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ANNUAL REPORT SHAREHOLDER LETTER

Period Ending March 31st, 2009

We are pleased to present the annual report for the Absolute Strategies Fund (the “Fund”) for the 12 months ended March 31, 2009. 2008 will likely go down in the history books as the worst calendar year ever for global assets of all types with record volatility. The MSCI Global market index was down over 40% and Emerging Markets were down over 50%. The best illustration to define the year as “most extraordinary” may have been witnessing yields in 3-month US Treasury bills reaching zero percent.

Much has been written about the severe macro events and the collapse of the financial system, so there’s no need to address that in this commentary except to add that 2008 could be the start of a dramatically different financial landscape. We are disappointed to have had a negative return for the fiscal year, but given the largely unprecedented investing conditions caused by widespread financial panic, frozen credit markets, and resulting dislocations, we feel the Fund performed well. In fact, in time we may look back and view the year 2008 as one of our finest. Because the Fund avoided the use of leverage and was defensively positioned heading into September 2008, losses were greatly mitigated relative to many other types of diversified portfolios, including hedge fund of funds. We also consciously avoided the increasingly herd-like behavior of many investment firms, which had highly uniform performance over the past few years.

The Fund (Institutional shares) returned -12.4% for the twelve months ended March 31, versus -38.1% for the S&P 500 Index and -20.5% for the HFRX Global Hedge Fund Index. From inception through March 31, the Fund’s beta was 0.27, (beta measures the Fund’s sensitivity to the S&P 500) demonstrating that Fund returns were largely independent of this market index. The annualized standard deviation of the Funds returns, a measure of portfolio volatility and risk, has been 6.3% vs. 21.7% for the S&P 500 and 6.7% for the HFRX Global Hedge Index.

[As of 12/31/08, the 1- year and since inception annualized performance for I- Share was (13.54%) and (0.69%), respectively. Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than the original cost. For performance current to the most recent month-end, visit the Fund’s web site at www.absoluteadvisers.com. As stated in the current prospectus, the Fund’s annual operating expense ratio (gross) for Institutional Shares is 2.37%. Excluding the effect of expenses attributable to dividends on short sales, the Fund’s total annual operating expense ratio was 1.88% for Institutional Shares for the fiscal year ended 3/31/08.]

We currently allocate assets to twelve sub-advisers. As of March 31, 2009, we allocated approximately 98% of the Fund’s assets; the remaining 2% was held in cash for future allocations and rebalancing. Of the sub-advisers who received assets, the largest allocation to a single manager strategy was approximately 15%; the smallest was roughly 1%. While we view each manager strategy as an independent risk/return profile, the following table illustrates a summary breakdown of our sub-adviser allocations by style, (each category may represent strategies used by multiple sub-advisers) for fiscal year end 2008 and 2009 respectively:

Sub-Adviser Strategy	Allocations as of:	
	March 31 2008	March 31 2009
Distressed Debt	11%	14%
Global Macro	8%	10%
Discretionary Fixed Income	3%	3%
Opportunistic Equity	10%	14%
Long/Short Equity	22%	18%
Market-Neutral Equity	26%	16%
Convertible Arbitrage	17%	23%
Unallocated	3%	2%

With dislocations in both the equity and credit markets over the past 12 months, upside performance in almost any strategy was difficult to obtain. Performance leaders included equity market neutral, convertible arbitrage, and global macro strategies; laggard returns were attributable to distressed debt and certain equity strategies. Our overlay equity hedge provided an intended buffer against systemic risk and also provided a large positive return to the Fund’s performance. This overlay hedge was implemented to minimize potential systemic risk due to our ongoing concerns regarding broad asset class correlations, financial industry leverage, and mis-pricing of risk. The equity hedge was removed during the 4th quarter of 2008, but may be utilized again in the future as a risk management tool.

Our previous shareholder letters warned of potential systemic risks and the dangers of too much leverage and cheap credit. However, it was impossible to predict the numerous, unthinkable events and resulting panic that occurred in the latter part of 2008. Most notably, some of the largest financial institutions in the world, including Bear Stearns, Fannie/Freddie, Lehman Brothers, Washington Mutual, AIG, Merrill Lynch, and Wachovia are all gone in less than one year. The unwinding of these institutions (particularly Lehman), the frozen credit markets, and government intervention forced large market participants to dump assets at any price to meet margin calls, liquidity constraints, and redemptions.

The resulting de-leveraging, forced-selling and re-pricing of risk has set up exciting opportunities for many of our strategies going forward. Many of the areas that have witnessed the greatest dislocations and forced-selling are the same areas where some of our managers have held cash. While other

(Commentary Continued)

investment firms are dealing with de-leveraging and redemptions, many of our managers are able to pursue the opportunities created by these market dislocations by having fresh capital to put to work. As illustrated by the table above, we have also made allocation adjustments to take advantage of these opportunities. Though our market neutral managers performed well and had sizable allocations, we have moved some capital away from them and toward more opportunistic managers, specifically convertible arbitrage, distressed debt, global macro, and opportunistic equity. Our managers have been gradually adding exposures to those areas which they and we believe offer very attractive asymmetric return possibilities.

While the re-pricing of risk is attractive in the fore mentioned areas and things currently appear less bleak, the timing of the opportunities is uncertain. Risk and volatility is expected to remain high for the foreseeable future and the continued process of de-leveraging could last well into 2009 and beyond – unwinding decades of debt accumulation is likely to be slow and painful. Private equity and commercial real estate could be catalysts for further problems as many firms have yet to properly value some of their highly leveraged holdings. Additionally, massive government lending, spending and intervention do not come without enormous future cost and unintended consequences including moral hazard.

Looking forward, it is probable that massive stimulus creates a quick, but superficial recovery followed by further dips and a long period of low growth as underlying imbalances are corrected. Traditional portfolios may continue to exhibit unbearable gyrations and constantly changing expectations as the markets react to news that is “not as bad” and news that is “not as good” as things seem; (in fact, a shocking market rally started by “not as bad” is likely, before eventually yielding to “not as good”). We believe this ongoing uncertainty may set

up very well for risk-managed and opportunistic strategies that utilize idiosyncratic skills. Portfolios that are geared exclusively to bull-market tailwinds, illiquidity, or leveraging low-return strategies have been exposed for their inherent risks.

The past decade can be summed up by two words: “greed and complacency.” Inflated asset values and a focus on very short-term time horizons created an insatiable demand for returns and irrational expectations among many investors for ever-rising asset prices. If one thing should be learned from the events of the past year it is this: the more people who believe in an investing theory or economic model, the more unreliable that theory or model becomes. We believe successful investing requires patience, discipline and a healthy dose of skepticism, especially with herd behavior. This is an important time for investors to properly adjust expectations, rethink their risk appetites and diversify portfolios away from investments that rely heavily on passive, one-way bets. True diversification is unlikely to be achieved by crowding into a standard, optimized collection of asset classes; it is created using good judgment and the inclusion of managers who are independent thinkers seeking to manage investors’ capital over a reasonable period of time.

Our Fund is not designed to be “market-neutral” (zero beta) or a substitute for risk-free investments and as such, moderate volatility should be expected. For long-term investors, the Fund should be viewed as added stability and risk-adjusted performance to a disciplined and diversified portfolio over a full market cycle. For that, we are very optimistic.

Thank you for your investment in the Absolute Strategies Fund.

-Jay Compson

🔗 ***Definitions:** Beta is the measure of a fund’s relative volatility as compared to the S&P 500 Index which by definition is 1.00. Accordingly, a fund with a 1.10 beta is expected to perform 10% better than the Index in up markets and 10% worse in down markets. Alpha is the difference between a fund’s actual returns and its expected performance, given its level of risk as measured by Beta. The S&P 500 Index is a broad-based, unmanaged measurement of changes in stock market conditions based on the average of 500 widely held common stocks. The HFR Index is a broad-based, unmanaged measurement of changes in hedge fund returns based on the average of 500 widely held hedge funds. The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. It is not possible to invest directly in an index or average. Standard Deviation indicates the volatility of a fund’s total returns. In general, the higher the standard deviation, the greater the volatility of return.

Additional Risks

Since the Fund utilizes a multi-manager strategy with multiple subadvisers, it may be exposed to varying forms of risk. The Fund's net asset value and investment return will fluctuate based upon changes in the value of its portfolio securities. There is no assurance that the Fund will achieve its investment objective, and an investment in the Fund is not by itself a complete or balanced investment program. For a complete description of the Fund's principal investment risks please refer to the prospectus.

The Fund is non-diversified and may focus its investments in the securities of a comparatively small number of issuers. Concentration in securities of a limited number of issuers exposes a fund to greater market risk and potential monetary losses than if its assets were diversified among the securities of a greater number of issuers. The Fund may invest in small- and medium-sized companies which involve greater risk than investing in larger, more established companies, such as increased volatility of earnings and prospects, higher failure rates, and limited markets, product lines or financial resources.

The Fund may invest in foreign or emerging markets securities which involve special risks, including the volatility of currency exchange rates and, in some cases, limited geographic focus, political and economic instability, and relatively illiquid markets.

The Fund may invest in debt securities which are subject to interest rate risk. An increase in interest rates typically causes a fall in the value of the debt securities in which the Fund may invest.

The Fund may also invest in high yield, lower rated (junk) bonds which involve a greater degree of risk and price fluctuation than investment grade bonds in return for higher yield potential. The Fund's distressed debt strategy may involve a substantial degree of risk, including investments in sub-prime mortgage securities.

The Fund may purchase securities of companies in initial public offerings. Special risks associated with these securities may include a limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the company and limited operating history. The Fund may leverage transactions which include selling securities short as well as borrowing for other than temporary or emergency purposes. Leverage creates the risk of magnified capital losses.

The Fund may also invest in derivatives which can be volatile and involve various types and degrees of risks, depending upon the characteristics of a particular derivative. The Fund may invest in options and futures which are subject to special risks and may not fully protect the Fund against declines in the value of its stocks. In addition, an option writing strategy limits the upside profit potential normally associated with stocks. Futures trading is very speculative, largely due to the traditional volatility of futures prices.

Investors should carefully consider the Fund's investment objectives, risks, charges and expenses before investing. This and other information is in the prospectus, a copy of which may be obtained by calling (888) 992-2765 or visiting the Fund's web site: www.absoluteadvisers.com. Please Read the prospectus carefully before you invest.