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**ABSOLUTE** Strategies  
FUND

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**SEMI-ANNUAL REPORT  
(Unaudited)**

**SEPTEMBER 30, 2007**

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**ABSOLUTE**  
INVESTMENT ADVISERS

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**ABSOLUTE STRATEGIES FUND**

A MESSAGE TO OUR SHAREHOLDERS

SEPTEMBER 30, 2007

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Dear Shareholder,

The Absolute Strategies Fund (the “Fund”) continued to perform as intended given the Fund’s risk exposures and risk-adjusted performance. Fund performance has been achieved with low volatility and low beta relative to the S&P 500 Index, while at the same time being broadly hedged against equity market fluctuations. From inception through September 30, 2007, the Fund’s monthly returns have had a beta of 0.20, demonstrating that Fund returns were largely independent of this market index. The annualized standard deviation of monthly returns, a measure of portfolio volatility and risk, has been 2.1% with only 3 negative months since inception. Please see the accompanying table and chart following this commentary for complete return information.

There were many market dislocations during the past few months that proved to be a great stress test for strategies seeking absolute (positive) returns. Given our emphasis on risk management, the Fund performed well during this volatile period with 3rd quarter total returns for the Institutional, A and C Shares of 1.49%, 1.40% and 1.22% respectively. The Fund’s July loss of 0.19% (Institutional Shares) was the only down month out of the past 16 months.

We were not surprised by the recent market turbulence. Our past quarterly commentary and annual report letter articulated our concerns with how loose credit, low risk premiums and leverage would hold up in an environment where credit tightens or liquidity moderates. We have also stated concerns for investors who attempt to diversify portfolios; many investments have shown broad asset correlations and sensitivities that include many hedge fund strategies. Some hedge funds had difficulty during the 3rd quarter, including a quarterly loss of -4.3% for the HFRX Equity Market Neutral Index.

Even though hedge fund volatility made headlines during the quarter, investors should not panic if their hedge fund is down 1-2% for the month when the S&P 500 is up; that is an “uncorrelated” investment. The problem (that justified our on-going concern) is that many hedge funds (and investment banks) have relied on easy credit, low volatility and excessive use of leverage to generate performance. Up until recently, this undisciplined approach had created a panacea of exciting returns with low volatility. Unfortunately, low volatility does not mean low risk, especially when using illiquid investments that are not marked to market, but are marked to a model. When highly leveraged portfolios are not valued appropriately, a dislocation is inevitable when conditions change (and they did). As a result, many market participants were forced to liquidate or write-down assets and de-lever their portfolios which dealt their investors sizable losses (leverage worked in reverse) and generated additional market volatility.

While investors have begun to reassess risk, many investments continue to rely on “Goldilocks” conditions, which usually do not coincide with times to engage in excessive risk taking. Investors should keep in mind that even long-term returns need to be weighed against the amount of risk in the investment. Through September 30, 2007, the equity markets have had a tremendous bull run as evidenced by the S&P 500’s 5-year annualized return of 15.45%, yet the 7-year and 10-year annualized returns were 2.60% and 6.57%, respectively. Those are relatively modest long-term returns given the expected risk premium in equities.

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**ABSOLUTE STRATEGIES FUND**

A MESSAGE TO OUR SHAREHOLDERS

SEPTEMBER 30, 2007

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As for expectations for continued volatility, it seems unlikely that dislocations in the credit markets will be solved in weeks or even months given the amount of collateralized debt obligations that many market participants are having difficulty valuing and determining losses on. Defining “exposures” at large institutions is highly complex and can be sensitive to changing assumptions, market conditions and hedging positions. Bad loans and collapsing valuations are something the Federal Reserve cannot necessarily fix by printing money and the fuel for “Goldilocks” may not be so cheap and easy in the future. Given the above, investors and advisors would be wise to assess how much of their investments “require” leverage or sensitivity to directional markets to generate attractive returns.

Although volatility may increase during upcoming quarters, we continue to be excited about the Fund’s prospects over the next several years as dislocations in the markets may provide opportunities for new and unique managers and strategies. During the 4th quarter we plan to introduce two new strategies that we believe will enhance the mix of our strategies and potentially exploit market dislocations in the future. Please check our website, [www.absoluteadvisers.com](http://www.absoluteadvisers.com), for additional information including updates to the Fund’s prospectus.

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 September 30, 2007 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.

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. HFRX Equity Market Neutral Index combines core long holdings of equities with short sales of stock or stock index options. One cannot invest directly in an index or average.

**ABSOLUTE STRATEGIES FUND**

PERFORMANCE CHART AND ANALYSIS

SEPTEMBER 30, 2007

The following chart reflects the change in value, since the Fund's commencement of investment operations, of a hypothetical \$10,000 investment in Institutional, A and C Shares, including (i) sales charges (if applicable) and (ii) the reinvestment of dividends and distributions compared with broad-based securities market indices. The S&P 500 Index is a market-value weighted index representing the performance of 500 widely held, publicly traded large capitalization stocks. The Lehman Brothers U.S. Aggregate Index covers the US dollar-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities. The total return of each share class includes the maximum 4.50% sales charge (A Shares only) and operating expenses that reduce returns, while the total return of each index does not include sales charges or expenses. The performance of each share class differs due to different sales charge structures and 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.

**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 annual operating expense ratios (gross) are 2.15%, 2.54% and 3.33% for Institutional Shares, A Shares and C Shares, respectively. However, the Fund's adviser has agreed to contractually waive a portion of its fees and/or reimburse expenses such that total operating expenses do not exceed 1.95%, 2.25% and 3.00% for Institutional Shares, A Shares and C Shares, respectively. Although subject to change, this waiver has been renewed annually on July 31<sup>st</sup>. 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.

**Institutional, A and C Shares vs. S&P 500 Index and Lehman Brothers U.S. Aggregate Index**

**Average Annual Total Return as of 09/30/07**

Absolute Strategies Fund — Institutional Shares	7.31%
Absolute Strategies Fund — A Shares (w/sales charge)	2.11%
Absolute Strategies Fund — C Shares*	6.12%
S&P 500 Index	16.44%
Lehman Brothers U.S. Aggregate Index (since 07/31/05)	5.14%

**One Year**

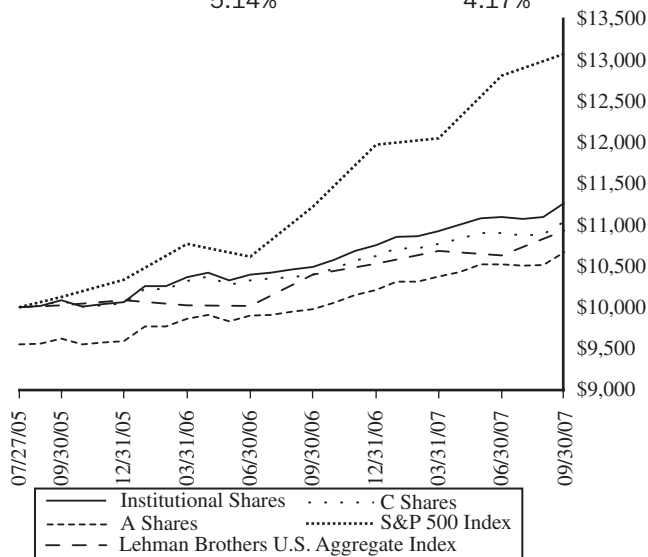
**Commencement of Investment Operations 07/27/05**

7.31%	5.56%
2.11%	2.99%
6.12%	4.59%
16.44%	12.25%
5.14%	4.17%

**Investment Value as of 09/30/07**

Absolute Strategies Fund — Institutional Shares	\$11,251
Absolute Strategies Fund — A Shares (w/sales charge)	\$10,663
Absolute Strategies Fund — C Shares	\$11,028
S&P 500 Index	\$13,052
Lehman Brothers U.S. Aggregate Index (since 07/31/05)	\$10,925

\* 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.



**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2007

<u>Shares</u>	<u>Security Description</u>	<u>Value</u>	<u>Shares</u>	<u>Security Description</u>	<u>Value</u>
<b>Long Positions - 101.0%</b>			4,500	HNI Corp. (g)	\$ 162,000
<b>Equity Securities - 61.7%</b>			4,500	Home Depot, Inc.	145,980
<b>Common Stock - 61.0%</b>			2,500	Hovnanian Enterprises, Inc., Class A (a)(g)(k)	27,725
<b>Consumer Discretionary - 9.0%</b>			1,550	International Game Technology	66,805
1,300	Abercrombie & Fitch Co. (g)	\$ 104,910	1,514	J Crew Group, Inc. (a)(g)	62,831
4,200	Adidas AG	274,549	3,100	Jack in the Box, Inc. (a)(g)	201,004
10,611	Aeropostale, Inc. (a)(g)	202,246	4,000	Knoll, Inc. (g)	70,960
9,500	Ambassadors Group, Inc. (g)	361,950	24,150	Kohl's Corp. (a)(g)(k)	1,384,519
39,950	American Eagle Outfitters, Inc. (g)	1,051,085	12,000	Las Vegas Sands Corp. (a)	1,601,040
11,300	AnnTaylor Stores Corp. (a)(g)	357,871	1,200	Lennar Corp., Class A (g)(k)	27,180
1,000	Autoliv, Inc. (g)	59,750	35,200	Lowe's Cos., Inc. (g)(k)	986,304
3,200	Barnes & Noble, Inc. (g)	112,832	3,610	Macy's, Inc. (g)	116,675
5,209	Bebe Stores, Inc. (g)	76,208	1,500	Magna International, Inc., Class A (g)	144,465
15,225	Bed Bath & Beyond, Inc. (a)(g)(k)	519,477	5,900	Maidenform Brands, Inc. (a)(g)	93,692
6,225	Big Lots, Inc. (a)(g)	185,754	3,000	Marvel Entertainment, Inc. (a)(g)	70,320
6,400	BJ's Wholesale Club, Inc. (a)(g)	212,224	4,800	McDonald's Corp. (g)	261,456
15,400	Brinker International, Inc. (g)	422,576	1,376	Men's Wearhouse, Inc.	69,516
3,968	Brown Shoe Co., Inc. (g)	76,979	18,050	MGM Mirage (a)	1,614,392
3,750	The Buckle, Inc. (g)	142,275	4,790	Mohawk Industries, Inc. (a)(g)	389,427
2,800	Buffalo Wild Wings, Inc. (a)(g)	105,616	4,337	Newell Rubbermaid, Inc. (g)	124,992
79,000	Building Materials Holding Corp. (g)	835,820	15,742	Nike, Inc., Class B (g)(k)	923,426
25,150	Burger King Holdings, Inc. (g)	641,074	878	Nordstrom, Inc. (g)	41,169
61,730	CarMax, Inc. (a)(g)	1,254,971	300	NVR, Inc. (a)(g)	141,075
59,925	Carter's, Inc. (a)(g)(k)	1,195,504	9,000	Paccar, Inc. (g)	767,250
6,300	CDW Corp. (g)(k)	549,360	7,100	Pacific Sunwear of California (a)(g)	105,080
2,200	Centex Corp. (g)(k)	58,454	2,200	Papa John's International, Inc. (a)(g)	53,768
5,376	Charlotte Russe Holding, Inc. (a)(g)	78,705	9,900	PF Chang's China Bistro, Inc. (a)(g)	293,040
5,500	Chico's FAS, Inc. (a)(g)	77,275	8,300	Polaris Industries, Inc. (g)	362,046
22,435	Cintas Corp. (g)	832,339	45,700	Pulte Homes, Inc. (g)(k)	621,977
2,000	Circuit City Stores, Inc. (g)(k)	15,820	5,985	RadioShack Corp. (g)	123,650
22,500	Coach, Inc. (a)(g)	1,063,575	27,905	Royal Caribbean Cruises, Ltd. (g)	1,089,132
9,190	Collective Brands, Inc. (a)(g)	202,731	4,600	Ruby Tuesday, Inc. (g)	84,364
1,100	Columbia Sportswear Co. (g)	60,841	3,400	Ryland Group, Inc. (g)(k)	72,862
11,120	Costco Wholesale Corp. (g)	682,434	8,700	School Specialty, Inc. (a)(g)	301,281
14,050	CROCS, Inc. (a)(g)	944,863	4,050	Sears Holdings Corp. (a)	515,160
1,200	D R Horton, Inc. (g)(k)	15,372	11,400	Select Comfort Corp. (a)(g)	159,030
3,300	Deckers Outdoor Corp. (a)(g)	362,340	50,400	Sonic Corp. (a)(g)	1,179,360
13,676	Dollar Tree Stores, Inc. (a)(g)	554,425	105,000	Standard-Pacific Corp.	581,700
12,100	DreamWorks Animation SKG, Inc., Class A (a)	404,382	2,527	Starbucks Corp. (a)(g)	66,207
1,200	Ethan Allen Interiors, Inc. (g)	39,228	58,500	Steak 'N Shake Co. (a)(g)	878,085
5,700	EZCORP, Inc., Class A (a)(g)	76,665	23,800	Steelcase, Inc. (g)	427,924
29,289	Family Dollar Stores, Inc. (g)	777,916	1,200	Target Corp. (g)(k)	76,284
2,800	First Cash Financial Services, Inc. (a)(g)	65,576	1,300	Tech Data Corp. (a)(g)	52,156
12,000	Foot Locker, Inc. (g)	183,960	4,100	Tempur-Pedic International, Inc. (g)	146,575
24,860	Ford Motor Co. (a)(g)	211,061	2,600	Thor Industries, Inc. (g)	116,974
25,000	Furniture Brands International, Inc.	253,500	19,600	Tim Hortons, Inc. (g)	683,060
2,616	GameStop Corp., Class A (a)(g)	147,412	1,716	TJX Cos., Inc. (g)	49,884
4,993	General Motors Corp.	183,243	2,000	Toll Brothers, Inc. (a)(g)(k)	39,980
22,350	Goodyear Tire & Rubber Co. (a)(g)	679,663	15,300	Toro Co. (g)	900,099
2,700	Gymboree Corp. (a)(g)	95,148	3,300	Tween Brands, Inc. (a)(g)	108,372
13,000	Hasbro, Inc. (g)	362,440	2,000	Vail Resorts, Inc. (a)(g)	124,580
4,800	Hibbett Sports, Inc. (a)(g)	119,040	27,500	Wabash National Corp. (g)	310,475
			23,100	Wal-Mart Stores, Inc. (g)	1,008,315



**ABSOLUTE STRATEGIES FUND****SCHEDULE OF INVESTMENTS**

SEPTEMBER 30, 2007

<b>Shares</b>	<b>Security Description</b>	<b>Value</b>	<b>Shares</b>	<b>Security Description</b>	<b>Value</b>
11,800	Parker Drilling Co. (a)(g)	\$ 95,816	13,455	Citigroup, Inc. (g)	\$ 627,945
19,700	Patterson-UTI Energy, Inc. (g)	444,629	1,800	City National Corp. (g)	125,118
5,500	Petro-Canada (g)	315,645	6,000	Climate Exchange plc (a)	177,023
6,780	Pioneer Natural Resources Co. (g)	304,964	3,230	CME Group, Inc.	1,897,140
1,000	Schlumberger, Ltd. (g)(k)	105,000	8,150	Cohen & Steers, Inc. (g)	301,794
4,200	Seacor Holdings, Inc. (a)(g)	399,420	4,150	Colonial BancGroup, Inc. (g)	89,723
1,525	Southwestern Energy Co. (a)(g)	63,821	9,900	Comerica, Inc. (g)	507,672
1,800	St Mary Land & Exploration Co. (g)	64,206	1,289	CompuCredit Corp. (a)(g)	27,984
12,900	Suncor Energy, Inc.	1,223,049	23,500	Corus Bankshares, Inc. (g)	305,970
7,600	Sunoco, Inc. (g)	537,928	4,000	Countrywide Financial Corp. (g)(k)	76,040
9,950	Sunpower Corp., Class A (a)(g)	824,059	6,270	DiamondRock Hospitality Co. (g)	109,161
2,000	Swift Energy Co. (a)(g)	81,840	600	Discover Financial Services (g)	12,480
8,100	Talisman Energy, Inc. (g)	159,570	82,500	E*Trade Financial Corp. (a)(g)	1,077,450
7,200	Texas Pacific Land Trust	380,880	7,250	East West Bancorp, Inc.	260,710
815	Transocean, Inc. (a)(g)	92,136	39,850	Eaton Vance Corp. (g)	1,592,406
3,500	Unit Corp. (a)(g)	169,400	20,000	Entertainment Properties Trust	1,016,000
5,100	Valero Energy Corp. (g)	342,618	20,000	Equity Inns, Inc.	451,600
55	Western Oil Sands, Inc. (a)	2,153	2,700	Erie Indemnity Co., Class A (g)	165,051
100	Western Oil Sands, Inc., Class A (a)	3,915	865	Everest Re Group, Ltd. (g)	95,358
4,870	Williams Cos., Inc. (g)	165,872	13,300	Federated Investors, Inc., Class B (g)	528,010
2,390	XTO Energy, Inc. (g)	147,798	68,505	First Marblehead Corp. (g)(k)	2,598,395
		<u>26,672,031</u>	11,700	First Niagara Financial Group, Inc. (g)	165,555
			7,620	FirstFed Financial Corp. (a)(g)	377,571
			18,000	Forest City Enterprises, Inc., Class A	992,880
			8,600	FPIC Insurance Group, Inc. (a)(g)	370,230
			12,800	Franklin Resources, Inc. (g)	1,632,000
			1,900	Goldman Sachs Group, Inc. (g)	411,806
			6,800	Greenhill & Co., Inc. (g)	415,140
			8,850	Groupe Bruxelles Lambert SA	1,073,484
			14,000	Hanmi Financial Corp.	216,860
			3,800	The Hanover Insurance Group, Inc. (g)	167,922
			750	Hartford Financial Services Group, Inc.	69,412
			24,000	Health Care Real Estate Investment Trust, Inc.	1,061,760
			125,000	Hong Kong Exchanges and Clearing, Ltd.	3,820,501
			6,700	Host Hotels & Resorts, Inc. (g)	150,348
			100,000	HRPT Properties Trust	989,000
			20,810	Icahn Enterprises LP	2,426,446
			2,000	ICICI Bank, Ltd., ADR	105,440
			9,240	Independence Holding Co. (g)	188,311
			45,000	IndyMac Bancorp, Inc.	1,062,450
			9,050	IntercontinentalExchange, Inc. (a)(g)	1,374,695
			27,000	iStar Financial, Inc.	917,730
			10,700	Janus Capital Group, Inc. (g)	302,596
			8,300	Jones Lang LaSalle, Inc. (g)	852,908
			2,385	JPMorgan Chase & Co. (g)	109,281
			46,100	JSE, Ltd.	535,377
			10,800	KeyCorp (g)	349,164
			53,300	LaBranche & Co., Inc. (a)	249,444
			50	Lazard, Ltd., Class A	2,120
			2,550	Legg Mason, Inc. (g)	214,939
			48,000	Leucadia National Corp.	2,314,560
			311,500	Link Real Estate Investment Trust	685,201
<b>Financials - 16.1%</b>					
1,945	ACE, Ltd. (g)	117,809			
5,200	Affiliated Managers Group, Inc. (a)(g)	663,052			
300	Alexander's, Inc. (a)	115,650			
34,000	Allied Capital Corp.	999,260			
2,200	Allstate Corp. (g)	125,818			
101,500	AmeriCredit Corp. (a)(k)	1,784,370			
4,500	Associated Banc-Corp (g)	133,335			
3,000	Assurant, Inc. (g)	160,500			
22,150	ASX, Ltd.	1,056,493			
875	AvalonBay Communities, Inc. (g)	103,303			
2,945	Bank of America Corp. (g)(k)	148,045			
1,800	Bank of Hawaii Corp. (g)	95,130			
64,277	Bank of New York Mellon Corp. (g)	2,837,187			
29,020	BankUnited Financial Corp., Class A (g)	450,971			
1,450	BB&T Corp. (g)	58,566			
1,950	Bear Stearns Cos., Inc. (g)(k)	239,480			
28	Berkshire Hathaway, Inc., Class A (a)(g)	3,318,280			
150	Berkshire Hathaway, Inc., Class B (a)	592,800			
950	BlackRock, Inc.	164,740			
6,000	Blackstone Group LP (a)	150,480			
915	Boston Properties, Inc. (g)	95,069			
15	Bridge Capital Holdings (a)(g)	334			
27,150	Brookfield Asset Management, Inc., Class A (g)	1,045,275			
5,450	Cathay General Bancorp	175,545			
19,250	CB Richard Ellis Group, Inc., Class A (a)(g)	535,920			
14,000	Center Financial Corp.	194,740			
4,400	Chubb Corp. (g)	236,016			
21,400	Cigna Corp. (g)	1,140,406			

See Notes to Financial Statements.

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2007

<u>Shares</u>	<u>Security Description</u>	<u>Value</u>	<u>Shares</u>	<u>Security Description</u>	<u>Value</u>
10,489	Loews Corp. (g)	\$ 507,143	11,900	Willis Group Holdings, Ltd. (g)	\$ 487,186
14,400	London Stock Exchange Group plc	484,076	14,000	Wilshire Bancorp, Inc.	153,580
2,150	M&T Bank Corp.	222,417			
1,000	Markel Corp. (a)	484,000			73,836,031
13,125	Mercury General Corp. (g)	707,831			
1,200	Merrill Lynch & Co., Inc. (g)(k)	85,536			
1,610	MetLife, Inc. (g)	112,265			
250	Montreal Exchange, Inc.	8,947			
2,320	Morgan Stanley (g)(k)	146,160			
14,000	Nara Bancorp, Inc.	218,680			
32,250	NASDAQ Stock Market, Inc. (a)	1,215,180			
4,500	NYMEX Holdings, Inc.	585,810			
33,090	NYSE Euronext, Inc.	2,619,735			
70	Osaka Securities Exchange Co., Ltd.	309,581			
3,635	Pacific Capital Bancorp NA (g)	95,600			
1,500	Pargesa Holding SA	165,300			
1,500	Philadelphia Consolidated Holding Co. (a)(g)	62,010			
6,000	Ping An Insurance Group Co. of China, Ltd.	83,048			
12,700	PMI Group, Inc. (g)	415,290			
2,000	Power Corp. of Canada	80,149			
8,450	Power Corp. of Canada	338,612			
2,000	Principal Financial Group, Inc. (g)	126,180			
9,750	Progressive Corp.	189,247			
49,000	Quanta Capital Holdings, Ltd. (a)	132,300			
35,000	Realty Income Corp.	978,250			
6,500	Resource America, Inc., Class A	102,635			
4,300	RLI Corp. (g)	243,896			
6,600	Safeco Corp. (g)	404,052			
1,300	Safety Insurance Group, Inc. (g)	46,722			
208,000	Singapore Exchange, Ltd.	1,806,261			
925	SL Green Realty Corp. (g)	108,012			
12,350	SLM Corp. (g)(k)	613,424			
9,825	State Street Corp. (g)	669,672			
4,255	Sterling Financial Corp. (g)	114,502			
150	Student Loan Corp.	27,048			
3,523	T Rowe Price Group, Inc. (g)	196,196			
3,500	Torchmark Corp. (g)	218,120			
2,800	Travelers Cos., Inc. (g)	140,952			
9,000	Triad Guaranty, Inc. (a)(g)	170,730			
38,000	Trustmark Corp.	1,065,520			
14,000	UCBH Holdings, Inc.	244,720			
40,000	UDR, Inc.	972,800			
7,500	UnionBanCal Corp. (g)	438,075			
12,050	US Global Investors, Inc., Class A	229,191			
1,200	Vornado Realty Trust	131,220			
3,450	Wachovia Corp. (g)	173,017			
10,300	Washington Mutual, Inc. (g)	363,693			
25,000	Washington Real Estate Investment Trust	829,500			
10,500	Webster Financial Corp. (g)	442,260			
3,050	Wells Fargo & Co.	108,641			
1,105	White Mountains Insurance Group, Ltd.	574,324			
				<b>Health Care - 3.4%</b>	
			4,807	Aetna, Inc. (g)	260,876
			3,600	AmerisourceBergen Corp. (g)	163,188
			2,400	Amgen, Inc. (a)(g)(k)	135,768
			4,200	Apria Healthcare Group, Inc. (a)(g)	109,242
			3,290	Barr Pharmaceuticals, Inc. (a)(g)	187,234
			3,335	Baxter International, Inc. (g)	187,694
			2,105	Becton Dickinson & Co. (g)	172,715
			1,200	Biogen Idec, Inc. (a)(g)	79,596
			2,969	Bristol-Myers Squibb Co. (g)	85,566
			2,000	Cardinal Health, Inc. (g)	125,060
			9,700	Celgene Corp. (a)(g)	691,707
			1,865	Cephalon, Inc. (a)(g)	136,257
			2,415	Cooper Cos., Inc. (g)	126,594
			6,512	Covidien, Ltd.	270,248
			1,700	CR Bard, Inc. (g)	149,923
			1,500	Dade Behring Holdings, Inc. (g)	114,525
			3,600	Edwards Lifesciences Corp. (a)(g)	177,516
			5,100	Endo Pharmaceuticals Holdings, Inc. (a)(g)	158,151
			17,650	Express Scripts, Inc. (a)(g)	985,223
			6,887	Forest Laboratories, Inc. (a)(g)	256,816
			11,574	Gen-Probe, Inc. (a)(g)	770,597
			3,000	Gilead Sciences, Inc. (a)(g)	122,610
			2,500	Haemonetics Corp. (a)(g)	123,550
			5,100	Health Net, Inc. (a)(g)	275,655
			3,344	Henry Schein, Inc. (a)	203,449
			2,200	Hillenbrand Industries, Inc. (g)	121,044
			1,462	Hologic, Inc. (a)(g)	89,182
			1,300	IDEXX Laboratories, Inc. (a)(g)	142,467
			3,900	Integra LifeSciences Holdings Corp. (a)(g)	189,462
			3,800	Intuitive Surgical, Inc. (a)(g)	874,000
			15,800	Invacare Corp. (g)	369,404
			3,620	Invitrogen Corp. (a)(g)	295,863
			10,800	Johnson & Johnson (g)	709,560
			14,400	Kinetic Concepts, Inc. (a)(g)	810,432
			3,300	King Pharmaceuticals, Inc. (a)(g)	38,676
			5,700	Lincare Holdings, Inc. (a)(g)	208,905
			4,500	Lifecell Corp. (a)(g)	169,065
			1,289	Medco Health Solutions, Inc. (a)(g)	116,513
			5,600	OSI Pharmaceuticals, Inc. (a)(g)	190,344
			19,300	Pfizer, Inc. (g)	471,499
			23,400	Quest Diagnostics, Inc. (g)	1,351,818
			13,400	Respironics, Inc. (a)(g)	643,602
			6,600	Schering-Plough Corp. (h)	208,758
			1,500	Sierra Health Services, Inc. (a)(g)	63,285
			2,923	Smith & Nephew plc, ADR (g)	179,004
			1,923	St. Jude Medical, Inc. (a)(g)	84,747
			12,450	Stryker Corp. (g)	856,062

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2007

Shares	Security Description	Value	Shares	Security Description	Value
8,628	VCA Antech, Inc. (a)(g)	\$ 360,219	25,750	JB Hunt Transport Services, Inc. (g)	\$ 677,225
8,100	WellCare Health Plans, Inc. (a)(g)	853,983	37,150	Joy Global, Inc. (g)	1,889,449
		<u>15,467,654</u>	347	Kansas City Southern (a)(g)	11,163
<b>Industrials - 7.3%</b>			1,088	L-3 Communications Holdings, Inc. (g)	111,128
1,900	3M Co. (g)	177,802	3,600	Laidlaw International, Inc. (g)	126,792
1,800	Acuity Brands, Inc. (g)	90,864	35,300	Lancaster Colony Corp. (g)	1,347,401
3,010	AGCO Corp. (a)(g)	152,818	10,700	Landstar System, Inc. (g)	449,079
14,000	American Ecology Corp. (g)	296,660	5,700	Lennox International, Inc. (g)	192,660
1,400	American Science & Engineering, Inc. (g)	87,724	4,285	Lockheed Martin Corp. (g)	464,880
18,350	Amphenol Corp., Class A (g)	729,596	20,500	Manitowoc Co., Inc. (g)	907,740
4,685	Applera Corp. — Applied Biosystems Group (g)	162,288	800	Martin Marietta Materials, Inc. (g)	106,840
3,900	Ball Corp.	209,625	5,900	Masco Corp. (g)	136,703
682,000	Beijing Capital International Airport Co., Ltd., Class H	1,419,472	9,600	Mettler Toledo International, Inc. (a)(g)	979,200
1,915	Belden, Inc. (g)	89,833	12,800	Mueller Industries, Inc. (g)	462,592
1,700	Bemis Co., Inc. (g)	49,487	26,550	Nalco Holding Co. (g)	787,207
3,900	Black & Decker Corp. (g)	324,870	2,100	Nordson Corp. (g)	105,441
3,120	Boeing Co. (g)	327,569	800	Northrop Grumman Corp. (g)	62,400
2,800	Canadian National Railway Co. (g)	159,600	14,424	Pacer International, Inc. (g)	274,777
1,200	Caterpillar, Inc. (g)(k)	94,116	4,444	Packaging Corp. of America (g)	129,187
39,600	Cemex SAB de CV, ADR (a)	1,184,832	1,300	Parker Hannifin Corp. (g)	145,379
1,600	Ceradyne, Inc. (a)(g)	121,184	18,000	Pentair, Inc.	597,240
2,930	Chicago Bridge & Iron Co. NV (g)	126,166	7,897	Precision Castparts Corp. (g)	1,168,598
3,800	Crane Co. (g)	182,286	1,400	Raytheon Co. (g)	89,348
1,200	Cummins, Inc. (g)	153,468	10,700	Republic Services, Inc. (g)	349,997
6,700	Cymer, Inc. (a)(g)	257,213	1,100	Rockwell Collins, Inc. (g)	80,344
2,700	Dionex Corp. (a)(g)	214,542	1,700	Ryder System, Inc. (g)	83,300
21,500	Dolby Laboratories, Inc., Class A (a)(g)	748,630	6,800	Simpson Manufacturing Co., Inc. (g)	216,580
4,000	Eagle Materials, Inc. (g)	142,960	1,866	Snap-On, Inc. (g)	92,442
1,907	EMCOR Group, Inc. (a)(g)	59,804	28,000	Sonoco Products Co.	845,040
4,700	Encore Wire Corp. (g)	118,111	4,251	Stericycle, Inc. (a)	242,987
9,000	Energizer Holdings, Inc. (a)(g)	997,650	10,700	Sturm Ruger & Co, Inc. (a)(g)	191,637
2,200	EnPro Industries, Inc. (a)(g)	89,320	9,300	Tektronix, Inc. (g)	257,982
5,200	Excel Maritime Carriers, Ltd. (g)	290,160	1,700	Teledyne Technologies, Inc. (a)(g)	90,763
5,550	Foster Wheeler, Ltd. (a)(g)	728,604	11,455	Terex Corp. (a)(g)	1,019,724
3,800	Freightcar America, Inc. (g)	145,160	6,777	Thermo Fisher Scientific, Inc. (a)(g)	391,168
15,950	Frontline, Ltd. (g)	770,066	3,000	Thomas & Betts Corp. (a)(g)	175,920
3,200	Gardner Denver, Inc. (a)(g)	124,800	2,080	Tidewater, Inc. (g)	130,707
14,000	GATX Corp.	598,500	1,200	Timken Co. (g)	44,580
2,000	General Electric Co. (g)(k)	82,800	22,250	Trimble Navigation, Ltd. (a)(g)	872,422
4,800	General Maritime Corp. (g)	133,968	1,800	Tsakos Energy Navigation, Ltd. (g)	126,738
6,000	Genesee & Wyoming Inc. (a)(g)	173,040	1,012	Tyco Electronics, Ltd.	35,855
6,800	Gentex Corp. (g)	145,792	6,508	Tyco International, Ltd.	288,565
2,500	Graco, Inc. (g)	97,775	2,800	United Industrial Corp. (g)	210,728
4,200	Harsco Corp. (g)	248,934	1,800	United Parcel Service, Inc., Class B (g)	135,180
674	Haynes International, Inc. (a)(g)	57,539	2,637	United Technologies Corp. (g)(k)	212,226
64,000	Heartland Express, Inc.	913,920	6,615	USG Corp. (a)(g)	248,393
1,817	Honeywell International, Inc. (g)	108,057	11,211	Volvo AB, ADR (g)	194,511
2,800	Ingersoll-Rand Co., Ltd., Class A (g)	152,516	15,892	Waters Corp. (a)(g)	1,063,493
7,300	Insteel Industries, Inc. (g)	112,055	4,300	Zebra Technologies Corp. (a)(g)	156,907
2,161	ITT Corp. (g)	146,797			<u>33,660,098</u>
11,650	Jacobs Engineering Group, Inc. (a)(g)	880,507			
			<b>Information Technology - 3.6%</b>		
			2,000	Advanced Micro Devices, Inc. (a)(g)(k)	26,400
			5,395	Allscripts Healthcare Solutions, Inc. (a)(g)	145,827

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2007

Shares	Security Description	Value	Shares	Security Description	Value
1,000	Apple, Inc. (a)(g)(k)	\$ 153,540	5,700	Ecolab, Inc. (g)	\$ 269,040
12,000	Applied Materials, Inc. (g)(k)	248,400	3,000	FMC Corp. (g)	156,060
12,900	ATMI, Inc. (a)(g)	383,775	795	Freeport-McMoRan Copper & Gold, Inc., Class B (g)	83,387
15,500	Autodesk, Inc. (a)(g)	774,535	19,194	International Flavors & Fragrances, Inc. (g)	1,014,595
6,200	Avid Technology, Inc. (a)(g)	167,896	3,300	International Paper Co. (g)	118,371
10,750	CACI International, Inc., Class A (a)	549,218	8,000	Louisiana-Pacific Corp. (g)	135,760
6,200	Cadence Design Systems, Inc. (a)(g)	137,578	1,800	Methanex Corp. (g)	45,720
11,650	Cerner Corp. (a)(g)	696,787	17,200	Mosaic Co. (a)(g)	920,544
6,500	Cognos, Inc. (a)(g)	269,945	4,800	Nova Chemicals Corp. (g)	185,280
37,900	Compuware Corp. (a)(g)	303,958	6,100	Nucor Corp. (g)	362,767
5,800	CSG Systems International, Inc. (a)(g)	123,250	15,800	Plum Creek Timber Co., Inc. (g)	707,208
27,200	Cypress Semiconductor Corp. (a)(g)	794,512	515	Potash Corp. of Saskatchewan, Inc. (g)	54,435
4,000	Dell, Inc. (a)(g)(k)	110,400	2,600	PPG Industries, Inc. (g)	196,430
8,000	DST Systems, Inc. (a)(g)	686,480	11,464	Praxair, Inc. (g)	960,225
6,964	Dun & Bradstreet Corp. (g)	686,720	300	Rio Tinto, plc, ADR	103,020
11,800	FactSet Research Systems, Inc. (g)	808,890	2,100	Schnitzer Steel Industries, Inc. (g)	153,909
6,100	Fair Isaac Corp. (g)	220,271	10,600	Schulman A, Inc. (g)	209,138
7,290	Fiserv, Inc. (a)(g)	370,769	7,000	Sherwin-Williams Co. (g)	459,970
4,083	Hewlett-Packard Co.	203,293	14,000	Sigma-Aldrich Corp.	682,360
2,900	International Business Machines Corp. (g)	341,620	8,700	Southern Copper Corp. (g)	1,077,321
10,374	Infineon Technologies AG, ADR (a)(g)	178,225	4,200	Spartech Corp. (g)	71,652
8,131	Intel Corp. (g)	210,268	2,200	Steel Dynamics, Inc. (g)	102,740
1,800	Intuit, Inc. (a)(g)	54,540	2,000	United States Steel Corp. (g)	211,880
25,500	Jack Henry & Associates, Inc. (g)	659,430	1,879	USEC, Inc. (a)	19,260
1,100	Lexmark International, Inc., Class A (a)(g)	45,683	1,500	Westlake Chemical Corp. (g)	37,995
3,570	Linear Technology Corp. (g)	124,914			
5,550	Mastercard, Inc., Class A (g)	821,233			
14,050	MEMC Electronic Materials, Inc. (a)(g)	826,983			
70,300	Microsoft Corp. (g)(k)	2,071,038			
700	MicroStrategy, Inc. (a)(g)	55,538			
47,800	Moneygram International, Inc.	1,079,802			
22,200	NVIDIA Corp. (a)(g)	804,528			
2,200	OmniVision Technologies, Inc. (a)(g)	50,006			
5,900	Oracle Corp. (a)(g)	127,735			
42,160	Scientific Learning Corp. (a)(g)	252,960			
2,000	SEI Investments Co. (g)	54,560			
1,300	Texas Instruments, Inc. (g)	47,567			
25,650	Total System Services, Inc. (g)	712,557			
		<u>16,381,631</u>			
	<b>Materials - 2.8%</b>			<b>Telecommunication Services - 3.7%</b>	
17,300	AK Steel Holding Corp. (a)(g)	760,335	4,700	ADTRAN, Inc. (g)	108,241
1,800	Alcan, Inc. (g)	180,144	11,350	Amazon.com, Inc. (a)(g)(k)	1,057,253
2,560	Alcoa, Inc. (g)	100,147	1,570	American Tower Corp., Class A (a)(g)	68,358
7,500	Allegheny Technologies, Inc. (g)	824,625	1,650	Anixter International, Inc. (a)(g)	136,043
18,015	Anglo American plc, ADR	602,602	6,101	AT&T, Inc. (g)	258,133
2,931	Barrick Gold Corp. (g)	118,061	3,900	Blue Nile, Inc. (a)(g)	367,068
433	BASF AG, ADR (g)	59,953	3,700	Cablevision Systems Corp. (a)(g)	129,278
2,873	Bayer AG, ADR	227,581	6,750	Central European Media Enterprises, Ltd. (a)(g)	619,042
600	BHP Billiton, Ltd., ADR	47,160	7,833	CenturyTel, Inc. (g)	362,041
24,750	Celanese Corp., Class A (g)	964,755	9,100	Check Point Software Technologies (a)(g)	229,138
947	CF Industries Holdings, Inc. (g)	71,887	10,500	Cinram International Income Fund	196,773
907	Cleveland-Cliffs, Inc. (g)	79,789	10,296	Cisco Systems, Inc. (a)(g)(k)	340,901
6,271	Dow Chemical Co. (g)	270,029	25,300	Clear Channel Outdoor Holdings, Inc., Class A (a)(g)	645,150
			3,000	Comcast Corp., Class A (a)(g)(k)	72,540
			15,600	CommScope, Inc. (a)(g)	783,744
			8,100	DIRECTV Group, Inc. (a)(g)	196,668
			37,206	eBay, Inc. (a)(g)(k)	1,451,778
			8,479	EchoStar Communications Corp., Class A (a)(g)	396,902
			20,200	F5 Networks, Inc. (a)(g)	751,238
			300	Getty Images, Inc. (a)	8,352
			400	Google, Inc., Class A (a)(g)(k)	226,908
			13,550	Harris Corp. (g)	783,054

See Notes to Financial Statements.



**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2007

<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>
<b>Fixed-Income Securities - 18.3%</b>					\$ 103,194	Equity One ABS, Inc., Series 2002-4 M1 (c)	5.22%	02/25/33	\$ 97,959
<b>Asset Backed Obligations - 1.4%</b>					1,583,980	FINOVA Group, Inc. (d)	7.50	11/15/09	316,796
\$261,100	Adjustable Rate Mortgage Trust, Series 2005-8 4A11 (c)	5.44%	11/25/35	\$257,726	197,946	First Horizon Asset Securities, Inc., Series 2003-10 2A1	4.75	01/25/19	191,537
230,000	Banc of America Commercial Mortgage, Inc., Series 2005-4 A3	4.89	07/10/45	226,858	200,000	General Electric Capital Commercial Mortgage Corp., Series 2006-C1 A3 (c)	5.52	03/10/44	199,537
110,000	Bayview Financial Acquisition Trust, Series 2005-D AF3 (c)(h)	5.50	12/28/35	109,433	210,000	GMAC Commercial Mortgage Securities, Inc., Series 2004-C3 A4	4.55	12/10/41	205,405
330,000	Bear Stearns Commercial Mortgage Securities, Series 2003-PWR2 A4 (c)	5.19	05/11/39	327,652	300,000	GMAC Commercial Mortgage Securities, Inc., Series 2002-C2 A3	5.71	10/15/38	306,389
125,000	Chase Mortgage Finance Corp., Series 2005-A1 2A3 (c)	5.24	12/25/35	124,600	709,535	Harborview Mortgage Loan Trust, Series 2006-1 X1 IO (c)	1.89	03/19/37	24,834
195,298	Chase Mortgage Finance Corp., Series 2005-A1 1A1 (c)	5.41	12/25/35	192,490	37,156	Harborview Mortgage Loan Trust, Series 2004-8 2A4A (c)	5.90	11/19/34	36,812
33,511	Citigroup Mortgage Loan Trust, Inc., Series 2005-WFI A2 (c)	4.49	02/25/35	33,342	225,000	JP Morgan Chase Commercial Mortgage Securities Corp., Series 2004-C3 A4	4.66	01/15/42	219,419
280,000	Commercial Mortgage Pass Through Certificates, Series 2005-C6 A3	5.14	06/10/44	278,353	120,000	JP Morgan Mortgage Trust, Series 2005-A3 11A2 (c)	4.49	06/25/35	113,470
619,840	Countrywide Alternative Loan Trust, Series 2006-0A2 X1P IO	0.00	05/20/46	27,237	200,000	JP Morgan Mortgage Trust, Series 2006-A2 2A2 (c)	5.75	04/25/36	200,302
56,274	Countrywide Alternative Loan Trust, Series 2005-43 4A1 (c)	5.72	10/25/35	56,124	330,000	LB-UBS Commercial Mortgage Trust, Series 2003-C8 A4 (c)	5.12	11/15/32	326,579
101,960	Countrywide Alternative Loan Trust, Series 2004-J10 4CB1	6.50	10/25/34	102,677	88,062	Mastr Seasoned Securities Trust, Series 2004-1 4A1 (c)	6.24	10/25/32	89,166
200,000	Credit Suisse Mortgage Capital Certificates, Series 2006-C1 A3 (c)	5.71	02/15/39	202,129	108,721	Morgan Stanley Dean Witter Capital I, Series 2000-LIFE A2 (c)	7.57	11/15/36	113,556
70,642	Credit Suisse First Boston Mortgage Securities Corp., Series 2003-AR24 2A4	4.02	10/25/33	69,822	100,000	Northwest Airlines, Inc. 01-1 A2	6.84	04/01/11	100,106
200,000	Credit Suisse First Boston Mortgage Securities Corp., Series 2005-C5 A3	5.10	08/15/38	197,691	350,000	Salomon Brothers Mortgage Securities VII, Inc., Series 2002-KEY2 A3	4.87	03/18/36	345,867
375,000	Credit Suisse First Boston Mortgage Securities Corp., Series 2002-CKS4 A2	5.18	11/15/36	374,502					

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2007

<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>
\$ 330,000	Wachovia Bank Commercial Mortgage Trust, Series 2003-C6 A4 (c)	5.13%	08/15/35	\$ 326,771	\$ 800,000	Lions Gate Entertainment Corp. (g)	2.94%	10/15/24	\$ 849,000
220,000	Wachovia Bank Commercial Mortgage Trust, Series 2006-C25 AM (c)	5.93	05/15/43	221,207	193,000	Mesa Air Group, Inc. (g)(i)	2.48	06/16/23	75,994
4,950,789	Washington Mutual Mortgage Pass Through Certificates, Series 2006-AR5 X IO (e)	0.00	06/25/46	31,727	1,000,000	Penske Auto Group, Inc. (g)	3.50	04/01/26	1,057,500
96,108	Washington Mutual Mortgage Pass Through Certificates, Series 2002-AR18 A (c)	4.12	01/25/33	95,884	75,000	Rare Hospitality International, Inc. (g)(h)	2.50	11/15/26	79,693
115,000	Washington Mutual Mortgage Pass Through Certificates, Series 2005-AR16 1-A4A (c)	5.10	12/25/35	113,688	500,000	School Specialty, Inc. (g)(i)	3.75	08/01/23	503,125
Total Asset Backed Obligations (Cost \$6,622,003)				<b>6,257,647</b>	122,000	School Specialty, Inc. (g)	3.75	11/30/26	116,815
<b>Corporate Convertible Bonds - 12.3%</b>					300,000	Sport Supply Group, Inc. (g)	5.75	12/01/09	291,375
<b>Consumer Discretionary - 1.2%</b>					<b>Consumer Staples - 0.8%</b>				
600,000	Ambassadors International, Inc. (b)(g)	3.75	04/15/27	482,250	700,000	CBIZ, Inc. (g)	3.13	06/01/26	679,875
151,000	ArvinMeritor, Inc. (g)(i)	4.63	03/01/26	159,683	101,000	Chemed Corp. (g)	1.88	05/15/14	99,611
83,000	Charming Shoppes, Inc. (b)(g)(h)	1.13	05/01/14	66,296	191,000	Dollar Financial Corp. (b)(g)	2.88	06/30/27	188,851
89,000	Charming Shoppes, Inc. (g)	1.13	05/01/14	71,089	228,000	Euronet Worldwide, Inc. (g)	3.50	10/15/25	231,135
500,000	China Medical Technologies, Inc. (g)	3.50	11/15/11	721,875	500,000	Kendle International, Inc. (g)	3.38	07/15/12	553,125
200,000	Empire Resorts, Inc. (g)	8.00	07/31/14	172,000	1,306,000	Live Nation, Inc. (b)(g)	2.88	07/15/27	1,345,180
729,000	Frontier Airlines Holdings, Inc. (g)	5.00	12/15/25	651,544	665,000	Spartan Stores, Inc. (b)(g)	3.38	05/15/27	616,788
64,000	Group 1 Automotive, Inc. (b)(i)	2.25	06/15/36	48,400	<b>Energy - 0.5%</b>				
109,000	Group 1 Automotive, Inc. (g)(i)	2.25	06/15/36	82,431	500,000	Evergreen Solar, Inc. (g)	4.38	07/01/12	665,625
194,000	JetBlue Airways Corp. (g)	3.75	03/15/35	178,237	794,000	Global Industries, Ltd. (b)(g)	2.75	08/01/27	779,113
					34,000	Hornbeck Offshore Services, Inc. (b)(g)(i)	1.63	11/15/26	34,061
					100,000	International Coal Group, Inc. (b)(g)	9.00	08/01/12	104,750
					94,000	On Semiconductor Corp. (g)	2.63	12/15/26	130,425
					650,000	Suntech Power Holdings Co., Ltd. (b)(g)	0.25	02/15/12	685,750
									<u>2,399,724</u>

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2007

Principal	Security Description	Rate	Maturity Date	Value	Principal	Security Description	Rate	Maturity Date	Value
<b>Financials - 1.4%</b>					\$ 400,000	ATS Medical, Inc. (b)(g)	6.00%	10/15/25	\$ 359,000
\$ 600,000	Alesco Financial, Inc. (b)(g)	7.63%	05/15/27	\$ 466,500	333,000	BioMarin Pharmaceuticals, Inc. (g)	1.88	04/23/17	460,373
333,000	American Equity Investment Life Holding Co. (g)	5.25	12/06/24	351,731	500,000	China Medical Technologies, Inc. (b)(g)	3.50	11/15/11	721,875
49,000	AmeriCredit Corp. (b)(g)	2.13	09/15/13	40,119	1,654,000	Cubist Pharmaceuticals, Inc. (g)	2.25	06/15/13	1,589,908
167,000	AmeriCredit Corp. (g)	2.13	09/15/13	136,731	700,000	CuraGen Corp. (g)	4.00	02/15/11	458,500
1,000,000	CapitalSource, Inc. (g)	7.25	07/15/37	925,000	400,000	deCODE genetics, Inc. (g)	3.50	04/15/11	272,000
110,000	CompuCredit Corp. (g)	3.63	05/30/25	88,688	300,000	EPIX Pharmaceuticals, Inc. (g)	3.00	06/15/24	234,000
101,000	CompuCredit Corp. (g)	5.88	11/30/35	71,458	59,000	Five Star Quality Care, Inc. (b)(g)	3.75	10/15/26	52,953
86,000	Conseco, Inc. (i)(g)	3.50	09/30/35	79,227	54,000	Five Star Quality Care, Inc. (g)	3.75	10/15/26	48,465
100,000	Fairfax Financial Holdings, Ltd.	5.00	07/15/23	122,000	151,000	Human Genome Sciences, Inc. (g)	2.25	08/15/12	130,615
250,000	Forest City Enterprises, Inc. (g)	3.63	10/15/11	256,900	871,000	Illumina, Inc. (b)(g)	0.63	02/15/14	1,139,921
600,000	General Growth Properties, Inc. (b)(g)	3.98	04/15/27	544,500	670,000	Incyte Corp. (g)	3.50	02/15/11	616,400
400,000	Health Care REIT, Inc. (g)	4.75	07/15/27	408,000	500,000	Integra LifeSciences Holdings Corp. (b)(g)	2.75	06/01/10	489,375
500,000	Host Marriott, LP (b)(g)	3.25	04/15/24	699,375	250,000	ISIS Pharmaceuticals, Inc.	2.63	02/15/27	319,120
500,000	KKR Financial Holdings, LLC (b)(g)	7.00	07/15/12	441,250	186,000	King Pharmaceuticals, Inc. (g)	1.25	04/01/26	157,635
300,000	Leucadia National Corp.	3.75	04/15/14	664,125	195,000	LifePoint Hospitals, Inc. (g)	3.50	05/15/14	174,525
500,000	NorthStar Realty Finance, LP (b)(g)	7.25	06/15/27	416,875	92,000	Medtronic, Inc. (b)	1.50	04/15/11	102,235
567,000	World Acceptance Corp. (g)	3.00	10/01/11	491,872	68,000	Medtronic, Inc. (g)	1.50	04/15/11	75,565
				<u>6,204,351</u>	119,000	Millennium Pharmaceuticals, Inc. (g)	2.25	11/15/11	111,860
<b>Health Care - 2.8%</b>					117,000	Millipore Corp. (g)	3.75	06/01/26	127,091
215,000	Advanced Medical Optics, Inc. (g)	3.25	08/01/26	183,556	500,000	NovaMed, Inc. (g)	1.00	06/15/12	421,250
113,000	Amgen, Inc. (g)	0.13	02/01/11	105,514	1,000,000	Oscient Pharmaceuticals Corp. (g)	3.50	04/15/11	600,000
232,000	American Medical Systems Holdings, Inc. (g)	3.25	07/01/36	249,400	961,000	Sciele Pharma, Inc. (g)	2.63	05/15/27	1,035,477
125,000	Amylin Pharmaceuticals, Inc. (g)	3.00	06/15/14	137,656	1,000,000	Sonosite, Inc. (g)	3.75	07/15/14	1,011,250
863,000	Amylin Pharmaceuticals, Inc. (b)(g)	3.00	06/15/14	950,379	251,000	West Pharmaceutical Services, Inc. (g)	4.00	03/15/47	237,822
									<u>12,573,720</u>

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2007

Principal	Security Description	Rate	Maturity Date	Value	Principal	Security Description	Rate	Maturity Date	Value
<b>Industrials - 1.5%</b>					\$1,084,000	Nuance Communications, Inc. (b)(g)(h)	2.75%	08/15/27	\$ 1,318,415
\$ 348,000	Barnes Group, Inc. (b)(g)	3.38%	03/15/27	\$ 449,790	165,000	ON Semiconductor Corp. (b)(g)	2.63	12/15/26	228,937
197,000	Barnes Group, Inc. (g)	3.38	03/15/27	254,623	138,000	PMC - Sierra, Inc. (g)	2.25	10/15/25	162,840
750,000	Ceradyne, Inc. (g)	2.88	12/15/35	1,067,813	147,000	Skyworks Solutions, Inc. (g)	1.25	03/01/10	167,396
191,000	FEI Co. (g)	2.88	06/01/13	243,047	196,000	Spansion, Inc. (b)(g)	2.25	06/15/16	147,735
400,000	General Cable Corp. (b)(h)	1.00	10/15/12	418,520					<u>10,189,371</u>
161,000	Greatbatch, Inc. (g)(h)	2.25	06/15/13	155,430	<b>Materials - 0.3%</b>				
105,000	Greatbatch, Inc.	2.25	06/15/13	101,456	70,000	Newmont Mining Corp. (b)(g)	1.25	07/15/14	79,800
750,000	Horizon Lines, Inc. (b)(g)	4.25	08/15/12	804,375	1,000,000	USEC, Inc. (g)	3.00	10/01/14	1,095,000
1,000,000	Itron, Inc. (g)	2.50	08/01/26	1,555,000					<u>1,174,800</u>
149,000	Kemet Corp. (b)(g)	2.25	11/15/26	148,069	<b>Telecommunication Services - 1.4%</b>				
99,000	Kemet Corp. (g)	2.25	11/15/26	98,381	176,000	ADC Telecommunications, Inc. (c)(g)	5.78	06/15/13	171,160
500,000	LeCroy Corp. (b)(g)	4.00	10/15/26	426,875	279,000	Ciena Corp. (g)	0.25	05/01/13	305,854
350,000	Newport Corp. (b)(g)	2.50	02/15/12	325,063	102,000	Citadel Broadcasting Corp. (g)	1.88	02/15/11	87,975
847,000	Trinity Industries, Inc. (g)	3.88	06/01/36	881,938	73,000	Dobson Communications Corp. (g)	1.50	10/01/25	97,364
				<u>6,930,380</u>	1,297,000	Earthlink, Inc. (g)(i)	3.25	11/15/26	1,428,321
<b>Information Technology - 2.2%</b>					1,179,000	Equinix, Inc. (g)(h)	3.00	10/15/14	1,267,425
259,000	Advanced Micro Devices, Inc. (g)	6.00	05/01/15	234,071	51,000	Global Crossing, Ltd. (g)	5.00	05/15/11	58,586
353,000	Amkor Technology, Inc. (g)	2.50	05/15/11	368,885	225,000	HLTH Corp. (g)	3.13	09/01/25	241,594
553,000	Borland Software Corp. (b)(g)	2.75	02/15/12	530,382	55,000	Level 3 Communications, Inc. (g)	3.50	06/15/12	59,813
625,000	CACI International, Inc. (b)(g)	2.13	05/01/14	682,031	241,000	NII Holdings, Inc. (b)(g)	3.13	06/15/12	244,013
800,000	Cypress Semiconductor Corp. (b)(g)	1.00	09/15/09	1,052,000	122,000	Playboy Enterprises, Inc. (g)	3.00	03/15/25	111,782
253,000	EMC Corp. (g)	1.75	12/01/13	362,739	653,000	Powerwave Technologies, Inc. (b)(g)(h)	3.88	10/01/27	646,662
849,000	Emcore Corp. (g)	5.50	05/15/11	1,246,969	65,000	Powerwave Technologies, Inc. (g)	1.88	11/15/24	56,631
625,000	Epicor Software Corp. (g)	2.38	05/15/27	615,625	71,000	RF Micro Devices, Inc. (g)	0.75	04/15/12	72,686
98,000	Hutchinson Technology, Inc. (g)	3.25	01/15/26	90,773	102,000	RF Micro Devices, Inc. (b)(g)	0.75	04/15/12	104,422
50,000	Komag, Inc. (b)(g)	2.13	04/01/14	50,000					
1,000,000	Magma Design Automation, Inc. (b)(g)	2.00	05/15/10	1,072,500					
198,000	Mentor Graphics Corp. (g)	6.25	03/01/26	229,433					
1,664,000	Micron Technology, Inc. (g)	1.88	06/01/14	1,628,640					





**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2007

<u>Principal</u>	<u>Security Description</u>	<u>Value</u>	<u>Contracts</u>	<u>Security Description</u>	<u>Strike Price</u>	<u>Expiration Date</u>	<u>Value</u>
\$130,000	UBS Finance, LLC	\$ 129,807	30	Hovnanian			
315,000	UBS Finance, LLC	313,789		Enterprises, Inc.	35.00	01/23/08	\$ 72,300
Total Commercial Paper (Cost \$813,128)		<b>813,128</b>	7	Hovnanian			
<b>Total Short-Term Investments</b>			18	Enterprises, Inc.	50.00	01/23/08	27,370
<b>(Cost \$88,220,232)</b>		<b>88,220,232</b>	16	Kohl's Corp.	50.00	01/21/09	8,100
			16	Lennar Corp., Class A	50.00	01/23/08	43,840
			45	Lowe's Cos., Inc.	25.00	01/21/09	9,900
			36	Lowe's Cos., Inc.	60.00	01/21/09	15,660
			18	Merrill Lynch & Co., Inc.	55.00	01/21/09	6,750
<b>Contracts</b>	<b>Security Description</b>	<b>Strike Price</b>	<b>Expiration Date</b>	<b>Value</b>			
<b>Put Options Purchased - 0.2%</b>							
30	Advanced Micro Devices, Inc.	20.00	01/21/09	21,600	30	Microsoft Corp.	20.00
30	Amazon.com, Inc.	30.00	01/21/09	1,155	18	Morgan Stanley	50.00
18	Amgen, Inc.	60.00	01/21/09	12,870	30	Nike, Inc.	40.00
18	Amgen, Inc.	70.00	01/21/09	25,110	18	Procter & Gamble Co.	50.00
30	Anadarko Petroleum Corp.	40.00	01/21/09	3,750	47	Pulte Homes, Inc.	25.00
18	Apache Corp.	60.00	01/21/09	2,925	14	Ryland Group, Inc.	30.00
15	Apple, Inc.	50.00	01/21/09	585	16	Ryland Group, Inc.	60.00
60	Applied Materials, Inc.	15.00	01/21/09	4,800	18	Ryland Group, Inc.	40.00
18	Bank of America Corp.	40.00	01/21/09	3,105	15	Schlumberger, Ltd.	60.00
15	Bear Stearns Co., Inc.	130.00	01/21/09	30,750	18	Target Corp.	40.00
45	Bed Bath & Beyond, Inc.	30.00	01/21/09	11,250	28	Toll Brothers, Inc.	30.00
111	Capital One Financial Corp.	60.00	01/23/08	27,750	18	United Technologies Corp.	50.00
18	Caterpillar, Inc.	60.00	01/21/09	5,031	30	Yahoo!, Inc.	30.00
14	Centex Corp.	50.00	01/23/08	32,760	Total Put Options Purchased (Premiums Paid \$536,460)		
18	Centex Corp.	40.00	01/21/09	26,010	<b>797,636</b>		
30	Circuit City Stores, Inc.	30.00	01/21/09	66,150	<b>Call Options Purchased - 0.7%</b>		
60	Cisco Systems, Inc.	15.00	01/21/09	1,020	159	American International Group	60.00
30	Comcast Corp.	20.00	01/21/09	5,513	421	Bed Bath & Beyond, Inc.	30.00
30	Countrywide Financial Corp.	30.00	01/21/09	36,450	7	Bed Bath & Beyond, Inc.	30.00
30	Countrywide Financial Corp.	25.00	01/21/09	25,200	89	Capital One Financial Corp.	65.00
24	Dell, Inc.	20.00	01/23/08	360	170	ConocoPhillips	60.00
36	Dell, Inc.	30.00	01/23/08	10,980	300	Dell, Inc.	20.00
16	DR Horton, Inc. (k)	30.00	01/23/08	27,440	285	E*Trade Financial Corp.	15.00
28	eBay, Inc.	35.00	01/23/08	2,996	15	FedEx Corp. (k)	90.00
28	General Electric Co.	30.00	01/23/08	224	476	Home Depot, Inc.	30.00
6	Google, Inc.	240.00	01/23/08	75	45	Johnson & Johnson	50.00
30	Halliburton Co.	30.00	01/21/09	3,750	113	Johnson & Johnson	50.00
113	Hercules Offshore, Inc.	25.00	10/24/07	5,085	218	Lowe's Cos., Inc.	25.00
					109	McDonalds Corp.	40.00
					247	Microsoft Corp.	20.00
					72	Procter & Gamble Co.	60.00
					19	SLM Corp.	40.00
					155	Time Warner, Inc.	15.00
					417	Wal-Mart Stores, Inc.	35.00
					7	Walt Disney Co.	30.00

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**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2007

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<u>Contracts</u>	<u>Security Description</u>	<u>Strike Price</u>	<u>Expiration Date</u>	<u>Value</u>
201	Walt Disney Co.	30.00	01/21/09	\$ 153,765
228	Warner Music Group Corp. (h)	25.00	01/21/09	5,130
Total Call Options Purchased (Premiums Paid \$3,684,689)				<u>3,318,245</u>
<b>Total Long Positions - 101.0%</b> <b>(Cost \$435,350,709) *</b>				<b>\$ 461,912,280</b>
<b>Total Short Positions - (43.0)%</b> <b>(Cost \$(194,737,939))</b>				<b>(196,676,982)</b>
<b>Total Call Options Written - (0.3)%</b> <b>(Cost \$(1,310,590))</b>				<b>(1,419,050)</b>
Other Assets & Liabilities, Net - 42.3%				193,554,010
<b>Net Assets - 100.00%</b>				<b><u>\$ 457,370,258</u></b>

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

SEPTEMBER 30, 2007

<b>Shares</b>	<b>Security Description</b>	<b>Value</b>	<b>Shares</b>	<b>Security Description</b>	<b>Value</b>
<b>Securities Sold Short - (43.0)%</b>					
<b>Common Stock - (36.8)%</b>					
<b>Consumer Discretionary - (6.8)%</b>					
(17,500)	99 Cents Only Stores	\$ (179,725)	(8,500)	Kimball International, Inc., Class B	\$ (96,730)
(19,700)	Advance Auto Parts, Inc.	(661,132)	(5,000)	Las Vegas Sands Corp.	(667,100)
(4,300)	AirTran Holdings, Inc.	(42,312)	(13,800)	Lee Enterprises, Inc.	(214,866)
(20,691)	Ambassadors International, Inc.	(507,550)	(15,481)	Lennar Corp., Class A	(350,645)
(31,300)	American Eagle Outfitters, Inc.	(823,503)	(3,700)	Life Time Fitness, Inc.	(226,958)
(28,350)	AMR Corp.	(631,921)	(44,400)	Lions Gate Entertainment Corp.	(457,764)
(791)	ArvinMeritor, Inc.	(13,305)	(5,000)	Lithia Motors, Inc., Class A	(85,300)
(3,200)	AutoNation, Inc.	(56,704)	(7,495)	Liz Claiborne, Inc.	(257,303)
(100)	Beazer Homes USA, Inc.	(825)	(4,958)	Lowe's Cos., Inc.	(138,923)
(22,050)	Bed Bath & Beyond, Inc.	(752,346)	(46,750)	Limited Brands, Inc.	(1,070,108)
(23,407)	Best Buy Co., Inc.	(1,077,190)	(11,800)	M/I Homes, Inc.	(163,902)
(22,364)	Blockbuster, Inc., Class A	(120,095)	(8,000)	Macrovision Corp.	(197,040)
(11,300)	Borders Group, Inc.	(150,629)	(2,800)	MDC Holdings, Inc.	(114,632)
(800)	BorgWarner, Inc.	(73,224)	(4,218)	Mesa Air Group, Inc.	(18,728)
(3,231)	California Pizza Kitchen, Inc.	(56,769)	(10,600)	Mobile Mini, Inc.	(256,096)
(28,300)	Carmax, Inc.	(575,339)	(6,800)	News Corp., Class A	(149,532)
(2,000)	Carnival Corp.	(96,860)	(20,000)	Office Depot, Inc.	(412,400)
(11,500)	Casual Male Retail Group, Inc.	(103,040)	(5,900)	OfficeMax, Inc.	(202,193)
(3,800)	Centex Corp.	(100,966)	(8,500)	O'Reilly Automotive, Inc.	(283,985)
(5,800)	Champion Enterprises, Inc.	(63,684)	(9,175)	Orient-Express Hotels, Ltd.	(470,402)
(7,268)	Charming Shoppes, Inc.	(61,051)	(1,300)	Oxford Industries, Inc.	(46,956)
(33,200)	Chico's FAS, Inc.	(466,460)	(17,656)	Panera Bread Co., Class A	(720,365)
(18,750)	Choice Hotels International, Inc.	(706,312)	(39,730)	Penske Auto Group, Inc.	(804,135)
(1,500)	Cintas Corp.	(55,650)	(1,361)	Petsmart, Inc.	(43,416)
(608)	Citadel Broadcasting Corp.	(2,529)	(2,000)	PF Chang's China Bistro, Inc.	(59,200)
(13,800)	Citi Trends, Inc.	(300,288)	(12,200)	Pier 1 Imports, Inc.	(57,706)
(9,190)	Collective Brands, Inc.	(202,731)	(7,439)	Pinnacle Entertainment, Inc.	(202,564)
(4,900)	Comcast Corp., Class A	(118,482)	(3,948)	Playboy Enterprises, Inc., Class A	(42,402)
(3,784)	Continental Airlines, Inc., Class B	(124,986)	(18,800)	Pool Corp.	(469,624)
(4,500)	Cost Plus, Inc.	(18,090)	(28,900)	Pulte Homes, Inc.	(393,329)
(3,908)	Dick's Sporting Goods, Inc.	(262,422)	(15,300)	Quiksilver, Inc.	(218,790)
(16,100)	Dillard's, Inc., Class A	(351,463)	(1,121)	Rare Hospitality International, Inc.	(42,721)
(21,500)	DR Horton, Inc.	(275,415)	(1,800)	Regis Corp.	(57,438)
(3,200)	Empire Resorts, Inc.	(15,808)	(5,937)	Royal Caribbean Cruises, Ltd.	(231,721)
(1,300)	Fastenal Co.	(59,033)	(5,814)	Ryanair Holdings, plc, ADR	(241,339)
(48,349)	Ford Motor Co.	(410,483)	(600)	Ryland Group, Inc.	(12,858)
(36,964)	Frontier Airlines Holdings, Inc.	(228,807)	(11,500)	Scholastic Corp.	(400,890)
(5,600)	Gaylord Entertainment Co.	(298,032)	(5,291)	School Specialty, Inc.	(183,227)
(4,327)	General Motors Corp.	(158,801)	(1,975)	Scientific Games Corp., Class A	(74,260)
(9,369)	Gol Linhas Aereas Inteligentes S.A., ADR	(224,856)	(1,452)	Six Flags, Inc.	(5,024)
(4,786)	Group 1 Automotive, Inc.	(160,666)	(10,700)	Skechers U.S.A., Inc., Class A	(236,470)
(24,600)	Herman Miller, Inc.	(667,644)	(3,700)	Sonic Automotive, Inc., Class A	(88,578)
(1,526)	Hibbett Sports, Inc.	(37,845)	(2,899)	Sonic Corp.	(67,837)
(17,750)	HNI Corp.	(639,000)	(11,700)	Spartan Motors, Inc.	(196,911)
(3,500)	Hovnanian Enterprises, Inc.	(38,815)	(4,074)	Sport Supply Group, Inc.	(36,625)
(11,000)	Interface, Inc., Class A	(198,550)	(16,100)	Standard-Pacific Corp.	(89,194)
(17,750)	International Game Technology	(765,025)	(9,099)	Starbucks Corp.	(238,394)
(39,841)	Jetblue Airways Corp.	(367,334)	(11,600)	Starwood Hotels & Resorts Worldwide, Inc.	(704,700)
(2,681)	Jones Apparel Group, Inc.	(56,650)	(28,800)	Steak 'n' Shake Co.	(432,288)
(100)	KB Home	(2,506)	(5,000)	Target Corp.	(317,850)
			(19,771)	Thor Industries, Inc.	(889,497)
			(6,900)	Titan International, Inc.	(220,248)
			(27,650)	TJX Cos., Inc.	(803,786)

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

SEPTEMBER 30, 2007

<b>Shares</b>	<b>Security Description</b>	<b>Value</b>	<b>Shares</b>	<b>Security Description</b>	<b>Value</b>
(200)	Toll Brothers, Inc.	\$ (3,998)	(10,200)	Monro Muffler, Inc.	\$ (344,658)
(1,938)	Toyota Motor Corp., ADR	(226,475)	(18,900)	Monster Worldwide, Inc.	(643,734)
(19,405)	Tractor Supply Co.	(894,376)	(14,800)	Moody's Corp.	(745,920)
(65,300)	Trump Entertainment Resorts, Inc.	(421,185)	(3,925)	Nash Finch Co.	(156,333)
(1,692)	Tween Brands, Inc.	(55,565)	(11,466)	Omnicare, Inc.	(379,869)
(2,556)	Urban Outfitters, Inc.	(55,721)	(2,999)	Oscient Pharmaceuticals Corp.	(7,737)
(7,300)	Wal-Mart Stores, Inc.	(318,645)	(9,900)	PeopleSupport, Inc.	(118,404)
(300)	Washington Post Co., Class B	(240,840)	(31,600)	Pharmaceutical Product Development, Inc.	(1,119,904)
(14,715)	WESCO International, Inc.	(631,862)			
(2,772)	Williams-Sonoma, Inc.	(90,423)	(1,146)	Pilgrim's Pride Corp.	(39,801)
(3,100)	World Fuel Services Corp.	(126,511)	(16,825)	Prestige Brands Holdings, Inc.	(184,738)
(8,500)	Zale Corp.	(196,690)	(3,100)	Procter & Gamble Co.	(218,054)
		<u>(31,090,094)</u>	(21,800)	Robert Half International, Inc.	(650,948)
			(9,100)	RR Donnelley & Sons Co.	(332,696)
<b>Consumer Staples - (5.3)%</b>			(20,280)	Scotts Miracle-Gro Co., Class A	(866,970)
(21,500)	ABM Industries, Inc.	(429,570)	(16,850)	Sepracor, Inc.	(463,375)
(6,855)	Advance America Cash Advance Centers, Inc.	(73,143)	(12,814)	Spartan Stores, Inc.	(288,699)
(10,652)	Archer-Daniels-Midland Co.	(352,368)	(21,000)	SYSCO Corp.	(747,390)
(10,950)	Avery Dennison Corp.	(624,369)	(14,400)	Tootsie Roll Industries, Inc.	(382,032)
(4,471)	Avon Products, Inc.	(167,797)	(2,000)	Tyson Foods, Inc., Class A	(35,700)
(2,995)	Bare Escentuals, Inc.	(74,486)	(3,689)	United Natural Foods, Inc.	(100,415)
(16,400)	Brown-Forman Corp., Class B	(1,228,524)	(2,712)	Universal Corp.	(132,752)
(5,156)	Bunge, Ltd.	(554,012)	(15,500)	UST, Inc.	(768,800)
(39,663)	CBIZ, Inc.	(315,321)	(49,900)	Valeant Pharmaceuticals International	(772,452)
(4,700)	Central European Distribution Corp.	(225,177)	(3,300)	VCA Antech, Inc.	(137,775)
(6,684)	Central Garden and Pet Co., Class A	(60,022)	(22,900)	Vertex Pharmaceuticals, Inc.	(879,589)
(939)	Chemed Corp.	(58,368)	(3,040)	Vistaprint, Ltd.	(113,605)
(1,600)	Colgate-Palmolive Co.	(114,112)	(3,880)	Watson Pharmaceuticals, Inc.	(125,712)
(13,828)	Constellation Brands, Inc., Class A	(334,776)	(16,812)	Whole Foods Market, Inc.	(823,116)
(10,950)	Corporate Executive Board Co.	(812,928)			<u>(24,229,140)</u>
(10,428)	CuraGen Corp.	(14,391)			
(10,265)	Deluxe Corp.	(378,163)	<b>Energy - (3.6)%</b>		
(15,446)	Dollar Financial Corp.	(440,674)	(2,405)	Acergy S.A., ADR	(71,429)
(2,410)	Estee Lauder Cos., Inc.	(102,329)	(27,350)	Arch Coal, Inc.	(922,789)
(10,958)	Euronet Worldwide, Inc.	(326,220)	(2,900)	Arena Resources, Inc.	(189,950)
(3,600)	Fortune Brands, Inc.	(293,364)	(1,530)	Atwood Oceanics, Inc.	(117,137)
(3,400)	Fresh Del Monte Produce, Inc.	(97,750)	(2,870)	Baker Hughes, Inc.	(259,362)
(1,325)	Green Mountain Coffee Roasters, Inc.	(43,977)	(23,650)	BJ Services Co.	(627,908)
(59,300)	H&R Block, Inc.	(1,255,974)	(2,200)	Cameron International Corp.	(203,038)
(14,800)	Healthcare Services Group	(299,996)	(1,800)	Carrizo Oil & Gas, Inc.	(80,748)
(16,150)	Hershey Co.	(749,521)	(6,500)	Cheniere Energy, Inc.	(254,605)
(14,300)	Hudson Highland Group, Inc.	(182,039)	(7,197)	Chesapeake Energy Corp.	(253,766)
(2,300)	Huron Consulting Group, Inc.	(167,026)	(1,230)	Chevron Corp.	(115,103)
(4,800)	Iron Mountain, Inc.	(146,304)	(4,300)	CNX Gas Corp.	(123,711)
(10,600)	Kelly Services, Inc., Class A	(209,986)	(2,930)	Comstock Resources, Inc.	(90,361)
(7,814)	Kendle International, Inc.	(324,515)	(5,600)	Covanta Holding Corp.	(137,256)
(8,700)	Kenexa Corp.	(267,786)	(27,600)	Delta Petroleum Corp.	(495,420)
(11,300)	Kraft Foods, Inc.	(389,963)	(3,800)	Denbury Resources, Inc.	(169,822)
(2,922)	Lance, Inc.	(67,264)	(1,300)	Diamond Offshore Drilling, Inc.	(147,277)
(7,200)	LECG Corp.	(107,280)	(5,092)	Edge Petroleum Corp.	(65,381)
(37,038)	Live Nation, Inc.	(787,058)	(15,300)	Enbridge, Inc.	(561,051)
(1,600)	Manpower, Inc.	(102,960)	(3,215)	Encore Acquisition Co.	(101,755)
(4,700)	Molson Coors Brewing Co., Class B	(468,449)	(3,155)	EOG Resources, Inc.	(228,201)
			(57,994)	Evergreen Solar, Inc.	(517,886)

See Notes to Financial Statements.

**ABSOLUTE STRATEGIES FUND****SCHEDULE OF SECURITIES SOLD SHORT  
SEPTEMBER 30, 2007**

<b>Shares</b>	<b>Security Description</b>	<b>Value</b>	<b>Shares</b>	<b>Security Description</b>	<b>Value</b>
(18,100)	Foundation Coal Holdings, Inc.	\$ (709,520)	(26,600)	Brown & Brown, Inc.	\$(699,580)
(6,500)	Gasco Energy, Inc.	(12,025)	(21,231)	CapitalSource, Inc.	(429,715)
(17,302)	Global Industries, Ltd.	(445,700)	(8,700)	Capitol Bancorp, Ltd.	(216,021)
(2,400)	GMX Resources, Inc.	(77,208)	(14,100)	Capitol Federal Financial	(482,220)
(13,732)	Goodrich Petroleum Corp.	(435,304)	(10,500)	Citigroup, Inc.	(490,035)
(490)	Hornbeck Offshore Services, Inc.	(17,983)	(10,600)	CNA Financial Corp.	(416,792)
(12,400)	International Coal Group, Inc.	(55,056)	(8,900)	Commerce Bancorp, Inc.	(345,142)
(10,600)	Nabors Industries, Ltd.	(326,162)	(2,830)	Commerce Group, Inc.	(83,400)
(1,400)	National Oilwell Varco, Inc.	(202,300)	(14,349)	Conseco, Inc.	(229,584)
(2,165)	Newfield Exploration Co.	(104,266)	(27,150)	Cousins Properties, Inc.	(797,124)
(1,755)	Occidental Petroleum Corp.	(112,460)	(1,875)	Cullen/Frost Bankers, Inc.	(93,975)
(4,000)	Parallel Petroleum Corp.	(67,960)	(28,800)	CVB Financial Corp.	(336,960)
(3,320)	Patterson-UTI Energy, Inc.	(74,932)	(6,368)	Equity Residential	(269,748)
(19,650)	Peabody Energy Corp.	(940,646)	(1,655)	Federal National Mortgage Association	(100,641)
(3,800)	Penn Virginia Corp.	(167,124)	(1,680)	FelCor Lodging Trust, Inc.	(33,482)
(8,760)	Petroquest Energy, Inc.	(93,995)	(2,470)	Fifth Third Bancorp	(83,684)
(2,075)	Pride International, Inc.	(75,841)	(11,270)	First Horizon National Corp.	(300,458)
(4,000)	Quicksilver Resources, Inc.	(188,200)	(7,555)	First Niagara Financial Group, Inc.	(106,903)
(5,000)	Range Resources Corp.	(203,300)	(5,940)	FirstFed Financial Corp.	(294,327)
(5,400)	Rowan Cos., Inc.	(197,532)	(3,575)	FNB Corp.	(59,130)
(6,590)	Schlumberger, Ltd.	(691,950)	(4,264)	Forest City Enterprises, Inc., Class A	(235,202)
(20,600)	Southwestern Energy Co.	(862,110)	(7,195)	Fulton Financial Corp.	(103,464)
(18,050)	St Mary Land & Exploration Co.	(643,844)	(1,580)	General Growth Properties, Inc.	(84,720)
(3,945)	StatoilHydro ASA, ADR	(133,814)	(7,400)	Glacier Bancorp, Inc.	(166,648)
(2,100)	Suncor Energy, Inc.	(199,101)	(3,930)	Glimcher Realty Trust	(92,355)
(12,650)	Sunoco, Inc.	(895,367)	(1,100)	Goldman Sachs Group, Inc.	(238,414)
(4,400)	Sunpower Corp., Class A	(364,408)	(1,900)	Hancock Holding Co.	(76,152)
(8,137)	Suntech Power Holdings Co., Ltd., ADR	(324,666)	(2,300)	Hartford Financial Services Group, Inc.	(212,865)
(40,100)	Tetra Technologies, Inc.	(847,714)	(3,540)	Health Care REIT, Inc.	(156,610)
(20,000)	Toreador Resources Corp.	(236,600)	(4,200)	Hilb, Rogal & Hobbs Co.	(181,986)
(1,540)	Total S.A.-SP, ADR	(124,786)	(24,700)	Host Hotels & Resorts, Inc.	(554,268)
(15,700)	TransCanada Corp.	(574,777)	(7,080)	Investors Bancorp, Inc.	(100,253)
(700)	Transocean, Inc.	(79,135)	(8,000)	Jefferies Group, Inc.	(222,640)
(15,800)	Warren Resources, Inc.	(198,132)	(6,356)	KKR Financial Holdings LLC	(107,099)
(1,740)	Western Refining, Inc.	(70,609)	(4,400)	Lazard, Ltd., Class A	(186,560)
		(16,488,483)	(3,300)	Lehman Brothers Holdings, Inc.	(203,709)
			(2,190)	Leucadia National Corp.	(105,602)
			(3,725)	Lexington Realty Trust	(74,537)
<b>Financials - (4.5)%</b>			(1,400)	Maguire Properties, Inc.	(36,162)
(2,120)	Acadia Realty Trust	(57,516)	(8,800)	MBIA, Inc.	(537,240)
(90)	Affiliated Managers Group, Inc.	(11,476)	(2,800)	MetLife, Inc.	(195,244)
(21,620)	Alesco Financial, Inc.	(106,370)	(2,100)	MGIC Investment Corp.	(67,851)
(7,800)	AMBAC Financial Group, Inc.	(490,698)	(2,600)	National City Corp.	(65,234)
(3,220)	American Campus Communities, Inc.	(94,314)	(2,500)	National Financial Partners Corp.	(132,450)
(10,100)	American Capital Strategies, Ltd.	(431,573)	(9,745)	New York Community Bancorp, Inc.	(185,642)
(14,887)	American Equity Investment Life Holding Co.	(158,547)	(14,700)	NewAlliance Bancshares, Inc.	(215,796)
(1,700)	American International Group, Inc.	(115,005)	(17,760)	Northstar Realty Finance Corp.	(176,357)
(990)	AmeriCredit Corp.	(17,404)	(2,800)	NYSE Euronext	(221,676)
(2,320)	Apartment Investment & Management Co.	(104,702)	(2,030)	Parkway Properties, Inc.	(89,604)
(4,700)	Astoria Financial Corp.	(124,691)	(1,400)	PartnerRe, Ltd.	(110,586)
(15,500)	Bank Of Hawaii Corp.	(819,175)	(10,300)	PrivateBancorp, Inc.	(358,852)
(16,100)	BankAtlantic Bancorp, Inc., Class A	(139,587)	(4,320)	Progressive Corp.	(83,851)
(5,000)	Bear Stearns Cos., Inc.	(614,050)	(3,966)	Prologis	(263,144)
			(2,800)	Raymond James Financial, Inc.	(91,980)

See Notes to Financial Statements.

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

SEPTEMBER 30, 2007

<b>Shares</b>	<b>Security Description</b>	<b>Value</b>	<b>Shares</b>	<b>Security Description</b>	<b>Value</b>
(3,425)	Regions Financial Corp.	\$ (100,969)	(1,722)	Healthsouth Corp.	\$ (30,152)
(9,600)	Security Capital Assurance, Ltd.	(219,264)	(16,700)	Hospira, Inc.	(692,215)
(2,775)	South Financial Group, Inc.	(63,103)	(4,671)	Human Genome Sciences, Inc.	(48,065)
(1,248)	Sovereign Bancorp, Inc.	(21,266)	(16,939)	Illumina, Inc.	(878,795)
(1,675)	Sovran Self Storage, Inc.	(76,782)	(17,595)	Ilucyte Corp.	(125,804)
(17,400)	St Joe Co.	(584,814)	(3,208)	Integra Lifesciences Holdings, Corp.	(155,845)
(5,400)	State Street Corp.	(368,064)	(26,350)	ISIS Pharmaceuticals, Inc.	(394,460)
(1,500)	Sun Life Financial, Inc.	(78,675)	(1,550)	Johnson & Johnson	(101,835)
(12,600)	Synovus Financial Corp.	(353,430)	(5,257)	King Pharmaceuticals, Inc.	(61,612)
(1,300)	T Rowe Price Group, Inc.	(72,397)	(7,323)	LifePoint Hospitals, Inc.	(219,763)
(33,250)	TCF Financial Corp.	(870,485)	(4,310)	Lincare Holdings, Inc.	(157,962)
(7,300)	Tower Group, Inc.	(191,114)	(10,300)	Luminex Corp.	(155,324)
(13,690)	UCBH Holdings, Inc.	(239,301)	(9,000)	Medicines Co.	(160,290)
(29,350)	UDR, Inc.	(713,792)	(22,600)	Medicus Pharmaceutical Corp., Class A	(689,526)
(13,600)	United Community Banks, Inc.	(333,472)	(3,130)	Medtronic, Inc.	(176,563)
(2,400)	Unum Group	(58,728)	(4,617)	Millennium Pharmaceuticals, Inc.	(46,863)
(10,920)	Valley National Bancorp	(242,206)	(833)	Millipore Corp.	(63,141)
(3,915)	Washington Federal, Inc.	(102,808)	(10,857)	Mylan Laboratories, Inc.	(173,278)
(5,405)	Westamerica Bancorporation	(269,223)	(49,725)	NovaMed, Inc.	(216,304)
(3,900)	Wintrust Financial Corp.	(166,491)	(4,790)	Pfizer, Inc.	(117,020)
(4,746)	World Acceptance Corp.	(156,998)	(6,700)	Psychiatric Solutions, Inc.	(263,176)
(2,600)	XL Capital, Ltd., Class A	(205,920)	(5,615)	Quest Diagnostics, Inc.	(324,379)
		(20,578,084)	(7,900)	Radiation Therapy Services, Inc.	(164,478)
			(22,750)	Resmed, Inc.	(975,293)
			(25,133)	Sciele Pharma, Inc.	(653,961)
			(20,269)	Sonosite, Inc.	(618,610)
			(9,300)	Stereotaxis, Inc.	(128,247)
			(3,800)	Stryker Corp.	(261,288)
			(2,546)	Syneron Medical, Ltd.	(60,187)
			(26,410)	Tenet Healthcare Corp.	(88,738)
			(4,115)	UnitedHealth Group, Inc.	(199,289)
			(17,050)	Varian Medical Systems, Inc.	(714,225)
			(10,200)	Vital Images, Inc.	(199,104)
			(11,570)	West Pharmaceutical Services, Inc.	(482,006)
					(17,593,941)
<b>Health Care - (3.9)%</b>				<b>Industrials - (4.1)%</b>	
(3,500)	Abbott Laboratories	(187,670)	(2,000)	Alexander & Baldwin, Inc.	(100,260)
(28,700)	Abraxis BioScience, Inc.	(655,221)	(3,200)	Amerco, Inc.	(203,072)
(2,031)	Advanced Medical Optics, Inc.	(62,128)	(1,950)	Ametek, Inc.	(84,279)
(7,335)	Affymetrix, Inc.	(186,089)	(2,000)	Amphenol Corp., Class A	(79,520)
(4,847)	Align Technology, Inc.	(122,775)	(21,900)	Applera Corp. — Applied Biosystems Group	(758,616)
(1,465)	Allergan, Inc.	(94,449)	(25,320)	Barnes Group, Inc.	(808,214)
(5,100)	AMAG Pharmaceuticals, Inc.	(291,720)	(2,400)	Belden, Inc.	(112,584)
(9,574)	American Medical Systems Holdings, Inc.	(162,279)	(9,400)	Brady Corp., Class A	(337,272)
(2,332)	Amgen, Inc.	(131,921)	(4,153)	Briggs & Stratton Corp.	(104,573)
(10,744)	Amylin Pharmaceuticals, Inc.	(537,200)	(4,300)	Bristow Group, Inc.	(187,953)
(5,900)	ATS Medical, Inc.	(10,679)	(11,028)	Ceradyne, Inc.	(835,261)
(15,100)	Barr Pharmaceuticals, Inc.	(859,341)	(1,400)	CH Robinson Worldwide, Inc.	(76,006)
(2,500)	Baxter International, Inc.	(140,700)	(12,400)	Con-Way, Inc.	(570,400)
(23,689)	BioMarin Pharmaceuticals, Inc.	(589,856)	(7,200)	Curtiss-Wright Corp.	(342,000)
(10,476)	Boston Scientific Corp.	(146,140)	(1,400)	Danaher Corp.	(115,794)
(5,000)	Bristol-Myers Squibb Co.	(144,100)	(16,550)	Eagle Materials, Inc.	(591,497)
(26,903)	China Medical Technologies, Inc., ADR	(1,151,179)	(8,573)	Energy Conversion Devices, Inc.	(194,779)
(2,900)	Cooper Cos., Inc.	(152,018)			
(1,259)	CR Bard, Inc.	(111,031)			
(36,087)	Cubist Pharmaceuticals, Inc.	(762,518)			
(1,400)	Cyberonics, Inc.	(19,516)			
(3,919)	Davita, Inc.	(247,602)			
(8,050)	deCode Genetics, Inc.	(27,933)			
(6,225)	Elan Corp., plc, ADR	(130,974)			
(5,653)	Five Star Quality Care, Inc.	(46,468)			
(17,100)	Forest Laboratories, Inc.	(637,659)			
(1,475)	Genentech, Inc.	(115,079)			
(10,360)	Health Management Associates, Inc., Class A	(71,898)			

See Notes to Financial Statements.

**ABSOLUTE STRATEGIES FUND****SCHEDULE OF SECURITIES SOLD SHORT  
SEPTEMBER 30, 2007**

<b>Shares</b>	<b>Security Description</b>	<b>Value</b>	<b>Shares</b>	<b>Security Description</b>	<b>Value</b>
(11,401)	FEI Co.	\$ (358,333)	(25,900)	Broadcom Corp., Class A	\$ (943,796)
(2,200)	Flowserve Corp.	(167,596)	(2,000)	CA, Inc.	(51,440)
(12,900)	Fuel Tech, Inc.	(284,961)	(9,005)	CACI International, Inc., Class A	(460,065)
(2,110)	Gardner Denver, Inc.	(82,290)	(1,200)	Cerner Corp.	(717,772)
(2,785)	Garmin, Ltd.	(332,529)	(24,750)	Citrix Systems, Inc.	(997,920)
(1,300)	GATX Corp.	(55,575)	(4,700)	Cognizant Technology Solutions Corp., Class A	(374,919)
(4,840)	General Cable Corp.	(324,861)	(4,300)	Concur Technologies, Inc.	(135,536)
(14,800)	General Electric Co.	(612,720)	(31,200)	CSG Systems International, Inc.	(663,000)
(20,507)	Gerber Scientific, Inc.	(222,501)	(34,702)	Cypress Semiconductor Corp.	(1,013,645)
(5,828)	Greatbatch, Inc.	(154,967)	(3,318)	Dell, Inc.	(91,577)
(8,610)	Hexcel Corp.	(195,533)	(1,950)	Diodes, Inc.	(62,595)
(19,275)	Horizon Lines, Inc., Class A	(588,465)	(3,400)	Electronic Arts, Inc.	(190,366)
(3,300)	IDEX Corp.	(120,087)	(7,100)	Electronic Data Systems Corp.	(155,064)
(4,600)	Insituform Technologies, Inc.	(70,058)	(13,243)	EMC Corp.	(275,454)
(13,406)	Itron, Inc.	(1,247,696)	(75,122)	Emcore Corp.	(721,171)
(7,600)	Kaman Corp.	(262,656)	(25,502)	Epicor Software Corp.	(951,163)
(10,079)	Kansas City Southern	(324,241)	(18,250)	Global Payments, Inc.	(807,015)
(17,906)	Kemet Corp.	(131,609)	(1,666)	Hutchinson Technology, Inc.	(40,984)
(15,671)	LeCroy Corp.	(116,906)	(3,213)	IMS, Health, Inc.	(98,446)
(4,000)	Lindsay Corp.	(175,120)	(2,300)	International Business Machines Corp.	(270,940)
(3,800)	Matthews International Corp., Class A	(166,440)	(6,255)	Kulicke & Soffa Industries, Inc.	(53,042)
(1,200)	Mine Safety Appliances Co.	(56,532)	(17,600)	Lexmark International, Inc., Class A	(730,928)
(4,000)	Moog, Inc., Class A	(175,760)	(24,150)	Linear Technology Corp.	(845,009)
(8,106)	Newport Corp.	(123,455)	(45,137)	Magma Design Automation, Inc.	(635,078)
(3,707)	Owens Corning, Inc.	(92,860)	(22,600)	Maxim Integrated Products, Inc.	(663,310)
(7,500)	Packaging Corporation of America	(218,025)	(7,117)	Mentor Graphics Corp.	(107,467)
(28,400)	Republic Services, Inc.	(928,964)	(91,055)	Micron Technology, Inc.	(1,010,711)
(12,150)	Rockwell Automation, Inc.	(844,546)	(6,800)	Microsemi Corp.	(189,584)
(2,800)	Roper Industries, Inc.	(183,400)	(8,400)	MKS Instruments, Inc.	(159,768)
(13,200)	Seaspan Corp.	(434,280)	(21,400)	MSC Software Corp.	(291,468)
(1,800)	Snap-On, Inc.	(89,172)	(28,800)	National Semiconductor Corp.	(781,056)
(2,590)	Sonoco Products Co.	(78,166)	(22,050)	Network Appliance, Inc.	(593,366)
(5,000)	Stanley Works	(280,650)	(46,058)	Nuance Communications, Inc.	(889,380)
(3,800)	Stericycle, Inc.	(217,208)	(8,000)	Parametric Technology Corp.	(139,360)
(1,082)	Teleflex, Inc.	(84,309)	(12,000)	Perot Systems Corp., Class A	(202,920)
(9,300)	Tetra Tech, Inc.	(196,416)	(11,834)	PMC - Sierra, Inc.	(99,287)
(16,103)	Trinity Industries, Inc.	(604,507)	(39,300)	Qlogic Corp.	(528,585)
(17,500)	Universal Display Corp.	(310,100)	(44,350)	Rambus, Inc.	(847,529)
(2,412)	Universal Forest Products, Inc.	(72,119)	(36,050)	Red Hat, Inc.	(716,314)
(38,450)	UTi Worldwide, Inc.	(883,581)	(11,009)	Salesforce.com, Inc.	(564,982)
(18,100)	Waste Management, Inc.	(683,094)	(1,323)	SAP AG, ADR	(77,620)
(11,086)	Watts Water Technologies, Inc., Class A	(340,340)	(9,733)	Skyworks Solutions, Inc.	(87,986)
(5,650)	Werner Enterprises, Inc.	(96,898)	(8,323)	Spansion, Inc., Class A	(70,329)
			(3,100)	Ultimate Software Group, Inc.	(108,190)
			(9,900)	Unisys Corp.	(65,538)
					(20,694,262)
<b>Information Technology - (4.5)%</b>			<b>Materials - (1.5)%</b>		
(3,600)	Activision, Inc.	(77,724)	(5,500)	Alcoa, Inc.	(215,160)
(6,734)	Advanced Micro Devices, Inc.	(88,889)	(4,247)	Bowater, Inc.	(63,365)
(15,995)	Amkor Technology, Inc.	(184,262)	(2,299)	Cabot Corp.	(81,683)
(11,600)	Anadigics, Inc.	(209,728)	(6,900)	Cameco Corp.	(319,056)
(17,450)	Analog Devices, Inc.	(630,992)	(3,100)	CF Industries Holdings, Inc.	(235,321)
(1,000)	Apple, Inc.	(153,540)			
(60,200)	BEA Systems, Inc.	(834,974)			
(64,018)	Borland Software Corp.	(278,478)			

**ABSOLUTE STRATEGIES FUND****SCHEDULE OF SECURITIES SOLD SHORT  
SEPTEMBER 30, 2007**

<b>Shares</b>	<b>Security Description</b>	<b>Value</b>	<b>Shares</b>	<b>Security Description</b>	<b>Value</b>
(1,329)	Dow Chemical Co.	\$ (57,227)	<b>Utilities - (0.7)%</b>		
(1,000)	Eastman Chemical Co.	(66,730)	(35,500)	AES Corp.	\$ (711,420)
(15,650)	Ecolab, Inc.	(738,680)	(2,295)	Ameren Corp.	(120,488)
(3,218)	El Du Pont De Nemours & Co.	(159,484)	(7,700)	Aqua America, Inc.	(174,636)
(3,595)	Georgia Gulf Corp.	(49,971)	(710)	Black Hills Corp.	(29,124)
(15,000)	Hercules, Inc.	(315,300)	(3,300)	Cleco Corp.	(83,391)
(21,600)	Ivanhoe Mines, Ltd.	(281,880)	(6,500)	Consolidated Edison, Inc.	(300,950)
(5,540)	Louisiana-Pacific Corp.	(94,014)	(1,475)	Dominion Resources, Inc.	(124,342)
(5,700)	MeadWestvaco Corp.	(168,321)	(8,200)	Great Plains Energy, Inc.	(236,242)
(9,400)	Mosaic Co.	(503,088)	(6,200)	Hawaiian Electric Industries, Inc.	(134,602)
(1,059)	Newmont Mining Corp.	(47,369)	(2,675)	Idacorp, Inc.	(87,579)
(26,700)	Northern Dynasty Minerals	(295,035)	(1,425)	Integrus Energy Group, Inc.	(73,003)
(13,150)	Nucor Corp.	(782,031)	(2,000)	New Jersey Resources Corp.	(99,180)
(9,700)	Pan American Silver Corp.	(280,330)	(2,600)	Nicor, Inc.	(111,540)
(2,065)	Plum Creek Timber Co., Inc. (REIT)	(92,429)	(7,700)	Ormat Technologies, Inc.	(356,818)
(3,300)	Potash Corp. of Saskatchewan	(348,810)	(2,900)	Pico Holdings, Inc.	(120,495)
(900)	Praxair, Inc.	(75,384)	(1,775)	Pinnacle West Capital Corp.	(70,130)
(145)	Rio Tinto, PLC, ADR	(49,793)	(3,600)	PNM Resources, Inc.	(83,808)
(23,700)	Titanium Metals Corp.	(795,372)	(7,810)	Southern Co.	(283,347)
(4,100)	UAP Holding Corp.	(128,576)	(2,950)	Westar Energy, Inc.	(72,452)
(65,092)	USEC, Inc.	(667,193)	(4,800)	Xcel Energy, Inc.	(103,393)
(2,296)	Westlake Chemical Corp.	(58,158)			
		<u>(6,969,760)</u>			<u>(3,376,940)</u>
<b>Telecommunication Services - (1.9)%</b>			Total Common Stock (Cost \$(166,869,468))		
(1,860)	ADC Telecommunications, Inc.	(36,475)	<b>(168,175,077)</b>		
(32,550)	Adtran, Inc.	(749,626)	<b>Mutual Funds - (6.2)%</b>		
(20,800)	Akamai Technologies, Inc.	(597,584)	(3,988)	Consumer Discretionary Select Sector SPDR Fund	(146,479)
(17,300)	American Tower Corp., Class A	(753,242)	(7,593)	Consumer Staples Select Sector SPDR Fund	(212,224)
(5,402)	Ciena Corp.	(205,708)	(2,500)	Financial Select Sector SPDR Fund	(85,500)
(2,200)	Corning, Inc.	(54,230)	(7,080)	Health Care Select Sector SPDR Fund	(250,632)
(1,354)	Ctrip.com International, Ltd., ADR	(70,137)	(11,463)	Industrial Select Sector SPDR Fund	(468,722)
(4,276)	Dobson Communications Corp.	(54,690)	(10,640)	iShares Dow Jones US Real Estate Index Fund	(813,854)
(99,952)	Earthlink, Inc.	(791,620)	(795)	iShares Dow Jones US Telecommunications Sector Index Fund	(26,911)
(12,299)	Equinix, Inc.	(1,090,798)	(35,200)	iShares Russell 2000 Index Fund	(2,821,280)
(1,654)	Global Crossing, Ltd.	(34,866)	(628)	iShares S&P 500 Index Fund	(95,896)
(31,600)	Harte-Hanks, Inc.	(621,888)	(3,126)	Materials Select Sector SPDR Fund	(131,667)
(10,843)	HLTH Corp.	(153,645)	(64,025)	Midcap SPDR Trust Series 1	(10,287,537)
(51,346)	Interpublic Group of Cos., Inc.	(532,971)	(60,870)	Powershares QQQ	(3,129,327)
(3,747)	JDS Uniphase Corp.	(56,055)	(1,962)	Retail Holders Trust	(196,514)
(11,600)	Knot, Inc.	(246,616)	(26,180)	Rydex S&P Equal Weight ETF	(1,308,738)
(20,021)	Level 3 Communications, Inc.	(93,098)	(1,051)	SPDR S&P Biotech ETF	(60,916)
(23,985)	NeuStar, Inc., Class A	(822,446)	(27,500)	SPDR Trust Series 1	(4,197,600)
(1,163)	NII Holdings, Inc., Class A	(95,540)	(56,895)	United States Oil Fund, LP	(3,561,058)
(12,585)	ON Semiconductor Corp.	(158,068)	(17,725)	Utilities Select Sector SPDR Fund	(707,050)
(10,200)	Openwave Systems, Inc.	(44,676)			
(54,563)	Powerwave Technologies, Inc.	(336,108)			
(2,023)	RF Micro Devices, Inc.	(13,615)			
(5,722)	SAVVIS, Inc.	(221,899)			
(6,452)	Symantec Corp.	(125,040)			
(14,296)	Symmetricom, Inc.	(67,191)			
(7,425)	Time Warner Telecom, Inc., Class A	(163,127)			
(6,198)	VeriSign, Inc.	(209,121)			
(3,800)	Verizon Communications, Inc.	(168,264)			
(3,518)	Yahoo!, Inc.	(94,423)			
		<u>(8,662,767)</u>			

**ABSOLUTE STRATEGIES FUND**
**SCHEDULE OF CALL OPTIONS WRITTEN**

SEPTEMBER 30, 2007

Number of Contracts	Security Description	Strike Price	Expiration Date	Value	Number of Contracts	Security Description	Strike Price	Expiration Date	Value	
<b>Call Options Written - (0.3)%</b>					(24)	Lowe's Cos., Inc.	30.00	01/21/09	\$ (9,120)	
(20)	Advanced Micro Devices	20.00	01/21/09	\$ (2,310)	(12)	Merrill Lynch & Co., Inc.	55.00	01/21/09	(25,320)	
(20)	Amazon.com, Inc.	30.00	01/21/09	(128,950)	(20)	Microsoft Corp.	20.00	01/21/09	(20,900)	
(65)	Americredit Corp.	20.00	01/23/08	(6,988)	(12)	Morgan Stanley	50.00	01/21/09	(31,860)	
(12)	Amgen, Inc.	60.00	01/21/09	(8,040)	(20)	Nike, Inc.	40.00	01/21/09	(41,800)	
(12)	Amgen, Inc.	70.00	01/21/09	(3,600)	(175)	Nokia Corp.	35.00	01/23/08	(80,500)	
(20)	Anadarko Petroleum Corp.	40.00	01/21/09	(33,800)	(12)	Procter & Gamble Co.	50.00	01/21/09	(26,520)	
(12)	Apache Corp.	60.00	01/21/09	(40,920)	(130)	Pulte Homes, Inc.	20.00	01/23/08	(5,200)	
(84)	Apollo Group, Inc.	55.00	11/21/07	(58,800)	(120)	Pulte Homes, Inc.	22.50	01/23/08	(2,400)	
(10)	Apple, Inc.	50.00	01/21/09	(106,850)	(55)	Pulte Homes, Inc.	20.00	01/20/10	(15,125)	
(40)	Applied Materials, Inc.	15.00	01/21/09	(28,400)	(38)	Pulte Homes, Inc.	17.50	01/23/08	(2,850)	
(12)	Bank of America Corp.	40.00	01/21/09	(14,400)	(32)	Pulte Homes, Inc.	25.00	01/21/09	(2,800)	
(10)	Bear Stearns Co., Inc.	130.00	01/21/09	(17,550)	(12)	Ryland Group, Inc. (h)	60.00	01/23/08	(60)	
(30)	Bed Bath & Beyond, Inc.	30.00	01/21/09	(24,600)	(10)	Ryland Group, Inc.	30.00	01/21/09	(2,725)	
(96)	Carter's, Inc. (h)	35.00	12/26/07	(1,440)	(12)	Ryland Group, Inc.	40.00	01/21/09	(1,350)	
(12)	Caterpillar, Inc.	60.00	01/21/09	(27,480)	(10)	Schlumberger, Ltd.	60.00	01/21/09	(48,350)	
(21)	CDW Corp.	80.00	10/24/07	(15,435)	(45)	SLM Corp.	55.00	01/23/08	(3,375)	
(42)	CDW Corp. (h)	85.00	01/23/08	(13,860)	(23)	St. Joe Co.	55.00	12/26/07	(115)	
(10)	Centex Corp.	50.00	01/23/08	(50)	(12)	Target Corp.	40.00	01/21/09	(31,320)	
(12)	Centex Corp.	40.00	01/21/09	(2,820)	(20)	Toll Brothers, Inc.	30.00	01/23/08	(300)	
(20)	Circuit City Stores, Inc. (h)	30.00	01/21/09	(300)	(12)	United Technologies Corp.	50.00	01/21/09	(38,880)	
(40)	Cisco Systems, Inc.	15.00	01/21/09	(76,100)	(20)	Yahoo!, Inc.	30.00	01/23/08	(2,240)	
(20)	Comcast Corp.	20.00	01/21/09	(19,500)	<b>Total Call Options Written - (0.3)%</b>					<b><u>\$(1,419,050)</u></b>
(20)	Countrywide Financial Corp.	25.00	01/21/09	(6,200)	<b>(Premiums Received \$(1,310,590))</b>					
(20)	Countrywide Financial Corp.	30.00	01/21/09	(3,800)	ADR American Depositary Receipt					
(16)	Dell, Inc.	20.00	01/23/08	(12,800)	ETF Exchange Traded Fund					
(24)	Dell, Inc.	30.00	01/23/08	(2,280)	FHLMC Federal Home Loan Mortgage Corporation					
(12)	DR Horton, Inc. (h)	30.00	01/23/08	(60)	FNMA Federal National Mortgage Association					
(20)	eBay, Inc.	35.00	01/23/08	(11,400)	IO Interest Only					
(240)	eBay, Inc.	37.50	01/23/08	(96,000)	PLC Public Limited Company					
(15)	FedEx Corp.	110.00	01/21/09	(16,500)	PO Principal Only					
(219)	First Marblehead Corp.	45.00	12/26/07	(25,732)	REIT Real Estate Investment Trust					
(20)	General Electric Co.	30.00	01/23/08	(23,200)	SPDR Standard & Poor's Depository Receipts					
(4)	Google, Inc.	240.00	01/23/08	(132,360)	(a) Non-income producing security.					
(20)	Halliburton Co.	30.00	01/21/09	(21,800)	(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 \$20,404,563 or 4.5% of net assets.					
(20)	Hovnanian Enterprises, Inc. (h)	35.00	01/23/08	(90)	(c) Variable rate security.					
(5)	Hovnanian Enterprises, Inc. (h)	50.00	01/23/08	(25)	(d) Security is currently in default and are on scheduled interest or principal payment.					
(12)	Kohl's Corp.	50.00	01/21/09	(17,340)	(e) Zero coupon bond. Interest rate presented is yield to maturity.					
(100)	Kraft Foods, Inc.	37.50	01/23/08	(5,500)	(f) Affiliated company due to Loomis, Sayles & Company, LP being a subadviser of the Fund. Transactions during the period with Loomis Sayles Investment Grade Bond Fund which is an affiliate are as follows:					
(12)	Lennar Corp. (h)	50.00	01/23/08	(60)	<b>Shares held as of beginning of period</b>	<b>Gross Additions</b>	<b>Gross Reductions</b>	<b>Shares held as of end of period</b>	<b>Value September 30, 2007</b>	<b>Investment Income</b>
(30)	Lowe's Cos., Inc.	25.00	01/21/09	(18,600)	264,898	\$(96,307)	\$-	272,471	\$3,531,218	\$96,307

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**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF CALL OPTIONS WRITTEN

SEPTEMBER 30, 2007

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- (g) All or a portion of this security is held as collateral for securities sold short.
- (h) Security fair valued in accordance with procedures adopted by the Board of Trustees.
- (i) 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 period end.
- (j) 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.
- (k) Security subject to call option written by the Fund.

At September 30, 2007, the Fund held the following futures contracts:

<u>Contracts</u>	<u>Type</u>	<u>Expiration Date</u>	<u>Notional Contract Value</u>	<u>Net Unrealized Depreciation</u>
(575)	Short S&P 500 E-Mini Future	12/21/2007	\$44,220,375	\$ 1,324,000
(14)	U.S. 5-year Note (CBT) Future	12/31/2007	1,498,438	2,844
(4)	U.S. 2-year Note (CBT) Future	12/31/2007	828,187	512
(4)	U.S. 10-year Note (CBT) Future	12/31/2007	437,125	1,000
(3)	U.S. Long Bond (CBT)	12/31/2007	334,031	1,688
			<u>\$47,318,156</u>	<u>\$ 1,330,044</u>

\* Cost for Federal income tax purposes is substantially the same as for financial statement purposes and net unrealized appreciation (depreciation) consists of:

Gross Unrealized Appreciation	\$ 48,822,605
Gross Unrealized Depreciation	<u>(25,638,294)</u>
Net Unrealized Appreciation (Depreciation)	<u>\$ 23,184,311</u>

**ABSOLUTE STRATEGIES FUND**

PORTFOLIO HOLDINGS SUMMARY

SEPTEMBER 30, 2007

Portfolio Breakdown (% of Net Assets)	
Long Positions	
Equity Securities	61.7%
Asset Backed Obligations	1.4%
Corporate Convertible Bonds	12.3%
Corporate Non-Convertible Bonds	1.4%
US Government and Agency Obligations	3.2%
Options	0.9%
Mutual Funds	0.8%
Short-Term Investments	19.3%
Short Positions	
Equity Securities	-36.8%
Mutual Funds	-6.2%
Options	-0.3%
Other Assets less Liabilities*	42.3%*
	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 41.1% of net assets. See Note 2.

Sector Breakdown	(% of Equity Holdings)	
	Long	Short
Consumer Discretionary	14.9%	18.5%
Consumer Staples	10.4%	14.4%
Energy	9.7%	9.8%
Financials	26.4%	12.2%
Health Care	5.5%	10.5%
Industrials	12.0%	11.0%
Information Technology	5.8%	12.3%
Materials	4.5%	4.1%
Telecommunications	6.0%	5.2%
Utilities	4.8%	2.0%
	100.0%	100.0%

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**ABSOLUTE STRATEGIES FUND**

## STATEMENT OF ASSETS AND LIABILITIES

SEPTEMBER 30, 2007

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**ASSETS**

Total investments, at value (Cost \$431,822,078)	\$458,381,062
Total investments in affiliates, at value (Cost \$3,528,631)	3,531,218
Deposits with custodian for securities sold short	188,145,246
Cash	1,773,145
Foreign currency (Cost \$100,465)	101,863
Receivables:	
Fund shares sold	2,784,189
Investment securities sold	6,218,606
Interest and dividends	1,428,479
Variation margin	186,875
Prepaid expenses	28,125
	<hr/>
Total Assets	662,578,808

**LIABILITIES**

Payables:	
Securities sold short, at value (Cost \$194,737,939)	196,676,982
Call options written, at value (Premiums received \$1,310,590)	1,419,050
Investment securities purchased	5,542,067
Fund shares redeemed	464,078
Variation margin	6,044
Accrued liabilities:	
Investment adviser fees	624,369
Trustees' fees and expenses	2,792
Compliance services fees	13,012
Other expenses	460,156
	<hr/>
Total Liabilities	205,208,550

**NET ASSETS**\$457,370,258**COMPONENTS OF NET ASSETS**

Paid-in capital	\$439,702,688
Accumulated undistributed (distributions in excess of) net investment income	1,901,959
Net realized gain (loss)	(7,420,292)
Net unrealized appreciation (depreciation)	23,185,903
	<hr/>

**NET ASSETS**\$457,370,258**SHARES OF BENEFICIAL INTEREST (UNLIMITED SHARES AUTHORIZED)**

Institutional Shares	37,433,136
A Shares	3,104,002
C Shares	1,554,171

**NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE**

Institutional Shares (based on net assets of \$406,787,085)	\$ 10.87
A Shares (based on net assets of \$33,767,955)	\$ 10.88
A Shares Maximum Public Offering Price Per Share (net asset value per share / 95.50%)	\$ 11.39
C Shares (based on net assets of \$16,815,218)	\$ 10.82

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**ABSOLUTE STRATEGIES FUND**

## STATEMENT OF OPERATIONS

PERIOD ENDED SEPTEMBER 30, 2007

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**INVESTMENT INCOME**

Interest income	\$ 5,202,849
Dividend income (net foreign withholding taxes of \$20,344)	1,593,816
Dividend income from affiliated investment	96,307
Total Investment Income	<u>6,892,972</u>

**EXPENSES**

Investment adviser fees	2,632,071
Investment adviser expense reimbursements recouped	46,093
Administrator fees	167,115
Distribution fees:	
A Shares	44,459
C Shares	76,410
Transfer agency fees:	
Institutional Shares	93,207
A Shares	21,549
C Shares	6,700
Custodian fees	44,823
Accountant fees	48,197
Registration fees	20,708
Professional fees	36,296
Trustees' fees and expenses	6,297
Compliance services fees	53,165
Dividend expenses on securities sold short	869,806
Miscellaneous expenses	71,114
Total Expenses	<u>4,238,010</u>
Fees waived and expenses reimbursed	(26,793)
Net Expenses	<u>4,211,217</u>

**NET INVESTMENT INCOME (LOSS)**2,681,755**NET REALIZED AND UNREALIZED GAIN (LOSS)**

Net realized gain (loss) on:	
Investments	3,770,041
Foreign currency transactions	(2,292)
Futures	(584,813)
Securities sold short	(5,248,266)
Written options	(429,178)
Net realized gain (loss)	<u>(2,494,508)</u>
Net unrealized gain (loss) on:	
Investments	12,590,566
Foreign currency translations	2,156
Futures	(984,294)
Securities sold short	(635,122)
Written options	(198,806)
Net change in unrealized appreciation (depreciation)	<u>10,774,500</u>

**NET REALIZED AND UNREALIZED GAIN (LOSS)**8,279,992**INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS**\$10,961,747

**ABSOLUTE STRATEGIES FUND**

## STATEMENTS OF CHANGES IN NET ASSETS

	<b>Six Months Ended September 30, 2007</b>	<b>Year Ended March 31, 2007</b>
<b>OPERATIONS</b>		
Net investment income (loss)	\$ 2,681,755	\$ 3,800,443
Net realized gain (loss)	(2,494,508)	(3,754,614)
Net change in unrealized appreciation (depreciation)	10,774,500	8,936,206
Increase (Decrease) in Net Assets from Operations	<u>10,961,747</u>	<u>8,982,035</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM</b>		
Net investment income:		
Institutional Shares	(1,709,595)	(2,358,385)
A Shares	(184,804)	(652,150)
C Shares	(34,231)	(109,781)
Net realized gain on investments sold:		
Institutional Shares	-	(1,951)
A Shares	-	(577)
C Shares	-	(158)
Total Distributions to Shareholders	<u>(1,928,630)</u>	<u>(3,123,002)</u>
<b>CAPITAL SHARE TRANSACTIONS</b>		
Sale of shares:		
Institutional Shares	226,617,202	145,536,577
A Shares	6,093,806	9,428,066
C Shares	4,141,401	10,781,208
Reinvestment of distributions:		
Institutional Shares	1,594,107	2,014,942
A Shares	152,777	525,469
C Shares	33,139	107,949
Redemption of shares:		
Institutional Shares	(25,946,435)	(22,151,545)
A Shares	(9,860,233)	(17,342,242)
C Shares	(1,390,560)	(566,599)
Redemption fees	3,773	14,735
Increase (Decrease) from Capital Share Transactions	<u>201,438,977</u>	<u>128,348,560</u>
Increase (Decrease) in Net Assets	<u>210,472,094</u>	<u>134,207,593</u>
<b>NET ASSETS</b>		
Beginning of period	246,898,164	112,690,571
End of period (a)	<u>\$457,370,258</u>	<u>\$246,898,164</u>
<b>SHARE TRANSACTIONS</b>		
Sale of shares:		
Institutional Shares	20,495,250	13,935,995
A Shares	567,963	906,997
C Shares	388,078	1,040,068
Reinvestment of distributions:		
Institutional Shares	148,843	194,374
A Shares	14,238	50,643
C Shares	3,100	10,417
Redemption of shares:		
Institutional Shares	(1,721,368)	(2,122,612)
A Shares	(922,344)	(1,671,433)
C Shares	(130,150)	(54,142)
Increase (Decrease) in Shares	<u>18,843,610</u>	<u>12,290,307</u>
(a) Accumulated undistributed (distributions in excess of) net investment income.	<u>\$ 1,901,959</u>	<u>\$ 1,148,834</u>

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**ABSOLUTE STRATEGIES FUND**FINANCIAL HIGHLIGHTS

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

	<b>April 1, 2007 through September 30, 2007</b>	<b>April 1, 2006 through March 31, 2007</b>	<b>July 11, 2005 (a) through March 31, 2006</b>
<b>INSTITUTIONAL SHARES</b>			
<b>NET ASSET VALUE, Beginning of Period</b>	\$ 10.62	\$ 10.29	\$ 10.00
<b>INVESTMENT OPERATIONS</b>			
Net investment income (loss) (b)	0.09	0.26	0.14
Net realized and unrealized gain (loss)	<u>0.23</u>	<u>0.29</u>	<u>0.22</u>
Total from Investment Operations	<u>0.32</u>	<u>0.55</u>	<u>0.36</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM</b>			
Net investment income	(0.07)	(0.22)	(0.07)
Net realized investment gains	<u>-</u>	<u>- (c)</u>	<u>- (c)</u>
Total Distributions to Shareholders	<u>(0.07)</u>	<u>(0.22)</u>	<u>(0.07)</u>
<b>REDEMPTION FEES (b)</b>	<u>- (c)</u>	<u>- (c)</u>	<u>- (c)</u>
<b>NET ASSET VALUE, End of Period</b>	<u>\$ 10.87</u>	<u>\$ 10.62</u>	<u>\$ 10.29</u>
<b>TOTAL RETURN</b>	3.05%(d)	5.38%	3.60%(d)
<b>RATIOS/SUPPLEMENTARY DATA</b>			
Net Assets at End of Period (000's omitted)	\$406,787	\$196,602	\$66,888
Ratios to Average Net Assets:			
Net investment income (loss)	1.73%(f)	2.46%	1.91%(f)
Net expense	1.95%(f)	1.95%	1.95%(f)
Dividend expense	0.53%(f)	0.43%	0.38%(f)
Gross expense (g)	2.50%(f)	2.44%	2.59%(f)
<b>PORTFOLIO TURNOVER RATE</b>	270%(d)	424%	405%(d)(h)

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**ABSOLUTE STRATEGIES FUND**FINANCIAL HIGHLIGHTS

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	<b>April 1, 2007 through September 30, 2007</b>	<b>April 1, 2006 through March 31, 2007</b>	<b>July 11, 2005 (a) through March 31, 2006</b>
<b>A SHARES</b>			
<b>NET ASSET VALUE, Beginning of Period</b>	<u>\$ 10.63</u>	<u>\$ 10.28</u>	<u>\$ 10.00</u>
<b>INVESTMENT OPERATIONS</b>			
Net investment income (loss) (b)	0.07	0.22	0.10
Net realized and unrealized gain (loss)	<u>0.24</u>	<u>0.30</u>	<u>0.22</u>
Total from Investment Operations	<u>0.31</u>	<u>0.52</u>	<u>0.32</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM</b>			
Net investment income	(0.06)	(0.17)	(0.04)
Net realized investment gains	<u>-</u>	<u>- (c)</u>	<u>- (c)</u>
Total Distributions to Shareholders	<u>(0.06)</u>	<u>(0.17)</u>	<u>(0.04)</u>
<b>REDEMPTION FEES (b)</b>	<u>-</u>	<u>- (c)</u>	<u>- (c)</u>
<b>NET ASSET VALUE, End of Period</b>	<u>\$ 10.88</u>	<u>\$ 10.63</u>	<u>\$ 10.28</u>
<b>TOTAL RETURN (e)</b>	2.88%(d)	0.39%	3.24%(d)
<b>RATIOS/SUPPLEMENTARY DATA</b>			
Net Assets at End of Period (000's omitted)	\$33,768	\$36,613	\$42,755
Ratios to Average Net Assets:			
Net investment income (loss)	1.30%(f)	2.07%	1.42%(f)
Net expense	2.25%(f)	2.25%	2.24%(f)
Dividend expense	0.50%(f)	0.41%	0.35%(f)
Gross expense (g)	2.77%(f)	2.78%	3.07%(f)
<b>PORTFOLIO TURNOVER RATE</b>	270%(d)	424%	405%(d)(h)

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**ABSOLUTE STRATEGIES FUND**FINANCIAL HIGHLIGHTS

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	<b>April 1, 2007 through September 30, 2007</b>	<b>April 1, 2006 through March 31, 2007</b>	<b>January 13, 2006 (a) through March 31, 2006</b>
<b>C SHARES</b>			
<b>NET ASSET VALUE, Beginning of Period</b>	<u>\$ 10.58</u>	<u>\$ 10.27</u>	<u>\$10.08</u>
<b>INVESTMENT OPERATIONS</b>			
Net investment income (loss) (b)	0.03	0.15	0.02
Net realized and unrealized gain (loss)	<u>0.23</u>	<u>0.29</u>	<u>0.17</u>
Total from Investment Operations	<u>0.26</u>	<u>0.44</u>	<u>0.19</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM</b>			
Net investment income	(0.02)	(0.13)	-
Net realized investment gains	<u>-</u>	<u>- (c)</u>	<u>-</u>
Total Distributions to Shareholders	<u>(0.02)</u>	<u>(0.13)</u>	<u>-</u>
<b>REDEMPTION FEES (b)</b>	<u>-</u>	<u>- (c)</u>	<u>- (c)</u>
<b>NET ASSET VALUE, End of Period</b>	<u>\$ 10.82</u>	<u>\$ 10.58</u>	<u>\$10.27</u>
<b>TOTAL RETURN</b>	2.50%(d)	4.31%	1.88%(d)
<b>RATIOS/SUPPLEMENTARY DATA</b>			
Net Assets at End of Period (000's omitted)	\$16,815	\$13,683	\$3,048
Ratios to Average Net Assets:			
Net investment income (loss)	0.60%(f)	1.43%	0.90%(f)
Net expense	3.00%(f)	3.00%	3.00%(f)
Dividend expense	0.51%(f)	0.42%	0.46%(f)
Gross expense (g)	3.53%(f)	3.65%	5.86%(f)
<b>PORTFOLIO TURNOVER RATE</b>	270%(d)	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 for periods less than one year.

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

(f) Annualized for period less than one year.

(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%.

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**ABSOLUTE STRATEGIES FUND**

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007

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**Note 1. Organization**

The Absolute Strategies Fund (the “Fund”), is a non-diversified series 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. The Trust currently has twenty-seven investment portfolios. Under its Trust Instrument, the Trust is authorized to issue an unlimited number of the Fund’s shares of beneficial interest without par value. The Fund currently offers three classes of shares: Institutional Shares, A Shares and C Shares. Institutional and A Shares commenced operations on July 11, 2005. C Shares commenced operations on January 13, 2006. The Fund seeks to achieve long-term capital appreciation with an emphasis on absolute (positive) returns and low correlation to traditional financial 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 Fund.

**Security Valuation** – Exchange traded securities and over-the-counter securities are valued using the last 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 generally valued at the mean of the current 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.

The Fund values its 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.

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**ABSOLUTE STRATEGIES FUND**

NOTES TO FINANCIAL STATEMENTS

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**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 Fund 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. 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 Fund 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 Fund 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 Fund is 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 Fund agrees 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 Fund as unrealized gains or losses. When the contract is closed, the Fund records 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.

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**ABSOLUTE STRATEGIES FUND**

NOTES TO FINANCIAL STATEMENTS

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**Securities Sold Short** – The Fund may sell a security short to increase investment returns. The Fund 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 Fund sells a security that it does not own. To complete the transaction, the Fund must borrow the security in order to deliver it to the buyer. The Fund 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 Fund sold the security. The Fund incurs 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 Fund replaces the borrowed security. The Fund realizes a profit if the price of the security declines between those dates.

Until the Fund replaces the borrowed security, the Fund 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 Fund's Income Statement.

**Options** – When the Fund writes an option, an amount equal to the premium received by the Fund 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 Fund 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 premium is added to the proceeds from the sale of the underlying security or currency in determining whether the Fund has realized a gain or loss. If a put option is exercised, the premium reduces the cost basis of the securities purchased by the Fund. The Fund, as writer of an option, bears the market risk of an unfavorable change in the price of the security underlying the written option.

When the Fund purchases an option, an amount equal to the premium paid by the Fund 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 Fund enters 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 Fund 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 Fund is included in the Schedule of Investments.

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**ABSOLUTE STRATEGIES FUND**

NOTES TO FINANCIAL STATEMENTS

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**When-Issued Transactions** – The Fund may purchase securities on a forward commitment or ‘when-issued’ basis. The Fund records 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 Fund begins 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 Fund, timing differences and differing characterizations of distributions made by the Fund.

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

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

The 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.

**Redemption Fees** – Effective January 19, 2007, the Fund no longer imposes a redemption fee on redemptions of Fund shares and the Fund no longer imposes an exchange fee on exchanges of Fund shares.

**New Accounting Pronouncements** – In June 2006, the Financial Accounting Standards Board (“FASB”) issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes — an interpretation of FAS 109* (“FIN 48”) which is effective for fiscal years beginning after December 15, 2006, and is to be applied to all open tax years no later than June 30, 2007. FIN 48 prescribes a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return, and requires certain expanded disclosures. Fund management has determined that the Fund has not taken any tax positions in the current or prior reporting periods that would require reporting under FIN 48.

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157 *Fair Value Measurements* (“SFAS 157”), which is effective for fiscal years beginning after November 15, 2007 and for

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**ABSOLUTE STRATEGIES FUND**

NOTES TO FINANCIAL STATEMENTS

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interim periods within those fiscal years. SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. Management has recently begun to evaluate the application of SFAS 157, and has not at this time determined the impact, if any, resulting from the adoption on the Fund's financial statements.

**Note 3. Advisory Fees, Servicing Fees and Other Transactions**

**Investment Adviser** – Absolute Investment Advisers LLC, (the “Adviser”) is the investment adviser to the Fund. Pursuant to an investment advisory agreement, the Adviser receives an advisory fee from the Fund at an annual rate of 1.60% of the Fund's average daily net assets.

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

**Distribution** – Foreside Fund Services, LLC serves as the Fund's distributor (the “Distributor”). The Distributor is not affiliated with the Adviser, Citigroup Fund Services, LLC (“Citigroup”) or its affiliated companies. The Fund has adopted a distribution plan for A 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 A Shares and C Shares, respectively.

For the period ended September 30, 2007, the Distributor employed \$4,803 of the front-end sales charges assessed on the sale of A Shares. The Distributor did not retain any commissions from contingent deferred sales charges assessed on purchases of \$1 million or more of A Shares that are 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 A Shares, purchased and redeemed during the period beginning in the 13<sup>th</sup> month and ending in the 24<sup>th</sup> month of purchase on purchase amounts greater than \$5 million.

**Other Services** – Citigroup provides administration, portfolio accounting, and transfer agency services to the Fund. Certain employees of Citigroup are also officers of the Trust.

Foreside Compliance Services, LLC (“FCS”), an affiliate of the Distributor, provides 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 Fund. FCS has no role in determining the investment policies or which securities are to be purchased or sold by the Trust or its Funds. Certain officers or employees of FCS are also officers of the Trust. The Principal Executive Officer is an affiliate of the Distributor due to his ownership interest in the Distributor.

**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

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**ABSOLUTE STRATEGIES FUND**

NOTES TO FINANCIAL STATEMENTS

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extraordinary expenses) of Institutional Shares, A Shares and C Shares to 1.95%, 2.25% and 3.00%, respectively, of each class' average daily net assets through July 31, 2008. During the period other fund service providers have voluntarily agreed to waive and/or reimburse a portion of their fees. These voluntary waivers and reimbursements may be reduced or eliminated at any time. For the period ended September 30, 2007, fees waived were as follows:

<u>Administrator</u>	<u>FCS</u>	<u>Other</u>	<u>Total Fees Waived</u>
\$11,573	\$12,653	\$2,567	\$26,793

The 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 1.95% for Institutional Shares, 2.25% for A Shares and 3.00% for C Shares. For the period July 11, 2005 (commencement of operations) through each of March 31, 2006 and March 31, 2007, and for the period ended September 30, 2007, the Adviser waived and/or reimbursed fees as follows:

	<u>Amount of Fees Waived and/or Expenses Reimbursed</u>	<u>Expiration Date to Recoup Fees Waived and/or Expenses Reimbursed</u>	<u>Fees Recouped</u>
March 31, 2006	\$174,568	March 31, 2009	\$ 0
March 31, 2007	74,871	March 31, 2010	0
September 30, 2007	0	March 31, 2011	46,093

**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 period ended September 30, 2007, were as follows:

<u>Non-US Government Obligations</u>		<u>US Government Obligations</u>	
<u>Purchases</u>	<u>Sales</u>	<u>Purchases</u>	<u>Sales</u>
\$411,267,499	\$352,527,307	\$10,971,655	\$8,204,598

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**ABSOLUTE STRATEGIES FUND**

NOTES TO FINANCIAL STATEMENTS

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**Note 6. Federal Income Tax and Investment Transactions**

As of March 31, 2007, distributable earnings (accumulated loss) on a tax basis were as follows:

Undistributed Ordinary Income	\$ 1,195,921
Capital and Other Losses	(2,261,229)
Unrealized Appreciation (Depreciation)	<u>10,714,616</u>
Total	<u>\$ 9,649,308</u>

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 the tax treatment of passive foreign investment holdings, loss deferrals, and capital loss carryovers.

**Note 7. Written Option Transactions**

Transactions in options written during the period ended September 30, 2007 were as follows:

	<u>Calls</u>	
	<u>Number of Contracts</u>	<u>Premiums</u>
<i>Options Outstanding, March 31, 2007</i>	777	\$ 990,246
Options written	1,687	370,965
Options terminated in closing transactions	(50)	(25,771)
Options exercised	0	0
Options expired	<u>(159)</u>	<u>(24,850)</u>
<i>Options Outstanding, September 30, 2007</i>	<u>2,255</u>	<u>\$1,310,590</u>

**Note 8. Other Information**

On September 30, 2007, two shareholders held approximately 57% of the outstanding shares of the Fund. Both of these shareholders are omnibus accounts, which are held on behalf of several individual shareholders.

## **Investment Advisory Agreement Approval**

At the April 20, 2007, Board meeting, the Board, including the Independent Trustees, considered the approval of the continuance of the investment advisory agreement pertaining to the Fund (the "Advisory Agreement") and, as applicable, the sub-advisory agreements pertaining to the Fund (the "Sub-Advisory Agreements"). In evaluating the Advisory Agreement for the Fund, the Board reviewed materials furnished by the Adviser and Citigroup, including information regarding the Adviser, its 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 Adviser, including information on the investment performance of the Adviser; (2) the costs of the services to be provided and profitability to the Adviser with respect to its relationship with the Fund; (3) the advisory fee and total expense ratio of the Fund compared to relevant peer groups 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 Adviser from its relationship with the Fund. 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.

### *Nature, Extent and Quality of the Services*

The Board met with representatives of the Adviser and discussed the Adviser's personnel, operations and financial condition. Specifically, the Board discussed with the Adviser the adequacy of its resources and quality of services provided by the Adviser and Sub-Advisers under the Advisory Agreement. The Board concluded that it was satisfied with the nature, extent and quality of services provided to the Funds by the Adviser and Sub-Advisers. The Board reviewed the Adviser's summary of its financial condition, noting the Adviser's representation that the firm was financially stable and had succeeded in raising \$250 million in the Fund since inception. The Board concluded that the Adviser was financially able to provide investment advisory services to the Fund.

### *Costs of Services and Profitability*

The Board then considered information provided by the Adviser regarding its costs of services and profitability with respect to the Fund. The Board considered the Adviser's allocation of resources devoted to the Fund. The Board concluded that the level of the Adviser's profits attributable to management of the Fund was not excessive in light of the services provided by the Adviser on behalf of the Fund, including its management, oversight and selection of Sub-Advisers.

### *Compensation*

The Board also considered the Adviser's compensation for providing advisory services to the Fund and analyzed comparative information on fees, expenses, and performance of similar mutual funds. In this regard, the Board noted that, while the Adviser's contractual advisory fee was higher than the mean and median

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**ABSOLUTE STRATEGIES FUND**

ADDITIONAL INFORMATION

SEPTEMBER 30, 2007

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advisory fee for its Lipper Inc. peer group, the Board recognized that it was difficult to compare expense ratios because of variations between the services provided by the Adviser and those included in the fees paid by other funds. Based on the foregoing, the Board concluded that the Adviser's advisory fee charged to the Fund was reasonable.

*Performance*

The Adviser also discussed its approach to managing the Fund as well as the Fund's performance. The Adviser represented that it would continue to provide high quality portfolio management services to the Fund so long as it serves as Adviser to the Fund. The Board considered the Fund's performance over 1-month, 3-month, 6-month, 9-month and 1-year periods. The Board noted while the Fund underperformed against its Lipper peer group for the 1-month period, the Fund outperformed its Lipper peer group for the 3-month, 6-month, 9-month and 1-year periods. The Board noted the Adviser's investment approach remains consistent and that, in the Adviser's opinion, this approach led the Fund to perform as intended, with both low sensitivity (beta) to the overall market and low volatility. The Board noted that it would consider the Fund's performance in evaluating the overall arrangements between the Fund and the Adviser.

*Economies of Scale*

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

*Other Benefits*

The Board noted the Adviser's and Sub-Advisers' representations that they do not receive other benefits from their relationship with the Fund. Based on the foregoing, the Board concluded that other benefits received by the Adviser and Sub-Advisers from their relationship with the Fund were not a material factor to consider in approving the continuation of the Advisory Agreement.

*Conclusion*

Prior to voting, the Board reviewed a memorandum from Fund Counsel discussing the legal standards applicable to its consideration of the Advisory and the Sub-Advisory Agreements. The Board also discussed the proposed approval of the continuance of the Advisory and Sub-Advisory Agreements. Based upon its review, the Board concluded that the overall arrangements between the Fund, the Adviser and Sub-Advisers, as provided in the Advisory and Sub-Advisory Agreements, were fair and reasonable in light of the services performed, expenses incurred and such other matters as the Board considered relevant in the exercise of its reasonable judgment.

**Sub-Advisory Agreement Approval**

*Mohican Financial Management, LLC – October 18, 2006*

The Board met with representatives of the Adviser and discussed Mohican Financial Management, LLC (the “Sub-Adviser”), the Sub-Adviser’s personnel, operations and financial condition. Specifically, the Board discussed with the Adviser the adequacy of its resources and quality of services provided by the Adviser under the Advisory Agreement. The Board concluded that it was satisfied with the nature, extent and quality of services provided to the Fund by the Sub-Adviser.

The Board then reviewed the Sub-Adviser’s financial stability. The Board relied on a representation from the Sub-Adviser that it maintains an efficient operation in an environment of low fixed costs. The Board also considered that the Sub-Adviser would be one of thirteen sub-advisers managing allocated portions of Fund assets. Based on the foregoing, the Board concluded that the Sub-Adviser was financially able to provide investment sub-advisory services to the Fund.

The Board then considered information provided by the Sub-Adviser regarding its costs of services and profitability with respect to the Fund. The Board considered the Sub-Adviser’s resources devoted to the Fund as well as an estimated profit and loss analysis for the Sub-Adviser relative to its proposed services to the Fund. The Board concluded that the level of the Sub-Adviser’s estimated profits attributable to management of a portion of the assets of the Fund was not excessive in light of the proposed services to be provided by the Sub-Adviser on behalf of the Fund.

The Board also considered the Sub-Adviser’s compensation for providing sub-advisory services to the Fund. The Board noted that the Sub-Adviser’s compensation would be paid by the Fund’s investment adviser and, thus, was not a material factor in approving the Sub-Advisory Agreement because the overall costs to the shareholder would remain unchanged.

The Adviser also discussed its proposed approach to managing the Fund. The Board considered the Fund’s objective to preserve capital as well as its position and portfolio risk management. The Board also considered the performance of Mohican VCA Fund, L.P., a hedge fund currently managed by the Sub-Adviser, noting that the hedge fund returned 40.68% since its inception in 2002. The Board considered the Sub-Adviser’s 28 years of U.S. convertibles experience and its desire to stay small with \$300 million of assets under management. The Board took into consideration certain differences between Mohican VCA Fund and the Fund such as the expenses of the Fund.

The Board then considered whether the Fund would benefit from any economies of scale, and noting that Mohican has historically not offered breakpoints. The Board considered the size of the Fund, the number of Sub-Advisers and their allocated portion of Fund assets and concluded that it would not be necessary to consider the implementation of fee breakpoints at this time.

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**ABSOLUTE STRATEGIES FUND**

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The Board noted the Sub-Adviser's representation that it does not expect to receive other benefits from its relationship with the Fund. Based on the foregoing, the Board concluded that other benefits received by the Sub-Adviser from its relationship with the Funds were not a material factor to consider 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 approval of the Investment Sub-Advisory Agreement. Based upon its review, the Board concluded that the overall arrangements between the Adviser and Sub-Adviser, as provided in the Sub-Advisory Agreement, were fair and reasonable in light of the services performed, expenses incurred and other such matters as the Board considered relevant in the exercise of its reasonable judgment.

*Metropolitan West Asset Management, LLC – January 26, 2007*

The Board considered Absolute's proposal to approve Metropolitan West Asset Management, LLC ("MWAM") as a Sub-Adviser to the Fund. In determining whether to approve MWAM's sub-advisory agreement (the "New MWAM Agreement"), the Board considered, among other things, the following factors: (1) the nature and quality of the services provided by MWAM; (2) the investment performance of the Fund and MWAM; (3) MWAM's cost for providing the services and the profitability of the advisory business to MWAM; (4) MWAM's conclusion that the change in control will not result in any changes to the services provided by MWAM; (5) economies of scale and other benefits to MWAM and (6) the Adviser's recommendation to continue to retain MWAM as an investment sub-adviser.

The Board considered the scope and quality of services to be provided by MWAM under the New MWAM Agreement. The Board considered the quality of the investment research capabilities of MWAM and other resources dedicated to performing services for the Fund. The quality of administrative and other services also were considered as well as any lapses in performance or compliance matters. The Board considered the professional experience and qualifications of the Fund's portfolio managers. The Board considered the Adviser's conclusion that MWAM's change in control will not result in any changes to the services provided by MWAM as well as the Adviser's recommendation to continue to retain MWAM as an investment sub-adviser. The Board concluded that, overall, it was satisfied with the nature, extent and quality of services provided to the Fund by MWAM.

The Board considered that the Fund outperformed its Lipper Inc. peer group for the 3-, 6- and 9-month and 1-year periods. The Board noted that no significant changes to the investment strategies adopted by MWAM are anticipated in the near future. The Board considered the Fund's objective to preserve capital as well how MWAM's management style fits in the Fund's overall investment strategy. The Board concluded that the Fund benefited from MWAM's management of the portion of the Fund entrusted to MWAM.

The Board also considered MWAM's compensation for providing investment advisory services to the Fund and analyzed comparative information on fees, expenses, and performance of similar mutual funds. The Board

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noted that while the contractual and net investment advisory fee rates of the Fund were higher than the mean and median advisory fee rates of its Lipper Inc. peer group, the total net expenses were consistent with the mean and median total expenses of its Lipper Inc. peer group. The Board recognized that it was difficult to compare expense ratios because of variations in the services provided by the Fund investment advisers that are included in the fees paid by other funds. Based on the foregoing, the Board concluded that MWAM's sub-advisory fee rates charged to the Adviser were reasonable.

The Board then considered information provided by MWAM regarding their costs of services and profitability with respect to the Fund. The Board noted that MWAM's compensation would be paid by the Adviser rather than by the Fund and, thus, was not a material factor in approving the sub-advisory agreement because the overall costs to the shareholder would remain unchanged. The Board did not consider whether the Fund would benefit from any economies of scale, noting that the Adviser pays the sub-advisory fee. Finally, MWAM represented that it did not expect to receive any other benefits from its relationship with the Fund. Based on the foregoing, the Board concluded that economies of scale and other benefits to be received by MWAM from its relationship with the Fund were not material factors to consider in approving the New MWAM Agreement.

The Board has not been advised by MWAM of any circumstances arising from MWAM's change in control that might result in the imposition of an "unfair burden" on the Fund. In addition, the requirement under Section 15(f) of the 1940 Act that 75% of the Board continue to consist of trustees independent from MWAM for the next three years is consistent with the Board's current composition. The Board noted that the terms of the prior MWAM sub-advisory agreement and the New MWAM Agreement are substantially identical except for the effective date. The Board concluded that the approval of the New MWAM Agreement subsequent to the acquisition would not result in: (1) an increase in the Fund's advisory fee or total expenses; or (2) a change in advisory services, portfolio management personnel or other service provider services.

After review of the above factors, the Board, (1) concluded that the fees paid to MWAM under the New MWAM Agreement are fair and reasonable, (2) determined that the Fund and its shareholders would benefit from MWAM's continued management of a portion of the Fund, and (3) unanimously approved the continuation of MWAM's service as investment sub-adviser to the Fund under the New MWAM Agreement.

*Kovitz Investment Group, LLC – January 26, 2007*

The Board considered the Adviser's proposal to approve the Investment Sub-Advisory Agreement between the Adviser and Kovitz Investment Group, LLC, on behalf of the Fund (the "Kovitz Agreement"). In determining whether to approve the Kovitz Agreement, the Board considered, among other things, the following factors: (1) the nature and quality of the services provided by Kovitz; (2) Kovitz's financial stability, cost for providing the services and the profitability of the advisory business to Kovitz; (3) Kovitz's compensation for providing sub-advisory services to the Fund; (4) economies of scale and other benefits to Kovitz and (5) the Adviser's recommendation to retain Kovitz as an investment 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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The Board met with representatives of Kovitz and discussed Kovitz's personnel, operations and financial condition. Specifically, the Board discussed with Kovitz the adequacy of its resources. The Board also considered the quality of its personnel assigned responsibility for servicing the Fund. The Board concluded that it was satisfied with the nature, extent and quality of services provided to the Fund by Kovitz. The Board then reviewed Kovitz's financial stability. Kovitz noted that, as a private firm, financial data was not disclosed; however Kovitz did make certain representations in evidence of its financial stability. Based on the foregoing, the Board concluded that Kovitz was financially able to provide investment advisory services to the Fund.

The Board then considered information provided by Kovitz regarding its costs of service and profitability with respect to its proposed services to the Fund. The Board concluded that Kovitz's profitability was not a material factor in determining whether or not to approve the Kovitz Agreement because the Adviser, not the Fund, was responsible for paying the sub-advisory fees due to Kovitz under the Kovitz Agreement.

The Board reviewed the historical performance of a hedged equity fund managed by Kovitz in the same style to be employed by the Fund and noted that the referenced fund outperformed its comparative indices during 2004 and 2005, further noting that the referenced fund outperformed one index while lagging behind the other index for the period January 1, 2006 through November 30, 2006. The Board considered that the referenced fund was not subject to the same types of expenses to which the Fund is subject nor to the diversification requirements, specific tax restrictions and investment limitations imposed on the Fund. The Board considered the Fund's objective to preserve capital as well how Kovitz's management style fits in the Fund's overall investment strategy.

The Board reviewed Kovitz's compensation for providing sub-advisory services to the Fund and determined that the compensation was not a material factor in determining whether or not to approve the Sub-Advisory Agreement because Absolute, not the Fund, was responsible for paying the sub-advisory fees due to Kovitz under the Sub-Advisory Agreement. The Board then considered whether the Fund would benefit from any economies of scale and noted that Kovitz has historically not offered breakpoints nor managed hedge fund investments in the absence of an incentive fee. The Board determined that because the Adviser and not the Fund pays the sub-advisory fee, shareholders would not benefit from any economies of scale available through breakpoints in the sub-advisory fee.

The Board considered that Kovitz does not benefit from soft dollar arrangements with its prime broker, and noted that certain trades may be executed through Kovitz Securities only when such trade would result in savings of 20% or more as compared to trades conducted through the prime broker. Based on the foregoing, the Board concluded that other benefits to be received by Kovitz from its relationship with the Fund were not a material factor to consider in approving the Sub-Advisory Agreement.

Prior to approval, the Board reviewed a memorandum from counsel discussing the legal standards for its consideration of the Kovitz Agreement. The Board also discussed the proposed initial approval of the Kovitz Agreement. Based upon its review, the Board concluded that the overall sub-advisory arrangements, as provided in the Kovitz Agreement, were fair and reasonable in light of the services to be performed, expenses

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to be incurred and other such matters as the Board considered relevant in the exercise of its reasonable judgment, and further that the approval of the Kovitz Agreement was reasonable, fair and in the best interests of the Fund.

**Proxy Voting Information**

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to securities held in the Fund's portfolio is available, without charge and upon request, by calling (888) 992-2765 and on the SEC's website at [www.sec.gov](http://www.sec.gov). The Fund's proxy voting records for the period of July 1, 2006 through June 30, 2007, is available, without charge and upon request, by calling (888) 992-2765 and on the SEC's website at [www.sec.gov](http://www.sec.gov).

**Availability of Quarterly Portfolio Schedules**

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available, without charge and upon request on the SEC's website at [www.sec.gov](http://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 (800) SEC-0330.

**Shareholder Expense Example**

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs; including sales charges (loads) on purchase payments on certain classes; redemption fees; and exchange fees and (2) 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 Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The following example is based on \$1,000 invested at the beginning of the period and held for the entire period from April 1, 2007 through September 30, 2007.

**Actual Expenses** – The first line of 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 of 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

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you paid for the period. You may use this information to compare the ongoing cost of investing in a 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 and do not reflect any transactional costs, such as sales charges (loads) for certain share classes, redemption fees or exchange fees. 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. In addition, if these transactional costs had been included, your costs would have been higher.

	<b>Beginning Account Value</b>	<b>Ending Account Value</b>	<b>Expenses Paid During Period*</b>	<b>Annualized Expense Ratio*</b>
	<b>April 1, 2007</b>	<b>September 30, 2007</b>		
<b>Institutional Shares</b>				
Actual Return	\$1,000.00	\$1,030.54	\$ 9.90	1.95%
Hypothetical Return (5% return before expenses)	\$1,000.00	\$1,015.25	\$ 9.82	1.95%
<b>A Shares</b>				
Actual Return	\$1,000.00	\$1,028.78	\$11.36	2.24%
Hypothetical Return (5% return before expenses)	\$1,000.00	\$1,013.80	\$11.28	2.24%
<b>C Shares</b>				
Actual Return	\$1,000.00	\$1,024.99	\$15.19	3.00%
Hypothetical Return (5% return before expenses)	\$1,000.00	\$1,010.00	\$15.08	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.



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# **ABSOLUTE**Strategies

FUND

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