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PORTFOLIO COMMENTARY : First Quarter, 2011

For the 1st quarter of 2011, the Absolute Strategies Fund was roughly flat with a return of -0.37% vs. 5.92% for the S&P 500 and 0.40% for the HFRX Global Hedge Fund Index. The Fund's beta (sensitivity) to the S&P 500 has been trending lower during the recent run-up in asset prices and currently is estimated to be approximately 0.15 vs. 0.25 historically.

[Quarter-End Performance: As of 3/31/11, the 1- year, 5-year and since inception annualized performance for I- Share was 1.73%, 3.00% and 3.28, 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 total annual operating expense ratio (gross) for Institutional Shares is 2.14% and excluding the effect of expenses attributable to dividends on short sales, the Fund's total annual operating expense ratio (net), was 1.78% for Institutional Shares]

Our recent performance can be explained by the Fund's overall positioning, which has become much more strategic and conservative over the past few months. As such, our beta and volatility have been lower than normal. This is to be expected given the Fund's desire to preserve capital and our managers' willingness to change their exposures from "aggressive" to "conservative" as the price of risk changes. While we are disappointed with the lack of adequate risk/reward opportunities and would prefer to have higher net exposure, we also realize that every strategy experiences certain market environments that are expected to present headwinds; the last few months certainly qualify for our Fund. That said, headwinds for our strategy vs. headwinds for directional investments are likely to have vastly different outcomes. We are very comfortable with the transition in the Fund's exposures and are optimistic about our positioning going forward, which will be laid out in more detail below.

Generally speaking, almost all asset classes are currently priced to deliver unsatisfactory long term expected returns and short term upside may prove to be unsustainable. The margin of safety required for many of our managers is much more demanding than the thought process of most of the financial industry, which cares more about relative return, momentum and playing catch-up. When market cycles move from investment-minded to speculative-minded, as we believe has been happening over the past 3-6 months, the Fund has historically appeared to not participate or to be seen as boring. We view this as patience and discipline. Many other investors, on the other hand, tend to focus on short term good news ("record earnings") and recency bias, which leads them to high beta or cyclical investments that encourage performance chasing; this is not the philosophy of a patient, prudent investor. Unfortunately, investors mistake good business conditions with cyclical or stimulative factors and end up dramatically overpaying for unsustainable earnings and margins in investments that have had high performance; (this is the opposite of their behavior at market lows when these investments look awful and there were "record losses").

In the past, these periods seem to last a long time and are driven by a rally from an oversold market correction that along with good news, creates emotional excitement. However, while these periods seem to last a while, the overall risk/reward asymmetry doesn't change. Typically the final upside burst is relatively minimal and unsustainable. As an example of this, through Q1 2011, the MSCI World Index had risen 95% from the 2009 low, yet roughly 85% of the gain occurred by the April 2010 peak. Since that time (Apr. 2010), the global equity markets have actually seen a drop of almost 17.5%, and an upside from last April of only 9.5%, thus negative asymmetry. Simply looking at investor sentiment and behavior over this time period (as well as 2007), there certainly appears to be some logic to the Fund's positioning. However, we make no predictions about the short term and can only attempt to assess risk/reward asymmetries over the longer term, which we believe are not favorable. Crowded thinking and overpaying for assets in highly correlated and interdependent markets is the core cause for investor losses over the past decade as capital flows became correlated resulting in a drying up of liquidity.

Looking at the Fund's portfolio more specifically, we believe there are pockets of opportunities in both long and short positions for the first time in years, largely due to investor behavior and capital flows outlined above. As investors abandon high quality, lower beta investments in favor of lower quality, high beta investments, a large gap in mis-pricing between securities occurs (and it has become even larger over the past few months). The Fund's concentrated equity positions have been building in a mix of strong businesses with sustainable high free cash flow yields that have product cycles that are less dependent on the current economic cycle. Many of these companies are significantly undervalued as a result of capital flows into riskier assets. While the short side has been trying, there are many potential catalysts looming that could create a revaluation of the Fund's positions. The Fund's strategy on the short side is biased toward low quality, high beta, highly cyclical businesses that have performed strongly over the past two years. Our managers believe these short positions couple historically high valuations with financially vulnerable businesses that may soon face margin pressure. Additionally, we have short positions globally in areas that may be vulnerable to specific pressures in the both sovereign and structured credit markets in Europe and Asia. The Fund has also maintained exposure to convertible arbitrage which remains an attractive

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See Reverse For Definitions & Risks

market neutral strategy. Overall in credit, there is attractive exposure in certain sub-prime and asset-backed securities, but the Fund has little net exposure to straight corporate, government, or sovereign credit.

While we continue to be very concerned about the unintended consequences and moral hazard of central bank intervention and money printing, the Fund's current positioning is largely a bottom up view concerning the attractiveness of individual securities, and the patience required to achieve adequate long-term risk-adjusted returns. The margin of safety gap between our longs and shorts provides an attractive mean-reversion valuation opportunity as well as protection against systemic risks and liquidity events. Additionally, our more neutral positioning allows the Fund to be flexible and dynamic should volatility and the pricing of risk change and opportunities to put more capital at risk improve. While we could speak in much more detail about potential systemic risks, it might be easier to simply conclude with a look at the similarities between trends occurring today and those that occurred in 2007 through mid-2008: significant rise in commodity/oil prices; declining US dollar reaching record lows; problems in global credit markets being ignored; large crowded carry trade; tight corporate spreads; near record NYSE margin debt; bullish investor sentiment; extremely low volatility and volume; speculative rise in asset prices driven by central bank "put"; emerging and global growth decoupling; record earnings/margins; high correlations and interconnected global financial markets.

In a nutshell, the Fed-induced "risk trade" is once again at a crossroads with commodity/oil prices and the real economy. You know the endgame is near when the Bernanke/Yellen team dismiss the "bad stuff," much like they did with sub-prime. Investors should be prepared for a possible reversal of some of the above trends as they relate to the US dollar, European Union difficulties, and the potential ending of the credit boom across Asia.

As a reminder, the Fund is designed for patient, disciplined investors who are looking for something to preserve capital and provide a diversifying element to a mix of directional asset classes. Given the high sensitivities and correlations across most global asset classes, diversification can be incredibly difficult; we cannot think of a better time to be using our Fund.

Definitions: *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 HFRI Indices are equally weighted performance indexes, utilized by numerous hedge fund managers as a benchmark for their own hedge funds. The MSCI World Index contains 1,500 stocks from 24 developed countries worldwide and is used as a benchmark for 'world" or 'global' stock funds. It is not possible to invest directly in an index or average. 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.*

Addidional 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 the Fund may invest in.

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.

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