THIRD QUARTER REPORT
September 30th, 2011

Performance

To September 30th, 2011 the performance of the **HughesLittle Value Fund** and the **HughesLittle Balanced Fund** was as follows:

	Value Fund *(non-RSP)*	**Balanced Fund** (*RSP*)
Unit Price – September 30th, 2011	$ 11.65	$ 9.63
Unit Price – December 31st, 2010	$ 11.12	$ 9.21
Distributions Paid Per Unit Since Inception	$ 1.26	$ 3.50
Nine Months	4.8 %	4.6 %
Annualized Return Since Inception	4.3 %	5.2 %
Annualized Return S&P/TSX	5.4 %	4.2 %
Annualized Return S&P 500 CDN$	- 1.4 %	- 1.3 %

Annual Returns to September 30th, 2011:

	2011	**2010**	**2009**	**2008**	**2007**
Value Fund	7.7 %	11.2 %	4.3 %	-14.0 %	7.2 %
Balanced Fund	8.3 %	11.7 %	4.4 %	-12.2 %	10.3 %
S&P/TSX Index	-3.6%	11.6 %	0.5 %	-14.4 %	22.8 %
S&P 500 CDN$	2.0 %	5.8 %	-6.2 %	-16.5 %	3.6 %

Notes: The Value Fund commenced operations June 30th, 2005 at a unit value of $10.00.
The Balanced Fund commenced operations August 31st, 2005 at a unit value of $10.00
Performance results are net of investment management fees and Fund expenses.
Index returns correspond to Fund inception dates. S&P 500 Index return is converted to Cdn$.

The third quarter was one of contrasts. On the one hand most of the world's largest corporations were reporting good-to-excellent financial results for the first half of 2011. Many of the world's most important companies are emerging from the 2008 recession in excellent financial condition with favourable prospects. The U.S. Federal Reserve for instance, recently reported that in aggregate, U.S. based non-financial companies are sitting on a cash hoard of more than two trillion dollars – the most since 1963.

Our portfolio companies are no exception: their profit growth rate so far this year has averaged about 20 percent. Furthermore, our companies' balance sheets are pristine and several have recently increased their dividends and/or share repurchases.

In contrast, 'skittish' surely understates stock market price volatility this past quarter. There were single days when market indices swooned more than 500 points. We were not spared from this volatility. Good financial results be damned – share prices swung wildly.

Contrast today's economic and market conditions with those of 2008. In 2008 there were immeasurable business risks present due to the collapse of one of the most important economic drivers for any country: household formation. Economic conditions almost everywhere further deteriorated due to rapid increases in unemployment, very high consumer debt, and uncertain asset values owned by most of the world's largest financial institutions and investment funds.

The business environment today and companies generally, are much healthier. Meaningful business risks are lower. Recent headlines speak of mainly general macro-economic risks such as 'lower than expected economic growth' or potential Government debt defaults of smaller, individual countries (a few of which have defaulted before).

From our perspective, the current financial market environment is presenting us with an abundance of low-risk high-return opportunities. In our view, macro-economic factors such as minor changes in a countries' 'gross domestic product' (GDP), 'income per person' (IPP), or even general unemployment levels are not a critical determinant to how well a company or its stock will perform over time. It is perplexing to us why these macro- economic factors are so often cited as primary drivers of stock prices or why they influence people's investment decisions.

Our point is well illustrated by looking at Mexico and its largest beverage distributor, Coca-Cola FEMSA (one of our holdings), over the past ten years. From 2000 to 2010 economic conditions in Mexico were hardly robust. Mexico's growth in income per person averaged less than one percent per year. Furthermore, nearly half of Mexico's population subsisted at poverty income levels of no more than $164 per month. In fact, Mexico had one of the lowest growth rates in income per person of any major developed or developing country in the world over this period.

Nonetheless, Coca-Cola FEMSA, a simple business selling soda pop, juice and water, generated profit growth and shareholder returns during this period of about 18 percent per year – that equates to a five-fold increase.

An investor overly concerned with Mexico's dire economic conditions would have likely foregone investing in any Mexican company. Investors who recognized the importance of Coca-Cola FEMSA's skillful management, competitive strengths, and low share price-to-value in 2000 would have enjoyed excellent results.

We see many similarities today. For sure, economic conditions in some parts of the world are less than robust. But as investors it is more important that we can identify companies with sound fundamentals that are available for purchase at prices well below their intrinsic values. For this reason, the Funds' are now fully invested. We invested the Funds' excess cash during a few of those days this past quarter when the headlines read "lower economic growth expected, markets fall 500 points."

Portfolio Review

During the third quarter the Funds added money to several existing holdings in financial services, consumer products, energy services, and agriculture. The Value Fund also purchased one new position.

We include a full list of the quarter's buy and sell activity in the attached Investment Review.

As of September 30th, the Value Fund is 99 percent invested in 17 companies. The Fund owns eight Canadian companies, four U.S. companies, and five holdings based outside of North America. The Value Fund's top five positions make-up 55 percent of the Fund's assets.

The Balanced Fund is 82 percent invested in the common shares of six Canadian companies, four U.S. companies, and five companies based outside of North America. The Balanced Fund's top five positions make-up 39 percent of the Fund's assets.

Miscellaneous

Enclosed with this report for clients are:

1. The 2011 Third Quarter Investment Review
2. Your Client Statement.

Kind Regards,

Joe Little　　　　　　　　Mark Hughes

October 7th, 2011