tax Rate of 40%

Disclaimer: Commissions, trailing commissions, management fees and expenses all may be associated with the Fund. The investment may not be suitable for all investors. Some conditions apply. Investors should carefully review the Fund's Offering Memorandum, including the risk factors detailed therein under the heading "Risk Factors", prior to investing in the Fund. The indicated rates of return are the historical annualized compounded total returns (periods less than 1 year are un-annualized simple returns) including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. There can be no assurance that the Fund objectives will be met. The Fund is not guaranteed, its value changes frequently and past performance may not be repeated. The opinions expressed in the commentary are those of the author and do not necessarily reflect the views and opinions of the Manager or any distributor of the Manager Funds. The views expressed are of a general nature should not be interpreted as investment advice to you in any way. Please consult a qualified financial advisor before making an investment decision. The portfolio manager/advisor/sub-advisor has a direct interest in the management and performance fees of the Fund, and may, at any given time, have a direct interest in the Fund itself.

Webb Asset Management Canada, Inc.

Telephone: USA (415) 229-3180 Canada (416) 601-2449 Toll Free (866) 611-9590 | 26 Wellington St. E Toronto, Ontario M5E 1S2 | info@WAMfunds.com www.wamfunds.com