



Sceptre Global Equity Fund
Annual Management Report of Fund Performance

For the year ended December 31, 2009



Sceptre Global Equity Fund

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the year ended December 31, 2009

This annual management report of Fund performance contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-800-265-1888, by writing to us at Sceptre Investment Counsel Limited, 26 Wellington Street East, Suite 1200, Toronto, Ontario M5E 1W4 or by visiting our website at www.sceptre.ca or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The objective of the Sceptre Global Equity Fund (the "Fund") is to achieve the highest possible long term return that is consistent with a fundamental investment philosophy through investment primarily in foreign equity securities.

The Fund employs a fundamental growth at a reasonable price ("GARP") approach to investing. In-depth stock and industry analysis is conducted by a team of investment professionals and is supplemented with quantitative value/growth and financial quality screens to monitor a large universe of over 1,000 companies globally. We invest in high quality companies with valuations and growth profiles that compare favourably on a world-wide basis. Along with stock selection, portfolio construction is extremely important. We take an integrated approach to investing, considering each security based on its own investment merits as well as its potential effect on the overall risk/reward profile of the Fund. All holdings are viewed in the context of the total portfolio and risk is managed through proper diversification. Economic factors as well as industry and geographic exposure are carefully considered and reviewed in constructing the portfolio. Weightings are a reflection of our bottom-up stock selection process and our portfolio risk analysis. These weightings are reviewed and adjusted in the context of our global economic outlook.

Risk

No material changes were made which affected the overall level of risk associated with an investment in the Fund for the one-year period ended December 31, 2009. The overall level of risk associated with an investment in the Fund remains as discussed in the simplified prospectus dated August 26, 2009.

Results of Operations

Global equity markets performed well in the second half of 2009 as signs of an economic recovery became evident in many parts of the world. Fiscal and monetary stimulus put in place by most of the governments in late 2008 and early 2009 appeared to have aided the upturn in the global economy. Since March 2009, markets have rallied strongly in anticipation of an earnings recovery and this has resulted in a rapid expansion in market valuations. Earnings trends have become quite positive although primarily on strong cost-cutting by companies rather than revenue growth. Over the course of the year, the Canadian dollar strengthened against most major currencies, appreciating approximately 18% relative to the U.S. dollar and 14% versus the Euro.

Overall, almost all global equity market returns were positive in Canadian dollars with the MSCI World Index up 11% for the year. The Global Equity Fund Class A Unit return of 11.2% and the O Class Unit return of 14.1% outperformed the MSCI World Index return of 11.1%. Good stock selection was the primary driver of positive relative performance. The most significant positive contributor to the Fund's performance was Healthcare. Although this sector was one of the worst performing sectors in the MSCI World Index for the year, we benefited from strong stock selection including overweight positions in Cerner (+82.1%), Allergan (+33.2%), and Medco Health Solutions (+29.5%). The Consumer Staples sector was the largest detractor from performance due to poor stock selection.

From a geographic perspective, our underweight in the U.S. and Japan positively impacted performance as both markets underperformed other major markets. Our underweight in the Asia Pacific ex. Japan region negatively impacted performance as this region's equity markets outperformed other major markets.

At the end of 2009, total net assets of the Fund were \$29.5 million compared to \$30.8 million in 2008. The decline in net assets is primarily attributed to net redemptions of \$4.1 million and distributions of \$400 thousand, partially offset by positive market returns.

Management Discussion of Fund Performance – continued

Recent Developments

Looking forward, we expect continued economic recovery in the next 6-12 months albeit at a modest pace. Equity performance will be driven by positive corporate earnings revisions and a recovery in global GDP growth but may be restrained by a reduction in government stimulus measures and compression in valuation multiples.

The emerging Asian economies have been much more resilient than the Western economies and we continue to expect them to lead global GDP growth. In the near term, we expect that the U.S. and Europe will recover; however, in the long-term, we think the GDP growth rate of these two regions will remain muted relative to the emerging world.

We remain relatively neutral by sector with modest underweight positions in Utilities, Financials and Consumer Discretionary and modest overweight in Healthcare and Industrials. On a regional basis, we remain underweight Europe (including U.K.) and Asia (including Japan), with overweight positions in emerging markets and North America.

Related Party Transactions

Sceptre Investment Counsel Limited, (“Sceptre”) is the Trustee, Portfolio Advisor and Manager of the Fund.

Sceptre provides or arranges for the provision of all general management and administrative services required by the Fund in its day to day operations, including establishment of brokerage arrangements relating to the purchase and sale of the investment portfolio and recordkeeping. Sceptre receives a fee for these services as detailed in the supplemental data following.

Sceptre adopted the practice of funding seed capital for funds that it promotes. Sceptre held 100% of Class D units at December 31, 2009.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years, where applicable.

Sceptre Global Equity Fund – Class A					
The Fund's Net Assets per Unit					
	2009	2008	2007	2006	2005
Net Assets, beginning of year⁽¹⁾⁽³⁾	\$ 11.96	\$ 18.20	\$ 19.47	\$ 17.36	\$ 16.02
Increase (decrease) from operations:					
total revenue	0.27	0.41	0.39	0.31	0.28
total expenses	(0.40)	(0.55)	(0.61)	(0.46)	(0.39)
realized gains (losses) for the year	(1.41)	(1.44)	0.50	0.46	(0.29)
unrealized gains (losses) for the year	2.85	(4.59)	(1.48)	1.88	1.73
Total increase (decrease) from operations⁽¹⁾	1.31	(6.17)	(1.20)	2.19	1.33
Distributions:					
from income (excluding dividends)	(0.04)	–	–	–	–
from dividends	–	–	–	–	–
from capital gains	–	–	–	–	–
return of capital	–	–	–	–	(0.01)
Total Annual Distributions⁽²⁾	(0.04)	–	–	–	(0.01)
Net Assets, end of year	\$ 13.27	\$ 11.96	\$ 18.20	\$ 19.66	\$ 17.36

(1) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period.

(2) Distributions were paid in cash/reinvested in additional units of the Fund, or both.

(3) This information is derived from the Fund's audited annual financial statements. The net assets per unit presented in the financial statements differ from the net asset value calculated for fund pricing purposes. For investments that are traded in an active market where quoted prices are readily and regularly available, Section 3855 requires bid prices (for investments held) or ask prices (for investments sold short) to be used in the fair valuation of investments, rather than the use of closing sale prices currently used for the purpose of determining Transactional NAV. The provisions of Section 3855 have been applied retroactively without restatement of prior periods. Accordingly, the net assets at the beginning of 2007 have been adjusted.

Ratios and Supplemental Data

	2009	2008	2007	2006	2005
Net Asset Value (\$ 000's) ⁽¹⁾	4,700	4,648	8,189	9,798	10,059
Number of units outstanding ⁽¹⁾	353,993	387,954	448,854	498,370	579,273
Management expense ratio (%) ⁽²⁾	2.92	3.00	2.99	2.61	2.39
Management expense ratio before waivers or absorptions (%)	3.66	3.04	2.99	2.65	2.42
Portfolio turnover rate (%) ⁽³⁾	21.88	49.16	42.09	62.20	58.12
Trading expense ratio (%) ⁽⁴⁾	0.10	0.14	0.14	0.19	0.22
Net Asset Value per unit	\$13.28	\$11.98	\$18.24	\$19.66	\$17.36

(1) The information is provided as at December 31 of the year shown.

(2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated year and is expressed as an annualized percentage of daily average net assets during the period.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

Management Fees

An annual management fee of 1.75% of Class A net asset value is accrued daily, is attributable only to the Class A units, and is paid to Sceptre monthly in arrears.

Management fees are used by Sceptre to pay for the costs of managing and promoting the Fund. The major components of such costs include portfolio advisor compensation, transaction

compliance, regulatory fees, insurance, and development and marketing costs. In addition, to assist dealers with their distribution, administration and other client service costs in relation to Class A units of the Fund, we pay dealers a trailer fee at the end of each quarter out of the management fees at the rate of 0.25% of the total NAV held by each dealer's clients at the quarter end.

FINANCIAL HIGHLIGHTS – continued

Sceptre Global Equity Fund – Class D

The Fund's Net Assets per Unit

	2009
Net Assets, beginning of period⁽¹⁾⁽³⁾	\$ 11.14
Increase (decrease) from operations:	
total revenue	0.19
total expenses	(0.32)
realized gains (losses) for the period	(0.52)
unrealized gains (losses) for the period	2.79
Total increase (decrease) from operations⁽¹⁾	2.14
Distributions:	
from income (excluding dividends)	(0.12)
from dividends	(0.01)
from capital gains	–
return of capital	–
Total Annual Distributions⁽²⁾	(0.13)
Net Assets, end of period	\$ 13.15

(1) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. Class D units were created April 1, 2009.

(2) Distributions were paid in cash/reinvested in additional units of the Fund, or both.

(3) This information is derived from the Fund's audited annual financial statements. The net assets per unit presented in the financial statements differ from the net asset value calculated for fund pricing purposes. For investments that are traded in an active market where quoted prices are readily and regularly available, Section 3855 requires bid prices (for investments held) or ask prices (for investments sold short) to be used in the fair valuation of investments, rather than the use of closing sale prices currently used for the purpose of determining Transactional NAV. For investments that are not traded in an active market, Section 3855 requires the use of specific valuation techniques, rather than the use of valuation techniques by virtue of general practice in the investment funds industry.

Ratios and Supplemental Data

	2009
Net Asset Value (\$ 000's) ⁽¹⁾	1
Number of units outstanding ⁽¹⁾	91
Management expense ratio (%) ⁽²⁾	2.95
Management expense ratio before waivers or absorptions (%)	6.74
Portfolio turnover rate (%) ⁽³⁾	21.88*
Trading expense ratio (%) ⁽⁴⁾	0.10
Net Asset Value per unit	\$13.16

(1) The information is provided as at December 31 of the period shown.

(2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net assets during the period.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

* Annualized

Management Fees

An annual management fee of 2.50% of Class D net asset value is accrued daily, is attributable only to the Class D units, and is paid to Sceptre monthly in arrears.

Management fees are used by Sceptre to pay for the costs of managing and promoting the Fund. The major components of such costs include portfolio advisor compensation, transaction

compliance, regulatory fees, insurance, and development and marketing costs. In addition, to assist dealers with their distribution, administration and other client service costs in relation to Class D units of the Fund we pay dealers a trailer fee at the end of each quarter out of the management fee at the rate of 1.00% of the total NAV held by each dealer's clients at the quarter end.

FINANCIAL HIGHLIGHTS – continued

Sceptre Global Equity Fund – Class O

The Fund's Net Assets per Unit

	2009	2008	2007	2006	2005
Net Assets, beginning of year⁽¹⁾⁽³⁾	\$ 13.37	\$ 20.41	\$ 21.53	\$ 18.97	\$ 17.19
Increase (decrease) from operations:					
total revenue	0.31	0.49	0.42	0.35	0.33
total expenses	(0.06)	(0.06)	(0.08)	(0.08)	(0.09)
realized gains (losses) for the value	(1.60)	(1.74)	0.51	0.51	(0.11)
unrealized gains (losses) for the value	2.97	(4.61)	(1.82)	2.15	1.30
Total increase (decrease) from operations⁽¹⁾	1.62	(5.92)	(0.97)	2.93	1.43
Distributions:					
from income (excluding dividends)	(0.22)	(0.44)	(0.32)	–	–
from dividends	(0.03)	(0.05)	(0.03)	(0.14)	–
from capital gains	–	–	–	–	–
return of capital	–	–	–	–	–
Total Annual Distributions⁽²⁾	(0.25)	(0.49)	(0.35)	(0.14)	–
Net Assets, end of year	\$ 15.01	\$ 13.37	\$ 20.41	\$ 21.73	\$ 18.97

(1) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period.

(2) Distributions were paid in cash/reinvested in additional units of the Fund, or both.

(3) This information is derived from the Fund's audited annual financial statements. The net assets per unit presented in the financial statements differ from the net asset value calculated for fund pricing purposes. For investments that are traded in an active market where quoted prices are readily and regularly available, Section 3855 requires bid prices (for investments held) or ask prices (for investments sold short) to be used in the fair valuation of investments, rather than the use of closing sale prices currently used for the purpose of determining Transactional NAV. The provisions of Section 3855 have been applied retroactively without restatement of prior periods. Accordingly, the net assets at the beginning of 2007 have been adjusted.

Ratios and Supplemental Data

	2009	2008	2007	2006	2005
Net Asset Value (\$ 000's) ⁽¹⁾	24,873	26,213	46,558	36,347	26,427
Number of units outstanding ⁽¹⁾	1,655,922	1,956,804	2,276,456	1,672,931	1,393,439
Management expense ratio (%) ⁽²⁾	0.38	0.24	0.23	0.41	0.48
Management expense ratio before waivers or absorptions (%)	0.38	0.24	0.23	0.45	0.50
Portfolio turnover rate (%) ⁽³⁾	21.88	49.16	42.09	62.20	58.12
Trading expense ratio (%) ⁽⁴⁾	0.10	0.14	0.14	0.19	0.22
Net Asset Value per unit	\$15.02	\$13.40	\$20.45	\$21.73	\$18.97

(1) The information is provided as at December 31 of the year shown.

(2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated year and is expressed as an annualized percentage of daily average net assets during the period.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

Management Fees

Class O unitholders are discretionary clients of Sceptre. Management fees related to Class O net asset value are handled outside of the Fund and are paid directly to Sceptre from assets held by Class O unitholders.

Management fees are used by Sceptre to pay for the costs of managing and promoting the Fund. The major components of such costs include portfolio advisor compensation, transaction compliance, regulatory fees, insurance, and development and marketing costs.

Past Performance

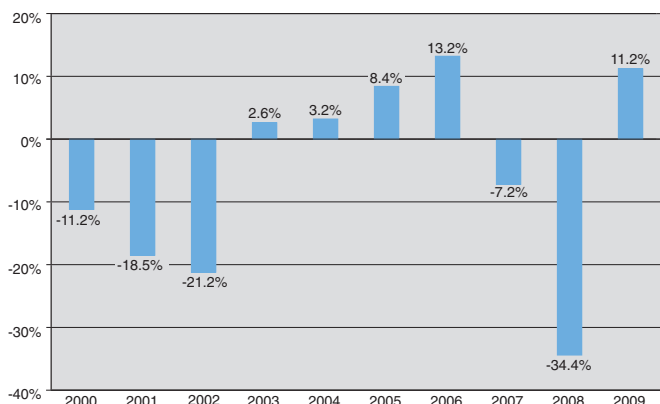
The performance information shown below assumes that all distributions made by the Fund were reinvested in additional units of the Fund. The performance information does not take into account sales, redemption, distribution or other optional charges which, if applicable, would have reduced returns or performance.

Mutual funds are not guaranteed. How the Fund performed in the past does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

The following bar charts show the Fund's annual performance for each of the years shown, and illustrate how the Fund's performance has changed from year to year. The chart shows, in percentage terms, how much an investment in the Fund made on the first day of each financial year would have grown or decreased by the last day of each financial year.

Class A Units – Annual Returns
For the year ended December 31

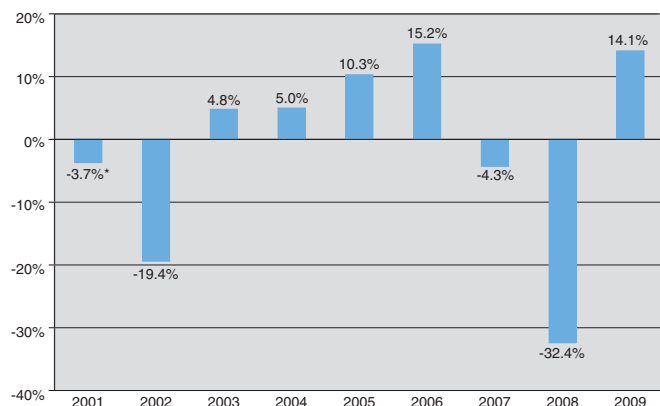


Class D Units – Annual Returns
For the year ended December 31



* From March 31, 2009 to December 31, 2009

Class O Units – Annual Returns
For the year ended December 31



* From July 13, 2001 to December 31, 2001

Annual Compound Returns

The following table compares the historical annual compound total returns of Class A, D and O units of the Fund with the MSCI World Index (the MSCI World Index reflects the performance of stocks of companies in 23 developed market countries in North America, Europe and the Asia/Pacific region).

The Class A and O units outperformed the Index during the 1 year period, however all other Fund classes underperformed the Index during the remainder of the periods.

	Past 10 years	Past 5 years	Past 3 years	Past 1 year
Sceptre Global Equity Fund – Class A	-6.7%	-3.6%	-12.2%	11.2%
MSCI World Index	-3.0%	-0.1%	-8.3%	11.1%
	Since inception (March 31, 2009)			
Sceptre Global Equity Fund – Class D	19.4%			
MSCI World Index	23.5%			
	Since inception (July 13, 2001)	Past 5 years	Past 3 years	Past 1 year
Sceptre Global Equity Fund – Class O	-2.5%	-1.3%	-9.6%	14.1%
MSCI World Index	-1.1%	-0.1%	-8.3%	11.1%

Summary of Investment Portfolio as at December 31, 2009

Sector Mix	% of Fund's Transactional Net Assets
Energy	10.75
Materials	6.58
Industrials	11.57
Consumer Discretionary	10.00
Consumer Staples	8.92
Health Care	11.61
Financials	19.06
Information Technology	11.35
Telecommunications Services	4.57
Utilities	1.46
Cash and Cash Equivalents	4.18
Other Net Assets	(0.05)
	100.00

Top 25 Investments	% of Fund's Transactional Net Assets
1. iShares MSCI Japan Index Fund	5.02
2. Cash and Cash Equivalents	4.18
3. CVS Caremark Corp.	3.19
4. Total SA, ADR	2.75
5. Adidas-Saloman AG	2.04
6. JPMorgan Chase & Co.	1.99
7. Google Inc., Class A	1.98
8. Oracle Corp.	1.92
9. Microsoft Corp.	1.91
10. Nestle SA, Registered Shares	1.77
11. Cisco Systems Inc.	1.76
12. Siemens AG, Registered Shares	1.70
13. Roche Holding AG	1.69
14. Teva Pharmaceutical Industries Ltd., ADR	1.61
15. Canadian National Railway Co.	1.61
16. CME Group Inc., Class A	1.55
17. Yum! Brands Inc.	1.50
18. Prudential PLC	1.50
19. Samsung Electronics Co. Ltd.	1.47
20. Vodafone Group PLC	1.45
21. Medco Health Solutions Inc.	1.45
22. Time Warner Inc.	1.42
23. State Street Corp.	1.42
24. WPP Group PLC	1.37
25. Exxon Mobil Corp.	1.35
	49.60

Total Net Asset Value: \$29,574,048

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund. You may obtain quarterly updates to the Fund's holdings free of charge by calling us at 1-800-265-1888, or by writing us at Sceptre Investment Counsel Limited, 26 Wellington St. East, Suite 1200, Toronto ON M5E 1W4, or by visiting our website at www.sceptre.ca, or SEDAR at www.sedar.com.

Responsibly creating wealth since 1955.



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