



Sceptre Money Market Fund
Annual Management Report of Fund Performance

For the year ended December 31, 2009



Sceptre Money Market 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 Money Market Fund (the "Fund") is to provide as high a level of income as is consistent with the preservation of capital and liquidity.

The Fund pursues its investment objective by investing in high quality securities, generally maturing in less than one year. Investments are directed into Government of Canada Treasury Bills, high quality commercial paper, bankers' acceptance, or other short-term debt instruments. In order to maximize returns, the selection of short-term debt instruments and the term to maturity of the portfolio are based on expected interest rate movements.

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

After management fees, the Fund had a return of 0.4% for Class A units and 0.9% for Class O units, versus the DEX 91 Day Treasury Bill Index's return of 0.6%.

The Bank of Canada continued to lower the Target Overnight Rate in 2009 as the global financial crisis spread and began to negatively impact real economic activity. Reduced domestic demand coupled with a sharp decline in exports pushed Canada into recession in late 2008.

Declining economic and inflation forecasts provided the justification for rate cuts at the first three Bank of Canada rate decisions of 2009. January, March and April saw successive cuts of 0.50%, 0.50% and 0.25% respectively reducing the Target Overnight Rate from 1.50% to 0.25% where it remained for the duration of the year.

Continuing a trend that began at the end of 2008, spreads on corporate debt further tightened in 2009. As Treasury bill yields declined from already low levels, investors substituted higher yielding corporate bonds, commercial paper, and bankers' acceptance. Corporate spreads further tightened throughout the summer as investors became convinced that the worst of the financial crisis was over.

In the first few months of the year, The Fund maintained a long duration in anticipation of further rate cuts by the Bank of Canada. The Fund benefited from this duration position as longer dated treasury bills were bought at higher yields and sold closer to maturity at lower yields. The Fund did not invest in any asset-backed commercial paper and limited any non-government backed investments to the highest quality issuers. With credit spreads having tightened significantly, a higher weighting in Government of Canada Treasury Bills was targeted as credit risk was no longer appropriately reflected in yield spreads. As a result, the yield on the investment portfolio continued to decrease, while credit quality and liquidity improved. The Fund's greater investment in the highest quality short-term paper was the primary reason the Fund underperformed the DEX 91 Day Treasury Bill Index.

The duration of the Fund has been maintained at close to 3 months as we do not expect the Bank of Canada to increase the Target Overnight Rate until the second half of 2010. The Fund's performance will benefit from this duration position and from the enhanced yield provided by its select corporate coupon bonds and floating rate notes.

The Fund's net assets at December 31, 2009 were \$50.0 million, compared to \$89.0 million at the beginning of the year. The decrease in net assets was attributed primarily to net redemptions of \$38.9 million and positive returns during the year.

Management Discussion of Fund Performance – continued

Recent Developments

Economic activity in Canada was weak throughout 2009 but GDP growth projections by the Bank of Canada have improved. Economic growth is expected to strengthen and return to the 2 per cent target in the third quarter of 2011. Currently, risks to the Target Overnight Rate are to the upside and are conditional upon the outlook for inflation. Given our expectation that the Bank of Canada will not begin tightening monetary policy until the second half of 2010, the duration of the Fund is likely to remain close to the permitted 90 days until that time.

Low yields on short term investments will persist in 2010. Corporate spreads should continue to tighten. In this environment, it is important to weigh the incremental return of owning corporate paper against the relative risk and illiquidity of such investments. The Fund will continue to invest primarily in federal and provincial treasury bills with additional yield provided by a modest selection of high quality and good value corporate bonds and floating rate securities.

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.

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.

Sceptre Money Market Fund – Class A					
The Fund's Net Assets per Unit					
	2009	2008	2007	2006	2005
Net Assets, beginning of year⁽¹⁾⁽³⁾	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Increase (decrease) from operations:					
total revenue	0.12	0.33	0.45	0.40	0.28
total expenses	(0.07)	(0.09)	(0.09)	(0.08)	(0.09)
realized gains (losses) for the year	–	–	–	–	–
unrealized gains (losses) for the year	–	–	–	–	–
Total increase (decrease) from operations⁽¹⁾	0.05	0.24	0.36	0.32	0.19
Distributions:					
from income (excluding dividends)	(0.05)	(0.24)	(0.36)	(0.32)	(0.19)
from dividends	–	–	–	–	–
from capital gains	–	–	–	–	–
return of capital	–	–	–	–	–
Total Annual Distributions⁽²⁾	(0.05)	(0.24)	(0.36)	(0.32)	(0.19)
Net Assets, end of year	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00

(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⁾	10,458	25,040	14,499	11,238	11,226
Number of units outstanding ⁽¹⁾	1,045,792	2,504,031	1,449,890	1,123,786	1,122,581
Management expense ratio (%) ⁽²⁾	0.72	0.92	0.97	0.80	0.77
Management expense ratio before waivers or absorptions (%)	0.96	0.92	0.97	1.07	1.05
Portfolio turnover rate (%) ⁽³⁾	–	–	–	–	–
Trading expense ratio (%) ⁽⁴⁾	–	–	–	–	–
Net Asset Value per unit	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00

(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 year.

(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 year.

Management Fees

An annual management fee of 0.50% 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. As a result of the extraordinarily low interest rate environment, the Manager temporarily reduced the management fees charged to the Fund by various amounts during the year in order to maintain a positive yield.

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.

FINANCIAL HIGHLIGHTS – continued

Sceptre Money Market Fund – Class O

The Fund's Net Assets per Unit

	2009	2008	2007	2006	2005
Net Assets, beginning of year⁽¹⁾⁽³⁾	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Increase (decrease) from operations:					
total revenue	0.12	0.34	0.45	0.40	0.26
total expenses	(0.02)	(0.02)	(0.02)	(0.03)	(0.02)
realized gains (losses) for the period	–	–	–	–	–
unrealized gains (losses) for the period	–	–	–	–	–
Total increase (decrease) from operations⁽¹⁾	0.10	0.32	0.43	0.37	0.24
Distributions:					
from income (excluding dividends)	(0.10)	(0.32)	(0.43)	(0.37)	(0.24)
from dividends	–	–	–	–	–
from capital gains	–	–	–	–	–
return of capital	–	–	–	–	–
Total Annual Distributions⁽²⁾	(0.10)	(0.32)	(0.43)	(0.37)	(0.24)
Net Assets, end of year	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00

(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⁾	39,589	63,917	50,793	12,137	8,575
Number of units outstanding ⁽¹⁾	3,958,918	6,391,668	5,079,283	1,213,748	857,492
Management expense ratio (%) ⁽²⁾	0.18	0.18	0.20	0.27	0.24
Management expense ratio before waivers or absorptions (%)	0.18	0.18	0.20	0.54	0.52
Portfolio turnover rate (%) ⁽³⁾	–	–	–	–	–
Trading expense ratio (%) ⁽⁴⁾	–	–	–	–	–
Net Asset Value per unit	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00

(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 year.

(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 year.

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

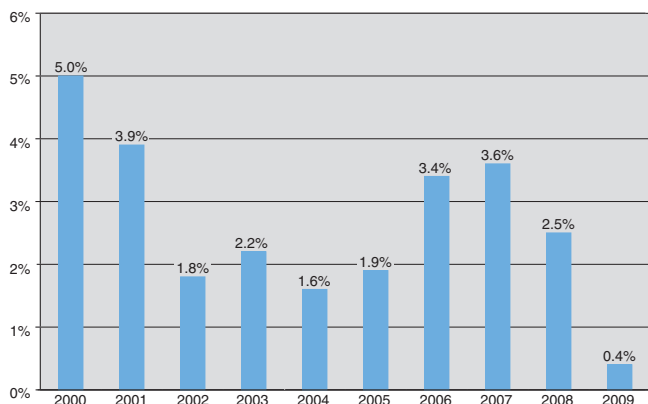
The performance information shown below assumes that all distributions made by the Fund were reinvested in additional units of the Fund. The performance information does not take into account sales, redemption, distribution or other optional charges that, if applicable, would have reduced returns or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

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

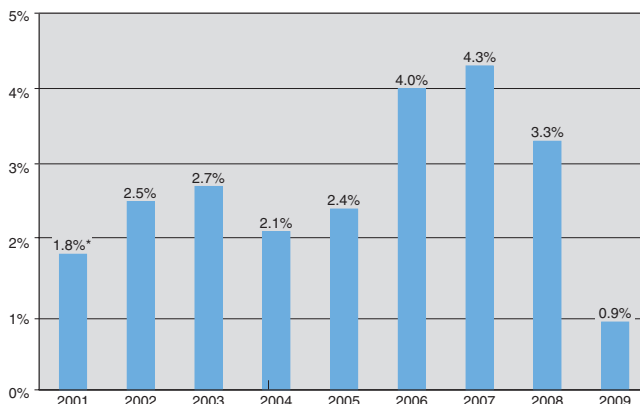
Year-by-Year Returns

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 O Units – Annual Returns
For the year ended December 31



* From July 13, 2001 to December 31, 2001

Summary of Investment Portfolio as at December 31, 2009

Sector Mix	% of Fund's Transactional Net Assets
Treasury Bills	70.00
Discount Commercial Paper	3.30
Government and Guaranteed Bonds	15.01
Corporate Bonds	11.05
Cash	0.66
Net Other Assets	(0.02)
	100.00

Top 25 Investments	% of Fund's Transactional Net Assets
1. Cash and Cash Equivalents	70.77
2. Province of Ontario Canada FRN Sept. 17, 2010	7.57
3. Province of Quebec Canada FRN Aug. 6, 2011	7.44
4. Greater Toronto Airports Authority FRN May 14, 2010	5.47
5. Gaz Metropolitan Inc. 0.26% Feb. 12, 2010	3.20
6. NAV Canada FRN May 3, 2010	2.98
7. General Electric Capital Corp. FRN Jan. 8, 2010	2.60
	100.03

Total Net Asset Value: \$50,047,126

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.

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