
ABSOLUTE FUNDS

ANNUAL REPORT

MARCH 31, 2009

ABSOLUTE
INVESTMENT ADVISERS

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ABSOLUTE STRATEGIES FUND

A MESSAGE TO OUR SHAREHOLDERS

MARCH 31, 2009

Dear Shareholder,

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.

Please see the accompanying performance charts and financial highlights for complete return and expense information by share class. For a longer term perspective, the Fund’s (Institutional Shares) 1-year and since inception (July 27, 2005) average annual total returns for the period ended March 31, 2009 were (12.41)% and (1.10)%, respectively. *Past performance is not predictive of, nor a guarantee of future results. Results of an investment made today may differ substantially from the Fund’s historical performance. Investment return and principal value of an investment in the Fund will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their original cost. As stated in the current prospectus, the Fund’s total annual operating expense ratio (gross) is 2.37% for Institutional Shares. Excluding the effect of expenses attributable to dividends on short sales, the Fund’s total annual operating expense ratio (net) was 1.81% for the fiscal year ended March 31, 2009. For the most recent month end performance information, please call (888) 992-2765 or contact your financial adviser.*

The Fund’s allocations and performance can be viewed across multiple dimensions. Overall holdings of the Fund, aggregated across sub-adviser strategies, are diversified across a wide range of industries and asset classes. As such, it is difficult to attribute performance to any small group of securities. The Fund held over 1,200 securities, including both long and short equity, fixed income, ETFs, options, and financial futures

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hedges. The Fund's long and short securities, excluding short term investments, were approximately \$690 million and \$227 million, respectively. Long and short equity securities totaled approximately 44% and 24% of net assets, respectively. Our largest single long stock position was in Berkshire Hathaway, which represents 1% of net assets. Convertible bonds and asset backed obligations totaled approximately 19% and 8% of net assets, respectively; these securities are utilized in convertible arbitrage and distressed debt strategies. Other fixed income securities, including corporate bonds, totaled approximately 7% of net assets. Cash held by our sub-advisers was approximately 6% of net assets; additional deposits with the custodian were held primarily as collateral for options, futures, and short positions.

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 chart 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	Allocations as of 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

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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 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 preceding table, 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.

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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.

Sincerely,



Jay Compson
Portfolio Manager
Absolute Investment Advisers LLC

The views in this report were those of the Fund’s adviser as of March 31, 2009, and may not reflect their views on the date this report is first published or any time thereafter. These views are intended to assist shareholders in understanding their investment in the Fund and do not constitute investment advice. None of the information presented should be construed as an offer to sell or recommendation of any security mentioned herein.

Since the Fund utilizes a multi-manager strategy with multiple sub-advisers, it may be exposed to varying forms of risk. These risks include, but are not limited to, general market risk, multi-manager risk, non-diversification risk, small company risk, foreign risk, interest risk, credit risk, prepayment risk, IPO risk, liquidity risk, high turnover risk, leverage risk, pooled investment vehicle risk and derivatives risk. For a complete description of the Fund’s principal investment risks please refer to the prospectus.

Beta is the measure of an asset’s sensitivity to broad market moves, as measured for instance by the S&P 500 Index. A fund with a realized beta of 0.5 with respect to the S&P 500 Index would have received, on average, about 50% of the index returns when the market was up and about 50% of its losses when the market was down. Standard deviation indicates the volatility of a fund’s total returns and is useful because it identifies the spread of a fund’s short-term fluctuations. The Russell 2000 Index is used as a benchmark for US small cap stocks and measures the performance of the 2,000 smallest companies in the Russell 3000 (3,000 of the biggest U.S. stocks). The HFR Indices are equally weighted performance indexes, utilized by numerous hedge fund managers as a benchmark for their own hedge funds. One cannot invest directly in an index or average.

ABSOLUTE OPPORTUNITIES FUND

A MESSAGE TO OUR SHAREHOLDERS

MARCH 31, 2009

Dear Shareholder,

We are pleased to present the annual report for the Absolute Opportunities Fund (the “Fund”) for the interim period ended March 31, 2009. The Fund seeks to achieve long-term capital appreciation with an emphasis on risk-adjusted returns and lower volatility than traditional equity market indices such as the S&P 500. Since the Fund has a short history, our commentary will be limited at this time.

The Fund was launched on October 21, 2008, as a compliment to the Absolute Strategies Fund. The Fund was created to capture a variety of investment opportunities and market inefficiencies and is intended to have a more concentrated, idiosyncratic risk profile compared to the Strategies Fund. As such, the Fund may have higher volatility and risk and should be utilized by patient, long-term investors seeking diversification away from traditional equity-like investments.

The Fund returned 6.0% for the interim period from October 21, 2008 through March 31, 2009, versus –15.3% for the S&P 500 Index and –6.3% for the HFRX Global Hedge Fund Index.

If you would like to learn more about the Absolute Opportunities Fund, please contact your financial advisor.

Sincerely,



Jay Compson
Portfolio Manager
Absolute Investment Advisers LLC

The views in this report were those of the Fund’s adviser as of March 31, 2009, and may not reflect their views on the date this report is first published or any time thereafter. These views are intended to assist shareholders in understanding their investment in the Fund and do not constitute investment advice. None of the information presented should be construed as an offer to sell or recommendation of any security mentioned herein.

Since the Fund utilizes a multi-manager strategy with multiple sub-advisers, it may be exposed to varying forms of risk. These risks include, but are not limited to, general market risk, multi-manager risk, non-diversification risk, small company risk, foreign risk, interest risk, credit risk, prepayment risk, IPO risk, liquidity risk, high turnover risk, leverage risk, pooled investment vehicle risk and derivatives risk. For a complete description of the Fund’s principal investment risks please refer to the prospectus.

ABSOLUTE FUNDS

PERFORMANCE CHART AND ANALYSIS

MARCH 31, 2009

The following chart reflects the change in value, since Absolute Strategies Fund's (the "Fund") commencement of investment operations, of a hypothetical \$250,000 investment in Institutional, R and C Shares, including the reinvestment of dividends and distributions compared with broad-based securities market indices. The Standard and Poor's 500[®] Composite Index ("S&P 500 Index") is a market-value weighted index representing the performance of 500 widely held, publicly traded large capitalization stocks. The Barclays Capital U.S. Aggregate Bond Index covers the US dollar-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities. The Hedge Fund Research Global Hedge Fund Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of eight strategies; convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry. The performance of each share class differs due to different class expenses. During the period, Fund fees were waived or expenses reimbursed, otherwise returns would have been lower. The Fund is professionally managed while the indices are unmanaged and are not available for investment.

A performance chart is not presented for Absolute Opportunities Fund, as the fund has been operational for less than six months.

ABSOLUTE FUNDS

PERFORMANCE CHART AND ANALYSIS

MARCH 31, 2009

Institutional, R and C Shares vs. S&P 500 Index and Barclays Capital U.S. Aggregate Bond Index and Hedge Fund Research Global Hedge Fund Index

Average Annual Total Return as of 03/31/09*

Absolute Strategies Fund — Institutional Shares	(12.41)%
Absolute Strategies Fund — R Shares	(12.73)%
Absolute Strategies Fund — C Shares	(13.44)%
S&P 500 Index	(38.09)%
Barclays Capital U.S. Aggregate Bond Index	3.13%
Hedge Fund Research Global Hedge Fund Index	(20.52)%

One Year

(12.41)%
(12.73)%
(13.44)%
(38.09)%
3.13%
(20.52)%

Commencement of Investment Operations 07/27/05

(1.10)%
(1.46)%
(2.11)%
(9.35)%
4.73%
(2.61)%

* C Shares commenced operations on January 13, 2006. The performance of C Shares prior to January 13, 2006 is that of the Institutional Shares as adjusted for the higher expenses applicable to C Shares.

Average Annual Total Return as of 03/31/09

Absolute Opportunities Fund — Institutional Shares	3.63%
S&P 500 Index	(11.01)%
Hedge Fund Research Global Hedge Fund Index	0.68%

Three Months

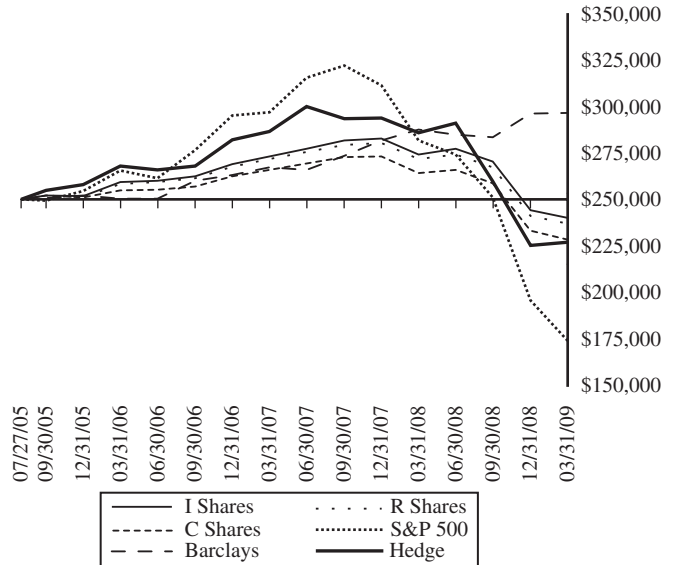
3.63%
(11.01)%
0.68%

Commencement of Investment Operations 10/21/08

5.95%
(15.27)%
(6.26)%

Investment Value as of 03/31/09

Absolute Strategies Fund — Institutional Shares	\$240,046
Absolute Strategies Fund — R Shares	\$236,816
Absolute Strategies Fund — C Shares	\$228,324
S&P 500 Index	\$174,282
Barclays Capital U.S. Aggregate Bond Index	\$296,338
Hedge Fund Research Global Hedge Fund Index	\$226,829



Past performance is not predictive of, nor a guarantee of future results. Results of an investment made today may differ substantially from the Fund's historical performance. Investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. As stated in the current prospectus, the Absolute Strategies Fund's total annual operating expense ratios (gross) are 2.37%, 2.72% and 3.45% for Institutional Shares, R Shares and C Shares, respectively. Excluding the effect of expenses attributable to dividends on short sales, organization costs, and offering costs, the Absolute Strategies Fund's total annual operating expense ratios would be 1.88%, 2.23% and 2.96% for Institutional Shares, R Shares and C Shares, respectively. The performance table and graph do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. For the most recent month end performance information, please call (888) 992-2765.

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2009

<u>Shares</u>	<u>Security Description</u>	<u>Value</u>	<u>Shares</u>	<u>Security Description</u>	<u>Value</u>
Long Positions - 83.8%					
Equity Securities - 43.9%					
Common Stock - 41.6%					
Consumer Discretionary - 5.5%					
32,000	Abercrombie & Fitch Co., Class A	\$ 761,600	200,000	Sonic Corp. (a)	\$ 2,004,000
18,200	Advance Auto Parts, Inc. (f)	747,656	37,000	Stage Stores, Inc. (f)	372,960
43,100	Aeropostale, Inc. (a)(f)	1,144,736	45,000	Staples, Inc. (f)	814,950
19,750	Airgas, Inc. (f)	667,747	53,850	Steak n Shake Co. (a)(f)	497,644
21,900	Ambassadors Group, Inc. (f)	177,828	12,600	Steven Madden, Ltd. (a)(f)	236,628
34,600	American Commercial Lines, Inc. (a)(f)	109,682	59,250	Target Corp. (f)	2,037,607
238,000	American Eagle Outfitters, Inc. (f)	2,913,120	20,700	The Cato Corp., Class A (f)	378,396
2,600	Apollo Group, Inc., Class A (a)(f)	203,658	25,400	Timberland Co., Class A (a)(f)	303,276
23,900	ATC Technology Corp. (a)(f)	267,680	26,700	TJX Cos., Inc. (f)	684,588
84,700	Bed Bath & Beyond, Inc. (a)(f)(j)	2,096,325	7,000	Toro Co. (f)	169,260
42,150	Big Lots, Inc. (a)(f)	875,877	32,000	Under Armour, Inc., Class A (a)(f)	525,760
33,500	Biovail Corp. (f)	366,825	8,300	WABCO Holdings, Inc. (f)	102,173
6,400	BJ's Wholesale Club, Inc. (a)(f)	204,736	4,695	Walgreen Co. (j)	121,882
107,000	Building Materials Holding Corp. (a)(f)	26,750	6,000	Wal-Mart Stores, Inc. (f)	312,600
11,900	Bunge, Ltd.	674,135	54,642	Warner Music Group Corp. (a)	128,409
49,925	Burger King Holdings, Inc. (f)	1,145,779	7,700	WESCO International, Inc. (a)(f)	139,524
200,000	Cabela's, Inc. (a)	1,822,000	67,000	Williams-Sonoma, Inc.	675,360
25,100	California Pizza Kitchen, Inc. (a)(f)	328,308	8,400	WMS Industries, Inc. (a)(f)	175,644
234,780	Carmax, Inc. (a)(f)	2,920,663	44,100	Yum! Brands, Inc. (f)	1,211,868
10,600	CEC Entertainment, Inc. (a)(f)	274,328			
100,000	Cintas Corp.	2,472,000	Consumer Staples - 7.6%		
27,600	Coach, Inc. (a)(f)	460,920	109,250	Accenture, Ltd., Class A (f)(j)	3,003,282
7,100	Columbia Sportswear Co. (f)	212,432	28,500	Alberto-Culver Co. (f)	644,385
5,200	Costco Wholesale Corp. (f)	240,864	13,300	Alliance Data Systems Corp. (a)(f)	491,435
33,506	Dana Holding Corp. (a)	15,413	6,200	AmerisourceBergen Corp. (f)	202,492
42,000	Domino's Pizza, Inc. (a)(f)	275,100	30,700	AMN Healthcare Services, Inc. (a)(f)	156,570
375,000	Furniture Brands International, Inc.	551,250	550,000	Anhui Expressway Co., Class H	246,239
16,900	Gap, Inc. (f)	219,531	19,600	Arbitron, Inc. (f)	294,196
10,100	General Mills, Inc. (f)	503,788	16,300	Boston Scientific Corp. (a)	129,585
9,800	Genesco, Inc. (a)(f)	184,534	50,000	Brink's Home Security Holdings, Inc. (a)	1,130,000
29,300	Hasbro, Inc. (f)	734,551	4,300	Capella Education Co. (a)(f)	227,900
12,200	Heidrick & Struggles International, Inc. (f)	216,428	3,000	Celgene Corp. (a)(f)	133,200
40,400	Knoll, Inc. (f)	247,652	7,800	Chemed Corp. (f)	303,420
200	Kraft Foods, Inc., Class A (f)	4,458	157,031	Coca-Cola Co. (f)	6,901,512
53,100	Liz Claiborne, Inc. (f)	131,157	70,000	Coinstar, Inc. (a)	2,293,200
79,300	Lowe's Cos., Inc. (f)	1,447,225	4,600	Comdisco Holding Co., Inc. (a)	33,511
26,600	Marvel Entertainment, Inc. (a)(f)	706,230	20,000	ConAgra Foods, Inc. (f)	337,400
3,533	McDonald's Corp.	192,796	14,700	Consolidated Graphics, Inc. (a)(f)	186,984
100,000	Mobile Mini, Inc. (a)	1,152,000	34,900	Corporate Executive Board Co. (f)	506,050
66,975	Mohawk Industries, Inc. (a)(f)	2,000,543	35,250	Dean Foods Co. (a)(f)	637,320
4,800	Nike, Inc., Class B	225,072	200,000	Deluxe Corp.	1,926,000
6,000	Owens & Minor, Inc.	198,780	14,900	DeVry, Inc. (f)	717,882
21,600	Panera Bread Co., Class A (a)(f)	1,207,440	52,600	Diageo PLC, ADR (f)	2,353,850
9,900	PF Chang's China Bistro, Inc. (a)(f)	226,512	12,000	Edwards Lifesciences Corp. (a)(f)	727,560
20,600	Polaris Industries, Inc. (f)	441,664	11,300	H&E Equipment Services, Inc. (a)(f)	74,015
43,000	Republic Airways Holdings, Inc. (a)(f)	278,640	15,600	H&R Block, Inc. (f)	283,764
4,750	Ross Stores, Inc.	170,430	34,400	Health Net, Inc. (a)(f)	498,112
122,955	Royal Caribbean Cruises, Ltd. (f)	984,869	18,200	Hewitt Associates, Inc., Class A (a)(f)	541,632
24,253	Sears Holdings Corp. (a)	1,108,605	25,172	HJ Heinz Co. (f)	832,186
			21,800	Illumina, Inc. (a)(f)	811,832
			8,600	Immucor, Inc. (a)(f)	216,290
			16,500	Interactive Data Corp. (f)	410,190
					45,342,846

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SCHEDULE OF INVESTMENTS
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Shares	Security Description	Value	Shares	Security Description	Rate	Value
39,600	Liberty Entertainment (a)(f)	\$ 790,020	Convertible Preferred Stock - 2.3%			
5,000	Liberty Global, Inc., Class A (a)(f)	72,800	Consumer Discretionary - 0.0%			
1,030,000	Liberty Media Corp. — Interactive, Class A (a)	2,987,000	509	Blockbuster, Inc. (f)	7.50	\$ 66,297
46,700	LoopNet, Inc. (a)(f)	283,936	Consumer Staples - 0.3%			
10,800	McGraw-Hill Cos., Inc. (f)	246,996	12,702	Archer-Daniels-Midland Co. (f)	6.25	466,544
33,500	MetroPCS Communications, Inc. (a)(f)	572,180	6,339	Autoliv, Inc. (a)(f)	8.00	181,169
18,900	NetFlix, Inc. (a)(f)	811,188	16,721	Bunge, Ltd. (f)	4.88	1,281,247
28,000	NeuStar, Inc., Class A (a)(f)	469,000	6,341	Johnson Controls, Inc. (a)(f)	11.50	403,858
975,000	News Corp., Class A	6,454,500	660	Universal Corp./Richmond, VA (f)	6.75	475,365
4,900	Qualcomm, Inc.	190,659	2,808,183			
22,900	S1 Corp. (a)(f)	117,935	Financials - 1.0%			
11,000	Shaw Communications, Inc., Class B (f)	166,650	36,442	Affiliated Managers Group, Inc. (f)	5.10	778,948
16,950	Sohu.com, Inc. (a)(f)	700,204	52,120	Alexandria Real Estate Equities, Inc. (f)	7.00	599,380
110,000	Sprint Nextel Corp. (a)	392,700	70,000	American International Group, Inc. (c)	7.70	226,100
17,200	Symantec Corp. (a)(f)	256,968	16,102	American International Group, Inc. (f)	8.50	86,951
54,600	TIBCO Software, Inc. (a)(f)	320,502	25,500	BAC Capital Trust	6.88	292,995
39,000	Valueclick, Inc. (a)(f)	331,890	1,792	Bank of America Corp. (f)	7.25	730,688
393,000	Viacom, Inc., Class B (a)	6,830,340	37,608	CIT Group, Inc. (f)	8.75	684,466
107,750	Walt Disney Co. (f)	1,956,740	14,467	Federal National Mortgage Association (a)	5.13	9,982
		39,670,195	83,000	Federal National Mortgage Association (a)	5.38	118,690
Utilities - 1.1%			600	Federal National Mortgage Association (a)(c)	4.59	510
19,100	Alliant Energy Corp. (f)	471,579	20,354	Fifth Third Bancorp (f)	8.50	838,585
4,100	Ameren Corp. (f)	95,079	11,464	KeyCorp (f)	7.75	820,020
25,700	Aqua America, Inc. (f)	514,000	22,821	Legg Mason, Inc. (f)	7.00	415,342
115,000	Atmos Energy Corp.	2,658,800	62,023	SLM Corp.	6.97	1,333,494
124,212	Calpine Corp. (a)	845,884	3,066	SLM Corp. (f)	7.25	925,165
38,600	Centerpoint Energy, Inc. (f)	402,598	933	Wells Fargo & Co. (f)	7.50	446,898
24,500	Cleco Corp. (f)	531,405	8,308,214			
9,600	DTE Energy Co. (f)	265,920	Health Care - 0.4%			
176,000	Dynegy, Inc., Class A (a)	248,160	70	Healthsouth Corp. (b)(f)	6.50	29,942
9,600	Edison International (f)	276,576	1,401	Healthsouth Corp. (f)	6.50	599,278
30,000	El Paso Electric Co. (a)(f)	422,700	6,172	Inverness Medical Innovations, Inc. (a)(f)	3.00	1,031,835
14,500	Energen Corp. (f)	422,385	1,543	Mylan, Inc. (f)	6.50	1,315,315
3,100	Entergy Corp. (f)	211,079	15,672	Omnicare, Inc. (f)	4.00	523,053
2,600	FirstEnergy Corp. (f)	100,360	3,499,423			
12,981	Mirant Corp. (a)	147,983	Industrials - 0.1%			
19,400	National Fuel Gas Co. (f)	594,998	1,475	Kansas City Southern (f)	5.13	862,875
11,940	NRG Energy, Inc. (a)	210,144	Telecommunication Services - 0.5%			
6,800	NV Energy, Inc. (f)	63,852	9,789	Crown Castle International (f)	6.25	425,821
12,800	Public Service Enterprise Group, Inc. (f)(h)	377,216	323	Interpublic Group of Cos., Inc. (b)(f)	5.25	129,684
38,679	Reliant Energy, Inc. (a)	123,386	8,005	Interpublic Group of Cos., Inc. (f)	5.25	3,214,007
7,800	Sempra Energy (f)	360,672	3,769,512			
		9,344,776	Total Convertible Preferred Stock			
Total Common Stocks (Cost \$449,335,961)		342,857,643	(Cost \$25,696,930)			
			19,314,504			
			Total Equity Securities (Cost \$475,032,891)			
			362,172,147			

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Fixed-Income Securities - 33.6%					\$1,400,000	Citicorp Residential Mortgage Securities, Inc. (f)	6.05	03/25/37	\$ 741,778
Asset Backed Obligations - 7.6%					75,000	Citigroup Commercial Mortgage Trust (c)	5.70	12/10/49	51,760
\$ 233,533	Adjustable Rate Mortgage Trust (c)(f)	5.43	11/25/35	\$153,862	111,816	Citigroup Mortgage Loan Trust, Inc.	0.58	05/25/37	78,137
525,634	Adjustable Rate Mortgage Trust (c)(g)	5.66	03/25/36	215,510	285,000	Citigroup Mortgage Loan Trust, Inc. (c)	1.82	07/25/37	137,573
276,487	Alliance Bancorp Trust (c)(f)	0.76	07/25/37	99,005	1,285,000	Citigroup Mortgage Loan Trust, Inc. (c)	0.72	01/25/37	527,940
990,000	American Home Mortgage Assets Series 2007-4 A2 (c)	0.71	08/25/37	294,240	1,500,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-AHL2 A3C (c)	0.79	05/25/37	310,349
1,130,000	Asset Backed Funding Certificates Series 2006-HE1 A2D (c)	0.74	01/25/37	263,500	1,300,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-AHL3 A3B (c)	0.69	07/25/45	480,858
390,000	Asset Backed Funding Certificates Series 2006-HE1 M2 (c)	0.80	01/25/37	2,676	13,117	Citigroup Mortgage Loan Trust, Inc., Series 2005-WF1 A2 (c)	4.49	02/25/35	11,884
1,875,000	Asset Backed Funding Certificates Series 2006-NC1 M2 (b)(c)	1.77	05/25/37	139,556	415,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-AMC2 M1 (c)	0.79	01/25/37	6,351
1,350,000	Asset Backed Funding Certificates Series 2006-OPT2 A3D (c)	0.74	10/25/36	279,532	195,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-AMC2 M2 (c)	0.81	01/25/37	1,890
1,500,000	Asset Backed Funding Certificates Series 2007-WMC1 A2B (c)	1.52	06/25/37	397,421	800,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-WFH2 A3 (c)	0.70	03/25/37	352,776
690,693	Banc of America Funding Corp	7.00	10/25/37	356,835	1,250,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-WFH2 M1 (c)	0.92	03/25/37	175,369
110,000	Bayview Financial Acquisition Trust, Series 2005-D AF3 (c)	5.50	12/28/35	78,822	925,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-WFH3 A2 (c)	0.68	06/25/37	511,270
315,659	Bear Stearns Alt-A Trust	5.81	03/25/36	121,741	1,000,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-WFH3 M2 (c)	0.79	06/25/37	108,074
351,536	Bear Stearns Asset Backed Securities Trust	1.77	08/25/37	195,267	1,000,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-WFH4 A2B (c)	1.57	07/25/37	411,177
1,500,000	BNC Mortgage Loan Trust (c)	0.65	07/25/37	441,883	160,000	Citigroup/Deutsche Bank Commercial Mortgage Trust (c)	5.89	11/15/44	115,028
740,676	BNC Mortgage Loan Trust, Series 2007-4 A3A (c)	0.77	11/25/37	508,868	116,274	Citimortgage Alternative Loan Trust (c)	5.75	04/25/37	82,958
1,300,000	Centex Home Equity (c)	0.77	06/25/36	535,890	390,000	Commercial Mortgage Loan Trust	6.22	12/10/49	229,746
824,100	Centex Home Equity, Series 2005-C AF6	4.64	06/25/35	603,838	1,250,000	Conseco Finance, Series 2002-C BF1 (c)	8.00	06/15/32	1,104,220
171,219	Chase Mortgage Finance Corp., Series 2005-A1 1A1 (c)(f)	5.41	12/25/35	126,963	100,000	Continental Airlines, Inc. (f)	5.98	04/19/22	74,500
125,000	Chase Mortgage Finance Corp., Series 2005-A1 2A3 (c)(f)	5.24	12/25/35	64,089					
1,200,000	Citicorp Residential Mortgage Securities, Inc.	6.04	09/25/36	660,528					

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\$ 52,628	Continental Airlines, Inc.	7.46	04/01/15	\$ 36,840	\$ 564,000	Credit-Based Asset			
120,659	Countrywide Alternative Loan Trust	5.50	11/25/35	67,536		Servicing and Securitization, LLC, Series 2006-CB9 A2 (c)	0.63	11/25/36	\$327,408
94,857	Countrywide Alternative Loan Trust	5.25	05/25/21	49,827	845,000	Credit-Based Asset			
89,679	Countrywide Alternative Loan Trust, Series 2004-J10 4CB1 (f)	6.50	10/25/34	76,664		Servicing and Securitization, LLC, Series 2006-CB9 A4 (c)	0.75	11/25/36	184,021
309,454	Countrywide Alternative Loan Trust, Series 2005-43 4A1 (c)(f)	5.66	10/25/35	160,709	1,563,000	Credit-Based Asset			
1,547,964	Countrywide Alternative Loan Trust, Series 2006-0A2 X1P (c)	0.00	05/20/46	15,480	1,500,000	Servicing and Securitization, LLC, Series 2007-CB4 M1 (c)	0.84	04/25/37	46,258
869,519	Countrywide Alternative Loan Trust, Series 2006-0A22 A1 (c)	0.68	02/25/47	332,609	500,000	Credit-Based Asset			
1,027,000	Countrywide Alternative Loan Trust, Series 2007-7 2A2 (c)	0.68	10/25/47	638,628	1,438,606	Servicing and Securitization, LLC, Series 2007-CB5 A3 (c)	0.77	04/25/37	278,918
1,740,000	Countrywide Asset Backed Certificates, Series 2007-10 2A2 (c)	0.64	06/25/47	1,342,599	500,000	CW Capital Cobalt, Ltd., Series 2007-C3 AJ (c)	6.02	05/15/46	117,600
721,783	Countrywide Asset-Backed Certificates	1.42	10/25/47	463,982	1,447,199	Deutsche ALT-A Securities, Inc. Alternate Loan Trust (c)	2.59	04/25/47	573,050
158,833	Countrywide Asset-Backed Certificates	0.58	06/25/47	133,671	77,935	Deutsche ALT-A Securities, Inc. Alternate Loan Trust (c)	0.68	01/25/47	284,370
1,226,748	Countrywide Home Loan Mortgage Pass Through Trust (c)	5.63	06/25/47	615,151	6,479,438	Equity One ABS, Inc., Series 2002-4 M1 (c)	5.22	02/25/33	41,852
618,140	Countrywide Home Loan Mortgage Pass Through Trust (c)	5.98	06/25/47	334,328	700,000	FINOVA Group, Inc. (d)	7.50	11/15/09	550,752
38,633	Credit Suisse First Boston Mortgage Securities Corp., Series 2003-AR24 2A4 (c)(f)	4.66	10/25/33	30,301	2,500,000	First Franklin Mortgage Loan Asset Backed Certificates (c)	0.67	08/25/36	184,625
200,000	Credit Suisse First Boston Mortgage Securities Corp., Series 2005-C5 A3 (c)	5.10	08/15/38	164,145	930,000	First Franklin Mortgage Loan Asset Backed Certificates, Series 2006-FF18 M1 (c)(f)	0.75	12/25/37	23,981
420,963	Credit Suisse Mortgage Capital Certificates	6.00	10/25/21	239,581	1,371,837	First Franklin Mortgage Loan Asset Backed Certificates, Series 2007-FF1 A2C (c)	0.66	01/25/38	248,859
1,502,178	Credit Suisse Mortgage Capital Certificates (c)	1.12	07/25/36	784,629	963,297	First Horizon Alternative Mortgage Securities (c)	4.75	05/25/35	612,937
1,600,000	Credit-Based Asset Servicing and Securitization, LLC, Series 2006-CB8 M2 (c)	0.82	10/25/36	28,858	243,197	First Horizon Alternative Mortgage Securities (c)	6.12	05/25/36	431,298
					200,000	First Horizon Alternative Mortgage Securities (c)	0.89	02/25/37	109,339
					300,000	General Electric Capital Commercial Mortgage Corp., Series 2006-C1 (c)	5.52	03/10/44	158,051
						GMAC Commercial Mortgage Securities, Inc., Series 2002-C2 A3	5.71	10/15/38	290,399

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\$15,721,424	Government National Mortgage Association, Series 2007-78 SG (c)	6.09	12/20/37	\$1,026,507	\$ 157,409	Indymac INDA Mortgage Loan Trust (c)	5.91	08/25/36	\$ 99,867
581,607	Green Tree Home Improvement Loan Trust, Series 1997-D HEB1	7.41	09/15/28	527,198	1,704,315	Indymac Index Mortgage Loan Trust	6.19	08/25/36	707,284
1,500,000	GSAA Home Equity Trust Series 2006-9 A4A (c)	0.76	06/25/36	195,903	144,117	Indymac Index Mortgage Loan Trust (c)	6.15	09/25/36	58,531
1,650,000	GSAA Home Equity Trust Series 2007-5 2A3A (c)	0.84	04/25/47	286,741	450,000	Indymac Index Mortgage Loan Trust (c)	5.58	12/25/35	140,347
2,503,163	GSAA Trust (c)	0.62	03/25/47	391,864	1,053,931	Indymac Index Mortgage Loan Trust (c)	0.95	09/25/34	525,522
1,630,000	GSAA Trust (c)	4.75	05/25/35	766,707	1,245,700	Indymac Index Mortgage Loan Trust (c)	6.07	05/25/37	578,669
1,092,000	GSAA Trust (c)	5.07	09/25/35	812,331	1,350,000	Indymac Residential Asset Backed Trust (c)	0.84	04/25/47	366,629
1,839,680	GSAMP Trust Series 2006-FM3 A2D (c)	0.75	11/25/36	447,058	1,240,000	JP Morgan Alternative Loan Trust (c)	6.05	11/25/36	420,619
1,950,000	GSR Mortgage Loan Trust (c)	3.91	08/25/34	992,369	655,135	JP Morgan Alternative Loan Trust, Series 2007-A2 12A2 (c)	0.62	06/25/37	508,031
263,126	Harborview Mortgage Loan Trust Series	6.43	06/19/36	129,525	950,000	JP Morgan Chase Commercial Mortgage Securities Corp.	5.42	01/15/49	644,980
24,242	Harborview Mortgage Loan Trust, Series 2004-8 2A4A (c)	0.85	11/19/34	12,104	850,000	JP Morgan Chase Commercial Mortgage Securities Corp. (c)	5.88	02/15/51	603,621
611,338	Harborview Mortgage Loan Trust, Series 2006-1 X1 (c)	3.48	03/19/36	10,412	54,000	JP Morgan Chase Commercial Mortgage Securities Corp.	6.26	02/15/51	22,032
800,000	HFC Home Equity Loan Asset Backed Certificates	0.60	03/20/36	463,988	225,000	JP Morgan Chase Commercial Mortgage Securities Corp., Series 2004-C3 A4	4.66	01/15/42	196,179
1,000,000	HFC Home Equity Loan Asset Backed Certificates (c)	0.82	07/20/36	178,935	400,000	JP Morgan Chase Commercial Mortgage Securities Corp., Series 2007-CB19 AJ (c)	5.94	02/12/49	94,798
900,000	HFC Home Equity Loan Asset Backed Certificates, Series 2006-3 A4 (c)	0.69	03/20/36	339,140	200,000	JP Morgan Chase Commercial Mortgage Securities Corp., Series 2007-LD11 AJ (c)	6.00	06/15/49	47,315
600,000	HFC Home Equity Loan Asset Backed Certificates, Series 2007-1 M1 (c)	0.83	03/20/36	149,533	454,000	JP Morgan Chase Commercial Mortgage Securities Corp., Series 2007-LD12 AJ (c)	6.26	02/15/51	109,006
700,000	HFC Home Equity Loan Asset Backed Certificates, Series 2007-1 M2 (c)	0.93	03/20/36	138,595	1,000,000	JP Morgan Mortgage Acquisition Corp., Series 2007-CH3 A4 (c)(f)	0.73	03/25/37	324,970
1,300,000	HFC Home Equity Loan Asset Backed Certificates, Series 2007-2 M1 (c)	0.76	07/20/36	291,504	900,000	JP Morgan Mortgage Acquisition Corp., Series 2007-HE1 AV4 (c)	0.80	03/25/47	171,905
852,987	HFC Home Equity Loan Asset Backed Certificates, Series 2007-3 APT (c)	1.65	11/20/36	571,368	1,387,499	JP Morgan Mortgage Trust (c)(f)	5.43	08/25/35	1,148,000

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\$ 1,324,692	JP Morgan Mortgage Trust (f)	6.00	08/25/37	\$791,663	\$ 89,503	Morgan Stanley Dean Witter Capital I, Series 2000-LIFE A2 (c)	7.57	11/15/36	\$ 90,239
120,000	JP Morgan Mortgage Trust, Series 2005-A3 11A2 (c)(f)	4.50	06/25/35	72,689	700,000	Morgan Stanley Mortgage Loan Trust (c)	5.96	06/25/36	397,406
200,000	JP Morgan Mortgage Trust, Series 2006-A2 2A2 (c)(f)	5.75	04/25/36	103,890	165,000	Nationstar Home Equity Loan Trust (c)	0.69	09/25/36	78,868
330,000	LB-UBS Commercial Mortgage Trust, Series 2003-C8 A4 (c)	5.12	11/15/32	293,878	2,300,000	Nationstar Home Equity Loan Trust, Series 2007-A AV3 (c)	0.67	03/25/37	928,625
42,393,248	Lehman ABS Manufactured Housing Contract, Series 2001-B AIOC (c)	0.55	05/15/41	376,986	980,000	Nationstar Home Equity Loan Trust, Series 2007-C 2AV2 (c)	0.65	06/25/37	582,078
2,059,577	Lehman XS Trust (c)	0.64	08/25/36	681,062	1,100,000	Newcastle Mortgage Securities Trust, Series 2007-1 2A4 (c)	0.86	04/25/37	306,352
1,218,506	Lehman XS Trust (c)	1.37	09/25/47	444,414	100,000	Northwest Airlines, Inc. (f)	6.84	04/01/11	90,000
2,250,000	Lehman XS Trust, Series 2007-12N 1A3A (c)	0.72	07/25/47	272,272	873,911	Opteum Mortgage Acceptance Corp. (c)	5.64	12/25/35	543,996
1,700,000	Master Adjustable Rate Mortgages Trust (c)(f)	3.79	11/21/34	919,499	1,300,000	Opteum Mortgage Acceptance Corp., Series 2006-2 A1C (c)	0.79	07/25/36	249,287
885,000	Master Asset Backed Securities Trust (c)	0.73	05/25/37	295,005	800,000	Option One Mortgage Loan Trust, Series 2007-4 2A4 (c)	0.83	04/25/37	155,747
750,000	Master Asset Backed Securities Trust, Series 2006-AM3 A4 (c)	0.76	10/25/36	209,527	750,000	Option One Mortgage Loan Trust, Series 2007-5 2A4 (c)	0.82	05/25/37	152,179
39,922	Master Seasoned Securities Trust, Series 2004-1 4A1 (c)	5.01	10/25/32	32,532	750,000	Option One Mortgage Loan Trust, Series 2007-6 2A4 (c)	0.77	07/25/37	178,149
1,300,000	Merrill Lynch First Franklin Mortgage Loan Trust, Series 2007-1 A2C (c)	0.77	04/25/37	376,658	1,020,000	Popular ABS Mortgage Pass-Through Trust	6.09	01/25/36	459,372
154,900	Merrill Lynch First Franklin Mortgage Loan Trust, Series 2007-3 A2C (c)	0.70	06/25/37	37,938	1,745,000	Popular ABS Mortgage Pass-Through Trust (c)	0.83	06/25/47	519,006
2,000,000	Merrill Lynch First Franklin Mortgage Loan Trust, Series 2007-3 A2D (c)	0.77	06/25/37	399,971	786,073	Residential Accredit Loans, Inc.	6.00	06/25/36	338,328
1,500,000	Merrill Lynch First Franklin Mortgage Loan Trust, Series 2007-4 2A4 (c)	0.77	07/25/37	334,956	742,720	Residential Accredit Loans, Inc.	6.00	06/25/37	583,893
143,000	Merrill Lynch Mortgage Trust, Series 2007-C1 AJ (c)	6.02	06/12/50	33,813	1,062,178	Residential Accredit Loans, Inc. (c)	0.92	10/25/45	429,502
1,150,000	Merrill Lynch/ Countrywide Commercial Mortgage Trust (c)	5.17	12/12/49	671,987	807,937	Residential Accredit Loans, Inc.	5.75	09/25/36	552,232
890,000	Morgan Stanley Capital I	5.16	10/12/52	609,040	783,166	Residential Accredit Loans, Inc. (c)	5.75	12/25/35	330,936
					1,035,816	Residential Accredit Loans, Inc. (c)	2.63	01/25/46	422,235
					655,288	Residential Asset Mortgage Products, Inc., Series 2004-SL3 A4	8.50	12/25/31	437,419

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\$ 350,000	Salomon Brothers Mortgage Securities VII, Inc., Series 2002-KEY2 A3	4.87	03/18/36	\$329,455	\$ 200,000	Structured Asset Securities Corp. (c)	0.66	05/25/47	\$ 81,006
1,365,000	Saxon Asset Securities Trust, Series 2007-1 A2C (c)	0.67	01/25/47	524,228	425,784	UAL Pass Through Trust Series 2000-2 (f)	7.19	04/01/11	413,011
1,200,000	Securitized Asset Backed Receivables LLC Trust, Series 2007-NC2 A2B (c)	0.66	01/25/37	431,359	675,000	United Air Lines, Inc. (d)	6.93	09/01/11	844,607
1,350,000	Soundview Home Equity Loan Trust (c)	0.76	07/25/36	318,866	330,000	Wachovia Bank Commercial Mortgage Trust, Series 2003-C6 A4 (c)	5.13	08/15/35	289,596
1,075,000	Soundview Home Equity Loan Trust (c)	0.67	06/25/37	435,496	362,935	WaMu Mortgage Pass Through Certificates (c)	5.04	12/25/35	233,575
1,200,000	Soundview Home Equity Loan Trust, Series 2007-NS1 A4 (c)	0.82	01/25/37	325,585	331,517	WaMu Mortgage Pass Through Certificates (c)	5.58	12/25/36	176,316
686,075	Soundview Home Equity Loan Trust, Series 2006-EQ1 A2 (c)	0.63	10/25/36	571,131	2,054,354	WaMu Mortgage Pass Through Certificates (c)	2.33	02/25/47	632,469
1,130,000	Soundview Home Equity Loan Trust, Series 2006-EQ1 A3 (c)	0.68	10/25/36	483,252	1,670,001	WaMu Mortgage Pass Through Certificates (c)	2.44	07/25/47	618,827
1,300,000	Soundview Home Equity Loan Trust, Series 2006-EQ1 A4 (c)	0.77	10/25/36	252,456	670,614	WaMu Mortgage Pass Through Certificates (c)	5.33	03/25/37	370,299
1,200,000	Soundview Home Equity Loan Trust, Series 2006-EQ2 A4 (c)	0.76	01/25/37	228,344	963,825	WaMu Mortgage Pass Through Certificates (c)	5.49	04/25/37	463,460
1,200,000	Soundview Home Equity Loan Trust, Series 2006-OPT1 2A4 (c)	0.79	03/25/36	350,729	1,058,129	WaMu Mortgage Pass Through Certificates (c)	2.40	05/25/47	394,726
1,550,000	Soundview Home Equity Loan Trust, Series 2007-OPT2 2A4 (c)	0.77	07/25/37	425,608	1,011,778	Washington Mutual Alternative Mortgage Pass-Through Certificates (c)	1.07	05/25/35	558,134
120,000	Soundview Home Equity Loan Trust, Series 2007-OPT2 M2 (c)	0.79	07/25/37	9,716	788,186	Washington Mutual Alternative Mortgage Pass-Through Certificates (c)	1.02	06/25/35	475,095
500,000	Soundview Home Equity Loan Trust, Series 2007-OPT5 M2 (b)(c)	2.67	10/25/37	40,858	21,189	Washington Mutual Mortgage Pass Through Certificates, Series 2002-AR18 A (c)	4.54	01/25/33	17,506
2,000,000	Soundview Home Equity Loan Trust, Series 2007-WMC1 3A3 (c)	0.78	02/25/37	498,829	115,000	Washington Mutual Mortgage Pass Through Certificates, Series 2005-AR16 1-A4A (c)	5.10	12/25/35	75,771
808,805	Structured Adjustable Rate Mortgage Loan Trust	5.62	02/25/36	454,225	3,443,661	Washington Mutual Mortgage Pass Through Certificates, Series 2006-AR5 X (g)	0.00	06/25/46	7,404
667,967	Structured Asset Mortgage Investments Inc, Series 2007-AR3 2A1 (c)	0.71	09/25/47	231,830	1,500,000	Washington Mutual Mortgage Pass Through Certificates, Series 2007-OC1 A4 (c)	0.84	01/25/47	167,543
946,043	Structured Asset Mortgage Investments, Inc. (c)	3.13	08/25/47	351,941	1,295,000	Wells Fargo Home Equity Trust, Series 2006-3 A3 (c)	0.73	01/25/37	317,274
						Total Asset Backed Obligations (Cost \$94,756,069)			62,717,163

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Corporate Convertible Bonds - 19.1%					Consumer Discretionary - 0.7%				
\$1,000,000	Empire Resorts, Inc. (f)	8.00	07/31/14	\$ 305,000	\$ 816,000	Nabors Industries, Inc. (f)	0.94	05/15/11	\$ 726,240
946,000	Iconix Brand Group, Inc. (f)	1.88	06/30/12	617,265	891,000	Peabody Energy Corp. (f)	4.75	12/15/41	630,382
2,409,000	Johnson Controls, Inc. (f)	6.50	09/30/12	3,047,385	968,000	Penn Virginia Corp. (f)	4.50	11/15/12	579,590
79,000	Newell Rubbermaid, Inc. (f)	5.50	03/15/14	87,591	1,619,000	Pioneer Natural Resources Co. (f)	2.88	01/15/38	1,206,155
750,000	Saks, Inc.	2.00	03/15/24	279,375	1,044,000	Transocean, Inc. (f)	1.50	12/15/37	859,995
808,000	School Specialty, Inc. (f)	3.75	11/30/26	549,440					<u>6,359,837</u>
642,000	Scientific Games Corp. (f)	0.75	12/01/24	589,035	Financials - 0.9%				
364,000	Smithfield Foods, Inc. (f)	4.00	06/30/13	255,710	1,500,000	Americredit Corp.	0.75	09/15/11	667,500
				<u>5,730,801</u>	290,000	Boston Properties LP	2.88	02/15/37	227,288
Consumer Staples - 3.1%					1,030,000	Forest City Enterprises, Inc.	3.63	10/15/11	587,100
2,000,000	BioMarin Pharmaceutical, Inc. (f)	1.88	04/23/17	1,567,500	2,980,000	Icahn Enterprises LP (b)(c)(g)	4.00	08/15/13	1,566,884
1,000,000	BioMarin Pharmaceutical, Inc. (f)	2.50	03/29/13	960,000	1,450,000	Leucadia National Corp.	3.75	04/15/14	1,227,062
5,500,000	CBIZ, Inc. (f)	3.13	06/01/26	4,785,000	311,000	MF Global, Ltd. (b)(f)	9.00	06/20/38	207,981
428,000	Chemed Corp. (f)	1.88	05/15/14	312,440	1,153,000	SVB Financial Group (b)(f)	3.88	04/15/11	945,460
2,000,000	Endo Pharmaceuticals Holdings, Inc. (b)(f)	1.75	04/15/15	1,557,500	723,000	Vornado Realty Trust	2.85	04/01/27	545,865
438,000	Euronet Worldwide, Inc. (f)	3.50	10/15/25	316,455	532,000	Washington REIT	3.88	09/15/26	450,205
1,715,000	Hologic, Inc. (f)	2.00	12/15/37	1,179,062	2,050,000	World Acceptance Corp. (f)	3.00	10/01/11	1,340,188
120,000	IR	4.50	04/15/17	142,200					<u>7,765,533</u>
1,000,000	Live Nation, Inc. (b)(f)	2.88	07/15/27	342,500	Health Care - 4.4%				
2,000,000	Live Nation, Inc. (f)	2.88	07/15/27	685,000	6,380,000	American Medical Systems Holdings, Inc. (f)	3.25	07/01/36	5,279,450
1,231,000	Medicis Pharmaceutical Corp. (f)	2.50	06/04/32	980,184	834,000	AMERIGROUP Corp. (f)	2.00	05/15/12	750,600
735,000	Millipore Corp. (f)	3.75	06/01/26	685,388	700,000	Amylin Pharmaceuticals, Inc. (b)(f)	3.00	06/15/14	423,500
2,000,000	Mylan, Inc. (b)(f)	3.75	09/15/15	2,275,000	1,120,000	Amylin Pharmaceuticals, Inc. (f)	3.00	06/15/14	677,600
768,000	PHH Corp. (b)(f)(g)	4.00	04/15/12	623,526	400,000	ATS Medical, Inc. (b)(f)	6.00	10/15/25	330,000
2,390,000	Quanta Services, Inc. (f)	3.75	04/30/26	2,637,963	1,850,000	ATS Medical, Inc. (f)	6.00	10/15/25	1,526,250
1,348,000	SOTHEBY'S (b)	3.13	06/15/13	876,200	3,900,000	Cubist Pharmaceuticals, Inc. (f)	2.25	06/15/13	3,124,875
665,000	Spartan Stores, Inc. (b)(f)	3.38	05/15/27	399,831	800,000	deCODE genetics, Inc. (d)(f)	3.50	04/15/11	32,000
4,735,000	Spartan Stores, Inc. (f)	3.38	05/15/27	2,846,919	3,000,000	EPIX Pharmaceuticals, Inc. (f)	3.00	06/15/24	975,000
80,000	Teradyne	4.50	03/15/14	94,000	2,750,000	Incyte Corp. (f)	3.50	02/15/11	1,375,000
2,500,000	Wilson Greatbatch (f)	2.25	06/15/13	1,903,125	3,000,000	Isis Pharmaceuticals, Inc. (f)	2.63	02/15/27	3,453,750
				<u>25,169,793</u>	1,863,000	Kinetic Concepts, Inc. (b)(f)	3.25	04/15/15	1,250,539
Energy - 0.8%					1,330,000	King Pharmaceuticals, Inc. (f)	1.25	04/01/26	929,338
1,076,000	Alpha Natural Resources (f)	2.38	04/15/15	700,745					
2,039,000	Chesapeake Energy Corp. (f)	2.25	12/15/38	1,060,280					
755,000	Covanta Holding Corp. (f)	1.00	02/01/27	596,450					

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ABSOLUTE STRATEGIES FUND

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<u>Principal</u>	<u>Security Description</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Value</u>	<u>Principal</u>	<u>Security Description</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Value</u>
\$1,738,000	LifePoint Hospitals, Inc. (f)	3.50	05/15/14	\$ 1,242,670	\$ 295,000	Nuance Communications, Inc. (b)(f)	2.75	08/15/27	\$ 245,588
4,834,000	Molina Healthcare, Inc. (f)	3.75	10/01/14	3,311,290	2,788,000	Nuance Communications, Inc. (f)	2.75	08/15/27	2,321,010
2,500,000	NovaMed, Inc. (f)	1.00	06/15/12	1,071,875	165,000	ON Semiconductor Corp. (b)(f)	2.63	12/15/26	117,356
392,000	OSI Pharmaceuticals, Inc. (b)(f)	3.00	01/15/38	349,860	4,979,000	ON Semiconductor Corp. (f)	2.63	12/15/26	3,541,314
907,000	OSI Pharmaceuticals, Inc. (f)	3.00	01/15/38	809,498	3,500,000	ON Semiconductor Corp. (f)	1.88	12/15/25	2,878,750
3,000,000	PSS World Medical, Inc. (b)(f)	3.13	08/01/14	2,595,000	6,000,000	SYNNEX Corp. (b)(f)	4.00	05/15/18	5,227,500
2,175,000	SonoSite, Inc. (f)	3.75	07/15/14	1,867,781	2,000,000	Veeco Instruments, Inc. (f)(g)	4.13	04/15/12	1,489,200
4,750,000	Viropharma, Inc. (f)	2.00	03/15/17	2,398,750	2,295,000	Virgin Media, Inc. (b)(f)	6.50	11/15/16	1,245,038
1,073,000	West Pharmaceutical Services, Inc. (f)	4.00	03/15/47	708,180					30,482,720
2,899,000	Wright Medical Group, Inc. (f)	2.63	12/01/14	1,960,449					
				<u>36,443,255</u>					
Industrials - 1.9%					Materials - 0.5%				
2,500,000	AAR Corp. (f)	1.75	02/01/26	1,818,750	2,000,000	Alcoa, Inc. (f)	5.25	03/15/14	2,652,500
348,000	Barnes Group, Inc. (b)(f)	3.38	03/15/27	233,595	1,700,000	Ferro Corp. (f)	6.50	08/15/13	573,750
3,343,000	Barnes Group, Inc. (f)	3.38	03/15/27	2,243,989	533,000	Newmont Mining Corp. (f)	3.00	02/15/12	660,254
1,500,000	C&D Technologies, Inc. (f)	5.25	11/01/25	930,000					3,886,504
2,873,000	Enersys (f)	3.38	06/01/38	1,853,085	Telecommunication Services - 3.2%				
411,000	General Cable Corp. (f)	0.88	11/15/13	289,241	4,400,000	Alaska Communications Systems Group, Inc. (b)(f)	5.75	03/01/13	3,096,500
2,500,000	Itron, Inc. (f)	2.50	08/01/26	2,496,875	2,360,000	Arris Group, Inc. (f)	2.00	11/15/26	1,811,300
500,000	LeCroy Corp. (b)(f)	4.00	10/15/26	205,000	2,000,000	Central European Media Enterprises, Ltd. (b)(f)	3.50	03/15/13	1,017,500
4,000,000	LeCroy Corp. (f)	4.00	10/15/26	1,640,000	2,466,000	Ciena Corp. (f)	0.88	06/15/17	1,057,298
350,000	Newport Corp. (b)(f)	2.50	02/15/12	236,250	99,000	Citadel Broadcasting Corp. (f)	4.00	02/15/11	39,353
3,650,000	Newport Corp. (f)	2.50	02/15/12	2,463,750	6,596,000	Earthlink, Inc. (f)(h)	3.25	11/15/26	6,307,425
3,571,000	Trinity Industries, Inc. (f)(h)	3.88	06/01/36	1,548,921	1,000,000	Equinix, Inc. (f)	2.50	04/15/12	832,500
				<u>15,959,456</u>	3,836,000	Equinix, Inc. (f)	3.00	10/15/14	2,747,535
Information Technology - 3.6%					1,700,000	Health Corp. (f)	3.13	09/01/25	1,432,250
1,000,000	Amkor Tech, Inc. (b)(g)	6.00	04/15/14	1,074,900	353,000	Interpublic Group Cos., Inc.	4.25	03/15/23	250,630
169,000	Blackboard, Inc. (f)	3.25	07/01/27	157,170	914,000	Leap Wireless International, Inc. (b)(f)	4.50	07/15/14	683,215
625,000	CACI International, Inc. (b)(f)	2.13	05/01/14	538,281	4,000,000	Level 3 Communications, Inc. (f)	5.25	12/15/11	2,060,000
3,770,000	CACI International, Inc. (f)	2.13	05/01/14	3,246,913	615,000	Liberty Media LLC	3.13	03/30/23	480,469
983,000	EMC Corp. (f)	1.75	12/01/13	964,569	861,000	Omnicom Group (f)	0.00	07/01/38	802,883
6,600,000	Epicor Software Corp. (f)	2.38	05/15/27	3,630,000	1,218,000	SBA Communications Corp. (b)(f)	1.88	05/01/13	980,490
4,673,000	Mentor Graphics Corp. (f)	6.25	03/01/26	3,136,751					
1,453,000	Micron Technology, Inc. (f)	1.88	06/01/14	668,380					

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\$ 444,000	Symantec Corp. (f)	1.00	06/15/13	\$ 436,785	\$900,000	Chase Capital II (c)	1.67	02/01/27	\$358,179
1,535,000	Symmetricon, Inc. (f)	3.25	06/15/25	1,158,925	589,000	Citigroup Capital XXI (c)	8.30	12/21/57	284,020
1,251,000	Time Warner Telecom, Inc. (f)	2.38	04/01/26	936,686	184,000	Citigroup, Inc. (f)	6.88	03/05/38	160,878
				26,131,744	135,000	Citigroup, Inc. (f)	6.50	08/19/13	124,168
					750,000	Citigroup, Inc. (c)	1.80	08/25/36	262,733
					400,000	Citigroup, Inc. (c)	1.51	11/05/14	232,542
					75,000	Countrywide Financial Corp. (f)	4.50	06/15/10	69,339
Total Corporate Convertible Bonds (Cost \$171,343,947)				157,929,643	340,000	Countrywide Financial Corp.	5.80	06/07/12	295,474
					70,000	Countrywide Home Loans, Inc. (f)	4.00	03/22/11	62,321
Corporate Non-Convertible Bonds - 3.4%					265,000	Countrywide Home Loans, Inc.	4.13	09/15/09	261,896
Consumer Discretionary - 0.6%					675,000	Credit Suisse Guernsey, Ltd. (c)(f)	1.93	05/15/49	272,707
96,000	Continental Airlines, Inc.	7.06	09/15/09	92,160	660,000	Credit Suisse/New York (f)	6.00	02/15/18	576,601
500,000	Continental Airlines, Inc. (f)	6.90	04/19/22	272,500	75,000	Developers Diversified Realty Corp.	4.63	08/01/10	56,328
300,000	Delphi Corp. (d)	6.50	08/15/13	6,000	500,000	ERP Operating LP	5.20	04/01/13	443,455
870,000	Delta Air Lines, Inc. (f)	7.11	09/18/11	735,150	100,000	Fairfax Financial Holdings, Ltd. (f)	7.75	04/26/12	95,125
725,000	Jarden Corp.	7.50	05/01/17	587,250	800,000	Farmers Exchange Capital (b)(f)	7.05	07/15/28	486,405
1,200,000	Lear Corp.	8.50	12/01/13	276,000	100,000	Ford Motor Credit Co. (f)	5.54	04/15/09	98,924
1,500,000	Limited Brands, Inc.	7.60	07/15/37	850,901	550,000	General Electric Capital Corp. (c)(f)	1.58	09/15/14	397,439
269,000	Royal Caribbean Cruise	8.00	05/15/10	229,995	207,000	General Electric Capital Corp.	5.63	05/01/18	180,298
753,000	Saks, Inc.	9.88	10/01/11	553,455	675,000	General Electric Capital Corp. (f)	6.88	01/10/39	552,047
2,028,000	WMG Holdings Corp. (h)	0.00	12/15/14	740,220	100,000	General Electric Capital Corp. (c)	1.43	05/11/16	65,349
				4,343,631	858,000	GMAC, LLC (b)(c)(f)	3.46	12/01/14	430,073
					250,000	Goldman Sachs Group, Inc.	5.13	01/15/15	225,557
Energy - 0.1%					200,000	Goldman Sachs Group, Inc. (c)	1.42	02/06/12	172,991
500,000	CenterPoint Energy Resources Corp.	6.00	05/15/18	424,247	100,000	Goldman Sachs Group, Inc. (c)(f)	1.50	07/22/15	70,481
130,000	Marathon Oil Corp. (f)	7.50	02/15/19	131,200	405,000	Goldman Sachs Group, Inc. (f)	6.15	04/01/18	370,553
500,000	Williams Companies, Inc. (b)	8.75	01/15/20	498,357	555,000	Goldman Sachs Group, Inc. (f)	7.50	02/15/19	554,740
				1,053,804	150,000	HBOS PLC (b)	6.75	05/21/18	115,893
Financials - 1.4%					232,000	HCP, Inc. (f)	5.63	05/01/17	148,211
155,000	Allied World Assurance Holdings, Ltd. (f)	7.50	08/01/16	98,741	725,000	JP Morgan Chase Capital XIII (c)(f)	2.18	09/30/34	294,064
615,000	BAC Capital Trust XV (c)	2.06	06/01/56	160,811	450,000	JPMorgan Chase & Co. (c)	7.90	10/30/49	289,778
40,000	Bank of America Corp.	5.65	05/01/18	33,427	68,000	JPMorgan Chase & Co. (f)	6.40	05/15/38	66,892
65,000	BankAmerica Capital III (c)	1.70	01/15/27	21,610	680,000	Lloyds Banking Group PLC (b)	5.92	12/31/49	125,800
250,000	Bear Stearns Co., Inc.	5.70	11/15/14	237,887	80,000	Merrill Lynch & Co., Inc. (c)(f)	8.68	05/02/17	69,252
75,000	Bear Stearns Co., Inc. (f)	7.25	02/01/18	77,579	80,000	Merrill Lynch & Co., Inc. (c)(f)	8.95	05/18/17	72,552
205,000	Camden Property Trust	4.38	01/15/10	201,530	80,000	Merrill Lynch & Co., Inc. (c)(f)	9.57	06/06/17	73,352
350,000	Capital One Financial Corp. (c)	1.57	09/10/09	339,039	201,000	MetLife, Inc. (f)	6.50	12/15/32	149,793
195,000	Capital One Financial Corp. (f)	5.70	09/15/11	175,672	200,000	Morgan Stanley	5.05	01/21/11	196,723

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\$ 125,000	Morgan Stanley (f)	1.59	10/18/16	\$ 83,946	\$ 130,000	Consolidated Edison Company of NY (f)	7.13	12/01/18	\$ 138,520
155,000	Morgan Stanley (f)	6.75	04/15/11	155,192	500,000	KCP&L Greater Missouri Operations Co.	7.63	11/15/09	495,851
125,000	Morgan Stanley (c)	1.70	01/09/14	92,799	750,000	KCP&L Greater Missouri Operations Co.	11.88	07/01/12	788,032
200,000	Morgan Stanley (c)	1.36	01/18/11	180,584	415,000	Nisource Finance Corp. (f)	10.75	03/15/16	420,633
65,000	Nationsbank Cap Trust III (c)(f)	1.68	01/15/27	22,128	145,000	Oncor Electric Delivery Co. (b)(f)	6.80	09/01/18	142,417
415,000	Nationsbank Cap Trust IV	8.25	04/15/27	180,322	130,000	Pacific Gas & Electric (f)	8.25	10/15/18	153,478
60,000	New Plan Excel Realty Trust (f)	5.13	09/15/12	23,700	400,000	PNM Resources, Inc.	9.25	05/15/15	355,500
100,000	Shurgard Storage Centers, LLC (f)	7.75	02/22/11	98,534	80,000	Public Service Co. of New Mexico (f)	7.95	05/15/18	70,308
49,000	Shurgard Storage Centers, LLC (f)	5.88	03/15/13	44,683	675,000	Sabine Pass LNG LP	7.25	11/30/13	479,250
180,000	Simon Property Group LP (f)	5.75	05/01/12	155,803	1,190,000	Southern Union Co. (c)(f)	7.20	11/01/66	600,950
477,000	Thornburg Mortgage, Inc.	8.00	05/15/13	11,329	400,000	Texas-New Mexico Power Co. (b)	9.50	04/01/19	394,399
130,000	Wachovia Bank NA (f)	6.00	11/15/17	113,605	122,000	Union Electric Co. (f)	6.70	02/01/19	116,412
175,000	Washington Real Estate Investment Trust (f)	5.95	06/15/11	153,934					4,723,220
170,000	Weingarten Realty Investors (f)	4.99	09/03/13	124,995					
				11,550,783					
									28,006,783
Information Technology - 0.1%					Foreign Bonds - 0.0%				
564,000	First Data Corporation	9.88	09/24/15	332,760	125,000	Electricite de France (b)(f)	5.50	01/26/14	132,831
821,000	Sungard Data Systems, Inc.	9.13	08/15/13	718,375					
				1,051,135					132,831
Materials - 0.0%					Syndicated Loans - 0.2%				
35,000	Barrick Gold Corp.	6.95	04/01/19	35,222	500,000	HCA, Inc.	2.72	11/18/12	433,750
110,000	Barrick Gold Finance Co. (f)	5.80	11/15/34	83,626	659,999	HCA, Inc.	2.72	11/18/12	572,549
				118,848	371,623	Northwest Air, Inc.	2.57	05/21/12	334,833
					743,103	Tribune Co.	6.50	05/24/14	200,374
									1,541,506
Telecommunication Services - 0.6%					U.S. Government and Agency Obligations - 3.3%				
5,000,000	Interpublic Group Cos.	6.25	11/15/14	3,175,000	Discount Note - 1.4%				
500,000	Mediacom LLC/ Mediacom Capital Corp.	9.50	01/15/13	470,000	220,000	FHLB Discount Note (e)	0.01	04/01/09	220,000
515,000	Sprint Nextel Corp. (c)	1.63	06/28/10	476,774	3,874,000	FHLB Discount Note (e)	0.05	04/03/09	3,873,984
430,000	Time Warner Cable, Inc.	8.25	04/01/19	442,627	1,875,000	FHLB Discount Note (e)	0.18	04/06/09	1,874,918
125,000	Verizon Communications (f)	8.75	11/01/18	143,261	1,080,000	FHLB Discount Note (e)	0.39	05/22/09	1,079,777
400,000	Verizon Wireless (b)	8.50	11/15/18	457,700	1,400,000	FHLB Discount Note (e)	0.22	06/09/09	1,399,558
				5,165,362	655,000	FHLMC Discount Note (e)	0.19	04/13/09	654,924
					340,000	FHLMC Discount Note (e)	0.25	06/22/09	339,872
					1,005,000	FHLMC Discount Note (e)	0.25	06/23/09	1,004,618
					720,000	FHLMC Discount Note (c)	1.12	03/26/10	720,940
									11,168,591
Utilities - 0.6%									
450,000	Calpine Construction Finance (b)	10.25	08/26/11	428,625					
133,000	CenterPoint Energy Houston Elec LLC (f)	7.00	03/01/14	138,845					

ABSOLUTE STRATEGIES FUND

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<u>Principal</u>	<u>Security Description</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Value</u>	<u>Contracts</u>	<u>Security Description</u>	<u>Strike Price</u>	<u>Expiration Date</u>	<u>Value</u>
Short-Term Investments - 0.2%					295	Quest Diagno	\$30.00	01/16/10	\$ 561,975
Commercial Paper - 0.2%					3	Robert Half International, Inc.	22.50	06/20/09	113
\$1,425,000	National Rural Utilities	0.45	04/24/09	\$1,424,590	190	Royal Caribbean Cruises, Ltd.	20.00	01/16/10	9,975
Total Commercial Paper (Cost \$1,424,590)				1,424,590	300	Target Corp.	10.00	01/16/10	735,000
Total Short-Term Investments (Cost \$1,424,590)					217	United Parcel Service, Inc.	50.00	01/16/10	123,690
					1,120	UnitedHealth Group	30.00	01/16/10	210,000
					110	UnitedHealth Group	25.00	01/16/10	35,750
					1,230	Walgreen Co.	10.00	01/22/11	1,992,600
					125	Wal-Mart Stores, Inc.	30.00	01/22/11	293,437
Call Options Purchased - 1.1%					475	Wal-Mart Stores, Inc.	30.00	01/16/10	1,074,688
221	Accenture, Ltd.	\$20.00	01/16/10	190,060	150	Walt Disney Co.	15.00	01/16/10	74,250
300	Bed Bath & Beyond, Inc.	20.00	01/16/10	216,000	177	Walt Disney Co.	20.00	01/16/10	42,480
248	Boeing Co.	55.00	01/16/10	17,980	Total Call Options Purchased (Premiums Paid \$14,997,009)				
240	Cemex SAB de C.V., ADR	15.00	01/16/10	8,400	9,414,283				
100	Coca-Cola Co.	25.00	01/22/11	195,000	Total Long Positions - 83.8% (Cost \$858,343,803) *				
590	Coca-Cola Co.	30.00	01/22/11	885,000	Total Short Positions - (24.0)% (Cost \$(275,617,276))				
460	Comcast Corp.	10.00	01/16/10	188,600	Total Options Written - (0.1)% (Cost \$(576,326))				
100	ConocoPhillips	40.00	01/16/10	59,500	Other Assets & Liabilities, Net - 40.3%				
200	CVS Caremark Corp.	15.00	01/22/11	273,000	Net Assets - 100.00%				
233	Johnson & Johnson	40.00	01/22/11	336,685	\$ 825,220,317				
140	Johnson & Johnson	50.00	01/16/10	95,620					
1,018	Lowe's Cos., Inc.	10.00	01/16/10	875,480					
73	LVC US	30.00	01/16/10	21,900					
350	Microsoft Corp.	20.00	01/16/10	81,900					
340	Procter & Gamble Co.	30.00	01/22/11	617,100					
175	Procter & Gamble Co.	40.00	01/22/11	198,100					

ABSOLUTE STRATEGIES FUND**SCHEDULE OF SECURITIES SOLD SHORT**

MARCH 31, 2009

Shares	Security Description	Value	Shares	Security Description	Value
Securities Sold Short - (24.0)%					
Common Stock - (22.9)%					
Consumer Discretionary - (2.6)%					
(19,200)	America's Car-Mart, Inc.	\$ (260,928)	(37,200)	Avon Products, Inc.	\$ (715,356)
(50,900)	Asbury Automotive Group, Inc.	(219,379)	(14,981)	Bunge Ltd.	(848,674)
(28,639)	Autoliv, Inc.	(531,826)	(294,947)	CBLZ, Inc.	(2,055,781)
(93,880)	Blockbuster, Inc., Class A	(67,594)		Chemed Corp.	(123,858)
(54,300)	Brunswick Corp.	(187,335)	(3,184)	Church & Dwight Co., Inc.	(511,854)
(48,900)	Carnival Corp.	(1,056,240)	(9,800)	Corporate Executive Board Co.	(324,800)
(56,700)	Centex Corp.	(425,250)	(22,400)	Corrections Corp. of America	(120,414)
(10,700)	Churchill Downs, Inc.	(321,642)	(9,400)	HLTH Corp.	(638,347)
(9,900)	Cintas Corp.	(244,728)	(61,676)	Estee Lauder Cos., Inc., Class A	(229,245)
(47,203)	Empire Resorts, Inc.	(36,342)	(9,300)	Euronet Worldwide, Inc.	(70,694)
(32,400)	Fastenal Co. (k)	(1,041,822)	(5,413)	Flowers Foods, Inc.	(345,156)
(48,100)	Gaylord Entertainment Co.	(400,673)	(14,700)	Fortune Brands, Inc.	(243,045)
(9,700)	Genuine Parts Co.	(289,642)	(9,900)	FTI Consulting, Inc.	(326,568)
(15,400)	Group 1 Automotive, Inc.	(215,138)	(39,200)	Hill International, Inc.	(119,168)
(48,000)	Harley-Davidson, Inc.	(642,720)	(5,100)	Huron Consulting Group, Inc.	(216,393)
(43,000)	Harman International Industries, Inc.	(581,790)	(18,100)	Iron Mountain, Inc.	(401,277)
(17,697)	Iconix Brand Group, Inc.	(156,618)	(27,300)	K12, Inc.	(379,470)
(25,200)	International Speedway Corp., Class A	(555,912)	(45,600)	Kelly Services, Inc., Class A	(367,080)
(43,500)	JC Penney Co., Inc.	(873,045)	(8,600)	Kraft Foods, Inc., Class A	(191,694)
(190,778)	Johnson Controls, Inc.	(2,289,336)	(8,000)	Landauer, Inc.	(405,440)
(15,200)	Lowe's Cos., Inc.	(277,400)	(77,362)	Live Nation, Inc.	(206,557)
(28,300)	Marcus Corp.	(240,550)	(10,700)	Manpower, Inc.	(337,371)
(49,900)	Marriott International, Inc., Class A	(816,364)	(7,300)	McCormick & Co., Inc.	(215,861)
(10,600)	MDC Holdings, Inc.	(330,084)	(15,600)	Molson Coors Brewing Co., Class B	(534,768)
(2,792)	Mesa Air Group, Inc.	(356)	(15,379)	Omnicare, Inc.	(376,632)
(28,255)	Newell Rubbermaid, Inc.	(180,267)	(13,877)	OSI Pharmaceuticals, Inc.	(530,934)
(42,900)	Nordstrom, Inc.	(718,575)	(38,900)	Paychex, Inc.	(998,563)
(15,600)	O'Reilly Automotive, Inc.	(546,156)	(36,700)	Pepsi Bottling Group, Inc.	(812,538)
(56,500)	Orient-Express Hotels, Ltd., Class A	(231,650)	(31,268)	PHH Corp.	(439,315)
(34,700)	Paccar, Inc.	(893,872)	(71,117)	Quanta Services, Inc.	(1,525,460)
(52,100)	Penske Auto Group, Inc.	(486,093)	(18,600)	Reynolds American, Inc.	(666,624)
(27,600)	Perry Ellis International, Inc.	(95,496)	(20,700)	SAIC, Inc.	(386,469)
(13,800)	Polo Ralph Lauren Corp.	(583,050)	(40,300)	SEI Investments Co.	(492,063)
(30,300)	Pool Corp.	(406,020)	(10,429)	Smithfield Foods, Inc.	(98,658)
(21,300)	Pulte Homes, Inc.	(232,809)	(98,342)	Spartan Stores, Inc.	(1,515,450)
(43,100)	Royal Caribbean Cruises Ltd.	(345,231)	(38,800)	Supervalu, Inc.	(554,064)
(9,509)	School Specialty, Inc.	(167,263)	(11,900)	Team, Inc.	(139,468)
(6,725)	Scientific Games Corp., Class A	(81,440)	(16,995)	Tootsie Roll Industries, Inc.	(369,131)
(57,700)	Skechers USA, Inc., Class A	(384,859)	(53,850)	Total System Services, Inc.	(743,668)
(41,000)	Starwood Hotels & Resorts Worldwide, Inc.	(520,700)	(12,900)	Tupperware Corp.	(219,171)
(39,500)	Tech Data Corp.	(860,310)	(37,800)	Tyson Foods, Inc., Class A	(354,942)
(24,650)	Tiffany & Co.	(531,454)	(34,588)	Universal Corp.	(1,034,873)
(36,800)	TJX Cos., Inc.	(943,552)	(50,500)	VCA Antech, Inc.	(1,138,775)
(6,300)	VF Corp.	(359,793)	(16,700)	Vector Group Ltd.	(216,933)
(7,300)	Wal-Mart Stores, Inc.	(380,330)	(36,750)	Weight Watchers International, Inc.	(681,712)
		(21,011,634)			(23,761,021)
Consumer Staples - (2.9)%					
(12,404)	Archer-Daniels-Midland Co.	(344,583)	Energy - (1.2)%		
(8,600)	Avery Dennison Corp.	(192,124)	(11,321)	Alpha Natural Resources, Inc.	(200,948)
			(13,800)	Anadarko Petroleum Corp.	(536,682)
			(54,900)	Atwood Oceanics, Inc.	(910,791)
			(100,900)	BPZ Energy, Inc.	(373,330)
			(20,800)	Cabot Oil & Gas Corp.	(490,256)
			(16,400)	Carrizo Oil & Gas, Inc.	(145,632)

ABSOLUTE STRATEGIES FUND**SCHEDULE OF SECURITIES SOLD SHORT**

MARCH 31, 2009

Shares	Security Description	Value	Shares	Security Description	Value
(24,696)	Chesapeake Energy Corp.	\$ (421,314)	(35,660)	Legg Mason, Inc.	\$ (566,994)
(16,300)	Continental Resources, Inc.	(345,723)	(700)	Markel Corp.	(198,716)
(20,323)	Covanta Holding Corp.	(266,028)	(26,300)	Marsh & McLennan Cos., Inc.	(532,575)
(25,600)	Dresser-Rand Group, Inc.	(565,760)	(21,000)	MBIA, Inc.	(96,180)
(20,900)	Enbridge, Inc.	(601,920)	(20,840)	MF Global Ltd.	(88,153)
(1,600)	EOG Resources, Inc.	(87,616)	(14,200)	Morgan Stanley	(323,334)
(6,400)	EQT Corp.	(200,512)	(21,200)	Old Republic International Corp.	(229,384)
(110,200)	Global Industries Ltd.	(423,168)	(3,800)	PartnerRe Ltd.	(235,866)
(10,400)	Goodrich Petroleum Corp.	(201,344)	(19,200)	PrivateBancorp, Inc.	(277,632)
(4,900)	Hess Corp.	(265,580)	(14,000)	Reinsurance Group of America, Inc.	(453,460)
(4,800)	Marathon Oil Corp.	(126,192)	(166,395)	SLM Corp.	(823,655)
(15,600)	Murphy Oil Corp.	(698,412)	(94,700)	South Financial Group, Inc.	(104,170)
(898)	Nabors Industries Ltd.	(8,971)	(12,300)	St. Joe Co.	(205,902)
(11,283)	Peabody Energy Corp.	(282,526)	(10,300)	State Street Corp.	(317,034)
(10,053)	Penn Virginia Corp.	(110,382)	(41,300)	SunTrust Bank	(484,862)
(7,569)	Pioneer Natural Resources Co.	(124,661)	(42,274)	SVB Financial Group	(845,903)
(5,400)	Rowan Cos., Inc.	(64,638)	(22,200)	Transatlantic Holdings, Inc.	(791,874)
(37,900)	SandRidge Energy, Inc.	(249,761)	(67,900)	Trustco Bank Corp.	(408,758)
(3,900)	Schlumberger Ltd.	(158,418)	(41,900)	Valley National Bancorp.	(518,303)
(24,300)	Smith International, Inc.	(521,964)	(97,100)	Webster Financial Corp.	(412,675)
(4,200)	Suncor Energy, Inc.	(93,282)	(1,153)	Wells Fargo & Co.	(16,419)
(22,300)	TransCanada Corp	(527,395)	(2,500)	White Mountains Insurance Group Ltd.	(429,775)
(931)	Transocean, Ltd.	(54,780)	(21,100)	Wintrust Financial Corp.	(259,530)
(34,700)	W&T Offshore, Inc.	(213,405)	(15,595)	World Acceptance, Corp.	(266,674)
(25,100)	Weatherford International	(277,857)	(80,600)	XL Capital, Ltd., Class A	(440,076)
(6,250)	XTO Energy, Inc.	(191,375)	(29,800)	Zions Bancorp.	(292,934)
		(9,740,623)			(19,385,387)
Financials - (2.4)%			Health Care - (3.7)%		
(8,479)	Affiliated Managers Group, Inc.	(353,659)	(3,500)	Abbott Laboratories	(166,950)
(11,829)	Alexandria Real Estate Equities, Inc.	(430,576)	(15,500)	Allergan, Inc.	(740,280)
(2,040)	Alleghany Corp.	(552,493)	(8,400)	AMAG Pharmaceuticals, Inc.	(308,868)
(31,660)	American International Group, Inc.	(31,660)	(193,072)	American Medical Systems Holdings, Inc.	(2,152,753)
(28,900)	Arthur J. Gallagher & Co.	(491,300)	(12,136)	AMERIGROUP Corp.	(334,225)
(41,100)	Assured Guaranty Ltd.	(278,247)	(12,800)	Amylin Pharmaceuticals, Inc.	(150,400)
(14,542)	Bank of America Corp.	(99,176)	(107,199)	ATX Medical	(267,998)
(39,200)	Capital One Financial Corp.	(479,808)	(163,642)	BioMarin Pharmaceuticals, Inc.	(2,020,979)
(10,500)	Capitol Federal Financial	(397,005)	(36,300)	Brookdale Senior Living, Inc.	(183,315)
(10,800)	Chemical Financial Corp.	(224,748)	(14,800)	Celgene Corp.	(657,120)
(213,652)	CIT Group, Inc.	(608,908)	(6,000)	Covance, Inc.	(213,780)
(165,500)	Citizens Banking Corp.	(256,525)	(72,292)	Cubist Pharmaceuticals, Inc.	(1,182,697)
(29,300)	Comerica, Inc.	(536,483)	(15,968)	deCODE genetics, Inc.	(3,689)
(6,300)	Credicorp Ltd.	(295,092)	(54,800)	Endo Pharmaceuticals Holdings, Inc.	(968,864)
(76,000)	E*Trade Financial Corp.	(97,280)	(29,344)	Epix Pharmaceuticals, Inc.	(16,873)
(29,500)	East-West Bancorp., Inc.	(134,815)	(15,400)	Gen-Probe, Inc.	(701,932)
(221,099)	Fifth Third Bancorp.	(645,609)	(46,429)	Greatbatch, Inc.	(898,401)
(54,927)	First Horizon National Corp.	(589,916)	(42,477)	Healthsouth Corp.	(377,196)
(69,900)	Forest City Enterprises, Inc., Class A	(251,640)	(22,228)	Hologic, Inc.	(290,965)
(9,700)	Franklin Resources, Inc.	(522,539)	(118,500)	Incyte Corp.	(277,290)
(3,500)	Goldman Sachs Group, Inc.	(371,070)	(29,147)	Inverness Medical Innovations, Inc.	(776,185)
(19,700)	Hartford Financial Services Group, Inc.	(154,645)	(8,000)	Integra LifeSciences Holdings Corp.	(197,840)
(55,100)	Investors Bancorp, Inc.	(466,697)	(169,367)	Isis Pharmaceuticals, Inc.	(2,542,199)
(31,300)	Jefferies Group, Inc.	(431,940)	(25,405)	Kinetic Concepts, Inc.	(536,554)
(135,034)	Keycorp	(1,062,718)			

See Notes to Financial Statements.

ABSOLUTE STRATEGIES FUND**SCHEDULE OF SECURITIES SOLD SHORT**

MARCH 31, 2009

Shares	Security Description	Value	Shares	Security Description	Value
(32,513)	King Pharmaceuticals, Inc.	\$ (229,867)	(200,485)	Lecroy Corp.	\$ (629,523)
(21,734)	LifePoint Hospitals, Inc.	(453,371)	(8,200)	Lincoln Electric Holdings, Inc.	(259,858)
(19,200)	Luminex Corp.	(347,904)	(8,600)	Mathews International Corp., Class A	(247,766)
(20,122)	Medicis Pharmaceutical Corp., Class A	(248,909)	(33,450)	Mine Safety Appliances Co.	(669,669)
(4,043)	Millipore Corp.	(232,109)	(17,000)	Moog, Inc., Class A	(388,790)
(69,840)	Molina Healthcare, Inc.	(1,328,357)	(45,700)	Movado Group, Inc.	(344,578)
(220,509)	Mylan Laboratories	(2,957,026)	(35,100)	National Instruments Corp.	(654,615)
(34,600)	Natus Medical, Inc.	(294,446)	(53,895)	Newport Corp.	(238,216)
(254,473)	Novamed, Inc.	(577,654)	(15,200)	Norfolk Southern Corp.	(513,000)
(16,900)	NuVasive, Inc.	(530,322)	(52,600)	Packaging Corp. of America	(684,852)
(32,400)	Patterson Cos., Inc.	(611,064)	(28,200)	Pall Corp.	(576,126)
(19,200)	Pharmaceutical Product Development, Inc.	(455,424)	(19,300)	Parker Hannifin Corp.	(655,814)
(104,333)	PSS World Medical, Inc.	(1,497,179)	(12,600)	Precision Castparts Corp.	(754,740)
(22,100)	Psychiatric Solutions, Inc.	(347,633)	(7,400)	Regal-Beloit Corp.	(226,736)
(14,300)	Qiagen NV	(228,228)	(20,900)	Rockwell Automation, Inc.	(456,456)
(5,000)	Quest Diagnostics	(237,400)	(14,700)	Rockwell Collins, Inc.	(479,808)
(34,000)	Sequenom, Inc.	(483,480)	(6,500)	Roper Industries, Inc.	(275,925)
(35,000)	SonoSite, Inc.	(625,800)	(3,800)	Stericycle, Inc.	(181,374)
(12,600)	Stryker Corp.	(428,904)	(13,200)	Tetra Tech, Inc.	(269,016)
(156,101)	Viropharma, Inc.	(819,530)	(10,400)	Texas Industries, Inc.	(260,000)
(16,776)	West Pharmaceutical Services, Inc.	(550,421)	(49,169)	Trinity Industries, Inc.	(449,407)
(80,462)	Wright Medical Group, Inc.	(1,048,420)	(17,500)	Universal Display Corp.	(160,475)
(7,400)	Xenoport, Inc.	(143,263)	(19,400)	Waste Connections, Inc.	(498,580)
			(18,000)	Waste Management, Inc.	(460,800)
			(16,100)	Waters Corp.	(594,895)
			(18,300)	Werner Enterprises, Inc.	(276,695)
			(27,000)	Zebra Technologies Corp., Class A	(513,540)
		(30,644,064)			(24,696,118)
Industrials - (3.0)%				Information Technology - (3.1)%	
(48,745)	AAR Corp.	(611,262)	(264,500)	Amkor Technology, Inc.	(708,860)
(33,200)	Alexander & Baldwin, Inc.	(631,796)	(40,400)	Analog Devices, Inc.	(778,508)
(1,950)	Ametek, Inc.	(60,976)	(21,100)	Ansys, Inc.	(529,610)
(11,200)	Arkansas Best Corp.	(213,024)	(4,700)	Apple, Inc.	(494,064)
(82,913)	Barnes Group, Inc.	(886,340)	(29,400)	Autodesk, Inc.	(494,214)
(3,800)	Boeing Co.	(135,204)	(9,577)	Blackboard, Inc.	(303,974)
(27,900)	Brink's Co.	(738,234)	(49,800)	Broadcom Corp., Class A	(995,004)
(13,100)	Bristow Group, Inc.	(280,733)	(18,900)	CA, Inc.	(332,829)
(97,365)	C&D Technologies, Inc.	(180,125)	(54,459)	CACI International, Inc., Class A	(1,987,209)
(8,800)	Canadian Pacific Railway Ltd.	(260,744)	(48,050)	Cognizant Technology Solutions Corp., Class A	(998,960)
(25,000)	Carlisle Cos., Inc.	(490,750)	(11,400)	Concur Technologies, Inc.	(218,766)
(18,600)	Clarcor, Inc.	(468,534)	(20,800)	Eclipsys Corp.	(210,912)
(14,300)	Clean Harbors, Inc.	(686,400)	(27,550)	Electronic Arts, Inc.	(501,134)
(55,900)	Con-way, Inc.	(1,002,287)	(37,358)	EMC Corp.	(425,881)
(7,200)	Curtiss-Wright Corp.	(201,960)	(173,587)	Epicor Software Corp.	(661,366)
(78,600)	Eastman Kodak Co.	(298,680)	(16,700)	IHS, Inc., Class A	(687,706)
(2,700)	Energizer Holdings, Inc.	(134,163)	(55,350)	IMS Health, Inc.	(690,214)
(46,458)	EnerSys	(563,071)	(2,300)	International Business Machines Corp.	(222,847)
(9,500)	Fisher Scientific, Inc.	(338,865)	(39,500)	Linear Technology Corp.	(907,710)
(28,177)	General Cable Corp.	(558,468)	(96,482)	Mentor Graphics Corp.	(428,380)
(31,600)	General Electric Co.	(319,476)	(50,300)	Metavante Technologies, Inc.	(1,003,988)
(14,000)	Gorman-Rupp Co.	(277,200)	(14,400)	Microchip Technology, Inc.	(305,136)
(25,500)	IDEX Corp.	(557,685)	(71,561)	Micron Technology, Inc.	(290,538)
(26,282)	Itron, Inc.	(1,244,453)			
(57,490)	Kansas City Southern	(730,698)			
(12,800)	Kaydon Corp.	(349,824)			
(28,300)	Kirby Corp.	(753,912)			

See Notes to Financial Statements.

ABSOLUTE STRATEGIES FUND**SCHEDULE OF SECURITIES SOLD SHORT**

MARCH 31, 2009

Shares	Security Description	Value	Shares	Security Description	Value
(6,800)	Microsemi Corp.	\$ (78,880)	(32,706)	Equinix, Inc.	\$ (1,836,442)
(43,100)	MSCI, Inc., Class A	(728,821)	(11,200)	GeoEye, Inc.	(221,200)
(21,400)	MSCSoftware Corp.	(120,696)	(256,674)	Interpublic Group of Cos., Inc.	(1,057,497)
(105,886)	Nuance Communications, Inc.	(1,149,922)	(9,255)	Leap Wireless International, Inc.	(322,722)
(581,701)	ON Semiconductor Corp.	(2,268,633)	(454,085)	Level 3 Communications, Inc.	(417,758)
(13,000)	Phase Forward, Inc.	(166,270)	(32,600)	McGraw-Hill Cos., Inc.	(745,562)
(16,300)	Power Integrations, Inc.	(280,360)	(44,100)	Meredith Corp.	(733,824)
(5,200)	Research In Motion Ltd.	(223,964)	(44,900)	NII Holdings, Inc.	(673,500)
(30,000)	Salesforce.com, Inc.	(981,900)	(32,548)	Omnicom Group	(761,623)
(152,877)	SYNNEX Corp.	(3,007,091)	(41,100)	SAVVIS, Inc.	(254,409)
(31,800)	Take-Two Interactive Software, Inc.	(265,530)	(17,619)	SBA Communications Corp., Class A	(410,523)
(32,900)	Teradata Corp.	(533,638)	(43,700)	Scholastic Corp.	(658,559)
(74,700)	THQ, Inc.	(227,088)	(32,800)	Scripps Networks Interactive, Class A	(738,328)
(16,200)	Ultimate Software Group, Inc.	(279,612)	(26,600)	Switch and Data, Inc.	(233,282)
(31,900)	Varian Semiconductor Equipment Associates, Inc.	(690,954)	(15,096)	Symantec Corp.	(225,534)
(33,133)	Veeco Instruments, Inc.	(220,997)	(29,490)	Symmetricom, Inc.	(103,215)
(11,200)	VMware, Inc., Class A	(264,544)	(43,534)	TW Telecom, Inc.	(380,922)
(55,900)	Xerox Corp.	(254,345)	(48,700)	Viacom, Class B	(846,406)
			(87,654)	Virgin Media, Inc.	(420,739)
			(14,300)	Vocus, Inc.	(190,047)
		<u>(25,921,055)</u>			<u>(17,577,984)</u>
Materials - (1.0)%			Utilities - (0.9)%		
(14,900)	Air Products & Chemicals, Inc.	(838,125)	(23,650)	Allegheny Energy, Inc.	(547,970)
(32,100)	Albemarle Corp.	(698,817)	(3,900)	Aqua America, Inc.	(78,000)
(262,450)	Alcoa, Inc.	(1,926,383)	(24,300)	Constellation Energy Group, Inc.	(502,038)
(25,000)	American Vanguard Corp.	(322,500)	(41,800)	Hawaiian Electric Industries	(574,332)
(10,800)	Balchem Corp.	(271,404)	(8,500)	Laclede Group, Inc.	(331,330)
(8,100)	BASF AG, ADR	(245,349)	(16,200)	New Jersey Resources Corp.	(550,476)
(24,100)	Cameco Corp.	(413,797)	(9,200)	Northwest Natural Gas Co.	(399,464)
(19,300)	Eastman Chemical Co.	(517,240)	(10,300)	NSTAR	(328,364)
(31,544)	Ferro Corp.	(45,108)	(23,100)	Otter Tail Corp.	(509,355)
(18,700)	FMC Corp.	(806,718)	(22,400)	PPL Corp.	(643,104)
(15,400)	Innophos Holdings, Inc.	(173,712)	(27,700)	Public Service Enterprise Group, Inc.	(816,319)
(40,300)	Ivanhoe Mines Ltd.	(247,845)	(15,000)	Southern Co.	(459,300)
(6,338)	Newmont Mining Corp.	(283,689)	(22,700)	Vectren Corp.	(478,743)
(6,400)	Potash Corp. of Saskatchewan	(517,184)	(17,400)	WGL Holdings, Inc.	(570,720)
(15,300)	PPG Industries, Inc.	(564,570)	(23,700)	Xcel Energy, Inc.	(441,531)
(18,200)	Sensient Technologies Corp.	(427,700)			
(5,700)	Sigma-Aldrich Corp.	(215,403)			
(99,400)	Taseko Mines Ltd.	(124,250)			
		<u>(8,639,794)</u>		Total Common Stock (Cost \$(258,076,259))	<u>(188,608,726)</u>
Telecommunication Services - (2.1)%			Investment Companies - (1.1)%		
(153,357)	Alaska Communications Systems Group, Inc.	(1,027,492)	(42,450)	iShares Russell 2000 Index Fund	(1,780,353)
(81,841)	Arris Group, Inc.	(603,168)	(18,450)	Midcap SPDR Trust Series 1	(1,635,592)
(55,500)	CBS Corp., Class B	(213,120)	(64,025)	Powershares QQQ	(1,941,238)
(9,429)	Central European Media Enterprises, Ltd., Class A	(108,056)	(52,585)	SPDR Trust Series 1	(4,177,352)
(71,384)	Ciena Corp.	(555,368)			
(712)	Citadel Broadcasting Corp.	(48)		Total Investment Companies (Cost \$(17,541,017))	<u>(9,534,535)</u>
(26,969)	Crown Castle International Corp.	(550,437)			
(40,500)	CTC Media, Inc.	(184,680)		Total Securities Sold Short - (24.0)%	
(472,378)	Earthlink, Inc.	(3,103,523)		(Cost \$(275,617,276))	<u><u>\$ (198,143,261)</u></u>

See Notes to Financial Statements.

ABSOLUTE STRATEGIES FUND

SCHEDULE OF CALL AND PUT OPTIONS WRITTEN

MARCH 31, 2009

<u>Number of Contacts</u>	<u>Security Description</u>	<u>Strike Price</u>	<u>Expiration Date</u>	<u>Value</u>
Options Written - (0.1)%				
Call Options Written - (0.1)%				
(65)	Accenture, Ltd.	\$ 35.00	01/16/10	\$ (7,638)
(50)	Bank of America Corp.	35.00	04/18/09	(50)
(170)	Bank of New York Mellon Corp.	35.00	01/16/10	(81,600)
(40)	Bed Bath & Beyond, Inc.	30.00	01/16/10	(8,800)
(32)	ConocoPhillips	65.00	01/16/10	(2,720)
(635)	S&P 500 Index	1,025.00	04/18/09	(23,812)
(1,582)	S&P 500 Index	1,000.00	04/18/09	(15,820)
(70)	UnitedHealth Group, Inc.	30.00	01/16/10	(13,125)
(40)	United Parcel Service, Inc.	60.00	01/16/10	(8,400)
(80)	Walgreen Co.	30.00	01/16/10	(14,000)
Total Call Options Written - (0.1)% (Premiums Received \$(258,652))				<u>(175,965)</u>
Put Options Written - (0.0)%				
(95)	Fastenal Co.	25.00	05/16/09	(6,175)
(462)	S&P 500 Index	625.00	04/18/09	(60,060)
(1,135)	S&P 500 Index	650.00	04/18/09	(227,000)
Total Put Options Written - (0.0)% (Premiums Received \$(317,674))				<u>(293,235)</u>
Total Options Written - (0.1)% (Premiums Received \$(576,326))				<u><u>\$(469,200)</u></u>

ABSOLUTE STRATEGIES FUND
SCHEDULE OF INVESTMENTS
MARCH 31, 2009

ADR American Depositary Receipt

ETF Exchange Traded Fund

FHLMC Federal Home Loan Mortgage Corporation

FNMA Federal National Mortgage Association

PLC Public Limited Company

- (a) Non-income producing security.
- (b) Security exempt from registration under Rule 144A under the Securities Act of 1933. At the period end, the value of these securities amounted to \$32,064,702 or 3.9% of net assets.
- (c) Variable rate security.
- (d) Security is currently in default and is on scheduled interest or principal payment.
- (e) Zero coupon bond. Interest rate presented is yield to maturity.
- (f) All or a portion of this security is held as collateral for securities sold short.
- (g) Security fair valued in accordance with procedures adopted by the Board of Trustees.
- (h) Debt obligation initially issued at one coupon rate which converts to a higher coupon rate at a specific date. The rate shown is the rate at year end.
- (i) Holders of Comdisco Holding Co., Inc. were issued contingent equity distribution rights pursuant to the Comdisco, Inc. First Amended Joint Plan of Reorganization. Accordingly, there is no associated strike price or expiration date.
- (j) Security subject to call option written by the Fund.
- (k) Subject to put option written by the Fund.

At March 31, 2009, the Fund held the following futures contracts:

Contract	Type	Expiration Date	Notional Contract Value	Net Appreciation (Depreciation)
(26)	U.S. 5-year Note (CBT) Future	06/30/09	\$ (3,087,906)	\$ (68,537)
(10)	U.S. 2-year Note (CBT) Future	06/30/09	(2,178,906)	(15,468)
(167)	U.S. 10-year Note (CBT) Future	06/30/09	(20,721,047)	(765,169)
(22)	U.S. Long Bond (CBT) Future	06/30/09	(2,853,469)	(113,787)
			<u>\$(28,841,328)</u>	<u>\$(962,961)</u>

* Cost for Federal income tax purposes is \$613,532,979 and net unrealized appreciation (depreciation) consists of:

Gross Unrealized Appreciation	\$ 112,228,109
Gross Unrealized Depreciation	<u>(232,453,065)</u>
Net Unrealized Appreciation (Depreciation)	<u>\$(120,224,956)</u>

The following is a summary of the inputs used to value the Fund's net assets as of March 31, 2009:

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the table below, please refer to Note 2—Security Valuation section in the accompanying Notes to Financial Statements.

Valuation Inputs	Investments in Securities	Other Financial Instruments *
Level 1 — Quoted Prices	\$214,979,369	\$(1,432,161)
Level 2 — Other Significant Observable Inputs	273,820,430	-
Level 3 — Significant Unobservable Inputs	<u>4,977,424</u>	<u>-</u>
Total Investments	<u>\$493,777,223</u>	<u>\$(1,432,161)</u>

* Other Financial Instruments are derivative instruments not reflected in the Schedule of Investments, such as written options and futures, which are valued at the unrealized appreciation (depreciation) on the instrument.

The following is a reconciliation of Level 3 assets (at either the beginning or the ending of the period) for which significant unobservable inputs were used to determine fair value.

	Investments in Securities	Other Financial Investments
Balance as of 03/31/2008	<u>\$10,687,686</u>	<u>\$ (4,457)</u>
Accrued Accretion/ (Amortization)	63,194	-
Change in Unrealized Appreciation/(Depreciation)	(625,496)	(119,152)
Net Purchase/(Sales)	(2,929,251)	123,609
Transfers In/(Out)	<u>(2,218,709)</u>	<u>-</u>
Balance as of 03/31/2009	<u>\$ 4,977,424</u>	<u>\$ -</u>

ABSOLUTE OPPORTUNITIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2009

Shares	Security Description	Value	Shares	Security Description	Value
Long Positions - 76.1%			Industrials - 1.5%		
Equity Securities - 28.9%			110,000	Aircastle, Ltd.	\$ 511,500
Common Stock - 28.8%			7,500	Crown Holdings, Inc. (a)	170,475
Consumer Discretionary - 1.8%			7,000	Diana Shipping, Inc.	82,530
2,069	AutoZone, Inc. (a)	\$ 336,461	15,145	General Moly, Inc. (a)	16,054
5,496	Family Dollar Stores, Inc.	183,402	2,300	Graham Corp.	20,631
7,788	O'Reilly Automotive, Inc. (a)	272,658	4,500	Nalco Holding Co.	58,815
300,000	Punch Taverns PLC	251,816	20,000	Owens-Illinois, Inc. (a)	288,800
62,500	Titan International, Inc.	314,375			
		<u>1,358,712</u>			<u>1,148,805</u>
Consumer Staples - 5.7%			Information Technology - 0.9%		
2,291	Allegiant Travel Co. (a)	104,149	12,599	ArcSight, Inc. (a)	160,889
5,000	Alliance One International, Inc. (a)	19,200	11,452	Longtop Financial Technologies, Ltd., ADR (a)	243,126
5,723	American Public Education, Inc. (a)	240,709	916	Pegasystems, Inc.	17,010
2,062	Apollo Group, Inc., Class A (a)	161,516	6,871	Quality Systems, Inc.	310,913
5,000	Global Cash Access Holdings, Inc. (a)	19,100			<u>731,938</u>
8,032	Green Mountain Coffee Roasters, Inc. (a)	385,536	Materials - 1.5%		
2,422	Hansen Natural Corp. (a)	87,192	4,123	Agnico-Eagle Mines, Ltd.	234,681
195,000	Interval Leisure Group, Inc. (a)	1,033,500	4,000	Barrick Gold Corp.	129,680
1,946	ITT Educational Services, Inc. (a)	236,283	5,000	Cameco Corp.	85,850
8,019	Monro Muffler, Inc.	219,159	100,000	Domtar Corp. (a)	95,000
19,400	Stewart Enterprises, Inc., Class A	62,856	25,000	Methanex Corp.	195,250
79,200	Triple-S Management Corp., Class B (a)	975,744	12,600	Omnova Solutions, Inc. (a)	21,924
18,000	Universal Corp.	538,560	3,665	Randgold Resources, Ltd., ADR	199,193
317,500	Whitney Information Network, Inc. (a)	317,500	2,749	Royal Gold, Inc.	128,543
		<u>4,401,004</u>	4,581	Silver Wheaton Corp. (a)	37,702
					<u>1,127,823</u>
Energy - 6.3%			Telecommunication Services - 4.6%		
20,100	CVR Energy, Inc. (a)	111,354	10,308	AsiaInfo Holdings, Inc. (a)	173,690
27,500	Exterran Holdings, Inc. (a)	440,550	40,000	EchoStar Corp., Class A (a)	593,200
1,583,200	Primary Energy Recycling Corp. (g)	3,528,547	11,910	Netease.com, ADR (a)	319,784
10,000	SEACOR Holdings, Inc. (a)	583,100	8,008	NetFlix, Inc. (a)	343,703
11,000	Suncor Energy, Inc.	244,310	5,956	Neutral Tandem, Inc. (a)	146,577
		<u>4,907,861</u>	75,000	Liberty Media Corp. - Entertainment, Class A (a)	1,496,250
Financials - 4.7%			1,155	priceline.com, Inc. (a)	90,991
13	Berkshire Hathaway, Inc., Class A (a)	1,127,100	9,163	Shanda Interactive Entertainment, Ltd., ADR (a)	362,213
130,000	Discover Financial Services	820,300			<u>3,526,408</u>
1,376	Goldman Sachs Group, Inc.	145,883	Total Common Stocks (Cost \$20,784,975)		
25,000	Greenlight Capital Re, Ltd., Class A (a)	399,250			22,225,512
167,500	MI Developments, Inc., Class A	1,028,450	Preferred Stock - 0.1%		
4,581	Morgan Stanley	104,309	Materials - 0.1%		
		<u>3,625,292</u>	1,000	Freeport-McMoRan Copper & Gold, Inc.	64,750
Healthcare - 1.8%			Total Preferred Stock (Cost \$60,547)		
9,162	CardioNet, Inc. (a)	257,086			64,750
4,122	Edwards Lifesciences Corp. (a)	249,917	Total Equity Securities (Cost \$20,845,522)		
4,581	Illumina, Inc. (a)	170,596			22,290,262
9,157	Myriad Genetics, Inc. (a)	416,369			
4,579	Teva Pharmaceutical Industries, Ltd, ADR	206,284			
4,580	Vnus Medical Technologies, Inc. (a)	97,417			
		<u>1,397,669</u>			

See Notes to Financial Statements.

ABSOLUTE OPPORTUNITIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2009

<u>Principal</u>	<u>Security Description</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Value</u>	<u>Principal</u>	<u>Security Description</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Value</u>
Fixed-Income Securities - 36.2%					\$115,000	Merrill Lynch/ Countrywide			
\$ 54,154	American Airlines Pass Through Trust Series 2003-1 AMBC (f)	3.86	07/09/10	\$ 46,738	200,000	Commercial Mortgage Trust Series 2006-4 A3	5.17	12/12/49	\$ 67,199
172,673	Banc of America Funding Corp. Series 2007-8 2A1	7.00	10/25/37	89,209	80,000	Capital I Series 2007- HE2 A2B (c)	0.61	01/25/37	82,617
125,000	Carrington Mortgage Loan Trust Series 2007- FRE1 A3 (c)	0.78	02/25/37	32,292	220,000	Nationstar Home Equity Loan Trust Series 2006- B AV3 (c)	0.69	09/25/36	38,239
95,228	Citimortgage Alternative Loan Trust Series 2007- A1 1A7	6.00	01/25/37	44,660	125,000	Nationstar Home Equity Loan Trust Series 2006- B AV4 (c)	0.80	09/25/36	58,036
100,000	Countrywide Asset- Backed Certificates Series 2007-4 A2	5.53	09/25/37	79,262	280,000	Nationstar Home Equity Loan Trust Series 2007- A AV4 (c)	0.75	03/25/37	39,359
300,000	Countrywide Asset- Backed Certificates Series 2007-10 2A2 (c)	0.64	06/25/47	231,483	100,000	Option One Mortgage Loan Trust Series 2006- 3 2A2 (c)	0.62	02/25/37	201,852
80,000	Countrywide Asset- Backed Certificates Series 2007-5 2A2 (c)	0.69	09/25/47	46,895	300,000	Saxon Asset Securities Trust Series 2005-2 M1 (c)	0.94	10/25/35	42,608
75,000	Countrywide Asset- Backed Certificates Series 2007-7 2A2 (c)	0.68	10/25/47	46,638	254,914	Securitized Asset Backed Receivables LLC Trust Series 2007- NC1 A2B (c)	0.67	12/25/36	81,655
89,218	Countrywide Home Loan Mortgage Pass Through Trust Series 2007-HY3 2A1 (c)	5.63	06/25/47	44,738	250,000	Securitized Asset Backed Receivables LLC Trust Series 2007- BR2 A2 (c)	0.75	02/25/37	114,054
300,000	First Franklin Mortgage Loan Asset Backed Certificates Series 2006-FF11 2A3 (c)	0.67	08/25/36	79,125	24,145	Soundview Home Equity Loan Trust Series 2006- WF2 A2C (c)	0.66	12/25/36	150,722
180,000	GSAA Trust Series 2005-7 AF3	4.75	05/25/35	84,667	22,810	UAL Pass Through Trust Series 2000-2 002A	7.03	10/01/10	23,421
400,000	GSAMP Trust Series 2007-FM2 A2B (c)	0.61	01/25/37	120,108	115,659	UAL Pass Through Trust Series 2000-2 00A2	7.19	04/01/11	22,126
84,530	HFC Home Equity Loan Asset Backed Certificates Series 2007-3 APT (c)	1.75	11/20/36	56,622	203,108	WaMu Mortgage Pass Through Certificates Series 2007-HY4 1A1 (c)	5.49	04/25/37	55,615
136,345	Indymac Index Mortgage Loan Trust Series 2006- AR19 1A2 (c)	6.19	08/25/36	56,583	101,178	WaMu Mortgage Pass Through Certificates Series 2007-OA6 1A (c)	2.44	07/25/47	75,262
120,000	JP Morgan Alternative Loan Trust Series 2006- A6 2A5	6.05	11/25/36	40,705	101,178	Washington Mutual Alternative Mortgage Pass-Through Certificates Series 2005-3 2A3 (c)	1.07	05/25/35	55,813
150,000	JP Morgan Mortgage Acquisition Corp. Series 2007-CH1 AV4 (c)	0.65	11/25/36	76,376					
150,701	Lehman XS Trust Series 2006-14N 3A2 (c)	0.64	08/25/36	49,834					

See Notes to Financial Statements.

ABSOLUTE OPPORTUNITIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2009

<u>Principal</u>	<u>Security Description</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Value</u>
Commercial Paper - 0.4%				
\$140,000	National Rural Utilities	0.45	04/24/09	\$ 139,960
140,000	Rabobank USA Financial Corp.	0.74	05/11/09	139,885
Total Commercial Paper (Cost \$279,845)				279,845

<u>Contracts</u>	<u>Strike Price</u>	<u>Expiration Date</u>		
Put Options Purchased - 0.2%				
46	Myriad Genetics, Inc.	\$37.50	04/22/09	1,265
377	SPDR Trust Series 1	75.00	04/22/09	47,879
229	SPDR Trust Series 1	78.00	04/22/09	49,922
321	SPDR Trust Series 1	67.00	05/20/09	33,705
46	SPDR Gold Trust	90.00	04/22/09	10,120
Total Put Options Purchased (Premiums Paid \$138,515)				142,891

Call Options Purchased - 0.0%				
46	American Public Education, Inc.	45.00	04/22/09	3,910
46	Apollo Group, Inc.	90.00	04/22/09	7,774
46	Myriad Genetics, Inc.	42.50	04/22/09	17,940
Total Call Options Purchased (Premiums Paid \$18,630)				29,624

Total Long Positions - 76.1%				\$58,739,529
(Cost \$56,544,689)*				
Total Short Positions - (3.0%)				(2,333,275)
(Cost \$(2,386,881))*				
Total Options Written - (0.1%)				(50,525)
(Cost \$(50,181))				
Other Assets & Liabilities, Net - 27.0%				20,888,864
Net Assets - 100.00%				\$77,244,593

ABSOLUTE OPPORTUNITIES FUND

SCHEDULE OF SECURITIES SOLD SHORT

MARCH 31, 2009

<u>Shares</u>	<u>Security Description</u>	<u>Value</u>	<u>Shares</u>	<u>Security Description</u>	<u>Value</u>
Common Stock - (1.6)%			Investment Companies - (1.4)%		
Consumer Discretionary - (0.3)%			(18,320)	Powershares QQQ	\$ (555,462)
(1,146)	Best Buy Co., Inc.	\$ (43,503)	(6,871)	SPDR Trust Series 1	(545,832)
(1,145)	Carnival Corp.	(24,732)	Total Investment Companies (Cost \$(1,130,476))		
(2,290)	Home Depot, Inc.	(53,952)	(1,101,294)		
(1,469)	Polaris Industries, Inc.	(31,495)	Total Securities Sold Short - (3.0)%		
(2,288)	Staples, Inc.	(41,436)	(Cost \$2,386,881)*		
(2,290)	Toro Co.	(55,372)	<u><u>\$(2,333,275)</u></u>		
		(250,490)			
Consumer Staples - (0.0)%					
(457)	Alliance Data Systems Corp.	(16,886)			
Energy - (0.2)%					
(1,374)	Apache Corp.	(88,060)			
(1,597)	Southwestern Energy Co.	(47,415)			
		(135,475)			
Financials - (0.2)%					
(916)	Bank of Hawaii Corp.	(30,210)			
(916)	MetLife, Inc.	(20,857)			
(916)	Prudential Financial, Inc.	(17,422)			
(1,833)	Trustmark Corp.	(33,690)			
(916)	Westamerica Bancorporation	(41,733)			
		(143,912)			
Industrials - (0.2)%					
(2,291)	Briggs & Stratton Corp.	(37,802)			
(1,831)	Canadian National Railway Co.	(64,909)			
(1,375)	Valmont Industries, Inc.	(69,039)			
		(171,750)			
Information Technology - (0.4)%					
(916)	Blackboard, Inc.	(29,074)			
(686)	International Business Machines Corp.	(66,467)			
(5,725)	Intel Corp.	(86,161)			
(2,283)	Kla-Tencor Corp.	(45,660)			
(2,290)	Linear Technology Corp.	(52,624)			
		(279,986)			
Materials - (0.1)%					
(2,277)	Nucor Corp.	(86,913)			
Telecommunication Services - (0.2)%					
(4,580)	Cisco Systems, Inc.	(76,807)			
(2,310)	Verizon Communications, Inc.	(69,762)			
		(146,569)			
Total Common Stocks (Cost \$(1,256,405))			<u><u>(1,231,981)</u></u>		

ABSOLUTE OPPORTUNITIES FUND

SCHEDULE OF CALL AND PUT OPTIONS WRITTEN

MARCH 31, 2009

<u>Number of Contacts</u>	<u>Security Description</u>	<u>Strike Price</u>	<u>Expiration Date</u>	<u>Value</u>
Options Written - (0.1)%				
Call Options Written - (0.0)%				
(201)	S&P 500 Index	\$1,000.00	04/22/09	\$ (2,010)
(118)	S&P 500 Index	1,025.00	04/22/09	<u>(4,425)</u>
Total Call Options Written - (0.0)%				
(Premiums Received \$(3,866))				<u>(6,435)</u>
Put Options Written - (0.1)%				
(73)	S&P 500 Index	625.00	04/22/09	(9,490)
(173)	S&P 500 Index	650.00	04/22/09	<u>(34,600)</u>
Total Put Options Written - (0.1)%				
(Premiums Received \$(46,315))				<u>(44,090)</u>
Total Options Written - (0.1)%				
(Premiums Received \$(50,181))				<u>\$(50,525)</u>

ABSOLUTE OPPORTUNITIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2009

FHLB Federal Home Loan Bank

FHLMC Federal Home Loan Mortgage Corporation

FNMA Federal National Mortgage Association

PLC Public Limited Company

- (a) Non-income producing security.
- (b) Security exempt from registration under Rule 144A under the Securities Act of 1933. At the period end, the value of these securities amounted to \$160,745 or 0.2% of net assets.
- (c) Variable rate security.
- (d) Rates shown are annualized yields at time of purchase.
- (e) Security fair valued in accordance with procedures adopted by the Board of Trustees.
- (f) All or a portion of this security is held as collateral for securities sold short.
- (g) Affiliated Company.

An affiliated company is a company in which the Fund has ownership of at least 5% of the voting securities.

Transactions during the period with companies which were affiliates are as follows:

Name of Issuer	Shares held as of beginning of period	Gross Additions	Shares held at end of period	Value March 31, 2009	Investment Income
Primary Energy Recycling, Inc.	-	\$3,779,001	1,583,200	\$3,528,547	\$247,521

* Cost for Federal income tax purposes is \$54,456,674 and net unrealized appreciation (depreciation) consists of:

Gross Unrealized Appreciation	\$ 3,311,961
Gross Unrealized Depreciation	(1,412,906)
Net Unrealized Appreciation (Depreciation)	<u>\$ 1,899,055</u>

The following is a summary of the inputs used to value the Fund's net assets as of March 31, 2009:

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the table below, please refer to Note 2—Security Valuation section in the accompanying Notes to Financial Statements.

Valuation Inputs	Investments in Securities	Other Financial Instruments*
Level 1 - Quoted Prices	\$28,164,849	\$(50,525)
Level 2 - Other Significant Observable Inputs	24,798,979	-
Level 3 - Significant Unobservable Inputs	3,442,426	-
Total Investments	<u>\$56,406,254</u>	<u>\$(50,525)</u>

* Other Financial Instruments are derivative instruments not reflected in the Schedule of Investments, such as written options, which are valued at the unrealized appreciation (depreciation) of the instrument.

The following is a reconciliation of Level 3 assets (at either the beginning or ending of the period) for which significant unobservable inputs were used to determine fair value.

	Investments in Securities
Balance as of 3/31/08	\$ -
Accrued Accretion/(Amortization)	146,843
Change in Unrealized Appreciation/ (Depreciation)	208,306
Net Purchase/(Sales)	3,087,277
Transfers In/(Out)	-
Balance as of 3/31/09	<u>\$3,442,426</u>

ABSOLUTE STRATEGIES FUND

PORTFOLIO HOLDINGS SUMMARY (Unaudited)

MARCH 31, 2009

Portfolio Breakdown (% of Net Assets)	
Long Positions	
Equity Securities	43.9%
Asset Backed Obligations	7.6%
Corporate Convertible Bonds	19.1%
Corporate Non-Convertible Bonds	3.4%
Foreign Bonds	0.0%
Syndicated Loans	0.2%
US Government and Agency Obligations	3.3%
Rights	0.0%
Investment Companies	5.0%
Short-Term Investments	0.2%
Options	1.1%
Short Positions	
Equity Securities	-22.9%
Investment Companies	-1.1%
Options	-0.1%
Other Assets less Liabilities*	40.3%*
	100.0%

* Consists of deposits with the custodian for securities sold short, cash, foreign currency, prepaid expenses, receivables, payables, and accrued liabilities. Deposits with the custodian for securities sold short represents 32.3% of net assets. See Note 2.

Sector Breakdown	(% of Equity Holdings)	
	Long	Short
Consumer Discretionary	12.5%	11.1%
Consumer Staples	18.1%	12.6%
Energy	5.8%	5.2%
Financials	20.1%	10.3%
Health Care	5.0%	16.3%
Industrials	12.2%	13.1%
Information Technology	7.6%	13.7%
Materials	4.1%	4.6%
Telecommunications	12.0%	9.3%
Utilities	2.6%	3.8%
	100.0%	100.0%

ABSOLUTE OPPORTUNITIES FUND

PORTFOLIO HOLDINGS SUMMARY (Unaudited)

MARCH 31, 2009

Portfolio Breakdown (% of Net Assets)	
Long Positions	
Equity Securities	28.9%
Asset Backed Obligations	3.1%
Corporate Convertible Bonds	8.7%
Corporate Non-Convertible Bonds	6.5%
Interest Only Bond	0.1%
US Government and Agency Obligations	17.8%
Investment Companies	10.4%
Short-Term Investments	0.4%
Options	0.2%
Short Positions	
Equity Securities	-1.6%
Investment Companies	-1.4%
Options	-0.1%
Other Assets less Liabilities*	27.0%*
	100.0%

* Consists of deposits with the custodian for securities sold short, cash, foreign currency, prepaid expenses, receivables, payables, and accrued liabilities. Deposits with the custodian for securities sold short represents 6.7% of net assets. See Note 2.

Sector Breakdown	(% of Equity Holdings)	
	Long	Short
Consumer Discretionary	6.1%	20.3%
Consumer Staples	19.7%	1.4%
Energy	22.0%	11.0%
Financials	16.3%	11.7%
Health Care	6.3%	0.0%
Industrials	5.2%	13.9%
Information Technology	3.3%	22.7%
Materials	5.3%	7.1%
Telecommunications	15.8%	11.9%
	100.0%	100.0%

ABSOLUTE FUNDS

STATEMENT OF ASSETS AND LIABILITIES

MARCH 31, 2009

	ABSOLUTE STRATEGIES FUND	ABSOLUTE OPPORTUNITIES FUND
ASSETS		
Total investments, at value (Cost \$858,343,803 and \$52,765,688, respectively)	\$ 691,920,484	\$55,210,982
Total investments in affiliates, at value (Cost \$0 and \$3,779,001, respectively)	-	3,528,547
Total Investments	\$ 691,920,484	\$58,739,529
Deposits with brokers	266,515,279	5,150,046
Cash	63,712,747	18,789,156
Foreign currency (Cost \$658,379 and \$539,800, respectively)	663,529	540,045
Receivables:		
Fund shares sold	5,111,405	683,195
Investment securities sold	8,671,019	4,020,712
Interest and dividends	3,837,411	409,889
Variation margin	9,648	-
Other	6,201	303
Prepaid expenses	40,214	5,057
Deferred offering costs	-	36,545
Total Assets	<u>1,040,487,937</u>	<u>88,374,477</u>
LIABILITIES		
Payables:		
Securities sold short, at value (Cost \$275,617,276 and \$2,386,881, respectively)	198,143,261	2,333,275
Call options written, at value (Premiums received \$258,652 and \$3,866, respectively)	175,965	6,435
Put options written, at value (Premiums received \$317,674 and \$46,315, respectively)	293,235	44,090
Investment securities purchased	13,926,892	8,539,401
Fund shares redeemed	954,165	35,802
Dividends on securities sold short	270,062	1,541
Variation margin	102,882	-
Accrued liabilities:		
Investment adviser fees	1,083,970	90,416
Fund service fees	132,880	14,036
Professional fees	96,902	43,000
Other expenses	87,406	21,888
Total Liabilities	<u>215,267,620</u>	<u>11,129,884</u>
NET ASSETS	<u>\$ 825,220,317</u>	<u>\$77,244,593</u>

ABSOLUTE FUNDS

STATEMENT OF ASSETS AND LIABILITIES (Continued)

MARCH 31, 2009

	ABSOLUTE STRATEGIES FUND	ABSOLUTE OPPORTUNITIES FUND
	<u> </u>	<u> </u>
COMPONENTS OF NET ASSETS		
Paid-in capital	\$997,311,196	\$73,710,770
Accumulated undistributed (distributions in excess of) net investment income	2,830,641	(16,847)
Accumulated net realized gain (loss)	(85,120,410)	1,303,646
Net unrealized appreciation (depreciation)	<u>(89,801,110)</u>	<u>2,247,024</u>
NET ASSETS	<u><u>\$825,220,317</u></u>	<u><u>\$77,244,593</u></u>
SHARES OF BENEFICIAL INTEREST AT \$0.000 PAR VALUE (UNLIMITED SHARES AUTHORIZED)		
Institutional Shares	89,531,674	7,309,596
R Shares	3,130,562	-
C Shares	1,244,053	-
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE		
Institutional Shares (based on net assets of \$786,765,754 and \$77,244,593, respectively)	<u>\$ 8.79</u>	<u>\$ 10.57</u>
R Shares (based on net assets of \$27,600,274 and \$0, respectively)	<u>\$ 8.82</u>	<u>\$ -</u>
C Shares (based on net assets of \$10,854,289 and \$0, respectively)	<u>\$ 8.72</u>	<u>\$ -</u>

ABSOLUTE FUNDS

STATEMENT OF OPERATIONS

YEAR OR PERIOD ENDED MARCH 31, 2009

	ABSOLUTE STRATEGIES FUND	ABSOLUTE OPPORTUNITIES FUND *
INVESTMENT INCOME		
Interest income	\$ 17,725,075	\$ 461,408
Dividend income (net foreign withholding taxes of \$103,110 and \$50,404, respectively)	10,446,256	143,568
Dividend income from affiliated investment	-	247,521
Total Investment Income	<u>28,171,331</u>	<u>852,497</u>
EXPENSES		
Investment adviser fees	14,569,315	612,046
Investment adviser expense reimbursements recouped	18,548	-
Fund service fees (Note 3)	1,254,217	62,629
Distribution fees:		
R Shares	76,964	-
C Shares	162,662	-
Custodian fees	152,191	38,943
Registration fees	79,275	5,054
Professional fees	361,499	78,950
Trustees' fees and expenses	30,323	755
Organizational costs	-	3,422
Offering costs	-	27,673
Dividend expenses on securities sold short	4,537,385	9,733
Miscellaneous expenses	173,660	10,966
Total Expenses	<u>21,416,039</u>	<u>850,171</u>
Fees waived and expenses reimbursed	(3,516)	(183,879)
Net Expenses	<u>21,412,523</u>	<u>666,292</u>
NET INVESTMENT INCOME (LOSS)	<u>6,758,808</u>	<u>186,205</u>
NET REALIZED AND UNREALIZED GAIN (LOSS)		
Net realized gain (loss) on:		
Investments	(156,583,316)	731,589
Foreign currency transactions	(71,760)	(101,656)
Futures	17,355,332	-
Securities sold short	110,811,638	212,585
Written options	(7,510,929)	353,667
Net realized gain (loss) on investments and foreign currency	<u>(35,999,035)</u>	<u>1,196,185</u>
Net unrealized gain (loss) on:		
Investments in unaffiliated issuers	(131,860,835)	2,552,506
Investments in affiliated issuers	-	(250,454)
Foreign currency translations	(3,437)	(1,077)
Futures	246,070	-
Securities sold short	38,610,892	(53,606)
Written options	(43,470)	(345)
Net change in unrealized appreciation (depreciation) on investments and translation of assets and liabilities in foreign currencies	<u>(93,050,780)</u>	<u>2,247,024</u>
NET REALIZED AND UNREALIZED GAIN (LOSS)	<u>(129,049,815)</u>	<u>3,443,209</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	<u>\$ (122,291,007)</u>	<u>\$ 3,629,414</u>

* Absolute Opportunities Fund commenced operations on October 21, 2008.

ABSOLUTE FUNDS

STATEMENTS OF CHANGES IN NET ASSETS

	ABSOLUTE STRATEGIES FUND		ABSOLUTE OPPORTUNITIES FUND	
		Shares		Shares
NET ASSETS MARCH 31, 2007	\$ 246,898,164		\$ -	
OPERATIONS				
Net investment income (loss)	7,805,482		-	
Net realized gain (loss) on investments and foreign currency	(12,188,410)		-	
Net change in unrealized appreciation (depreciation) on investments and translation of assets and liabilities in foreign currencies	(9,161,733)		-	
Increase (Decrease) in Net Assets Resulting from Operations	(13,544,661)		-	
DISTRIBUTIONS TO SHAREHOLDERS FROM				
Net investment income:				
Institutional Shares	(6,678,510)		-	
R Shares	(269,904)		-	
C Shares	(34,231)		-	
Total Distributions to Shareholders	(6,982,645)		-	
CAPITAL SHARE TRANSACTIONS				
Sale of shares:				
Institutional Shares	801,449,919	74,259,846	-	-
R Shares	11,684,161	1,084,973	-	-
C Shares	7,900,305	737,152	-	-
Reinvestment of distributions:				
Institutional Shares	4,851,757	449,364	-	-
R Shares	218,795	20,301	-	-
C Shares	33,139	3,100	-	-
Redemption of shares:				
Institutional Shares	(126,417,988)	(11,780,484)	-	-
R Shares	(16,171,593)	(1,506,233)	-	-
C Shares	(2,999,072)	(280,129)	-	-
Increase (Decrease) from Capital Share Transactions	680,549,423	62,987,890	-	-
Increase (Decrease) in Net Assets	660,022,117		-	
NET ASSETS MARCH 31, 2008 (Including line (a))	\$ 906,920,281		\$ -	

ABSOLUTE FUNDS

STATEMENTS OF CHANGES IN NET ASSETS (Continued)

	ABSOLUTE STRATEGIES FUND		ABSOLUTE OPPORTUNITIES FUND *	
	<u>Shares</u>		<u>Shares</u>	
NET ASSETS MARCH 31, 2008 (including line (a))	\$ 906,920,281		\$ -	
OPERATIONS				
Net investment income (loss)	6,758,808		186,205	
Net realized gain (loss) on investments and foreign currency	(35,999,035)		1,196,185	
Net change in unrealized appreciation (depreciation) on investments and translation of assets and liabilities in foreign currencies	<u>(93,050,780)</u>		<u>2,247,024</u>	
Increase (Decrease) in Net Assets Resulting from Operations	<u>(122,291,007)</u>		<u>3,629,414</u>	
DISTRIBUTIONS TO SHAREHOLDERS FROM				
Net investment income:				
Institutional Shares	(6,732,508)		(98,321)	
R Shares	(115,063)		-	
C Shares	-		-	
Net realized gain on investments sold:				
Institutional Shares	(29,397,640)		(20,274)	
R Shares	(1,115,291)		-	
C Shares	<u>(512,716)</u>		<u>-</u>	
Total Distributions to Shareholders	<u>(37,873,218)</u>		<u>(118,595)</u>	
CAPITAL SHARE TRANSACTIONS				
Sale of shares:				
Institutional Shares	589,125,377	60,762,277	79,687,409	7,890,506
R Shares	16,473,925	1,688,059	-	-
C Shares	6,206,368	612,812	-	-
Reinvestment of distributions:				
Institutional Shares	28,504,546	3,180,666	114,961	11,317
R Shares	1,066,505	119,584	-	-
C Shares	465,989	53,014	-	-
Redemption of shares:				
Institutional Shares	(535,714,373)	(55,850,406)	(6,068,596)	(592,227)
R Shares	(16,502,712)	(1,720,267)	-	-
C Shares	<u>(11,161,364)</u>	<u>(1,175,039)</u>	<u>-</u>	<u>-</u>
Increase (Decrease) from Capital Share Transactions	<u>78,464,261</u>		<u>73,733,774</u>	
Increase (Decrease) in Net Assets	<u>(81,699,964)</u>		<u>77,244,593</u>	
NET ASSETS MARCH 31, 2009 (Including line (b))	<u>\$ 825,220,317</u>		<u>\$ 77,244,593</u>	
(a) Undistributed net investment income March 31, 2008	\$ 2,316,529		\$ -	
(b) Undistributed net investment income, March 31, 2009	<u>\$ 2,830,641</u>		<u>\$ (16,847)</u>	

* Absolute Opportunities Fund commenced operations on October 21, 2008.

ABSOLUTE STRATEGIES FUND

FINANCIAL HIGHLIGHTS

These financial highlights reflect selected data for a share outstanding throughout each period.

	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	July 11, 2005 (a) through March 31, 2006
INSTITUTIONAL SHARES				
NET ASSET VALUE, Beginning of Period	\$ 10.52	\$ 10.62	\$ 10.29	\$ 10.00
INVESTMENT OPERATIONS				
Net investment income (loss) (b)	0.08	0.16	0.26	0.14
Net realized and unrealized gain (loss)	(1.38)	(0.11)	0.29	0.22
Total from Investment Operations	(1.30)	0.05	0.55	0.36
DISTRIBUTIONS TO SHAREHOLDERS FROM				
Net investment income	(0.08)	(0.15)	(0.22)	(0.07)
Net realized investment gains	(0.35)	-	- (c)	- (c)
Total Distributions to Shareholders	(0.43)	(0.15)	(0.22)	(0.07)
REDEMPTION FEES (b)	-	-	- (c)	- (c)
NET ASSET VALUE, End of Period	\$ 8.79	\$ 10.52	\$ 10.62	\$ 10.29
TOTAL RETURN	(12.41)%	0.41%	5.38%	3.60%(d)
RATIOS/SUPPLEMENTARY DATA				
Net Assets at End of Period (000's omitted)	\$786,766	\$856,441	\$196,602	\$66,888
Ratios to Average Net Assets:				
Net investment income (loss)	0.78%	1.50%	2.46%	1.91%(f)
Net expense (i)	1.81%	1.88%	1.95%	1.95%(f)
Dividend expense	0.50%	0.50%	0.43%	0.38%(f)
Gross expense (g)	2.31%	2.38%	2.44%	2.59%(f)
PORTFOLIO TURNOVER RATE	133%	553%	424%	405%(d)(h)

ABSOLUTE STRATEGIES FUND

FINANCIAL HIGHLIGHTS

	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	July 11, 2005 (a) through March 31, 2006
R SHARES				
NET ASSET VALUE, Beginning of Period	\$ 10.55	\$ 10.63	\$ 10.28	\$ 10.00
INVESTMENT OPERATIONS				
Net investment income (loss) (b)	0.04	0.13	0.22	0.10
Net realized and unrealized gain (loss)	(1.39)	(0.13)	0.30	0.22
Total from Investment Operations	(1.35)	0.00	0.52	0.32
DISTRIBUTIONS TO SHAREHOLDERS FROM				
Net investment income	(0.03)	(0.08)	(0.17)	(0.04)
Net realized investment gains	(0.35)	-	- (c)	- (c)
Total Distributions to Shareholders	(0.38)	(0.08)	(0.17)	(0.04)
REDEMPTION FEES (b)	-	-	- (c)	- (c)
NET ASSET VALUE, End of Period	\$ 8.82	\$ 10.55	\$ 10.63	\$ 10.28
TOTAL RETURN	(12.73)%	0.01%(e)	5.12%(e)	3.24%(d)(e)
RATIOS/SUPPLEMENTARY DATA				
Net Assets at End of Period (000's omitted)	\$27,600	\$32,106	\$36,613	\$42,755
Ratios to Average Net Assets:				
Net investment income (loss)	0.37%	1.17%	2.07%	1.42%(f)
Net expense (i)	2.23%	2.25%	2.25%	2.24%(f)
Dividend expense	0.50%	0.48%	0.41%	0.35%(f)
Gross expense (g)	2.73%	2.76%	2.78%	3.07%(f)
PORTFOLIO TURNOVER RATE	133%	553%	424%	405%(d)(h)

ABSOLUTE STRATEGIES FUND

FINANCIAL HIGHLIGHTS

	For the Year Ended March 31, 2009	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	January 13, 2006 (a) through March 31, 2006
C SHARES				
NET ASSET VALUE, Beginning of Period	\$ 10.48	\$ 10.58	\$ 10.27	\$10.08
INVESTMENT OPERATIONS				
Net investment income (loss) (b)	(0.05)	0.05	0.15	0.02
Net realized and unrealized gain (loss)	(1.36)	(0.13)	0.29	0.17
Total from Investment Operations	(1.41)	(0.08)	0.44	0.19
DISTRIBUTIONS TO SHAREHOLDERS FROM				
Net investment income	-	(0.02)	(0.13)	-
Net realized investment gains	(0.35)	-	- (c)	-
Total Distributions to Shareholders	(0.35)	(0.02)	(0.13)	-
REDEMPTION FEES (b)	-	-	- (c)	- (c)
NET ASSET VALUE, End of Period	\$ 8.72	\$ 10.48	\$ 10.58	\$10.27
TOTAL RETURN (e)	(13.44)%	(0.72)%	4.31%	1.88%(d)
RATIOS/SUPPLEMENTARY DATA				
Net Assets at End of Period (000's omitted)	\$10,854	\$18,374	\$13,683	\$3,048
Ratios to Average Net Assets:				
Net investment income (loss)	(0.50)%	0.43%	1.43%	0.90%(f)
Net expense (i)	2.98%	3.00%	3.00%	3.00%(f)
Dividend expense	0.50%	0.49%	0.42%	0.46%(f)
Gross expense (g)	3.48%	3.50%	3.65%	5.86%(f)
PORTFOLIO TURNOVER RATE	133%	553%	424%	405%(d)(h)

(a) Commencement of operations.

(b) Calculated based on average shares outstanding during the period.

(c) Less than \$0.01 per share.

(d) Not annualized.

(e) Total return excludes the effect of the applicable sales load.

(f) Annualized.

(g) Reflects the expense ratio excluding any waivers and/or reimbursements.

(h) As revised, to reflect a computational error. Such amount was previously reported as 95%.

(i) Excludes dividend expense.

ABSOLUTE OPPORTUNITIES FUNDFINANCIAL HIGHLIGHTS

These financial highlights reflect selected data for a share outstanding throughout the period.

	October 21, 2008 (a) through March 31, 2009
INSTITUTIONAL SHARES	
NET ASSET VALUE, Beginning of Period	<u>\$ 10.00</u>
INVESTMENT OPERATIONS	
Net investment income (loss) (b)	0.04
Net realized and unrealized gain (loss)	<u>0.55</u>
Total from Investment Operations	<u>0.59</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM	
Net investment income	(0.02)
Net realized investment gains	<u>- (c)</u>
Total Distributions to Shareholders	<u>(0.02)</u>
NET ASSET VALUE, End of Period	<u>\$ 10.57</u>
TOTAL RETURN	5.95%(d)
RATIOS/SUPPLEMENTARY DATA	
Net Assets at End of Period (000's omitted)	\$77,245
Ratios to Average Net Assets:	
Net investment income (loss)	0.84%(e)
Net expense (g)	2.95%(e)
Dividend expense	0.05%(e)
Gross expense (f)	3.82%(e)
PORTFOLIO TURNOVER RATE	281%(d)

(a) Commencement of operations.

(b) Calculated based on average shares outstanding during the period.

(c) Less than \$0.01 per share.

(d) Not annualized.

(e) Annualized.

(f) Reflects the expense ratio excluding any waivers and/or reimbursements.

(g) Excludes dividend expense.

ABSOLUTE FUNDS

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2009

Note 1. Organization

The Absolute Strategies Fund and Absolute Opportunities Fund (individually, a “Fund” and, collectively the “Funds”) are non-diversified portfolios of Forum Funds (the “Trust”). The Trust is a Delaware statutory trust that is registered as an open-end, management investment company under the Investment Company Act of 1940 (the “Act”), as amended. As of March 31, 2009, the Trust had twenty-eight investment portfolios. Under its Trust Instrument, the Trust is authorized to issue an unlimited number of each Fund’s shares of beneficial interest without par value. The Absolute Strategies Fund currently offers three classes of shares: Institutional Shares, R Shares and C Shares. Institutional and R Shares commenced operations on July 11, 2005. C Shares commenced operations on January 13, 2006. The Absolute Strategies Fund seeks to achieve long-term capital appreciation with an emphasis on absolute (positive) returns and low correlation to traditional financial market indices. The Absolute Opportunities Fund currently offers Institutional Shares. The Absolute Opportunities Fund commenced operations on October 21, 2008. The Absolute Opportunities Fund seeks to achieve long-term capital appreciation with an emphasis on risk-adjusted returns and lower volatility than traditional equity market indices.

Note 2. Summary of Significant Accounting Policies

These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“generally accepted accounting principles”), which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of increase and decrease in net assets from operations during the fiscal period. Actual amounts could differ from those estimates. The following summarizes the significant accounting policies of the Funds:

Security Valuation – Exchange traded securities and over-the-counter securities are valued using the last quoted sale or official closing price, provided by independent pricing services as of the close of trading on the market or exchange for which they are primarily traded, on each Fund business day. In the absence of a sale, such securities are valued at the mean of the last bid and asked price. Non-exchange traded securities for which quotations are available are valued using the last quoted sales price, or in the absence of a sale at the mean of the last bid and asked prices provided by independent pricing services. Debt securities may be valued at prices supplied by a Fund’s pricing agent based on broker or dealer supplied valuations or matrix pricing, a method of valuing securities by reference to the value of other securities with similar characteristics such as rating, interest rate and maturity. Exchange-traded options for which there were no sales reported that day are generally valued at the last sale or official closing price as reported by an independent pricing service on the exchange on which they are primarily traded. Options not traded on an exchange are generally valued at broker-dealer bid quotation. Shares of open-end mutual funds are valued at net asset value. Futures contracts listed for trading on a securities exchange or board of trade shall be valued at the last quoted sales price or in the absence of a sale at the mean of the last bid and asked prices. Short-term investments that mature in sixty days or less may be valued at amortized cost.

ABSOLUTE STRATEGIES FUND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2009

The Funds value their investments at fair value pursuant to procedures adopted by the Trust's Board of Trustees (the "Board") if (1) market quotations are insufficient or not readily available or (2) the adviser believes that the values available are unreliable. Fair valuation is based on subjective factors and as a result, the fair value price of an investment may differ from the security's market price and may not be the price at which the asset may be sold. Fair valuation could result in a different net asset value ("NAV") than a NAV determined by using market quotes.

The Funds have a three-tier fair value hierarchy. The basis of the tiers is dependent upon the various "inputs" used to determine the value of each Fund's investments. These inputs are summarized in the three broad levels listed below:

Level 1 — quoted prices in active markets for identical assets

Level 2 — other significant observable inputs (including quoted prices of similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3 — significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The aggregate value by input level, as of March 31, 2009, for each Fund's investments is included at the end of each Fund's schedule of investments.

Security Transactions, Investment Income and Realized Gain and Loss – Investment transactions are accounted for on trade date. Dividend income is recorded on the ex-dividend date. Foreign dividend income is recorded on the ex-dividend date or as soon as practical after the Fund determines the existence of a dividend declaration after exercising reasonable due diligence. Income and capital gains on some foreign securities may be subject to foreign withholding taxes, which are accrued as applicable. Interest income is recorded on an accrual basis. Premium and discount is amortized and accreted in accordance with generally accepted accounting principles. Identified cost of investments sold is used to determine the gain and loss for both financial statement and Federal income tax purposes. The Fund estimates components of distribution from real estate investment trusts (REITs). Distributions received in excess of income are recorded as a reduction of the cost of the related investments.

Foreign Currency – Foreign currency amounts are translated into US dollars as follows: (i) assets and liabilities at the rate of exchange at the end of the respective period; and (ii) purchases and sales of securities and income and expenses at the rate of exchange prevailing on the dates of such transactions. The portion of the results of operations arising from changes in the exchange rates and the portion due to fluctuations arising from changes in the market prices of securities are not isolated. Such fluctuations are included with the net realized and unrealized gain or loss on investments.

The Funds may enter into transactions to purchase or sell foreign currencies to protect the U.S. dollar value of its underlying portfolio securities against the effect of possible adverse movements in foreign exchange rates.

ABSOLUTE FUNDS

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2009

Principal risks associated with such transactions include the movement in value of the foreign currency relative to the U.S. dollar and the ability of the counterparty to perform. Fluctuations in the value of such forward currency transactions are recorded daily as unrealized gain or loss; realized gain or loss includes net gain or loss on transactions that have terminated by settlement or by the Funds entering into offsetting commitments. These instruments involve market risk, credit risk, or both kinds of risks, in excess of the amount recognized in the Statement of Assets and Liabilities. Risks arise from the possible inability of counterparties to meet the terms of their contracts and from movement in currency and securities values and interest rates.

Futures Contracts – The Funds may purchase future contracts to gain exposure to market changes, which may be more efficient or cost effective than actually buying the securities. A futures contract is an agreement between parties to buy or sell a security at a set price on a future date. Upon entering into such a contract, the Funds are required to pledge to the broker an amount of cash, U.S. Government obligations or other high-quality debt securities equal to the minimum “initial margin” requirements of the exchange on which the futures contract is traded. Pursuant to the contract, the Funds agree to receive from or pay to the broker an amount of cash equal to the daily fluctuation in the value of the contract. Such receipts or payments are known as “variation margin” and are recorded by the Funds as unrealized gains or losses. When the contract is closed, the Funds record a realized gain or loss equal to the difference between the value of the contract at the time it was opened and value at the time it was closed. Risks of entering into futures contracts include the possibility that there may be an illiquid market and that a change in the value of the contract may not correlate with changes in the value of the underlying securities.

Securities Sold Short – The Funds may sell a security short to increase investment returns. The Funds may also sell a security short in anticipation of a decline in the market value of a security. A short sale is a transaction in which the Funds sell a security that it does not own. To complete the transaction, the Funds must borrow the security in order to deliver it to the buyer. The Funds must replace the borrowed security by purchasing it at market price at the time of replacement, which price may be higher or lower than the price at which the Funds sold the security. The Funds incur a loss from a short sale if the price of the security increases between the date of the short sale and the date on which the Funds replace the borrowed security. The Funds realize a profit if the price of the security declines between those dates.

Until the Funds replace the borrowed security, the Funds will maintain on its books and records cash and long securities to sufficiently cover its short position on a daily basis. The collateral for the securities sold short includes the deposits with custodian for securities sold short as shown on the Statement of Assets and Liabilities and the securities held long as shown on the Schedule of Investments. Dividends paid on securities sold short are recorded as an expense on the Funds’ Income Statement.

Options – When the Funds write an option, an amount equal to the premium received by the Funds is recorded as a liability and is subsequently adjusted to the current value of the option written. Premiums received from writing options that expire unexercised are treated by the Funds on the expiration date as realized gain from investments. The difference between the premium and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium is less than the amount paid for the closing purchase transaction, as a realized loss. If a call option is exercised, the

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premium is added to the proceeds from the sale of the underlying security or currency in determining whether the Funds have realized a gain or loss. If a put option is exercised, the premium reduces the cost basis of the securities purchased by the Funds. The Funds, as writer of an option, bear the market risk of an unfavorable change in the price of the security underlying the written option.

When the Funds purchase an option, an amount equal to the premium paid by the Funds is recorded as an investment and is subsequently adjusted to the current value of the option purchased. If an option expires on the stipulated expiration date or if the Funds enter into a closing sale transaction, a gain or loss is realized. If a call option is exercised, the cost of the security acquired is increased by the premium paid for the call. If a put option is exercised, a gain or loss is realized from the sale of the underlying security, and the proceeds from such sale are decreased by the premium originally paid. Written and purchased options are non-income producing securities.

Restricted Securities – The Funds may invest in securities that are subject to legal or contractual restrictions on resale (“restricted securities”). Restricted securities may be resold in transactions that are exempt from registration under the Federal securities laws or if the securities are registered to the public. The sale or other disposition of these securities may involve additional expenses and the prompt sale of these securities at an acceptable price may be difficult. Information regarding restricted securities held by the Funds is included in their respective Schedule of Investments, if applicable.

When-Issued Transactions – The Funds may purchase securities on a forward commitment or ‘when-issued’ basis. The Funds record a when-issued transaction on the trade date and will segregate with the custodian qualifying assets that have a value sufficient to make payment for the securities purchased. Securities purchased on a when-issued basis are marked-to-market daily and the Funds begin earning interest on the settlement date. Losses may arise due to changes in the market value of the underlying securities or if the counterparty does not perform under the contract.

Distributions to Shareholders – Distributions to shareholders of net investment income, if any, are declared and paid at least semi-annually. Distributions to shareholders of capital gains, if any, are declared and paid at least annually. Distributions are based on amounts calculated in accordance with applicable Federal income tax regulations, which may differ from generally accepted accounting principles. These differences are due primarily to differing treatments of income and gain on various investment securities held by the Funds, timing differences and differing characterizations of distributions made by the Funds.

Federal Taxes – The Funds intend to qualify each year as regulated investment companies under Subchapter M of the Internal Revenue Code and distribute all their taxable income. In addition, by distributing in each calendar year substantially all their net investment income and capital gains, if any, the Funds will not be subject to a Federal excise tax. Therefore, no Federal income or excise tax provision is required.

As of March 31, 2009, there are no uncertain tax positions that would require financial statement recognition, de-recognition, or disclosure. The Absolute Strategies Fund’s Federal tax returns filed in the three-year period

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ended March 31, 2009, remain subject to examination by the Internal Revenue Service. The Absolute Opportunities Fund's Federal tax return filed for the period ended March 31, 2009, will be subject to examination by the Internal Revenue Service.

Income and Expense Allocation – The Trust accounts separately for the assets, liabilities and operations of each of its investment portfolios. Expenses that are directly attributable to more than one investment portfolio are allocated among the respective investment portfolios in an equitable manner.

The Absolute Strategies Fund's class specific expenses are charged to the operations of that class of shares. Income and expenses (other than expenses attributable to a specific class) and realized and unrealized gains or losses on investments are allocated to each class of shares based on the class' respective net assets to the total net assets of the Fund.

Commitments and Contingencies – In the normal course of business, the Funds enter into contracts that provide general indemnifications by the Funds to the counterparty to the contract. The Funds' maximum exposure under these arrangements is dependent on future claims that may be made against the Funds and, therefore, cannot be estimated; however, based on experience, the risk of loss from such claims is considered remote.

Offering Costs – Offering costs for the Absolute Opportunities Fund of \$64,218 consist of fees related to the mailing and printing of the initial prospectus, certain startup legal costs, and initial registration filings. Such costs are amortized over a twelve-month period beginning with the commencement of operations of the Absolute Opportunities Fund.

New Accounting Pronouncements – In March 2008, Statement of Financial Accounting Standards No. 161, *Disclosures about Derivative Instruments and Hedging Activities* ("SFAS 161"), was issued and is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. SFAS 161 requires enhanced disclosures about the Funds' use of and accounting for derivative instruments and the effect of derivative instruments on the Funds' results of operation and financial position. At this time, management does not believe the adoption of SFAS 161 will impact the financial statement amounts; however, additional disclosures may be required about the use of derivative instruments and hedging items.

Note 3. Advisory Fees, Servicing Fees and Other Transactions

Investment Adviser – Absolute Investment Advisers LLC, (the "Adviser") is the investment adviser to the Funds. Pursuant to an investment advisory agreement, the Adviser receives an advisory fee from the Absolute Strategies Fund at an annual rate of 1.60% of the Fund's average daily net assets. The Adviser receives an advisory fee from the Absolute Opportunities Fund at an annual rate of 2.75% of the Fund's average daily net assets.

Each sub-advisory fee, calculated as a percentage of the Funds' average daily net assets, is paid by the Adviser.

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Distribution – Foreside Fund Services, LLC serves as the Funds’ distributor (the “Distributor”). The Distributor is not affiliated with the Adviser or with Atlantic Fund Administration, LLC (“Atlantic”) or their affiliates. The Absolute Strategies Fund has adopted a distribution plan for R Shares and C Shares of the Fund in accordance with Rule 12b-1 of the Act. The Fund pays the Distributor and any other entity as authorized by the Board a fee of 0.25% and 1.00% of the average daily net assets of R Shares and C Shares, respectively.

For the period April 1, 2008, through July 31, 2008, the Distributor employed \$4,110 of the front-end sales charges assessed on the sale of R Shares for Absolute Strategies Fund. The Distributor did not retain any commissions from contingent deferred sales charges assessed on purchases of \$1 million or more of R Shares that were liquidated in whole or in part within one year of purchase. The Distributor did not retain any commissions from the contingent deferred sales charges assessed on R Shares, purchased and redeemed during the period beginning in the 13th month and ending in the 24th month of purchase on purchase amounts greater than \$5 million. Effective August 1, 2008, the Absolute Strategies Fund no longer assessed sales charges on the sale of R Shares.

Other Related Parties – As of June 2, 2008, as to fund accounting and fund administration, and on June 16, 2008, as to transfer agency, Atlantic provides those services to the Funds. Pursuant to an Atlantic services agreement, the Funds pay Atlantic a bundled fee for administration, fund accounting and transfer agency services at an annual rate of: 0.12% on the first \$150 million in Fund assets, 0.075% on the next \$150 million in Fund assets, 0.05% on the next \$300 million in Fund assets, 0.03% on the next \$400 million in Fund assets and 0.02% on Fund assets exceeding \$1 billion. The base fee is subject to an annual minimum. The fee is accrued daily by the Funds and is paid monthly based on the average net assets, transactions and positions for the previous month. The Funds’ transfer agent and fund accountant also receive certain shareholder account fees, surcharges and out-of-pocket expenses.

Atlantic provides a Principal Executive Officer, Principal Financial Officer, Chief Compliance Officer, and an Anti-Money Laundering Officer to the Funds, as well as certain additional compliance support functions.

For the period April 1, 2008, through June 1, 2008, as to fund accounting and fund administration and through June 15, 2008, as to transfer agency, Citigroup Fund Services, LLC provided these services to the Absolute Strategies Fund.

For the period April 1, 2008, through June 1, 2008, Foreside Compliance Services, LLC (“FCS”), an affiliate of the Distributor, provided a Principal Executive Officer, Principal Financial Officer, Chief Compliance Officer, and Anti-Money Laundering Officer as well as certain additional compliance support functions to the Absolute Strategies Fund. FCS has no role in determining the investment policies or which securities were to be purchased or sold by the Trust or its Funds. Certain officers or employees of FCS were also officers of the Trust. The Principal Executive Officer was an affiliate of the Distributor due to his ownership interest in the Distributor.

Trustees and Officers – The Trust pays each independent Trustee an annual retainer fee of \$16,000 for service to the Trust (\$20,000 for the chairman), plus \$1,500 for each regular Board meeting attended

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(\$2,500 for the chairman), \$500 for each short special Board meeting attended (\$750 for the chairman) and \$1,500 for each major special Board meeting attended (\$2,250 for the chairman). In addition, a \$3,000 annual stipend will be paid to each Trustee that serves as Chairman of one or more Board Committees. The amount of Trustees' fees attributable to each Fund is disclosed in the Statement of Operations. Certain officers of the Trust are also officers or employees of the above named service providers, and during their Fund terms of office received no compensation from the Funds.

Note 4. Expense Reimbursements and Fees Waived

The Adviser contractually agreed to waive its fees and/or reimburse expenses to limit total annual operating expenses (excluding all interest, taxes, portfolio transaction expenses, dividends on short sales and extraordinary expenses) of Institutional Shares, R Shares and C Shares of Absolute Strategies Fund to 1.95%, 2.25% and 3.00%, respectively, of each class' average daily net assets through July 31, 2008. Other fund service providers have voluntarily agreed to waive a portion of their fees. These voluntary waivers may be reduced or eliminated at any time. For the year ended March 31, 2009, there were \$3,516 of fund service fees waived.

The Absolute Strategies Fund may repay the Adviser for fees waived and expenses reimbursed under an expense cap that is no longer in place because the terms of the cap permitted the reimbursements provided that (1) they took place within three years of the fees waived or expense reimbursement and (2) the payment is approved by the Board of Trustees. As of March 31, 2009, the Adviser has \$44,643 left to be recouped, expiring on March 31, 2010.

The Adviser contractually agreed to waive its fees and/or reimburse expenses to limit total annual operating expenses (excluding all interest, taxes, portfolio transaction expenses, dividends on short sales and extraordinary expenses) of Institutional Shares of Absolute Opportunities Fund to 2.95% through at least September 30, 2009. Other fund service providers have voluntarily agreed to waive a portion of their fees. These voluntary waivers may be reduced or eliminated at any time. For the year ended March 31, 2009, fees waived and expenses reimbursed were as follows:

Investment Adviser Waived	Investment Adviser Reimbursed	Fund Service Fees Waived	Total
\$178,547	\$3,422	\$1,910	\$183,879

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The Absolute Opportunities Fund may repay the Adviser for fees waived and expenses reimbursed pursuant to the expense cap if (1) such payment is made within three years of the fees waived or expense reimbursement; and (2) such payment is approved by the Board, and the resulting class expenses do not exceed 2.95% for Institutional Shares. For the period October 21, 2008 (commencement of operations) through March 31, 2009, the Adviser waived and/or reimbursed fees as follows:

	Amount of Fees Waived and/or Expenses Reimbursed	Expiration Date to Recoup Fees Waived and/or Expenses Reimbursed	Fees Recouped
March 31, 2009	\$181,969	March 31, 2011	\$0

Note 5. Security Transactions

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term investments, respectively, for the year ended March 31, 2009, were as follows:

Absolute Strategies Fund

Non-US Government Obligations		US Government Obligations	
Purchases	Sales	Purchases	Sales
\$1,195,798,573	\$903,286,795	\$196,530,514	\$43,832,375

Absolute Opportunities Fund

Non-US Government Obligations	
Purchases	Sales
\$96,925,156	\$55,571,992

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Note 6. Federal Income Tax and Investment Transactions

Distributions during the fiscal years ended as noted were characterized for tax purposes as follows:

	<u>Ordinary Income</u>	<u>Long-Term Capital Gain</u>	<u>Total</u>
Absolute Strategies Fund			
2009	\$33,886,819	\$3,986,399	\$37,873,218
2008	6,982,645	-	6,982,645
Absolute Opportunities Fund			
2009	107,287	11,308	118,595

As of March 31, 2009, distributable earnings (accumulated loss) on a tax basis were as follows:

	<u>Undistributed Ordinary Income</u>	<u>Undistributed Long-Term Gain</u>	<u>Capital and Other Losses</u>	<u>Unrealized Appreciation/ Depreciation</u>	<u>Total</u>
Absolute Strategies Fund	\$3,696,673	\$ -	\$(55,562,596)	\$(120,224,956)	\$(172,090,879)
Absolute Opportunities Fund	1,593,734	109,643	(68,609)	1,899,055	3,533,823

The difference between components of distributable earnings on a tax basis and the amounts reflected in the Statement of Assets and Liabilities are primarily due to wash sales, post October losses, passive foreign investment holdings, real estate investment trusts, partnerships, grantor trusts, constructive sales, straddles, short dividend adjustments, inflation indexed securities, loss deferral on covers, convertible bond premium adjustments and non-deductible offering costs.

For tax purposes, the current year post-October loss was \$55,562,596 and \$68,609 for Absolute Strategies Fund and Absolute Opportunities Fund, respectively. These losses will be recognized for tax purposes on the first business day of the Funds' next year.

On the Statement of Assets and Liabilities, as a result of permanent book to tax differences, certain amounts have been reclassified for the year ended March 31, 2009. The following reclassification was the result of book to tax differences resulting from Real Estate Investment Trusts, convertible bond premium, paydowns, partnerships, grantor trusts and currency reclassifications for Absolute Strategies Fund. For Absolute Opportunities Fund, the reclassification was the result of disallowed short dividend expenses, grantor trust and partnership adjustments, non-deductible offering costs and currency loss.

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	Accumulated Net Investment Income (Loss)	Undistributed Net Realized Gain (Loss)	Paid-in- Capital
Absolute Strategies Fund	\$ 602,875	\$(647,884)	\$ 45,009
Absolute Opportunities Fund	(104,731)	127,735	(23,004)

Note 7. Written Option Transactions

Transactions in options written during the year ended March 31, 2009, for Absolute Strategies Fund were as follows:

	Calls	
	Number of Contracts	Premiums
<i>Options Outstanding, March 31, 2008</i>	3,890	\$ 1,810,017
Options written	34,767	8,183,179
Options terminated in closing transactions	(19,406)	(6,147,143)
Options exercised	(9,360)	(2,706,227)
Options expired	(7,127)	(881,174)
<i>Options Outstanding, March 31, 2009</i>	<u>2,764</u>	<u>\$ 258,652</u>

	Puts	
	Number of Contracts	Premiums
<i>Options Outstanding, March 31, 2008</i>	1,218	\$ 430,281
Options written	23,625	8,774,981
Options terminated in closing transactions	(19,485)	(7,855,494)
Options exercised	(1,689)	(574,356)
Options expired	(1,977)	(457,738)
<i>Options Outstanding, March 31, 2009</i>	<u>1,692</u>	<u>\$ 317,674</u>

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Transactions in options written during the period ended March 31, 2009, for Absolute Opportunities Fund were as follows:

	<u>Calls</u>	
	<u>Number of Contracts</u>	<u>Premiums</u>
<i>Options Outstanding, March 31, 2008</i>	-	\$ -
Options written	1,047	15,665
Options terminated in closing transactions	(728)	(11,799)
Options exercised	-	-
Options expired	-	-
	<u>319</u>	<u>3,866</u>
	<u>Puts</u>	
	<u>Number of Contracts</u>	<u>Premiums</u>
<i>Options Outstanding, March 31, 2008</i>	-	\$ -
Options written	1,760	265,452
Options terminated in closing transactions	(1,433)	(204,835)
Options exercised	-	-
Options expired	(81)	(14,302)
	<u>246</u>	<u>46,315</u>

Note 8. Change in Independent Registered Public Accounting Firm

The Board, with the approval and recommendation of the Audit Committee, selected Briggs, Bunting & Dougherty, LLP (“BBD”) to replace Deloitte & Touche, LLP (“D&T”), as the Funds’ independent registered public accounting firm for the Funds’ fiscal year or period ending March 31, 2009. D&T resigned subsequent to the Board’s approval of BBD. Throughout D&T’s tenure, including the Absolute Strategies Fund’s two most recent fiscal periods (D&T did not perform an audit for the Absolute Opportunities Fund), the Funds had no disagreements with D&T on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures, and there were no reportable events of the kind described in Item 304(a)(1)(v) of Regulation S-K under the Securities Exchange Act of 1934. With respect to the Funds, D&T’s audit opinions, including the past two fiscal periods, have not contained either an adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles. Further, there were no disagreements between the Fund and D&T on accounting principles, financial statement disclosure or audit scope, which, if not resolved to the satisfaction of D&T would have caused D&T to make reference to the disagreement in a D&T report. During the last two fiscal years of the Fund, neither the Fund nor anyone on its behalf has consulted BBD on items concerning the application of accounting principles to a specified transaction (either completed or proposed) or the type of audit opinion that might be rendered on the Fund’s financial statements, or concerning the subject of a disagreement of the kind described in Item 304(a)(1)(iv) of Regulation S-K or reportable events of the kind described in Item 304(a)(1)(v) of Regulation S-K.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees of Forum Funds and the Shareholders of Absolute Strategies Fund and Absolute Opportunities Fund

We have audited the accompanying statements of assets and liabilities of the Absolute Strategies Fund and the Absolute Opportunities Fund, each a series of shares of beneficial interest in the Forum Funds, including the schedules of investments, as of March 31, 2009, and the related statement of operations, the statements of changes in net assets and the financial highlights for the year or period then ended (Absolute Opportunities Fund commenced operations on October 21, 2008). These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. The statement of changes in net assets for the Absolute Strategies Fund for the year ended March 31, 2008 and the financial highlights for each of the three years or periods then ended were audited by other auditors whose report dated May 28, 2008, expressed an unqualified opinion on such financial statement and financial highlights.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of March 31, 2009 by correspondence with the custodian and brokers and by other appropriate auditing procedures where responses from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Absolute Strategies Fund and the Absolute Opportunities Fund as of March 31, 2009, and the results of their operations, changes in their net assets, and financial highlights for the year or period then ended, in conformity with accounting principles generally accepted in the United States of America.



BRIGGS, BUNTING & DOUGHERTY, LLP
Philadelphia, Pennsylvania
May 29, 2009

ABSOLUTE FUNDS

ADDITIONAL INFORMATION (Unaudited)

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Investment Advisory Agreement Approval

At the June 17, 2008 Board meeting, the Board, including the Independent Trustees, considered the initial approval of the investment advisory agreement (the “AOF Advisory Agreement”) between Absolute Investment Advisors, LLC (“Absolute”) and Forum Funds (“Trust”) pertaining to the Absolute Opportunities Fund, and the sub-advisory agreements for the Fund with Green Eagle Capital, LLC, Kingstown Capital Management, LP and Madden Asset Management, LLC (the “Initial Sub-Advisory Agreements”). In addition, at the March 12, 2009 Board meeting, the Board, including the Independent Trustees, considered the initial approval of the Fund’s sub-advisory agreement with Semaphore Management, LLC (“Semaphore Sub-Advisory Agreement”, and together with the Initial Sub-Advisory Agreements, the “Sub-Advisory Agreements”). In evaluating the AOF Advisory and Sub-Advisory Agreements for the Fund, the Board reviewed materials furnished by Absolute, the Sub-Advisors (collectively, the “Advisers”) and the administrator, including information regarding the Advisers’ personnel, operations and financial condition.

Specifically, the Board considered, among other matters: (1) the nature, extent and quality of the services to be provided to the Fund by the Advisers, including information on the investment performance of the Advisers; (2) the costs of the services to be provided and profitability to the Advisers with respect to its relationship with the Fund; (3) the advisory fee and total expense ratio of the Fund compared to relevant peer group of funds; (4) the extent to which economies of scale would be realized as the Fund grows and whether the advisory fee would enable the Fund’s investors to share in the benefits of economies of scale; and (5) other benefits received by the Advisers from their relationship with the Fund. In their deliberations, the Board did not identify any particular information that was all-important or controlling and attributed different weights to the various factors. In particular, the Board focused on the factors discussed below.

Nature, Extent and Quality of the Services

In connection with a presentation from representatives of Absolute, the Board considered and discussed the personnel, operations and financial conditions of Absolute. In reviewing the nature, extent and quality of services, the Board considered the scope of services to be provided by Absolute under the AOF Advisory Agreement. The Board also considered the quality of the investment research capabilities of Absolute and other resources dedicated to performing services for the Fund, as well as Absolute’s track record in managing another series of the Trust, the Absolute Strategies Fund. The Board also considered information regarding the experience and professional background of the portfolio managers at Absolute and the qualifications and capabilities of other personnel who would have responsibility for the Fund’s investments; the investment philosophy and decision-making processes of those professionals; the capability and integrity of Absolute’s senior management and staff; the quality of Absolute’s services with respect to regulatory compliance and compliance with client investment policies and restrictions; and the financial condition and operational stability of Absolute.

The Board discussed with Absolute the adequacy of its resources to provide quality services under the AOF Advisory Agreement. The Board reviewed Absolute’s summary of its financial condition, noting Absolute’s representation that the firm is financially stable and able to provide investment advisory services to the Fund.

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The Board concluded that, overall, it was satisfied with the nature, extent and quality of services to be provided to the Fund under the AOF Advisory Agreement, that Absolute could provide high quality services to the Fund and that the investment expertise of Absolute's professionals could be of benefit to the Fund.

Costs of Services and Profitability

The Board then considered information provided by Absolute regarding its profitability and costs of services with respect to the Fund. The Board reviewed Absolute's estimated profit and loss analysis and concluded that the level of Absolute's estimated profits projected in connection with its management of the Fund was not excessive in light of the proposed services to be provided.

Compensation

The Board considered Absolute's proposed compensation for providing advisory services to the Fund and analyzed comparative information on advisory fee rates and total expenses. The Board noted that while Absolute's proposed contractual advisory fee rate was higher than the mean and median contractual advisory fee rates for its Lipper Inc. peer group, Absolute is obligated to pay the Sub-Advisers for the Fund out of its advisory fee rate. The Board also considered the Fund's estimated total expense ratio, noting that such ratio was higher than the median contractual expense ratio for the Fund's Lipper Inc. peer group. The Board recognized that it was difficult to compare advisory fees because of variations between the services provided by Absolute and those included in the advisory fees paid by other funds. The Board also noted Absolute's explanation that, although the Fund is categorized with other flexible portfolio funds, the Fund is more similar to a hedge fund in terms of strategy and investments than the funds represented in its peer group, and thus comparing its fees to those of funds in its Lipper Inc. peer group is difficult. Based on the foregoing, the Board concluded that Absolute's advisory fee to be charged to the Fund was reasonable.

Performance

Absolute discussed its proposed approach to managing the Fund. The Board considered that the Fund was new and thus had no performance history, but considered Absolute's capability and performance of managing the Absolute Strategies Fund, noting that the Absolute Strategies Fund had outperformed its benchmark over the one-, three- and six-month periods ended December 31, 2008 and that the Fund outperformed its Lipper Inc. peer group for all periods reviewed. The Board also noted that the Absolute Strategies Fund's assets had increased significantly over the prior year. Based on the foregoing, the Board determined that the Adviser's management of the Fund could benefit the Fund and its shareholders.

Economies of Scale

The Board then considered whether the Fund would benefit from any economies of scale, noting that the investment advisory fee rate for the Fund does not contain breakpoints. The Board considered the Fund has not yet commenced operations and concluded that it would not be necessary to consider the implementation of fee breakpoints at this time.

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ADDITIONAL INFORMATION (Unaudited)

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Other Benefits

The Board noted that Absolute does not receive significant ancillary benefits as a result of its relationship with the Fund, other than the benefit of research received from the brokers executing transactions on behalf of its clients and the ability to refer to its advisory relationship with the Fund. Based on the foregoing, the Board concluded that other benefits received by the Adviser from its relationship with the Fund were not a material factor in approving the AOF Advisory Agreement.

Conclusion

Prior to voting, the Board reviewed a memorandum from Fund Counsel discussing the legal standards applicable to its consideration of the AOF Advisory Agreement. The Board also discussed the proposed approval of the AOF Advisory Agreement. Based upon its review, the Board (including a majority of the Independent Trustees) concluded that the overall arrangements between the Fund and Absolute, as provided in the AOF Advisory Agreement, are fair and reasonable in light of the services to be performed, estimated expenses and other such matters as the Board considered relevant in the exercise of its reasonable business judgment.

GREEN EAGLE CAPITAL LLC (“Green Eagle”)

The Board considered Absolute’s proposal to approve the Sub-Advisory Agreement between Absolute and Green Eagle, on behalf of the Fund. In determining whether to approve the Sub-Advisory Agreement, the Board considered, among other things, the following factors: (1) the nature and quality of the services to be provided by Green Eagle; (2) Green Eagle’s financial stability, cost for providing the services and the profitability of the advisory business to Green Eagle; (3) Green Eagle’s compensation for providing sub-advisory services to the Fund; (4) economies of scale and other benefits to Green Eagle and (5) Absolute’s recommendation to retain Green Eagle as a sub-adviser. In their deliberations, the Board did not identify any particular information that was all-important or controlling, and the Board attributed different weights to the various factors. In particular, the Board focused on the factors discussed below.

Following a meeting with representatives of Green Eagle regarding Green Eagle’s personnel, operations and financial condition, the Board considered the quality of the personnel that would be assigned responsibility for servicing the Fund. The Board also reviewed Green Eagle’s financial stability. The Board concluded that it was satisfied with the nature, extent and quality of services to be provided to the Fund by Green Eagle. The Board also concluded that, under the circumstances, Green Eagle would be financially able to provide investment advisory services to the Fund.

To evaluate performance matters, the Board reviewed the historical performance of a hedge fund managed by Green Eagle in the same style to be employed on behalf of the Fund. The Board considered that the referenced fund had not been subject to the same types of expenses to which the Fund would be subject, nor to the diversification requirements, specific tax restrictions and investment limitations imposed on the Fund. The

ABSOLUTE FUNDS

ADDITIONAL INFORMATION (Unaudited)

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Board considered the Fund's objective to achieve long-term capital appreciation as well as how Green Eagle's management style would fit in the Fund's overall investment strategy. The Board concluded that, overall, the Fund and its shareholders could benefit from Green Eagle's management of a portion of the Fund's assets.

The Board then considered information provided by Green Eagle regarding its costs of service and profitability, compensation and economies of scale with respect to its proposed services to the Fund. In connection with economies of scale, the Board noted that Green Eagle had historically not offered breakpoints nor managed investments in the absence of an incentive fee given Green Eagle's history as a hedge fund manager. The Board also noted that because Absolute, and not the Fund, would pay the sub-advisory fee, shareholders may not benefit from any economies of scale available through breakpoints in the sub-advisory fee.

In light of all factors considered, the Board concluded that Green Eagle's profitability, compensation and economies of scale were not a material factor in determining whether or not to approve the Sub-Advisory Agreement because, among other things, Absolute, and not the Fund, would be responsible for paying sub-advisory fees due to Green Eagle under the Sub-Advisory Agreement.

The Board noted Green Eagle's representation that Green Eagle does not receive significant ancillary benefits as a result of its relationship with the Fund, other than the benefit of research received from the brokers executing transactions on behalf of its clients and the ability to refer to its sub-advisory relationship with the Fund. Based on the foregoing representation, the Board concluded that other benefits received by Green Eagle from its relationship with the Fund were not a material factor in approving the Sub-Advisory Agreement.

Prior to voting, the Board reviewed a memorandum from Fund Counsel discussing the legal standards applicable to its consideration of the Sub-Advisory Agreement. The Board also discussed the proposed initial approval of the Sub-Advisory Agreement. Based on its review, including consideration of each of the factors referred to above, the Board (including all of the Independent Trustees) determined, in the exercise of their business judgment, that the overall sub-advisory arrangements, as provided in the Sub-Advisory Agreement, were fair and reasonable, and that approving the Sub-Advisory Agreement was in the best interest of the Fund's shareholders.

KINGSTOWN CAPITAL MANAGEMENT LP ("Kingstown")

The Board considered Absolute's proposal to approve the Sub-Advisory Agreement between Absolute and Kingstown, on behalf of the Fund. In determining whether to approve the Sub-Advisory Agreement, the Board considered, among other things, the following factors: (1) the nature and quality of the services to be provided by Kingstown; (2) Kingstown's financial stability, cost for providing the services and the profitability of the advisory business to Kingstown; (3) Kingstown's compensation for providing sub-advisory services to the Fund; (4) economies of scale and other benefits to Kingstown and (5) Absolute's recommendation to retain Kingstown as a sub-adviser. In their deliberations, the Board did not identify any particular information that was all-important or controlling, and the Board attributed different weights to the various factors. In particular, the Board focused on the factors discussed below.

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Following a meeting with representatives of Kingstown regarding Kingstown's personnel, operations and financial condition, the Board considered the quality of the personnel that would be assigned responsibility for servicing the Fund. The Board also reviewed Kingstown's financial stability. The Board concluded that it was satisfied with the nature, extent and quality of services to be provided to the Fund by Kingstown. The Board also concluded that, under the circumstances, Kingstown would be financially able to provide investment advisory services to the Fund.

To evaluate performance matters, the Board reviewed the historical performance of a hedge fund managed by Kingstown in the same style to be employed on behalf of the Fund. The Board considered that the referenced fund had not been subject to the same types of expenses to which the Fund would be subject, nor to the diversification requirements, specific tax restrictions and investment limitations imposed on the Fund. In light of all factors considered, the Board concluded that, overall, the Fund and its shareholders could benefit from Kingstown's management of apportion of the Fund's assets.

The Board then considered information provided by Kingstown regarding its costs of service and profitability, compensation and economies of scale with respect to its proposed services to the Fund. In connection with economies of scale, the Board noted that Kingstown had historically not offered breakpoints nor managed investments in the absence of an incentive fee given Kingstown's history as a hedge fund manager. The Board also noted that because Absolute, and not the Fund, would pay the sub-advisory fee, shareholders may not benefit from any economies of scale available through breakpoints in the sub-advisory fee. In light of all factors considered, the Board concluded that Kingstown's profitability, compensation and economies of scale were not a material factor in determining whether or not to approve the Sub-Advisory Agreement because, among other things, Absolute, and not the Fund, would be responsible for paying sub-advisory fees due to Kingstown under the Sub-Advisory Agreement.

The Board noted Kingstown's representation that Kingstown does not receive significant ancillary benefits as a result of its relationship with the Fund, other than the benefit of research received from the brokers executing transactions on behalf of its clients and the ability to refer to its sub-advisory relationship with the Fund. Based on the foregoing representation, the Board concluded that other benefits received by Kingstown from its relationship with the Fund were not a material factor in approving the Sub-Advisory Agreement.

Prior to voting, the Board reviewed a memorandum from Fund Counsel discussing the legal standards applicable to its consideration of the Sub-Advisory Agreement. The Board also discussed the proposed initial approval of the Sub-Advisory Agreement. Based on its review, including consideration of each of the factors referred to above, the Board (including all of the Independent Trustees) determined, in the exercise of their business judgment, that the overall sub-advisory arrangements, as provided in the Sub-Advisory Agreement, were fair and reasonable, and that approving the Sub-Advisory Agreement was in the best interest of the Fund's shareholders.

MADDEN ASSET MANAGEMENT LLC ("MAM")

The Board considered Absolute's proposal to approve the Sub-Advisory Agreement between Absolute and MAM, on behalf of the Fund. In determining whether to approve the Sub-Advisory Agreement, the Board

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considered, among other things, the following factors: (1) the nature and quality of the services to be provided by MAM; (2) MAM's financial stability, cost for providing the services and the profitability of the advisory business to MAM; (3) MAM's compensation for providing sub-advisory services to the Fund; (4) economies of scale and other benefits to MAM and (5) Absolute's recommendation to retain MAM as a sub-adviser. In their deliberations, the Board did not identify any particular information that was all-important or controlling, and the Board attributed different weights to the various factors. In particular, the Board focused on the factors discussed below.

Following a meeting with representatives of MAM regarding MAM's personnel, operations and financial condition, the Board considered the quality of the personnel that would be assigned responsibility for servicing the Fund. The Board also reviewed MAM's financial stability. The Board concluded that it was satisfied with the nature, extent and quality of services to be provided to the Fund by MAM. The Board also concluded that, under the circumstances, MAM would be financially able to provide investment advisory services to the Fund.

To evaluate performance matters, the Board reviewed the historical performance of a hedge fund managed by MAM in the same style to be employed on behalf of the Fund. The Board considered that the referenced fund had not been subject to the same types of expenses to which the Fund would be subject, nor to the diversification requirements, specific tax restrictions and investment limitations imposed on the Fund. The Board considered the Fund's objective to achieve long-term capital appreciation as well as how MAM's management style would fit in the Fund's overall investment strategy.

The Board concluded that, overall, MAM's management of a portion of the Fund's assets could benefit the Fund and its shareholders.

The Board then considered information provided by MAM regarding its costs of service and profitability, compensation and economies of scale with respect to its proposed services to the Fund. In connection with economies of scale, the Board noted that MAM had historically not offered breakpoints nor managed investments in the absence of an incentive fee given MAM's history as a hedge fund manager. The Board also noted that because Absolute, and not the Fund, would pay the sub-advisory fee, shareholders may not benefit from any economies of scale available through breakpoints in the sub-advisory fee. In light of all factors considered, the Board concluded that MAM's profitability, compensation and economies of scale were not a material factor in determining whether or not to approve the Sub-Advisory Agreement because, among other things, Absolute, and not the Fund, would be responsible for paying sub-advisory fees due to MAM under the Sub-Advisory Agreement.

The Board noted MAM's representation that it does not receive significant ancillary benefits as a result of its relationship with the Fund, other than the benefit of research received from the brokers executing transactions on behalf of its clients and the ability to refer to its sub-advisory relationship with the Fund. Based on the foregoing representation, the Board concluded that other benefits received by MAM from its relationship with the Fund were not a material factor in approving the Sub-Advisory Agreement.

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Prior to voting, the Board reviewed a memorandum from Fund Counsel discussing the legal standards applicable to its consideration of the Sub-Advisory Agreement. The Board also discussed the proposed initial approval of the Sub-Advisory Agreement. Based on its review, including consideration of each of the factors referred to above, the Board (including all of the Independent Trustees) determined, in the exercise of their business judgment, that the overall sub-advisory arrangements, as provided in the Sub-Advisory Agreement, were fair and reasonable, and that approving the Sub-Advisory Agreement was in the best interest of the Fund's shareholders.

SEMAPHORE MANAGEMENT LLC ("Semaphore")

The Board received a presentation from senior representatives of Absolute and Semaphore and discussed Semaphore's personnel, operations and financial condition. Specifically, the Board considered the adequacy of Semaphore's resources and the quality of services to be provided by Semaphore to the Fund under the Sub-Advisory Agreement. Additionally, the Board considered information regarding the experience and professional background of the portfolio managers at Semaphore and the qualifications of the portfolio managers and other personnel who would have principal investment responsibility for the portion of the Fund's investments to be managed by Semaphore; the investment philosophy and decision-making processes of those professionals; the capability and integrity of Semaphore's senior management and staff; the quality of Semaphore's services with respect to regulatory compliance and compliance with client investment policies and restrictions; and the financial condition and operational stability of Semaphore.

The Board considered the adequacy of Semaphore's resources. The Board reviewed Semaphore's summary of its financial condition as of March 1, 2009. The Board noted Semaphore's representation that the firm is financially stable and able to provide investment sub-advisory services to the Fund. The Board concluded that, overall, it was satisfied with the nature, extent and quality of services to be provided to the Fund by Semaphore under the Sub-Advisory Agreement.

The Board also concluded that, under the circumstances, Semaphore would be financially able to provide investment advisory services to the Fund.

To evaluate performance matters, the Board reviewed the historical performance of three hedge funds managed by Semaphore in a style similar, but not identical, to that to be employed on behalf of the Fund. The Board considered the Fund's objective to achieve long-term capital appreciation with an emphasis on risk adjusted returns and lower volatility than traditional equity market indices such as the S&P 500 Index as well as how Semaphore's management style would fit in the Fund's overall investment strategy. The Board determined that Semaphore's management of a portion of the Fund could benefit the Fund and its shareholders.

The Board then considered information provided by Semaphore regarding its costs of services and profitability, compensation and economies of scale with respect to the Fund. With respect to economies of scale, the Board noted that the fee schedule in the proposed Sub-Advisory Agreement contained breakpoints. The Board

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concluded that Semaphore's projected profitability, compensation and economies of scale with respect to the Fund was not a material factor in determining whether or not to approve the Sub-Advisory Agreement because the Adviser, and not the Fund, would be responsible for paying the sub-advisory fees due to Semaphore under the Sub-Advisory Agreement.

The Board noted Semaphore's representation that it would not receive significant ancillary benefits as a result of its relationship with the Fund, other than the benefit of improved investor perception of a larger and more stable business resulting from greater assets under management. Based on the foregoing representation, the Board concluded that other benefits received by Semaphore from its relationship with the Fund were not a material factor in approving the Sub-Advisory Agreement.

Prior to voting, the Board reviewed a memorandum from Fund Counsel discussing the legal standards applicable to its consideration of the Sub-Advisory Agreement. The Board also discussed the proposed initial approval of the Sub-Advisory Agreement. Based on its review, including consideration of each of the factors referenced above, the Board determined, in the exercise of its business judgment, that the overall sub-advisory arrangements, as outlined in the Sub-Advisory Agreement, were fair and reasonable, and that approving the Sub-Advisory Agreement was in the best interest of the Fund's shareholders.

Proxy Voting Information

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to securities held in the Funds' portfolios is available, without charge and upon request, by calling (888) 992-2765 and on the SEC's website at www.sec.gov. The Funds' proxy voting records for the most recent twelve-month period ended June 30, is available, without charge and upon request, by calling (888) 992-2765 and on the SEC's website at www.sec.gov.

Availability of Quarterly Portfolio Schedules

The Funds file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q are available, without charge and upon request on the SEC's website at www.sec.gov or may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (202) 551-8090.

Shareholder Expense Example

As a shareholder of the Funds, you incur ongoing costs, including management fees, distribution (12b-1) fees and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds.

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The following example is based on \$1,000 invested at the beginning of the period and held for the entire period from October 1, 2008 through March 31, 2009.

Actual Expenses – The first line under each share class in the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during the period.

Hypothetical Example for Comparison Purposes – The second line under each share class in the table below provides information about hypothetical account values and hypothetical expenses based on a Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not a Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing cost of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight your ongoing costs only. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds.

Absolute Strategies Fund

	Beginning Account Value October 1, 2008	Ending Account Value March 31, 2009	Expenses Paid During Period *	Annualized Expense Ratio *
Institutional Shares				
Actual	\$1,000.00	\$ 888.90	\$10.78	2.29%
Hypothetical (5% return before expenses)	\$1,000.00	\$1,013.51	\$11.50	2.29%
R Shares				
Actual	\$1,000.00	\$ 887.34	\$12.42	2.64%
Hypothetical (5% return before expenses)	\$1,000.00	\$1,011.77	\$13.24	2.64%
C Shares				
Actual	\$1,000.00	\$ 883.27	\$16.20	3.45%
Hypothetical (5% return before expenses)	\$1,000.00	\$1,007.73	\$17.27	3.45%

* Expenses are equal to the Fund’s annualized expense ratio as indicated above multiplied by the average account value over the period, multiplied by the number of days in most recent fiscal half-year divided by 365 to reflect the half-year period.

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Absolute Opportunities Fund

	Beginning Account Value October 21, 2008	Ending Account Value March 31, 2009	Expenses Paid During Period *	Annualized Expense Ratio *
Institutional Shares				
Actual	\$1,000.00	\$1,059.53	\$13.63	3.00%
Hypothetical (5% return before expenses)	\$1,000.00	\$1,009.97	\$15.03	3.00%

* Expenses are equal to the Fund's annualized expense ratio as indicated above multiplied by the average account value over the period, multiplied by the number of days in most recent fiscal half-year divided by 365 to reflect the half-year period (except for the Fund's actual return information which reflects the 161-day period between October 21, 2008, the date of inception, through March 31, 2009).

Federal Tax Status of Dividends Declared during the Tax Year

Income Dividends – For Federal income tax purposes, dividends from short-term capital gains are classified as ordinary income. The Absolute Strategies Fund designates 21.06% of its income dividend distributed as qualifying for the corporate dividends-received deduction (DRD) and 22.96% for the qualified dividend rate (QDI) as defined in Section 1(h)(11) of the Internal Revenue Code. The Absolute Strategies Fund also designates 95.74% as qualified net investment income dividends exempt from U.S. tax for foreign shareholders (QII) and 100% as short-term capital gain dividends exempt from U.S. tax for foreign shareholders (QSD). The Absolute Opportunities Fund designates 0.39% of its income dividend distributed as qualifying for DRD and 23.05% for QDI. The Absolute Opportunities Fund also designates 100.00% for QII and 100.00% for QSD.

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Trustees and Officers of the Trust

The Board is responsible for oversight of the management of the Trust's business affairs and of the exercise of all the Trust's powers except those reserved for shareholders. The following table provides information about each Board member and certain officers of the Trust. The Trustees listed below also serve in the capacities noted below for Monarch Funds. Mr. Keffer is considered an Interested Trustee due to his affiliation with Atlantic. Mr. Keffer is also an Interested Director of Wintergreen Fund, Inc. Each Trustee and officer holds office until the person resigns, is removed, or is replaced. Unless otherwise noted, the persons have held their principal occupations for more than five years. The address for all Trustees and officers is Three Canal Plaza, Suite 600, Portland, Maine, 04101, unless otherwise indicated. Each Trustee oversees twenty-eight portfolios in the Trust. The Fund's Statement of Additional Information includes additional information about the Trustees and is available, without charge and upon request, by calling (888) 992-2765.

Name and Year of Birth	Position with the Trust	Length of Time Served	Principal Occupation(s) During Past 5 Years
Independent Trustees			
J. Michael Parish Born: 1943	Chairman of the Board; Trustee; Chairman, Compliance Committee, Nominating Committee and Qualified Legal Compliance Committee	Trustee since 1989 (Chairman since 2004)	Retired; Partner, Wolf, Block, Schorr and Solis-Cohen, LLP (law firm) 2002-2003; Partner, Thelen Reid & Priest LLP (law firm) 1995-2002.
Costas Azariadis Born: 1943	Trustee; Chairman, Valuation Committee	Since 1989	Professor of Economics, Washington University (effective 2006); Professor of Economics, University of California-Los Angeles 1992-2006.
James C. Cheng Born: 1942	Trustee; Chairman, Audit Committee	Since 1989	President, Technology Marketing Associates (marketing company for small- and medium-sized businesses in New England) since 1991.
Interested Trustee			
John Y. Keffer ¹ Born: 1942	Trustee; Chairman, Contracts Committee	Since 1989	Chairman, Atlantic Fund Administration, LLC since 2008; President, Forum Foundation (a charitable organization) since 2005; President, Forum Trust, LLC (a non-depository trust company) since 1997; President, Citigroup Fund Services, LLC (Citigroup) 2003-2005; President, Forum Financial Group, LLC ("Forum") (a fund services company acquired by Citibank, N.A.) 1986-2003.

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Name and Year of Birth	Position with the Trust	Length of Time Served	Principal Occupation(s) During Past 5 Years
Officers Stacey E. Hong Born: 1966	President; Principal Executive Officer	Since June 2008	President, Atlantic Fund Administration, LLC since 2008; Director, Consulting Services, Foreside Fund Services, January 2007-September 2007; Elder Care June 2005-December 2006; Director, Fund Accounting, Citigroup December 2003-May 2005; Director/Senior Manager/Manager, Accounting, Forum Financial Group April 1992-November 2003; Auditor, Ernst & Young May 1988-March 1992.
Karen Shaw Born: 1972	Treasurer; Principal Financial Officer	Since July 2008	Senior Manager, Atlantic Fund Administration, LLC since 2008; Section Manager/Vice President, Enterprise Support Services, Citigroup December 2003-July 2008; Senior Manager, Support and Fund Accounting, Forum Financial Group, August 1994-December 2003.
Gale Bertrand Born: 1964	Vice President	Since July 2008	Senior Manager, Atlantic Fund Administration, LLC since 2008; Department Manager/Senior Vice President, Enterprise Support Services, Citigroup December 2003-July 2008; Director, Support, Senior Manager Fund Accounting, Forum Financial Group, March 1990-December 2003.
Lina Bhatnagar Born: 1971	Secretary	Since June 2008	Senior Administration Specialist, Atlantic Fund Administration, LLC since May 2008; Regulatory Administration Specialist, Citigroup, June 2006-May 2008; Money Market/Short Term Trader, Wellington Management, 1996-2002.

¹ Since 1997, John Y. Keffer has been president and owner of Forum Trust, LLC, a state chartered, non-depository bank; and vice chairman and trustee of the Trust. Atlantic Fund Administration, LLC, is a subsidiary of Forum Trust, LLC.

ABSOLUTE FUNDS

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This report is submitted for the general information of the shareholders of the Funds. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus, which includes information regarding the Funds' risks, objectives, fees and expenses, experience of its managements and other information.