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# ABSOLUTE FUNDS

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## SEMI-ANNUAL REPORT (Unaudited)

SEPTEMBER 30, 2012

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**ABSOLUTE**  
INVESTMENT ADVISERS

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The views in this report were those of Absolute Strategies Fund and Absolute Opportunities Fund's (each a "Fund" and collectively the "Funds") adviser as of September 30, 2012, 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 Funds and do not constitute investment advice. None of the information presented should be construed as an offer to sell or recommendation of any security mentioned herein.

Since the Funds utilize multi-manager strategies with multiple sub-advisers, they 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 rate 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 Funds' principal investment risks, please refer to each Fund's prospectus.

Beta is a 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 infers that about 50% of the fund's returns were explained by the performance of the index (the rest of the performance was independent of the index). Standard deviation indicates the volatility of a fund's total returns and is useful because it identifies the spread of a fund's short-term fluctuations. The HFR Indices are equally weighted performance indexes, utilized by numerous hedge fund managers as a benchmark for their own hedge funds. One cannot invest directly in an index or average.

Absolute Opportunities Fund, Absolute Strategies Fund, Absolute Funds, and Absolute Investment Advisers are registered service marks of Absolute Investment Advisers LLC ("AIA" and "Absolute") and the respective logos are service marks of AIA; and other marks referred to herein are the trademarks, service marks or registered trademarks of the respective owners thereof.

Dear Shareholder,

We are pleased to present the semi-annual report for Absolute Strategies Fund (the "Fund") for the period ended September 30, 2012. The Fund continues to perform well during a highly volatile and correlated market environment. The Fund (Institutional Shares) was up 1.44% over the six months ended September 30 versus 3.42% for the S&P 500 Index ("S&P 500") and -0.44% for the HFRX Global Hedge Fund Index. Since inception the Fund has returned 25.94% vs. 35.54% for the S&P 500 and 0.60% for the HFRX Global Hedge Fund Index.

*As of September 30, 2012, 1-year, 5-year and since inception (July 27, 2005) annualized performance for the Fund (Institutional Shares) was 2.21%, 2.28% and 3.26%, respectively. Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. For performance current to the most recent month-end, call the Fund at (888) 992-2765. As stated in the current prospectus, the Fund's total annual operating expense ratio (gross) is 2.58% for Institutional Shares. Excluding the effect of expenses attributable to dividends and interest on short sales, the Fund's total annual operating expense ratio (net) would be 1.73% for Institutional Shares. Returns included the reinvestments of dividends and capital gains.*

Our overall outlook and positioning remains relatively unchanged. The Fund remains defensively positioned with low net exposure to the overall equity and credit markets. Our concerns continue to be a debt-driven slowdown in the global economy (largely driven by China, Europe and now India) and the resulting impact on credit and corporate fundamentals. These concerns are becoming more and more real.

Overall fundamental problems are getting worse, despite recent central bank induced equity market performance. Corporate earnings and revenue growth have stalled and have turned negative for the first time since the financial crisis. Countless multi-national American companies in a variety of industries have warned of a global slowdown. Incredibly, Wall Street's forward earnings estimates remain quite elevated. Europe continues to weaken and, other than very short-term ECB influence, the Euro-area debt problems are much worse than they were 12 months ago. Growth expectations for China, Germany, Japan and India are much lower than they were 12 months ago. The U.S. continues to grow at a 1-2% rate and the fiscal cliff has not been addressed at all. The S&P 500 Shiller P/E, which appropriately adjusts for cyclical earnings trends, is currently 22. This is 38% higher than its long-term average. Regression to the mean would put the S&P 500 Index near 1000.

While we recognize the desire for the financial industry to wish away such non-positive facts, we are quite amazed by their continued hold and influence on investor behavior that overpays for past performance and reaches for yield. The stock market is thought to be 'safe' after it has risen for many weeks and months, while it is considered 'risky' after it has declined substantially. The bigger the rally, the safer the market appears, and the opposite holds true for market declines. This is undeniably irrational. This cycle of behavior continues to create large gaps between asset prices and fundamentals when approaching both market tops and market bottoms. Even long-term investors have been drawn into the momentum game. Recognizing the error in such behavior is not being 'bearish'; it is thinking in an un-biased, logical and opportunistic way. We also recognize that investor patience is being tested as the price vs. fundamental gap seems to last much longer than expected. However, the resulting re-pricing of risk usually makes the wait nearly irrelevant. We remain optimistic about our strategy. We cannot imagine a better time to stress why we are so different.

The job of most Wall Street professionals ('strategists') is to sell their company's products to the public and to keep the public invested with them. They are asset gatherers first, asset managers second. The ranges of their investment decisions vary from slightly *underweight* to slightly *overweight*, but never veer too far from the unmanaged benchmark. Managing risk is a marginal concept and is excused by an allowance to fail comfortably within the peer group. More recently, these firms are both relying on and encouraging central banks to 'print money.'

There are money managers and investors who utilize independent, critical thinking and have a desire to protect capital. This is our role. Our job requires reason, discipline and intellectual honesty, not spin. Our job is not to bet that central banks and governments can fix everything, but to recognize that their forecasts and interventions

have had very poor results with vast unintended consequences. Our job is not to sugar-coat, ignore, and hope; it is to understand.

This is what we think we see and understand:

Any logical and reasonable person would attest that recessions are a natural and necessary part of the business and economic cycle in a free-market, capitalist system. Recessions are 'corrective' phases that cleanse the imbalances and return the system to equilibrium so credit and growth trends can be re-established. Somewhere along the road (particularly over the past 15 years), the word recession has become not just a four-letter word, but has become politically and academically unacceptable. The political process of avoiding the R-word has evolved into economic central planning by the government and the Federal Reserve. The ideas have further been encouraged by ivory tower academics, the financial services industry and the media. By attempting to 'prevent' or forestall recessions over the past 15 years through ongoing deficit spending, stimulus, and monetary policy, we have been unable to efficiently cleanse the system. Not only does this make sustainable growth impossible to re-establish, but the inevitable corrective phase builds to a point where a crisis is unavoidable. This ongoing fight has reached the point where trillion dollar annual deficits and zero percent interest rates have almost no positive effect on the economy. In fact, we are likely trapped in an inescapable path with potential negative effects.

It has been at least 15 years since our own economy has grown organically. European growth has also been artificially driven by unsustainable debt and deficit-driven demand. Enormous stimulus and investment demand out of China and India now appear to be unsustainable and recession is a real possibility. Corporate profit margins are well above average due to global deficit spending, extraordinarily weak labor compensation, broad cost cutting, and low interest and tax rates. Could it be possible that the natural level of economic activity is not at some higher recovery level, but below where we are today? We continue to worry what the next low tide will reveal. There's so much global central bank manipulation that there's no way of knowing what's really going on beneath all the artificial demand and stimulus (real or imagined).

Blind faith in a process that has routinely failed is true insanity. Yet, the Federal Reserve's punch bowl has become incredibly large at a time when groupthink belief is at epic proportions. As a reminder, here are a few snapshots from Mr. Bernanke's history leading up to the last financial crisis (via Grant's Interest Rate Observer):

*Feb. 15, 2006 - "Our expectation is that the decline in activity will be moderate; that house prices will probably continue to rise but not at the same pace that they had been rising" (House prices have declined 31% since Feb 2006).*

*Mar. 28, 2007 - "At this juncture, however, the impact on the broader economy and financial markets of the problems in the subprime market seems likely to be contained." (He repeated this belief near the stock market peak).*

*Jan. 10, 2008 - "The Federal Reserve is not currently forecasting a recession" (one month into the Great Recession).*

We have our own questions for the Fed Chairman. What is the 'wealth effect' of housing prices down 30%? What benefit comes from overpaying for equity prices that have twice caused 50% losses for many investors? What benefit comes from increasing the prices of things people need and stressing the financial situation for the vast majority of its citizens? What benefit comes from taking savings rates for its citizens down to zero in an effort to rescue irresponsible banks? Don't these policies continue to benefit the 1% at the expense of the 99%? (We find it highly ironic that many left-leaning academics, including a certain Nobel Prize winning economist, favor even more money printing).

One of our equity managers, Robert Mark of St. James Investment Co., very clearly assesses the QE-inspired market environment:

*By employing QE3, the Federal Reserve refuses to let real-world evidence get in the way of academic theories, as QE operations provide no permanent fix to the economy. In fact, we think that the actions of the Federal Reserve mutate the very economy it is trying to improve.*

*Yet, like Pavlov's dogs, stock markets responded to the latest announcement of money printing by pushing stocks higher. ...one wonders if value-oriented analysts should simply stop analyzing company fundamentals and just focus on the relentless stream of headlines generated by central banks. We question just how firm the footing of this central bank-*

*inspired market rally really is. Previous efforts by the Federal Reserve have merely provided the markets with a temporary sugar rush – stock prices momentarily pushed higher but without an increase in underlying earnings. Meaning, once the euphoria of the Federal Reserve’s actions wear off, reality will reappear when investors focus once again on the market’s weakening fundamentals....*

*We find it impossible to imagine how the Federal Reserve will reduce its balance sheet back to its pre-quantitative easing state. Like a roach motel, QE operations are easy to enter but impossible to exit in a practical manner. The Federal Reserve has gone ‘all in’ with QE3 on the bet that money printing will not lead to a rise in consumer prices. Eventually our central bank will face a dilemma: sacrifice the stock and bond markets or risk a complete loss of confidence in our paper-based monetary system.<sup>1</sup>*

It is naïve to believe the Fed can artificially sustain higher asset prices or prevent market losses given their history.

We, along with our Fund’s managers, continue to believe that appropriate financial adjustments have not been made. The distortions in the pricing of risk are so large that it seems nearly impossible that there won’t be hell to pay. It appears quite visible to the unbiased eye that we cannot simply extract ourselves from zero percent interest rates and trillion dollar deficits. There is no way our economy merely shifts gears to some higher growth rate. Much like the aforementioned Bernanke history, the financial community sits back and ignores it all once again. This should not come as a surprise. After all it’s not their money at risk. And, their fiduciary duty has been assigned to a benchmark. How can a logical, rational person believe that this will end without significant financial adjustment?

We do not write commentary for the purpose of sounding pessimistic. The purpose is to stress how we are different and to discuss topics that others in the industry fear mentioning or simply avoid. The Fund is not positioned to bet that everything will end badly. We take a fairly agnostic and patient approach to the financial markets and do not pretend to be able to forecast their direction. We are hopeful that the appropriate adjustments will be made. However, the adjustments, when they come, will not be pain free. The potential for serious unintended consequences from the actions of global central planners is not immaterial. The chance of things going badly could result in a permanent loss of capital. Almost every asset class is correlated and priced for very low expected future returns. The minimal opportunity cost of protecting capital is nowhere near the potential loss of real wealth. We believe it would be irresponsible for us to become stuck in groupthink and ignore the probability for negative outcomes. Real diversification is an absolute must.

We continue to maintain the Fund’s exposures to managers with the flexibility to handle a variety of outcomes. We look at the portfolio as one large, liquid option that can adjust at almost any time and any price to potential opportunities. Waiting patiently may not be exciting, but we do not lose sleep over it either. Vanity holds no influence in investing. We would rather compound wealth tediously than puff out our chests when we gain back that which was lost.

Thank you for your investment in the Fund.

Sincerely,



Jay Compson  
Portfolio Manager  
Absolute Investment Advisers LLC

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<sup>1</sup> (St. James Investment Company, Investment Adviser’s Letter, October 15, 2012)

Dear Shareholder,

We are pleased to present the semi-annual report for Absolute Opportunities Fund (the "Fund") for the period ended September 30, 2012. For new investors, the Fund was created as a complement to the Absolute Strategies Fund to capture a variety of investment opportunities and market inefficiencies. The Fund currently utilizes five managers with highly flexible investment strategies and thus, is intended to have a more concentrated, idiosyncratic risk profile as compared to the Strategies Fund. Many of the investment positions are catalyst or event driven. As such, the Fund is not intended to perform in line with other asset classes and it may not have return or risk drivers that correlate strongly with moves in the equity and bond markets.

The Fund returned -0.35% over the six months ended September 30, 2012, versus 3.42% for the S&P 500 Index ("S&P 500") and -0.44% for the HFRX Global Hedge Fund Index. Since inception (October 21, 2008), the Fund was up 29.47% vs. 64.74% for the S&P 500 and 3.93% for the HFRX Global Hedge Fund Index. The Fund has achieved this performance without taking on significant market risks while having low net exposure to broader equity and credit markets. The Fund's volatility has been roughly one-fourth that of the S&P 500 and the Fund's beta has been 0.14, (beta measures the Fund's sensitivity to the S&P 500).

*As of September 30, 2012, 1-year and since inception annualized performance for the Fund was 1.13% and 6.77%, respectively. Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. For performance current to the most recent month-end, call the Fund at (888) 992-2765. As stated in the current prospectus, the Fund's total annual operating expense ratio (gross) is 3.58%. Excluding the effect of expenses attributable to dividends and interest on short sales, the Fund's total annual operating expense ratio (net) would be 2.97%. However, the Fund's adviser has agreed to contractually waive a portion of its fees and to reimburse expenses such that total operating expenses do not exceed 2.95% (excluding all interest, taxes, portfolio transaction expenses, dividends and interest on short sales, acquired fund fees and expenses, proxy expenses, and extraordinary expenses), which is in effect until July 31, 2013. Returns include the reinvestments of dividends and capital gains.*

We discussed in our more recent letters that the Fund's positioning has been altered because much of the gains from previous ideas had played out. Additionally, the latest overall market cycle may have reached its limits. Europe has struggled to implement any enduring solution, global growth has slowed dramatically, and many large multi-national companies have provided disappointing earnings outlooks. While the macro environment remains quite uncertain, our Fund's managers are finding attractive special situation opportunities on the long side – typically in instances where the equity markets and credit markets are valuing companies incompatibly. Finding these opportunities requires a concentrated, idiosyncratic approach that does not depend on broader market movements. To quote one of our managers: "we have mostly kept our noses to the ground trying to find cheap stocks and bonds involved in more narrowly defined circumstances that we have some hope of mastering."

Despite overall market indices that are priced for limited upside, there are many individual securities that have sold off dramatically and have lost interest of the momentum and indexing crowd. Many of these securities are complex and have volatile share price movements, but are now attractively valued. Momentum investors appear to be confusing cyclical with both sustainable growth and deceleration. Investor fickleness can set up isolated liquidity vacuums in individual securities that our managers can capitalize on. As an example, a company's share price volatility can seem incompatible not only with steady sequential improvement in company revenues, margins, and cash generation, but also the decreased volatility of cash flows and meaningful improvement in credit quality. The Fund's managers are also finding attractively valued companies with tightly defined structural events not tied to the broader economic or market environment. These tend to be higher quality companies with shareholder focused management teams and/or companies with 'hidden assets' or other balance sheet opportunities. One manager describes a few newer equity positions as an attempt "to own assets substantially below private market value or even growing businesses at prices that only approximate intrinsic value if the future is truly apocalyptic. Regardless of the short-term direction of the market, these stocks are bargains."

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**ABSOLUTE OPPORTUNITIES FUND**  
A MESSAGE TO OUR SHAREHOLDERS

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On the other hand, the markets appear mesmerized by past operational turnarounds and income/revenue rebounds even though margins for most companies have peaked. Given the sharp slowdown in the global economy, continuing this trend of increased efficiency and margin expansion will be far more difficult. Weak companies with deteriorating or decelerating fundamentals make up most of the Fund's individual equity short positions. The Fund holds additional hedges in international equity indices and Euro currency.

The bulk of the Fund's more opportunistic short positions continue to be in single-name credit and debt instruments. Many of these positions are not directly correlated to equities, but are quite sensitive to a slowdown in the global economy. These positions have been hit with gusty headwinds over the past year as investors have continued to pour money into 'unmanaged' bond funds and ETFs based on short-term performance and a perception of 'safety.' This has caused some performance drag. However, we believe the ultimate mispricing of these securities will be largely event-driven and are designed to offer asymmetric payoffs. Most investment grade debt instruments offer almost no reward long term, yet many could experience significant spread widening based on individual credit risk and weakening fundamentals. Given that overall corporate top-line revenue growth is non-existent and profit growth has turned negative, operating margins are now under pressure. The Fund has a sizable allocation to concentrated short exposure in the corporate debt of companies in retailing, transportation and leisure; industries where both margins and price pressure could become intense.

The recent change in momentum in the financial markets and a very uncertain future for traditional asset classes is likely to provide an interesting environment for our Fund. The Fund should be positioned well in an environment of inflection – during which a rising tide could stop lifting all boats and greater discrimination would ensue. While not to beat a dead horse, historically those inflections are inevitable and we may be entering such a phase. We feel this could be a great time to be initiating or adding to shareholder positions, especially for those seeking to diversify portfolios away from asset classes that are highly correlated and sensitive to the financial markets. As a reminder, the Fund is designed for patient, disciplined investors who seek performance over a full market cycle.

Thank you for your investment in the Fund.

Sincerely,



Jay Compson  
Portfolio Manager  
Absolute Investment Advisers LLC

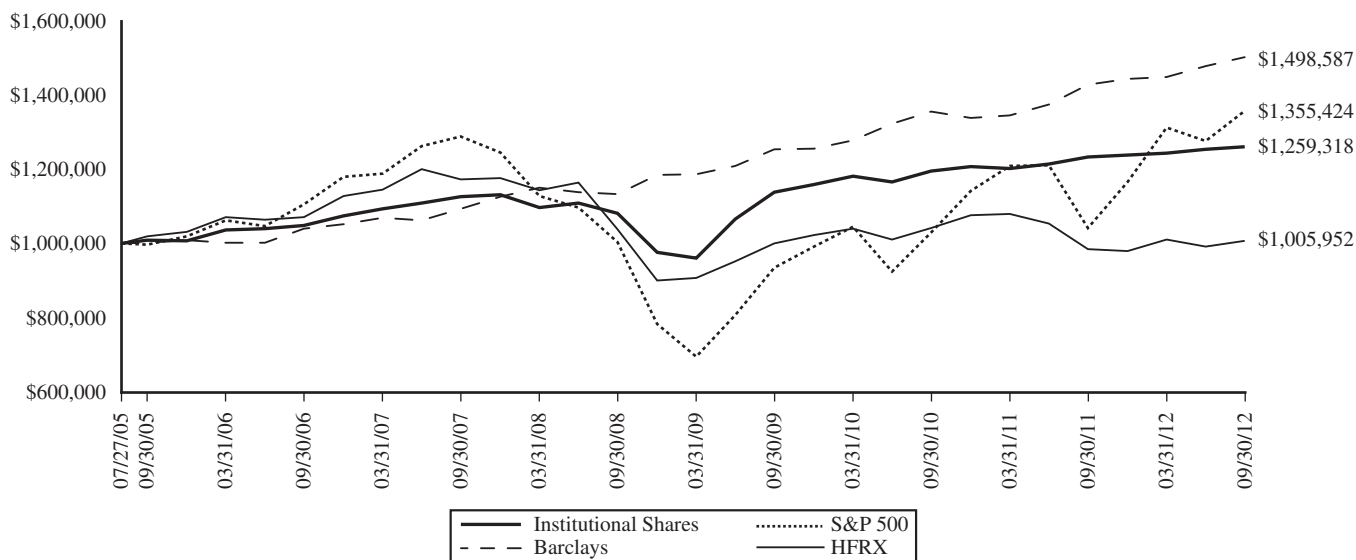
**ABSOLUTE STRATEGIES FUND**

PERFORMANCE CHART AND ANALYSIS

SEPTEMBER 30, 2012

The following charts reflect the change in the value of a hypothetical \$1,000,000 investment in Institutional Shares and a \$250,000 investment in R Shares, including reinvested dividends and distributions, in the Absolute Strategies Fund (the "Fund") compared with the performance of the benchmarks, the S&P 500 Index ("S&P 500"), Barclays Capital U.S. Aggregate Bond Index ("Barclays Index") and the HFRX Global Hedge Fund Index ("HFRX"), since inception. The S&P 500 is a broad-based, unmanaged measurement of changes in stock market conditions based on the average of 500 widely held common stocks. The Barclays Index covers the U.S. dollar-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities. The HFRX is designed to be representative of the overall composition of the hedge fund universe; it is comprised of eight strategies — convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset-weighted based on the distribution of assets in the hedge fund industry. The total return of the indices include reinvestment of dividends and income. The total return of the Fund includes operating expenses that reduce returns, while the total return of the indices do not include expenses. The Fund is professionally managed while the indices are unmanaged and are not available for investment.

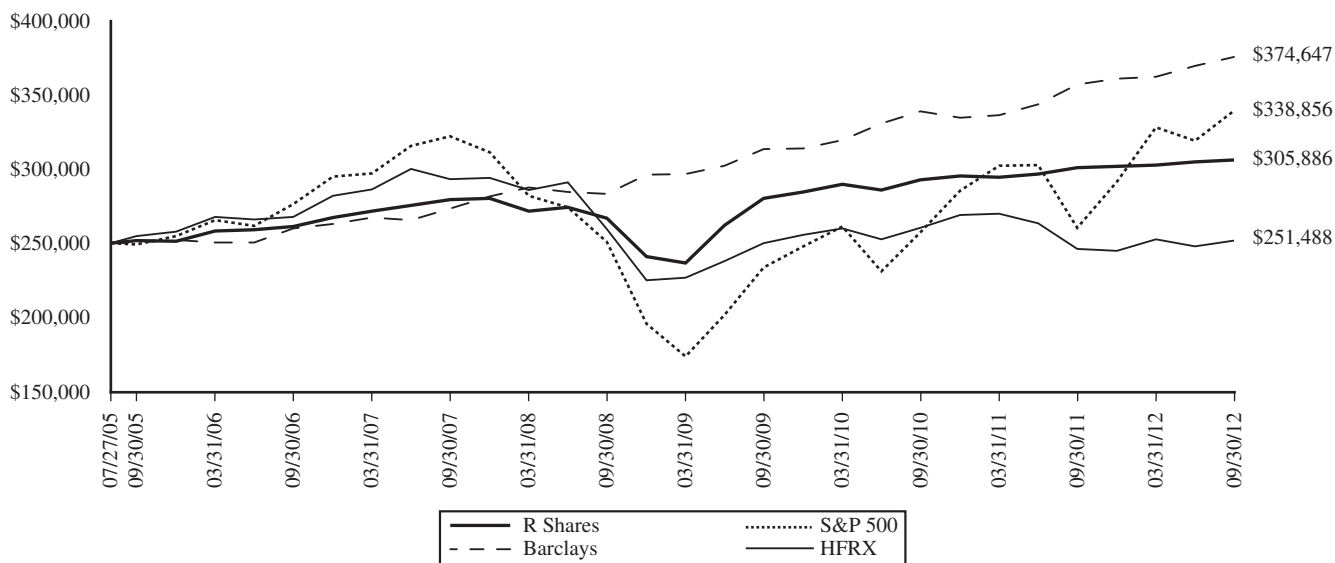
**Comparison of Change in Value of a \$1,000,000 Investment  
Institutional Shares vs. S&P 500 Index, Barclays Capital U.S. Aggregate Bond Index  
and HFRX Global Hedge Fund Index**



<u>Average Annual Total Returns as of 09/30/12</u>	<u>One Year</u>	<u>Five Years</u>	<u>Commencement of Investment Operations 07/27/05</u>
Absolute Strategies Fund — Institutional Shares	2.21%	2.28%	3.26%
S&P 500 Index	30.20%	1.05%	4.33%
Barclays Capital U.S. Aggregate Bond Index	5.16%	6.53%	5.80%
HFRX Global Hedge Fund Index	2.20%	-3.01%	0.08%



**Comparison of Change in Value of a \$250,000 Investment  
 R Shares vs. S&P 500 Index, Barclays Capital U.S. Aggregate Bond Index  
 and HFRX Global Hedge Fund Index**

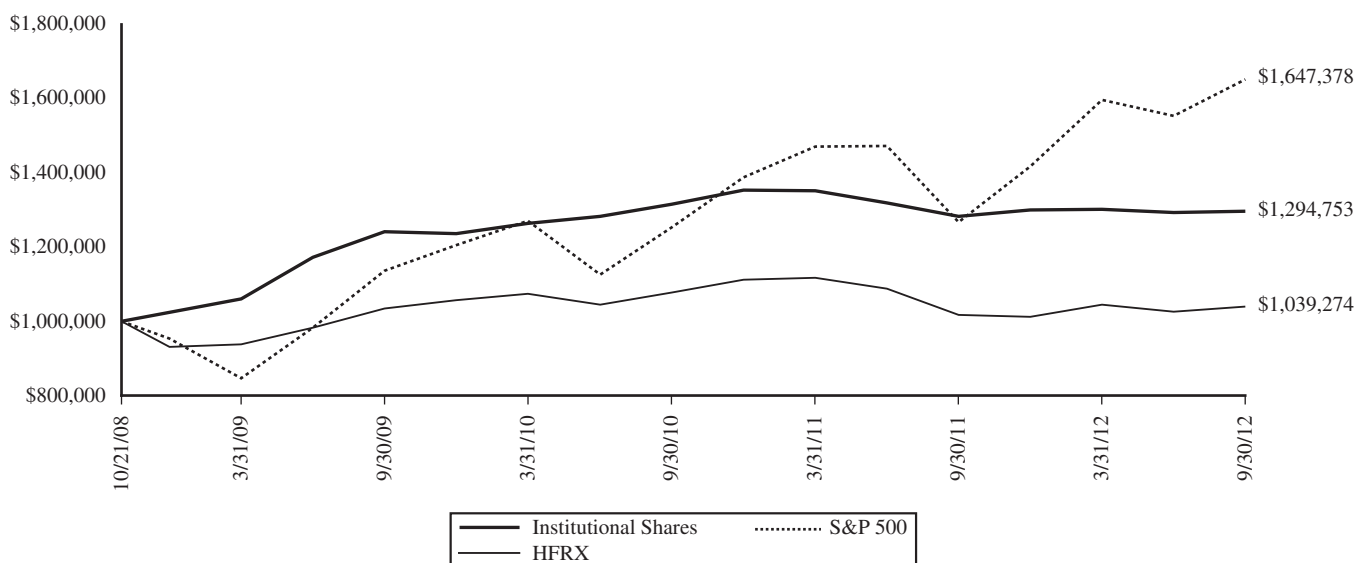


<u>Average Annual Total Returns as of 09/30/12</u>	<u>One Year</u>	<u>Five Years</u>	<u>Commencement of Investment Operations 07/27/05</u>
Absolute Strategies Fund — R Shares	1.73%	1.85%	2.85%
S&P 500 Index	30.20%	1.05%	4.33%
Barclays Capital U.S. Aggregate Bond Index	5.16%	6.53%	5.80%
HFRX Global Hedge Fund Index	2.20%	-3.01%	0.08%

**Performance data quoted represents past performance and is no guarantee of future results.** Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than original cost. For the most recent month-end performance please call (888) 992-2765. As stated in the Fund's prospectus, the annual operating expense ratios (gross) for Institutional Shares and R Shares are 2.58% and 2.95%, respectively. Excluding the effect of expenses attributable to dividends and interest on short sales, the Fund's total annual operating expense ratios would be 1.73% and 2.14% for Institutional Shares and R Shares, respectively. The performance table and graph do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Returns greater than one year are annualized.

The following chart reflects the change in the value of a hypothetical \$1,000,000 investment in Institutional Shares, including reinvested dividends and distributions, in the Absolute Opportunities Fund (the “Fund”) compared with the performance of the benchmarks, the S&P 500 Index (“S&P 500”) and the HFRX Global Hedge Fund Index (“HFRX”), since inception. The S&P 500 is a broad-based, unmanaged measurement of changes in stock market conditions based on the average of 500 widely held common stocks. The HFRX is designed to be representative of the overall composition of the hedge fund universe; it is comprised of eight strategies — convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset-weighted based on the distribution of assets in the hedge fund industry. The total return of the indices include reinvestment of dividends and income. The total return of the Fund includes operating expenses that reduce returns, while the total return of the indices do not include expenses. The Fund is professionally managed while the indices are unmanaged and are not available for investment.

**Comparison of Change in Value of a \$1,000,000 Investment  
 Absolute Opportunities Fund vs. S&P 500 Index  
 and HFRX Global Hedge Fund Index**



<b>Average Annual Total Returns as of 09/30/12</b>	<b>One Year</b>	<b>Commencement of Investment Operations 10/21/08</b>
Absolute Opportunities Fund — Institutional Shares	1.13%	6.77%
S&P 500 Index	30.20%	13.50%
HFRX Global Hedge Fund Index	2.20%	0.98%

**Performance data quoted represents past performance and is no guarantee of future results.** Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than original cost. For the most recent month-end performance please call (888) 992-2765. As stated in the Fund’s prospectus, the annual operating expense ratio (gross) is 3.58%. Excluding the effect of expenses attributable to dividends and interest on short sales, the Fund’s total annual operating expense ratio would be 2.97%. However, the Fund’s adviser has agreed to contractually waive a portion of its fees and to reimburse expenses such that total operating expenses do not exceed 2.95% (excluding all interest, taxes, portfolio transaction expenses, dividends and interest on short sales, acquired fund fees and expenses, proxy expenses, and extraordinary expenses), which is in effect until July 31, 2013. 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. Returns greater than one year are annualized.

**ABSOLUTE STRATEGIES FUND**  
 PORTFOLIO HOLDINGS SUMMARY  
 SEPTEMBER 30, 2012

<b>Portfolio Breakdown (% of Net Assets)</b>	
Long Positions	
Equity Securities	40.9%
Asset Backed Obligations	5.9%
Corporate Convertible Bonds	16.5%
Corporate Non-Convertible Bonds	2.2%
Exchange Traded Note	0.0%
Foreign Government Bond	0.0%
Interest Only Bonds	0.1%
Municipal Bonds	0.2%
Syndicated Loans	0.1%
U.S. Government & Agency Obligations	2.3%
Rights	0.0%
Investment Companies	8.5%
Short-Term Investments	0.1%
Purchased Options	1.2%
Short Positions	
Common Stock	-34.7%
Investment Companies	-1.6%
Written Options	-0.5%
Other Assets & Liabilities, Net*	58.8%
	100.0%

\* Consists of deposits with the custodian and/or brokers for securities sold short, cash, foreign currency, prepaid expenses, receivables, payables and accrued liabilities. Deposits with the custodian and/or brokers for securities sold short represents 37.8% of net assets. See Note 2.

<b>Sector Breakdown</b>	<b>(% of Equity Holdings)</b>	
	Long	Short
Consumer Discretionary	22.2%	20.0%
Consumer Staples	15.3%	5.8%
Energy	6.0%	4.9%
Financial	18.0%	22.1%
Healthcare	11.7%	7.1%
Industrial	4.9%	17.8%
Information Technology	10.5%	12.1%
Materials	3.1%	4.7%
Telecommunication Services	6.6%	4.9%
Utilities	1.7%	0.6%
	100.0%	100.0%

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2012

Shares	Security Description	Value	Shares	Security Description	Value
<b>Long Positions - 78.0%</b>			33,550	Ltd. Brands, Inc. (a)	\$ 1,652,673
<b>Equity Securities - 40.9%</b>			24,550	Lululemon Athletica, Inc. (a)(b)	1,815,227
<b>Common Stock - 38.8%</b>			15,100	Macy's, Inc.	568,062
<b>Consumer Discretionary - 8.9%</b>			42,400	Mattel, Inc. (a)	1,504,352
69,600	Aaron's, Inc. (a)	\$ 1,935,576	162,000	Meritor, Inc. (a)(b)	686,880
3,697	Amazon.com, Inc. (b)(c)(d)	940,221	10,445	Michael Kors Holdings, Ltd. (b)	555,465
94,200	ANN, Inc. (a)(b)	3,554,166	8,171	Mohawk Industries, Inc. (b)	653,843
208,700	Apollo Group, Inc., Class A (a)(b)	6,062,735	118,400	Newell Rubbermaid, Inc. (a)	2,260,256
72,600	Arctic Cat, Inc. (a)(b)	3,009,996	55,700	Oshkosh Corp. (a)(b)	1,527,851
14,000	AutoNation, Inc. (b)	611,380	32,000	Oxford Industries, Inc. (a)	1,806,400
18,880	Beacon Roofing Supply, Inc. (b)	538,080	2,300	Panera Bread Co., Class A (b)	393,047
296,500	Bed Bath & Beyond, Inc. (a)(b)(c)(d)	18,679,500	83,300	Papa John's International, Inc. (a)(b)	4,449,053
107,800	Best Buy Co., Inc. (a)	1,853,082	329,500	PetMed Express, Inc. (a)	3,308,180
44,092	Biglari Holdings, Inc. (a)(b)	16,096,226	18,500	PetSmart, Inc. (a)	1,276,130
40,000	Brinker International, Inc. (a)	1,412,000	17,500	Polaris Industries, Inc. (a)	1,415,225
167,094	Callaway Golf Co.	1,025,957	15	priceline.com, Inc. (b)	9,281
109,000	Capella Education Co. (a)(b)	3,821,540	12,500	Pulte Group, Inc. (b)	193,750
550,200	CarMax, Inc. (a)(b)(c)(d)	15,570,660	25,000	Reynolds American, Inc. (a)	1,083,500
55,700	Cash America International, Inc. (a)	2,148,349	364,400	Robert Half International, Inc. (a)	9,703,972
53,700	Chico's FAS, Inc. (a)	972,507	133,550	Rollins, Inc. (a)	3,123,735
26,700	Coach, Inc. (a)(d)	1,495,734	44,700	Royal Caribbean Cruises, Ltd. (c)	1,350,387
41,900	Copart, Inc. (a)(b)	1,161,887	23,915	Sears Holdings Corp. (b)	1,327,043
1,980	Costco Wholesale Corp.	198,248	82,000	Service Corp. International (a)	1,103,720
166,200	CTC Media, Inc. (a)	1,514,082	43,075	Sonic Automotive, Inc., Class A (a)	817,564
638,936	CVS Caremark Corp. (a)	30,937,281	97,900	Stage Stores, Inc. (a)	2,061,774
85,100	DIRECTV (a)(b)	4,464,346	57,565	Standard Pacific Corp. (b)	389,139
38,000	DISH Network Corp., Class A (a)	1,163,180	342,650	Target Corp. (a)(c)(d)	21,747,995
26,000	Dollar Tree, Inc. (a)(b)	1,255,150	80,300	Texas Roadhouse, Inc. (a)	1,373,130
8,884	DR Horton, Inc.	183,366	45,000	The Cheesecake Factory, Inc. (a)	1,608,750
6,800	Dunkin' Brands Group, Inc.	198,526	111,400	The Corporate Executive Board Co. (a)	5,974,382
24,593	eBay, Inc. (b)	1,190,547	110,100	The Gap, Inc. (a)	3,939,378
81,100	Equifax, Inc. (a)	3,777,638	15,195	The Home Depot, Inc.	917,322
5,600	Five Below, Inc. (b)	218,848	282,600	The Interpublic Group of Cos., Inc. (a)	3,142,512
25,168	Ford Motor Co.	248,156	6,450	The Ryland Group, Inc.	193,500
74,300	Francesca's Holdings Corp. (a)(b)	2,283,239	85,000	The Toro Co. (a)	3,381,300
33,000	Gartner, Inc. (a)(b)	1,520,970	192,562	The Walt Disney Co. (a)(c)(d)	10,067,141
26,097	Google, Inc., Class A (a)(b)(c)	19,690,187	29,900	TJX Cos., Inc. (a)	1,339,221
423,200	H&R Block, Inc. (a)	7,334,056	189,500	Total System Services, Inc. (a)	4,491,150
26,599	Hertz Global Holdings, Inc. (b)	365,204	160,000	Toyota Industries Corp., ADR	4,493,568
63,900	IAC/InterActiveCorp. (a)	3,326,634	13,950	Under Armour, Inc., Class A (b)	778,829
152,800	Interval Leisure Group, Inc. (a)	2,892,504	43,300	Urban Outfitters, Inc. (a)(b)	1,626,348
27,000	Jarden Corp. (a)	1,426,680	413,000	Viacom, Inc., Class B	22,132,670
68,500	Kirkland's, Inc. (a)(b)	680,205	46,000	WABCO Holdings, Inc. (a)(b)	2,652,820
317,485	Kohl's Corp. (a)(c)(d)	16,261,582	373,200	Walgreen Co. (a)(c)(d)	13,599,408
5,317	Lennar Corp., Class A	184,872	230,300	Wal-Mart Stores, Inc. (a)(c)(d)	16,996,140
241,800	Liberty Media Corp. - Interactive, Class A (b)	4,473,300	270,200	Websense, Inc. (a)(b)	4,228,630
10,000	Liberty Ventures (b)	496,400	7,500	WW Grainger, Inc. (a)	1,562,775
12,200	Lions Gate Entertainment Corp. (b)	186,294	80,500	Wyndham Worldwide Corp. (a)	4,224,640
6,200	Lithia Motors, Inc., Class A	206,522			<u>386,449,667</u>
72,000	LKQ Corp. (a)(b)	1,332,000	<b>Consumer Staples - 6.1%</b>		
728,900	Lowe's Cos., Inc. (a)(c)(d)	22,041,936	10,620	Align Technology, Inc. (b)	392,621
			101,900	Amedisys, Inc. (a)(b)	1,407,239

**ABSOLUTE STRATEGIES FUND**
**SCHEDULE OF INVESTMENTS**
**SEPTEMBER 30, 2012**

Shares	Security Description	Value	Shares	Security Description	Value
33,600	Arbitron, Inc. (a)	\$ 1,273,440	31,800	Oceanering International, Inc. (a)	\$ 1,756,950
400,000	Avon Products, Inc.	6,380,000	157,000	Patterson-UTI Energy, Inc. (a)	2,486,880
448,000	Campbell Soup Co. (a)	15,599,360	18,100	Phillips 66 (a)	839,297
80,000	CoreLogic, Inc. (a)(b)	2,122,400	102,700	RPC, Inc. (a)	1,221,103
31,900	Cyberonics, Inc. (a)(b)	1,672,198	23,800	SEACOR Holdings, Inc. (a)(b)	1,983,968
1,900	DaVita, Inc. (b)	196,859	275,000	Spectra Energy Corp.	8,074,000
101,600	Dean Foods Co. (a)(b)	1,661,160	26,400	Sunoco, Inc. (a)	1,236,312
61,000	Deluxe Corp. (a)	1,864,160	78,200	Tesoro Corp. (a)	3,276,580
37,600	DENTSPLY International, Inc. (a)	1,434,064	37,500	The Williams Cos., Inc. (a)	1,311,375
85,100	Emergent Biosolutions, Inc. (a)(b)	1,209,271	325,000	Total SA, ADR	16,282,500
6,210	Express Scripts Holding Co. (b)	389,181	53,100	Unit Corp. (a)(b)	2,203,650
32,200	FleetCor Technologies, Inc. (a)(b)	1,442,560	294,300	Vaalco Energy, Inc. (a)(b)	2,516,265
53,300	Flowers Foods, Inc. (a)	1,075,594	125,200	Valero Energy Corp. (a)	3,966,336
89,300	HCA Holdings, Inc. (a)	2,969,225	49,600	Western Refining, Inc. (a)	1,298,528
9,150	Lorillard, Inc. (a)	1,065,518			90,783,586
375,000	Molson Coors Brewing Co., Class B	16,893,750		<b>Financial - 6.5%</b>	
17,000	Monster Beverage Corp. (a)(b)	920,720	13,600	Affiliated Managers Group, Inc. (a)(b)	1,672,800
8,391	Natural Grocers by Vitamin Cottage, Inc. (b)	187,287	284,500	American Express Co. (a)(c)	16,176,670
113,200	Natus Medical, Inc. (a)(b)	1,479,524	54,171	American International Group, Inc. (b)	1,776,267
556,000	PepsiCo, Inc. (a)	39,348,120	18,000	American Tower Corp. REIT (a)	1,285,020
44,000	ResMed, Inc. (a)	1,780,680	63,100	AON PLC (a)	3,299,499
234,300	Sun Healthcare Group, Inc. (a)(b)	1,983,349	57,250	Apartment Investment & Management Co., Class A REIT (a)	1,487,927
1,438,000	Sysco Corp.	44,966,260	165,900	Banco Latinoamericano de Comercio Exterior SA, Class E (a)	3,664,731
148,500	The Clorox Co. (a)	10,699,425	447,000	Bancorp, Inc. (b)	4,590,690
360,000	The Coca-Cola Co. (c)(d)	13,654,800	1,580,000	Bank of America Corp. (c)(d)	13,951,400
18,500	The Estee Lauder Cos., Inc., Class A (a)	1,139,045	144	Berkshire Hathaway, Inc., Class A (a)(b)	19,108,800
10,260	The Fresh Market, Inc. (b)	615,395	289,860	Berkshire Hathaway, Inc., Class B (a)(b)(d)	25,565,652
15,600	The Hershey Co. (a)	1,105,884	19,363	Capital One Financial Corp.	1,103,885
1,015,000	The Procter & Gamble Co. (a)(c)	70,400,400	185,200	CapitalSource, Inc. (a)	1,403,816
700,000	The Western Union Co.	12,754,000	102,100	Capitol Federal Financial, Inc. (a)	1,221,116
24,600	Tupperware Brands Corp. (a)	1,318,314	125,100	CBOE Holdings, Inc. (a)	3,680,442
23,000	WellCare Health Plans, Inc. (a)(b)	1,300,650	114,850	Comerica, Inc. (a)	3,566,092
25,930	Whole Foods Market, Inc. (a)	2,525,582	58,400	Commerce Bancshares, Inc. (a)	2,355,272
	265,228,035		53,506	Discover Financial Services	2,125,793
<b>Energy - 2.1%</b>			34,800	Erie Indemnity Co., Class A (a)	2,236,596
16,774	Bonanza Creek Energy, Inc. (b)	395,195	470	Fairfax Financial Holdings, Ltd.	181,810
4,193	Cheniere Energy Partners LP	95,894	113,400	Fifth Third Bancorp (a)	1,758,834
62,800	Cobalt International Energy, Inc. (a)(b)	1,398,556	5,400	First Citizens BancShares, Inc., Class A (a)	879,660
266,200	ConocoPhillips (a)	15,221,316	83,100	FirstMerit Corp. (a)	1,224,063
47,500	Dresser-Rand Group, Inc. (a)(b)	2,617,725	108,330	Franklin Resources, Inc. (a)(c)	13,548,833
83,873	EXCO Resources, Inc.	671,823	553,100	Huntington Bancshares, Inc. (a)	3,816,390
45,500	Exxon Mobil Corp. (a)	4,160,975	77,350	International Bancshares Corp. (a)	1,473,518
229,500	Gran Tierra Energy, Inc. (a)(b)	1,186,515	474,400	KeyCorp (a)	4,146,256
47,600	Gulf Island Fabrication, Inc. (a)	1,326,612	91,600	Lender Processing Services, Inc. (a)	2,554,724
79,300	Helix Energy Solutions Group, Inc. (a)(b)	1,448,811	75,000	Lincoln National Corp. (a)	1,814,250
30,800	Hess Corp. (a)	1,654,576	39,800	LPL Financial Holdings, Inc. (a)	1,135,892
73,600	Marathon Oil Corp. (a)	2,176,352	21,400	Markel Corp. (b)	9,811,686
78,900	Marathon Petroleum Corp. (a)	4,307,151	36,100	Marsh & McLennan Cos., Inc. (a)	1,224,873
142,100	Matrix Service Co. (a)(b)	1,501,997			
77,600	Murphy Oil Corp. (a)	4,166,344			

**ABSOLUTE STRATEGIES FUND**  
SCHEDULE OF INVESTMENTS  
SEPTEMBER 30, 2012

<b>Shares</b>	<b>Security Description</b>	<b>Value</b>	<b>Shares</b>	<b>Security Description</b>	<b>Value</b>
127,600	Montpelier Re Holdings, Ltd. (a)	\$ 2,823,788	86,800	Myriad Genetics, Inc. (a)(b)	\$ 2,342,732
65,500	Moody's Corp. (a)	2,893,135	375,000	Novartis AG, ADR	22,972,500
42,100	National Health Investors, Inc. REIT (a)	2,165,624	35,600	Patterson Cos., Inc. (a)	1,218,944
7,360	Nationstar Mortgage Holdings, Inc. (b)	244,205	324,700	PDL BioPharma, Inc. (a)	2,496,943
262,100	Net 1 UEPS Technologies, Inc. (a)(b)	2,372,005	500,000	Pfizer, Inc.	12,425,000
156,800	Netspend Holdings, Inc. (a)(b)	1,541,344	95,600	Quest Diagnostics, Inc. (a)(c)	6,063,908
162,100	Oritani Financial Corp. (a)	2,439,605	145,000	Stryker Corp.	8,070,700
350,000	Paychex, Inc.	11,651,500	242,400	Tenet Healthcare Corp. (a)(b)	1,519,848
650,000	People's United Financial, Inc.	7,891,000	65,400	Thoratec Corp. (a)(b)	2,262,840
11,800	Public Storage REIT (a)	1,642,206	73,500	Triple-S Management Corp., Class B (a)(b)	1,536,150
21,600	Rayonier, Inc. REIT (a)	1,058,616	39,000	UnitedHealth Group, Inc. (a)	2,160,990
24,600	Regency Centers Corp. REIT (a)	1,198,758	116,700	Warner Chilcott PLC, Class A (a)	1,575,450
113,255	Regions Financial Corp.	816,569	101,000	WellPoint, Inc. (a)	5,859,010
18,700	RenaissanceRe Holdings, Ltd. (a)	1,440,648			<u>198,170,775</u>
200,000	Resource America, Inc., Class A	1,368,000	<b>Industrial - 1.9%</b>		
102,422	SunTrust Banks, Inc. (a)	2,895,470	37,900	Alliant Techsystems, Inc. (a)	1,899,169
42,000	T. Rowe Price Group, Inc. (a)	2,658,600	18,000	B/E Aerospace, Inc. (a)(b)	757,800
587,600	The Bank of New York Mellon Corp. (a)(c)(d)	13,291,512	21,200	Carlisle Cos., Inc. (a)	1,100,704
91,800	The Goldman Sachs Group, Inc. (a)(c)	10,435,824	307,851	Cemex SAB de CV, ADR (a)(b)	2,564,399
25,600	The Macerich Co. REIT (a)	1,465,088	56,900	Chicago Bridge & Iron Co. NV (a)	2,167,321
72,500	The Travelers Cos., Inc. (a)	4,948,850	17,200	Cooper Industries PLC (a)	1,291,032
17,000	U.S. Bancorp	583,100	15,000	Copa Holdings SA (a)	1,219,050
22,000	Ventas, Inc. REIT (a)	1,369,500	254,000	Expeditors International of Washington, Inc. (d)	9,235,440
3,040	Visa, Inc., Class A	408,211	38,400	Exponent, Inc. (a)(b)	2,192,256
104,700	Washington Federal, Inc. (a)	1,746,396	28,600	Fluor Corp. (a)	1,609,608
938,207	Wells Fargo & Co. (a)(c)	32,396,288	7,720	Fortune Brands Home & Security, Inc. (b)	208,517
300,000	WR Berkley Corp.	11,247,000	20,968	General Electric Co.	476,183
		<u>278,836,099</u>	27,450	Graco, Inc. (a)	1,380,186
<b>Healthcare - 4.6%</b>			19,750	Hubbell, Inc., Class B (a)	1,594,615
47,900	Abbott Laboratories (a)(c)	3,284,024	30,500	Huntington Ingalls Industries, Inc. (a)(b)	1,282,525
123,950	Aetna, Inc. (a)	4,908,420	20,970	Ingersoll-Rand PLC	939,875
10,000	Alexion Pharmaceuticals, Inc. (a)(b)	1,144,000	28,500	JB Hunt Transport Services, Inc. (a)	1,483,140
119,900	AMAG Pharmaceuticals, Inc. (a)(b)	2,127,026	347	Kansas City Southern (a)	26,296
45,500	AmerisourceBergen Corp. (a)	1,761,305	64,900	Lennox International, Inc. (a)	3,138,564
4,700	Amgen, Inc.	396,304	75,000	Masco Corp. (a)	1,128,750
388,150	Becton Dickinson and Co. (a)	30,493,064	38,700	Mine Safety Appliances Co. (a)	1,442,349
11,490	Biogen Idec, Inc. (a)(b)	1,714,653	23,000	Northrop Grumman Corp. (a)	1,527,890
319,200	Boston Scientific Corp. (a)(b)	1,832,208	100,300	Packaging Corp. of America (a)	3,640,890
85,200	Charles River Laboratories International, Inc. (a)(b)	3,373,920	106,500	Progressive Waste Solutions, Ltd. (a)	2,190,705
106,000	Community Health Systems, Inc. (a)(b)	3,088,840	23,000	Raytheon Co. (a)	1,314,680
26,750	Covidien PLC (a)	1,589,485	105,700	Resources Connection, Inc. (a)	1,385,727
172,000	CR Bard, Inc. (a)	17,999,800	35,768	Rock-Tenn Co., Class A (a)	2,581,734
119,600	Gentiva Health Services, Inc. (a)(b)	1,353,872	232,400	SAIC, Inc. (a)	2,798,096
16,000	Henry Schein, Inc. (a)(b)	1,268,320	133,366	Smith & Wesson Holding Corp. (a)(b)	1,468,360
58,200	Hill-Rom Holdings, Inc. (a)	1,691,292	28,900	Tech Data Corp. (a)(b)	1,309,170
14,100	IDEXX Laboratories, Inc. (a)(b)	1,400,835	24,658	Terex Corp. (b)	556,778
438,600	Johnson & Johnson (a)(c)	30,223,926	49,800	Textron, Inc. (a)	1,303,266
75,600	Magellan Health Services, Inc. (a)(b)	3,901,716	164,800	The Boeing Co. (a)(c)(d)	11,473,376
45,000	Medifast, Inc. (a)(b)	1,176,750			
300,000	Medtronic, Inc.	12,936,000			

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2012

Shares	Security Description	Value	Shares	Security Description	Value
98,050	United Parcel Service, Inc., Class B (a)(c)	\$ 7,017,438	8,388	The KEYW Holding Corp. (b)	\$ 104,850
44,600	URS Corp. (a)	1,574,826	144,100	Unisys Corp. (a)(b)	3,000,162
540	USG Corp. (a)(b)	11,853	726,400	United Online, Inc. (a)	4,009,728
9,400	Valmont Industries, Inc. (a)	1,236,100	53,500	VeriSign, Inc. (a)(b)	2,604,915
175,000	Xylem, Inc.	4,401,250	6,239	VMware, Inc., Class A (b)	603,561
		<u>82,929,918</u>			<u>182,355,951</u>
<b>Information Technology - 4.2%</b>			<b>Materials - 1.2%</b>		
274,300	Accenture PLC, Class A (a)(c)(d)	19,209,229	40,400	Agrium, Inc. (a)(b)	4,179,784
111,400	Activision Blizzard, Inc. (a)	1,256,592	177,100	Boise, Inc. (a)	1,551,396
244,100	Actuate Corp. (a)(b)	1,716,023	16,000	CF Industries Holdings, Inc. (a)	3,555,840
9,200	Alliance Data Systems Corp. (a)(b)	1,305,940	18,000	Domtar Corp. (a)	1,409,220
95,800	Amtech Systems, Inc. (a)(b)	314,224	21,700	Eastman Chemical Co. (a)	1,237,117
45,495	Apple, Inc. (a)(c)(d)	30,356,994	33,700	Freeport-McMoRan Copper & Gold, Inc. (a)	1,333,846
233,400	Automatic Data Processing, Inc. (a)	13,691,244	33,100	Minerals Technologies, Inc. (a)	2,347,783
34,100	Avago Technologies, Ltd. (a)	1,188,897	315,000	Newmont Mining Corp.	17,643,150
40,600	BMC Software, Inc. (a)(b)	1,684,494	29,800	PPG Industries, Inc. (a)	3,422,232
120,200	CA, Inc. (a)	3,096,953	14,000	Royal Gold, Inc. (a)	1,398,040
70,700	CACI International, Inc., Class A (a)(b)	3,661,553	52,300	RPM International, Inc. (a)	1,492,642
85,000	Cadence Design Systems, Inc. (a)(b)	1,093,525	63,000	Schweitzer-Mauduit International, Inc. (a)	2,078,370
40,957	CareView Communications, Inc. (b)	42,595	21,300	Sigma-Aldrich Corp. (a)	1,532,961
2,600	Citrix Systems, Inc. (b)	199,082	177,206	Stillwater Mining Co. (a)(b)	2,089,259
53,200	Computer Sciences Corp. (a)	1,713,572	27,300	The Sherwin-Williams Co. (a)	4,065,243
340,000	Corning, Inc.	4,471,000	65,100	Valspar Corp. (a)	3,652,110
66,000	CSG Systems International, Inc. (a)(b)	1,484,340			<u>52,988,993</u>
30,000	Diebold, Inc. (a)	1,011,300	<b>Telecommunication Services - 2.7%</b>		
29,150	DST Systems, Inc. (a)	1,648,724	27,000	AMC Networks, Inc., Class A (a)(b)	1,175,040
99,400	Ebix, Inc. (a)	2,346,834	123,900	Amdocs, Ltd. (a)	4,087,461
102,400	Electronic Arts, Inc. (a)(b)	1,299,456	71,300	Ancestry.com, Inc. (a)(b)	2,144,704
44,556	EMC Corp. (b)	1,215,042	104,100	Arris Group, Inc. (a)(b)	1,331,439
40,100	Fair Isaac Corp. (a)	1,774,826	159,200	Cbeyond, Inc. (a)(b)	1,569,712
29,300	Harris Corp. (a)	1,500,746	58,300	CBS Corp., Class B, Non-Voting Shares (a)	2,118,039
310,000	Hewlett-Packard Co.	5,288,600	22,000	Charter Communications, Inc., Class A (a)(b)	1,651,540
8,408	International Business Machines Corp.	1,744,240	1,179,200	Cisco Systems, Inc.	22,510,928
87,800	Intuit, Inc. (a)	5,169,664	48,600	Comtech Telecommunications Corp. (a)	1,343,304
50,000	j2 Global, Inc. (a)	1,641,000	22,300	Crown Castle International Corp. (a)(b)	1,429,430
25,700	KLA-Tencor Corp. (a)	1,226,018	244,500	Dice Holdings, Inc. (a)(b)	2,058,690
125,300	Kulicke & Soffa Industries, Inc. (a)(b)	1,303,120	14,900	F5 Networks, Inc. (a)(b)	1,560,030
361,700	LSI Corp. (a)(b)	2,499,347	500,000	France Telecom SA, ADR	6,110,000
24,200	MICROS Systems, Inc. (a)(b)	1,188,704	3,289	LinkedIn Corp. (b)	395,996
1,325,000	Microsoft Corp.	39,458,500	51,400	Motorola Solutions, Inc. (a)	2,598,270
258,400	MIPS Technologies, Inc. (a)(b)	1,909,576	97,100	NeuStar, Inc., Class A (a)(b)	3,886,913
52,400	NCR Corp. (a)(b)	1,221,444	153,500	Neutral Tandem, Inc. (a)(b)	1,439,830
8,500	ON Semiconductor Corp. (b)	52,445	2,100,000	News Corp., Class A	51,513,000
5,100	Photronics, Inc. (b)	27,387	69,000	Oplink Communications, Inc. (a)(b)	1,141,260
32,000	QUALCOMM, Inc. (a)	1,999,680	6,230	Palo Alto Networks, Inc. (b)	383,581
28,000	Red Hat, Inc. (a)(b)	1,594,320	40,000	Plantronics, Inc. (a)	1,413,200
500,000	Research In Motion, Ltd. (b)	3,750,000	53,600	Travelzoo, Inc. (a)(b)	1,263,352
46,000	Silicon Laboratories, Inc. (a)(b)	1,690,960	47,000	TW Telecom, Inc. (a)(b)	1,225,290
144,400	Symantec Corp. (a)(b)	2,599,200			
5,110	Teradata Corp. (b)	385,345			





**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2012

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 1,775,000	ACE Securities Corp., Series 2006-HE1 A2D (f)	0.52%	02/25/36	\$ 668,424	\$ 903,080	AWAS Aviation Capital, Ltd. (e)	7.00%	10/17/16	\$ 961,780
545,512	ACE Securities Corp., Series 2007-HE1 A2A (f)	0.31	01/25/37	177,779	500,000	Axis Equipment Finance Receivables, LLC, Series 2012-1I D (a)(g)	5.50	11/20/15	436,248
118,127	Adjustable Rate Mortgage Trust, Series 2005-12 2A1 (a)(f)	3.07	03/25/36	79,263	500,000	Axis Equipment Finance Receivables, LLC, Series 2012-1I E1 (a)(g)	6.25	04/20/16	418,498
163,444	Adjustable Rate Mortgage Trust, Series 2005-3 8A32 (a)(f)	0.54	07/25/35	160,409	550,000	Axis Equipment Finance Receivables, LLC, Series 2012-1I E2 (a)(g)	7.00	03/20/17	419,098
1,972,565	Adjustable Rate Mortgage Trust, Series 2006-1 2A1 (f)	3.31	03/25/36	1,384,862	1,147,807	Babcock & Brown Air Funding I, Ltd., Series 2007-1A G1 (a)(e)(f)	0.54	11/14/33	946,941
85,944	Adjustable Rate Mortgage Trust, Series 2006-1 3A3 (a)(f)	5.39	03/25/36	64,650	298,817	Banc of America Alternative Loan Trust, Series 2005-8 2CB1 (a)	6.00	09/25/35	233,822
2,938,713	Adjustable Rate Mortgage Trust, Series 2007-1 5A1 (f)	0.37	03/25/37	1,775,745	198,506	Banc of America Funding Corp., Series 2005-B 3A1B (a)(f)	0.53	04/20/35	172,163
1,258,491	Aircastle Aircraft Lease Backed Trust, Series 2007-1A G1 (a)(e)(f)	0.49	06/14/37	1,132,642	71,145	Banc of America Funding Corp., Series 2006-E 2A1 (a)(f)	3.10	06/20/36	53,683
909,085	Alta Wind Holdings, LLC (e)	7.00	06/30/35	1,010,271	316,832	Banc of America Funding Corp., Series 2006-F 1A1 (a)(f)	2.67	07/20/36	289,446
441,137	American Home Mortgage Assets, LLC, Series 2007-4 A2 (f)	0.41	08/25/37	368,918	123,670	Banc of America Funding Corp., Series 2006-G 2A3 (a)(f)	0.39	07/20/36	122,258
1,144,000	Argent Securities, Inc., Series 2005-W5 A2D (f)	0.54	01/25/36	506,405	212,019	Banc of America Funding Corp., Series 2006-H 6A1 (f)	0.41	10/20/36	135,197
1,875,000	Asset Backed Funding Certificates, Series 2007-NC1 M2 (e)(f)	1.47	05/25/37	39,560	616,525	Banc of America Funding Corp., Series 2007-8 2A1	7.00	10/25/37	393,194
1,500,000	Asset Backed Funding Certificates, Series 2007-WMC1 A2B (f)	1.22	06/25/37	818,004	137,651	Banc of America Funding Corp., Series 2007-E 4A1 (f)	3.08	07/20/47	101,257
1,435,000	Astoria Depositor Corp. (a)(e)	8.14	05/01/21	1,334,550	1,485,000	Banc of America Merrill Lynch Commercial Mortgage, Inc., Series 2004-4 A6 (f)	4.88	07/10/42	1,580,491
1,140,000	Avalon IV Capital, Ltd., Series 2012-1A C (a)(e)(f)	4.39	04/17/23	1,140,931					

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2012

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 175,000	Banc of America Merrill Lynch Commercial Mortgage, Inc., Series 2005-2 A5 (a)(f)	4.86%	07/10/43	\$ 192,131	\$ 174,134	Bear Stearns Asset Backed Securities Trust, Series 2005-TC2 A3 (a)(f)	0.59%	08/25/35	\$ 168,396
2,161,921	Bayview Commercial Asset Trust, Series 2004-3 A1 (a)(e)(f)	0.59	01/25/35	1,865,518	1,680,000	Bear Stearns Commercial Mortgage Securities, Series 2004-PWR6 A6	4.83	11/11/41	1,814,654
1,225,000	Bayview Commercial Asset Trust, Series 2006-SP1 M1 (a)(e)(f)	0.67	04/25/36	869,105	1,815,000	Bear Stearns Commercial Mortgage Securities, Series 2005-T20 A4A (a)(f)	5.30	10/12/42	2,046,000
74,764	Bayview Financial Acquisition Trust, Series 2005-D AF3 (a)(f)	5.50	12/28/35	78,901	1,500,000	BNC Mortgage Loan Trust, Series 2007-3 A3 (f)	0.35	07/25/37	1,090,568
100,000	Beacon Container Finance, LLC, Series 2012-1A A (e)(g)	3.72	09/20/27	100,097	157,416	BNC Mortgage Loan Trust, Series 2007-4 A3A (f)	0.47	11/25/37	157,757
248,046	Bear Stearns Adjustable Rate Mortgage Trust, Series 2007-5 1A1 (a)(f)	3.02	08/25/47	170,579	3,400,000	Brazos Higher Education Authority, Series 2010-1 A2 (a)(f)	1.63	02/25/35	3,289,269
1,202,473	Bear Stearns Alt-A Trust, Series 2005-4 21A1 (f)	2.96	05/25/35	809,020	795,246	Centex Home Equity, Series 2005-C AF6 (h)	4.64	06/25/35	776,624
214,477	Bear Stearns Alt-A Trust, Series 2005-8 11A1 (a)(f)	0.49	10/25/35	155,758	1,700,000	Centex Home Equity, Series 2006-A AV4 (f)	0.47	06/25/36	1,341,938
455,067	Bear Stearns Alt-A Trust, Series 2006-1 22A1 (f)	2.61	02/25/36	315,264	391,925	Chaseflex Trust, Series 2007-1 2A9 (a)	6.00	02/25/37	301,050
2,370,885	Bear Stearns Alt-A Trust, Series 2006-2 21A1 (f)	3.06	03/25/36	1,451,019	2,008,276	Chaseflex Trust, Series 2007-M1 1A2 (f)	0.45	08/25/37	1,155,812
217,555	Bear Stearns Alt-A Trust, Series 2006-2 23A1 (a)(f)	2.95	03/25/36	131,353	3,034,269	CIT Education Loan Trust, Series 2007-1 A (a)(e)(f)	0.46	03/25/42	2,768,077
1,472,804	Bear Stearns Alt-A Trust, Series 2006-3 1A1 (f)	0.41	05/25/36	819,187	1,200,000	Citicorp Residential Mortgage Securities, Inc., Series 2006-2 A5 (h)	6.04	09/25/36	1,065,794
1,504,439	Bear Stearns Alt-A Trust, Series 2006-4 11A1 (f)	0.38	08/25/36	880,008	1,400,000	Citicorp Residential Mortgage Securities, Inc., Series 2007-1 A5 (h)	6.05	03/25/37	1,278,332
					365,332	Citigroup Mortgage Loan Trust, Inc., Series 2006-WF1 A2D (h)	5.92	03/25/36	258,716

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2012

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 685,511	Citigroup Mortgage Loan Trust, Inc., Series 2007-AR8 2A1A (f)	2.83%	07/25/37	\$ 516,926	\$ 74,236	Countrywide Alternative Loan Trust, Series 2004-J10 4CB1	6.50%	10/25/34	\$ 73,788
3,610,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-WFH1 A4 (f)	0.42	01/25/37	2,715,220	551,085	Countrywide Alternative Loan Trust, Series 2005-36 2A1A (f)	0.53	08/25/35	350,893
687,966	Citigroup Mortgage Loan Trust, Inc., Series 2007-WFH3 A2 (f)	0.38	06/25/37	551,892	216,385	Countrywide Alternative Loan Trust, Series 2005-43 4A1 (f)	5.28	10/25/35	180,165
3,300,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-WFH4 A2B (f)	1.27	07/25/37	2,698,065	80,614	Countrywide Alternative Loan Trust, Series 2005-50CB 1A1 (a)	5.50	11/25/35	66,713
285,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-WFH4 A2C (a)(f)	1.52	07/25/37	157,574	303,273	Countrywide Alternative Loan Trust, Series 2005-73CB 1A8	5.50	01/25/36	252,430
1,600,000	Citigroup/Deutsche Bank Commercial Mortgage Trust, Series 2005-CD1 A4 (f)	5.39	07/15/44	1,796,722	850,000	Countrywide Alternative Loan Trust, Series 2005-J10 1A16	5.50	10/25/35	725,694
162,299	Citimortgage Alternative Loan Trust, Series 2006-A7 1A12	6.00	12/25/36	127,087	548,499	Countrywide Alternative Loan Trust, Series 2005-J12 2A1 (f)	0.49	08/25/35	276,845
61,858	Citimortgage Alternative Loan Trust, Series 2007-A4 1A6 (a)	5.75	04/25/37	47,312	326,754	Countrywide Alternative Loan Trust, Series 2006-36T2 1A1 (a)(f)	0.54	12/25/36	192,263
1,051,764	Conseco Finance Securitizations Corp., Series 2001-4 A4 (a)	7.36	08/01/32	1,115,972	43,495	Countrywide Alternative Loan Trust, Series 2006-7CB 3A1 (a)	5.25	05/25/21	36,872
1,109,535	Conseco Finance, Series 2002-C BF1 (f)	8.00	06/15/32	1,107,749	383,153	Countrywide Alternative Loan Trust, Series 2007-16CB 4A7	6.00	08/25/37	328,192
476,956	Continental Airlines Pass Through Trust, Series 2007-1 B (a)	6.90	04/19/22	501,997	306,817	Countrywide Alternative Loan Trust, Series 2007-19 1A34	6.00	08/25/37	240,313
728,822	Continental Airlines Pass Through Trust, Series 2009-1 (a)	9.00	07/08/16	841,789	1,541,889	Countrywide Asset-Backed Certificates, Series 2007-13 2A1 (f)	1.12	10/25/47	1,134,566
1,026,894	Coso Geothermal Power Holdings (e)	7.00	07/15/26	438,757	1,547,248	Countrywide Home Loan Mortgage Pass Through Trust, Series 2004-HYB5 3A1 (f)	3.11	04/20/35	1,266,881

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2012

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 221,621	Countrywide Home Loan Mortgage Pass Through Trust, Series 2005-9 1A1 (a)(f)	0.52%	05/25/35	\$ 172,963	\$ 1,751,529	Credit-Based Asset Servicing and Securitization, LLC, Series 2006-CB8 A2B (f)	0.33%	10/25/36	\$ 1,528,043
805,096	Countrywide Home Loan Mortgage Pass Through Trust, Series 2007-HY3 2A1 (a)(f)	2.96	06/25/47	585,262	546,023	Credit-Based Asset Servicing and Securitization, LLC, Series 2006-CB9 A2 (f)	0.33	11/25/36	233,326
374,007	Countrywide Home Loan Mortgage Pass Through Trust, Series 2007-HY3 4A1 (a)(f)	5.59	06/25/47	338,739	3,243,220	Credit-Based Asset Servicing and Securitization, LLC, Series 2006-CB9 A3 (f)	0.37	11/25/36	1,397,149
98,978	Countrywide Home Loan Mortgage Pass Through Trust, Series 2007-HY5 1A1 (a)(f)	3.14	09/25/47	73,611	3,407,802	Credit-Based Asset Servicing and Securitization, LLC, Series 2006-CB9 A4 (f)	0.45	11/25/36	1,491,704
23,501	Credit Suisse First Boston Mortgage Securities Corp., Series 2003-AR24 2A4 (f)	2.76	10/25/33	22,510	1,600,000	Credit-Based Asset Servicing and Securitization, LLC, Series 2007-CB2 A2B (h)	5.43	02/25/37	1,126,403
128,621	Credit Suisse First Boston Mortgage Securities Corp., Series 2005-6 8A1 (a)	4.50	07/25/20	133,006	2,952,331	Credit-Based Asset Servicing and Securitization, LLC, Series 2007-CB2 A2E (a)(h)	5.43	02/25/37	2,157,115
967,678	Credit Suisse Mortgage Capital Certificates, Series 2006-6 2A1 (a)(f)	0.82	07/25/36	503,499	1,500,000	Credit-Based Asset Servicing and Securitization, LLC, Series 2007-CB5 A3 (f)	0.47	04/25/37	766,384
144,309	Credit Suisse Mortgage Capital Certificates, Series 2006-8 3A1 (a)	6.00	10/25/21	132,561	628,333	Cronos Containers Program, Ltd., Series 2012-1A A (a)(e)	4.21	05/18/27	644,146
1,500,000	Credit-Based Asset Servicing and Securitization, LLC, Series 2006-CB6 A24 (f)	0.47	07/25/36	702,812	550,000	Cronos Containers Program, Ltd., Series 2012-2A A (a)(e)	3.81	09/18/27	557,846
1,500,000	Credit-Based Asset Servicing and Securitization, LLC, Series 2006-CB7 A5 (f)	0.46	10/25/36	648,798	1,010,685	CSAB Mortgage Backed Trust, Series 2007-1 1A1A (f)	5.90	05/25/37	655,347

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2012

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 75,000	DBRR Trust, Series 2011-LC2 A4A (a)(e)(f)	4.54%	07/12/44	\$ 87,930	\$ 500,385	First Horizon Alternative Mortgage Securities, Series 2006-FA8 1A1	6.25%	02/25/37	\$ 404,607
160,000	DBRR Trust, Series 2012-EZ1 A (a)(e)	0.95	09/25/45	160,288	589,633	First Horizon Alternative Mortgage Securities, Series 2006-FA8 1A8 (a)(f)	0.59	02/25/37	341,671
1,018,040	Delta Air Lines Pass Through Trust, Series 2002-1 G-1	6.72	01/02/23	1,116,078	4,610,000	First NLC Trust, Series 2005-4 A4 (f)	0.61	02/25/36	2,106,390
299,499	Deutsche ALT-A Securities, Inc. Alternate Loan Trust, Series 2006-AB2 A5B (h)	6.09	06/25/36	223,124	261,336	FPL Energy National Wind Portfolio, LLC (a)(e)	6.13	03/25/19	206,105
897,739	Deutsche ALT-A Securities, Inc. Alternate Loan Trust, Series 2007-AR1 A4 (f)	0.38	01/25/47	560,416	1,533,449	Fremont Home Loan Trust, Series 2006-A 2A3 (f)	0.38	05/25/36	665,966
2,155,000	Dynegy Roseton, LLC/Dynegy Danskammer, LLC Pass Through Trust, Series B (a)(i)	7.67	11/08/16	1,336,100	935,597	GE Business Loan Trust, Series 2003-2A A (e)(f)	0.59	11/15/31	870,993
2,920,000	Equifirst Loan Securitization Trust, Series 2007-1 A2B (f)	0.41	04/25/37	1,379,468	1,265,928	GE Business Loan Trust, Series 2004-1 A (a)(e)(f)	0.51	05/15/32	1,176,998
77,935	Equity One ABS, Inc., Series 2002-4 M1 (a)(f)	5.22	02/25/33	68,880	1,140,444	GE Business Loan Trust, Series 2005-1A A3 (a)(e)(f)	0.47	06/15/33	983,286
3,661,000	First Franklin Mortgage Loan Trust, Series 2006-FF13 A2D (f)	0.46	10/25/36	1,760,884	1,465,919	GE Business Loan Trust, Series 2005-2A A (a)(e)(f)	0.46	11/15/33	1,290,163
3,536,611	First Franklin Mortgage Loan Trust, Series 2006-FF18 A2B (f)	0.33	12/25/37	2,092,635	64,864	GE Business Loan Trust, Series 2005-2A B (a)(e)(f)	0.72	11/15/33	52,305
222,144	First Franklin Mortgage Loan Trust, Series 2006-FF18 M1 (a)(f)	0.45	12/25/37	188	158,333	GE Seaco Finance SRL, Series 2004-1A A (e)(f)	0.52	04/17/19	157,131
930,000	First Franklin Mortgage Loan Trust, Series 2007-FF1 A2C (f)	0.36	01/25/38	465,146	1,140,000	GE Seaco Finance SRL, Series 2005-1A A (a)(e)(f)	0.47	11/17/20	1,120,896
1,244,607	First Horizon Alternative Mortgage Securities, Series 2005-AA3 2A1 (f)	2.63	05/25/35	1,025,227	1,142,000	Genesis Funding, Ltd., Series 2006-1A G1 (a)(e)(f)	0.46	12/19/32	996,738
					1,376,000	Green Tree Financial Corp., Series 1996-10 M1 (f)	7.24	11/15/28	1,512,911
					752,633	Green Tree Financial Corp., Series 1997-1 A6 (a)	7.29	03/15/28	789,803

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2012

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 1,216,773	Green Tree, Series 2008-MH1 A2 (a)(e)(f)	8.97%	04/25/38	\$ 1,325,037	\$ 17,129	Harborview Mortgage Loan Trust, Series 2004-8 2A4A (a)(f)	0.62%	11/19/34	\$ 13,012
1,181,528	Green Tree, Series 2008-MH1 A3 (a)(e)(f)	8.97	04/25/38	1,304,659	1,844,041	Harborview Mortgage Loan Trust, Series 2007-5 A1A (f)	0.41	09/19/37	1,278,969
1,830,000	Greenwich Capital Commercial Funding Corp., Series 2004-GG1 A7 (a)(f)	5.32	06/10/36	1,933,939	4,536,000	Home Equity Loan Trust, Series 2007-FRE1 2AV4 (f)	0.56	04/25/37	2,097,036
250,000	GS Mortgage Securities Corp II, Series 2011-GC5 A4 (a)	3.71	08/10/44	277,229	274,193	Homebanc Mortgage Trust, Series 2004-1 2A (f)	1.08	08/25/29	229,392
434,327	GSAA Trust, Series 2005-12 AF3 (f)	5.07	09/25/35	408,766	247,401	HSBC Asset Loan Obligation, Series 2007-AR2 2A1 (a)(f)	3.00	09/25/37	171,591
1,596,595	GSAA Trust, Series 2006-16 A1 (f)	0.28	10/25/36	732,799	900,000	HSBC Home Equity Loan Trust, Series 2006-3 A4 (f)	0.46	03/20/36	821,764
1,586,150	GSAA Trust, Series 2006-19 A1 (f)	0.31	12/25/36	833,536	521,505	HSBC Home Equity Loan Trust, Series 2006-4 A3V (f)	0.37	03/20/36	507,589
1,532,006	GSAA Trust, Series 2006-20 1A1 (f)	0.29	12/25/46	705,743	511,438	HSBC Home Equity Loan Trust, Series 2007-3 APT (a)(f)	1.42	11/20/36	503,432
1,164,407	GSAA Trust, Series 2006-9 A4A (f)	0.46	06/25/36	630,032	1,396,121	Indiantown Cogeneration LP, Series A-10 (a)	9.77	12/15/20	1,475,479
2,503,163	GSAA Trust, Series 2007-3 1A1B (f)	0.32	03/25/47	139,230	236,274	Indymac INDA Mortgage Loan Trust, Series 2007-AR7 1A1 (a)(f)	4.81	11/25/37	209,955
1,638,029	GSAA Trust, Series 2007-4 A1 (f)	0.32	03/25/37	816,037	1,318,941	Indymac Index Mortgage Loan Trust, Series 2004-AR12 A1 (f)	1.00	12/25/34	930,379
1,386,626	GSAA Trust, Series 2007-5 2A3A (f)	0.54	04/25/47	764,486	661,303	Indymac Index Mortgage Loan Trust, Series 2004-AR7 A2 (f)	1.08	09/25/34	503,959
6,017,277	GSAMP Trust, Series 2007-FM2 A2B (f)	0.31	01/25/37	2,553,919	407,305	Indymac Index Mortgage Loan Trust, Series 2005-AR5 1A1 (a)(f)	2.68	05/25/35	271,991
385,616	GSR Mortgage Loan Trust, Series 2004-14 3A2 (f)	2.89	12/25/34	331,484	1,912,880	Indymac Index Mortgage Loan Trust, Series 2006-AR19 1A2 (a)(f)	3.03	08/25/36	1,151,210
1,525,000	GSR Mortgage Loan Trust, Series 2004-9 5A7 (a)(f)	2.83	08/25/34	1,385,762					
247,883	GSR Mortgage Loan Trust, Series 2005-AR5 1A1 (f)	3.06	10/25/35	203,467					
1,282,913	GSR Mortgage Loan Trust, Series 2007-AR2 2A1 (f)	2.75	05/25/47	1,055,042					

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2012

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 89,130	Indymac Index Mortgage Loan Trust, Series 2006-AR25 3A1 (a)(f)	3.00%	09/25/36	\$ 55,253	\$ 366,990	Indymac Index Mortgage Loan Trust, Series 2007-FLX2 A1C (a)(f)	0.41%	04/25/37	\$ 173,467
176,424	Indymac Index Mortgage Loan Trust, Series 2006-AR29 A1 (a)(f)	0.39	11/25/36	112,575	1,089,221	Indymac Manufactured Housing Contract, Series 1998-2 A4 (a)(f)	6.64	08/25/29	1,090,789
261,674	Indymac Index Mortgage Loan Trust, Series 2006-AR33 3A1 (f)	5.05	01/25/37	234,282	1,060,318	JetBlue Airways Pass Through Trust, Series 2004-2 G1 (f)	0.81	08/15/16	995,373
2,892,389	Indymac Index Mortgage Loan Trust, Series 2006-AR41 A3 (f)	0.40	02/25/37	1,746,852	2,000,000	JetBlue Airways Pass Through Trust, Series 2004-2 G-2 (f)	0.88	11/15/16	1,770,000
822,025	Indymac Index Mortgage Loan Trust, Series 2006-AR7 1A1 (f)	3.14	05/25/36	538,726	3,276,992	JP Morgan Alternative Loan Trust, Series 2006-A2 3A1 (f)	2.85	05/25/36	2,295,493
3,660,532	Indymac Index Mortgage Loan Trust, Series 2006-AR7 3A1 (f)	2.94	05/25/36	2,615,269	92,313	JP Morgan Alternative Loan Trust, Series 2007-A2 12A2 (f)	0.32	06/25/37	91,963
438,604	Indymac Index Mortgage Loan Trust, Series 2006-AR7 4A1 (a)(f)	5.18	05/25/36	258,071	3,182,411	JP Morgan Mortgage Acquisition Corp., Series 2006-WMC3 A4 (f)	0.37	08/25/36	1,409,222
450,000	Indymac Index Mortgage Loan Trust, Series 2006-R1 A3 (a)(f)	4.96	12/25/35	254,279	4,756,818	JP Morgan Mortgage Acquisition Corp., Series 2007-CH3 A4 (a)(f)	0.43	03/25/37	2,038,515
12,038	Indymac Index Mortgage Loan Trust, Series 2007-AR5 1A1 (f)	3.11	05/25/37	7,100	1,110,000	JP Morgan Mortgage Acquisition Corp., Series 2007-CH4 A5 (f)	0.46	05/25/37	503,645
2,571,316	Indymac Index Mortgage Loan Trust, Series 2007-AR5 3A1 (f)	4.82	05/25/37	1,681,312	2,590,000	JP Morgan Mortgage Acquisition Corp., Series 2007-HE1 AF2 (h)	5.05	03/25/47	1,504,060
3,715,199	Indymac Index Mortgage Loan Trust, Series 2007-AR7 2A1 (f)	2.48	06/25/37	2,347,166	3,819,768	JP Morgan Mortgage Acquisition Corp., Series 2007-HE1 AF6 (h)	5.05	03/25/47	2,425,272
35,974	Indymac Index Mortgage Loan Trust, Series 2007-FLX1 A1 (a)(f)	0.32	02/25/37	35,841	2,813,000	JP Morgan Mortgage Acquisition Corp., Series 2007-HE1 AV4 (f)	0.50	03/25/47	1,343,766

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2012

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 387,289	JP Morgan Mortgage Trust, Series 2005-A5 TA1 (f)	5.40%	08/25/35	\$ 389,879	\$ 885,000	Mastr Asset Backed Securities Trust, Series 2007-HE1 A3 (f)	0.43%	05/25/37	\$ 430,836
2,266,951	JP Morgan Mortgage Trust, Series 2006-A2 2A4 (a)(f)	5.37	04/25/36	1,957,368	17,538	Mastr Seasoned Securities Trust, Series 2004-1 4A1 (a)(f)	2.78	10/25/32	17,405
2,045,620	JP Morgan Mortgage Trust, Series 2006-A3 2A1 (f)	3.01	05/25/36	1,611,803	1,227,557	Merrill Lynch First Franklin Mortgage Loan Trust, Series 2007-1 A2C (f)	0.47	04/25/37	621,442
1,322,822	JP Morgan Mortgage Trust, Series 2007-A1 5A2 (a)(f)	2.94	07/25/35	1,351,234	70,821	Merrill Lynch First Franklin Mortgage Loan Trust, Series 2007-1 A2D (f)	0.56	04/25/37	36,277
57,050	JP Morgan Mortgage Trust, Series 2007-A2 4A1M (a)(f)	5.32	04/25/37	48,168	2,168,240	Merrill Lynch First Franklin Mortgage Loan Trust, Series 2007-3 A2B (f)	0.35	06/25/37	1,433,440
1,275,914	Lehman ABS Manufactured Housing Contract Trust, Series 2001-B A6 (a)(f)	6.47	04/15/40	1,419,688	3,941,000	Merrill Lynch First Franklin Mortgage Loan Trust, Series 2007-3 A2C (a)(f)	0.40	06/25/37	1,631,643
327,396	Lehman Mortgage Trust, Series 2006-1 3A3	5.50	02/25/36	328,823	4,700,000	Merrill Lynch First Franklin Mortgage Loan Trust, Series 2007-3 A2D (f)	0.47	06/25/37	2,069,908
218,165	Lehman XS Trust, Series 2005-6 1A1 (f)	0.48	11/25/35	129,280	3,131,000	Merrill Lynch First Franklin Mortgage Loan Trust, Series 2007-4 2A4 (f)	0.47	07/25/37	1,547,390
2,500,000	Lehman XS Trust, Series 2005-6 3A3A (h)	5.76	11/25/35	1,383,861	852,889	Mid-State Trust, Series 2006-1A (e)	5.79	10/15/40	906,656
2,116,565	Lehman XS Trust, Series 2006-13 1A2 (f)	0.39	09/25/36	1,629,241	424,482	Mirant Mid Atlantic Pass Through Trust, Series B	9.13	06/30/17	466,930
1,094,510	Lehman XS Trust, Series 2006-14N 3A2 (f)	0.34	08/25/36	642,311	662,520	Mirant Mid Atlantic Pass Through Trust, Series C	10.06	12/30/28	742,023
2,129,324	Lehman XS Trust, Series 2006-19 A2 (f)	0.39	12/25/36	1,554,661	200,000	Morgan Stanley ABS Capital I, Series 2004-NC7 M2 (a)(f)	1.15	07/25/34	182,188
2,314,931	Lehman XS Trust, Series 2006-9 A1B (f)	0.38	05/25/46	1,778,734	2,975,000	Morgan Stanley ABS Capital I, Series 2006-HE1 A4 (f)	0.51	01/25/36	1,643,787
1,700,000	Mastr Adjustable Rate Mortgages Trust, Series 2004-13 3A7 (f)	2.62	11/21/34	1,744,199	2,088,869	Morgan Stanley ABS Capital I, Series 2006-HE5 A2C (f)	0.36	08/25/36	1,233,808
332,073	Mastr Adjustable Rate Mortgages Trust, Series 2007-R5 A1 (e)(f)	2.84	11/25/35	183,617					
3,806,000	Mastr Asset Backed Securities Trust, Series 2006-AM2 A4 (e)(f)	0.48	06/25/36	1,261,754					



**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2012

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 4,400,000	Morgan Stanley ABS Capital I, Series 2006-NC2 A2D (f)	0.51%	02/25/36	\$ 2,102,608	\$ 250,031	NCUA Guaranteed Notes, Series 2010-R2 1A (a)(f)	0.60%	11/06/17	\$ 250,656
1,935,000	Morgan Stanley ABS Capital I, Series 2007-HE1 A2C (f)	0.37	11/25/36	860,033	173,083	NCUA Guaranteed Notes, Series 2010-R2 2A (a)(f)	0.70	11/05/20	173,602
1,835,000	Morgan Stanley Capital I, Inc., Series 2005-T19 A4A (a)	4.89	06/12/47	2,027,858	156,054	NCUA Guaranteed Notes, Series 2010-R3 1A (a)(f)	0.79	12/08/20	156,990
120,000	Morgan Stanley Capital I, Inc., Series 2006-HQ9 A4 (a)(f)	5.73	07/12/44	138,961	128,300	NCUA Guaranteed Notes, Series 2010-R3 2A (a)(f)	0.79	12/08/20	129,257
1,835,000	Morgan Stanley Capital I, Inc., Series 2006-T21 A4 (a)(f)	5.16	10/12/52	2,078,433	1,354,983	Nomura Asset Acceptance Corp., Series 2006-AR4 A1A (f)	0.39	12/25/36	762,151
175,000	Morgan Stanley Capital I, Inc., Series 2006-T23 A4 (a)(f)	5.99	08/12/41	205,457	410,209	Nomura Asset Acceptance Corp., Series 2007-1 1A1A (h)	6.00	03/25/47	252,725
165,000	Morgan Stanley Capital I, Inc., Series 2007-T27 A4 (a)(f)	5.82	06/11/42	196,186	1,470,873	Nomura Home Equity Loan, Inc., Series 2005-HE1 M3 (f)	0.70	09/25/35	1,051,289
40,000	Morgan Stanley Capital I, Inc., Series 2011-C3 A2 (a)	3.22	07/15/49	43,263	1,539,415	Novastar Home Equity Loan, Series 2006-2 A2C (f)	0.37	06/25/36	856,318
25,000	Morgan Stanley Capital I, Inc., Series 2011-C3 A4 (a)	4.12	07/15/49	28,489	1,141,284	Oakwood Mortgage Investors, Inc., Series 1999-B A4	6.99	12/15/26	1,144,875
1,807,174	Morgan Stanley Mortgage Loan Trust, Series 2006-11 1A3 (h)	6.42	08/25/36	925,252	208,567	Opteum Mortgage Acceptance Corp., Series 2005-5 2A1B (f)	5.64	12/25/35	208,244
2,507,723	Morgan Stanley Mortgage Loan Trust, Series 2006-7 5A2 (f)	5.96	06/25/36	1,470,520	756,537	Origen Manufactured Housing, Series 2004-A M2 (a)(f)	6.64	01/15/35	842,053
269,605	Morgan Stanley Mortgage Loan Trust, Series 2007-13 6A1 (a)	6.00	10/25/37	190,531	5,396,612	Ownit Mortgage Loan Asset Backed Certificates, Series 2006-6 A2C (a)(f)	0.38	09/25/37	2,057,002
1,666,579	Morgan Stanley Mortgage Loan Trust, Series 2007-2AX 2A1 (f)	0.31	12/25/36	745,080	655,000	PMC Aviation, LLC, Series 2012-1I A (a)(g)	18.00	04/15/15	661,543
1,607,541	Morgan Stanley Mortgage Loan Trust, Series 2007-7AX 2A1 (f)	0.34	04/25/37	709,677					
2,920,000	Nationstar Home Equity Loan Trust, Series 2006-B AV4 (f)	0.50	09/25/36	1,801,326					

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2012

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 1,845,000	Popular ABS Mortgage Pass-Through Trust, Series 2007-A A3 (f)	0.53%	06/25/47	\$ 949,898	\$ 1,324,175	Residential Asset Securitization Trust, Series 2007-A5 1A2 (f)	0.62%	05/25/37	\$ 372,120
1,030,000	Prudential Holdings, LLC (e)	8.70	12/18/23	1,299,842	2,469,789	Saxon Asset Securities Trust, Series 2005-4 A1B (f)	0.60	11/25/37	2,102,595
554,885	Residential Accredit Loans, Inc., Series 2005-QA12 NB4 (a)(f)	4.11	12/25/35	407,950	3,635,000	Saxon Asset Securities Trust, Series 2006-3 A3 (f)	0.39	10/25/46	2,188,970
580,665	Residential Accredit Loans, Inc., Series 2005-QO3 A1 (f)	0.62	10/25/45	388,661	1,365,000	Saxon Asset Securities Trust, Series 2007-1 A2C (f)	0.37	01/25/47	702,145
714,911	Residential Accredit Loans, Inc., Series 2005-QO5 A1 (a)(f)	1.15	01/25/46	424,807	34,404	Securitized Asset Backed Receivables, LLC Trust, Series 2006-HE2 A2D (f)	0.46	07/25/36	15,744
553,995	Residential Accredit Loans, Inc., Series 2006-QS10 A1	6.00	08/25/36	404,840	2,500,000	Securitized Asset Backed Receivables, LLC Trust, Series 2007-BR5 A2C (f)	0.57	05/25/37	1,120,433
291,603	Residential Accredit Loans, Inc., Series 2006-QS17 A4	6.00	12/25/36	214,609	241,168	Securitized Asset Backed Receivables, LLC Trust, Series 2007-NC1 A2B (a)(f)	0.37	12/25/36	116,019
430,798	Residential Accredit Loans, Inc., Series 2007-QS1 1A1	6.00	01/25/37	319,870	2,411,355	Securitized Asset Backed Receivables, LLC Trust, Series 2007-NC2 A2B (f)	0.36	01/25/37	885,577
217,458	Residential Accredit Loans, Inc., Series 2007-QS5 A1	5.50	03/25/37	156,641	1,425,000	Sound Point CLO, Ltd., Series 2012-1A C (e)(f)	3.71	10/20/23	1,359,450
462,643	Residential Accredit Loans, Inc., Series 2007-QS8 A10	6.00	06/25/37	342,809	1,000,000	Soundview Home Equity Loan Trust, Series 2006-EQ2 A4 (f)	0.46	01/25/37	496,084
854,897	Residential Accredit Loans, Inc., Series 2007-QS8 A6	6.00	06/25/37	637,082	1,200,000	Soundview Home Equity Loan Trust, Series 2007-NS1 A4 (f)	0.52	01/25/37	500,494
67,426	Residential Asset Mortgage Products, Inc., Series 2004-RZ1 A17 (a)(f)	4.03	01/25/33	67,700	3,349,000	Soundview Home Equity Loan Trust, Series 2007-OPT2 2A4 (f)	0.47	07/25/37	1,243,338
465,233	Residential Asset Mortgage Products, Inc., Series 2004-SL3 A4	8.50	12/25/31	483,300	972,172	Spirit Master Funding, LLC, Series 2005-1 A1 (a)(e)	5.05	07/20/23	879,816
500,790	Residential Asset Securitization Trust, Series 2006-A10 A5	6.50	09/25/36	355,360					

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2012

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 258,107	Structured Adjustable Rate Mortgage Loan Trust, Series 2006-1 7A3 (a)(f)	5.37%	02/25/36	\$ 254,828	\$ 253,333	Textainer Marine Containers, Ltd., Series 2005-1A A (a)(e)(f)(g)	0.47%	05/15/20	\$ 249,699
821,901	Structured Adjustable Rate Mortgage Loan Trust, Series 2006-1 7A4 (f)	5.37	02/25/36	614,509	809,375	Textainer Marine Containers, Ltd., Series 2011-1A A (a)(e)	4.70	06/15/26	851,950
83,780	Structured Adjustable Rate Mortgage Loan Trust, Series 2007-3 3A1 (a)(f)	5.19	04/25/47	65,253	576,554	Trinity Rail Leasing LP, Series 2006-1A A1 (a)(e)(g)	5.90	05/14/36	641,682
3,300,000	Structured Asset Mortgage Investments, Inc., Series 2007-AR4 A3 (f)	0.44	09/25/47	1,681,908	917,993	Trip Rail Master Funding, LLC, Series 2011-1A A1A (a)(e)	4.37	07/15/41	957,026
3,890,855	Structured Asset Mortgage Investments, Inc., Series 2007-AR6 A1 (f)	1.65	08/25/47	2,581,354	639,167	Triton Container Finance, LLC, Series 2006-1A (a)(e)(f)	0.39	11/26/21	621,713
1,460,057	Structured Asset Securities Corp., Series 2003-26A 3A5 (a)(f)	2.80	09/25/33	1,449,388	407,813	Triton Container Finance, LLC, Series 2007-1A (a)(e)(f)	0.36	02/26/19	402,063
210,316	Structured Asset Securities Corp., Series 2005-4XS 2A1A (a)(f)	2.00	03/25/35	187,379	773,333	Triton Container Finance, LLC, Series 2012-1A A (e)	4.21	05/14/27	816,543
1,315,000	Symphony CLO, Ltd., Series 2012-9A C (a)(e)(f)	3.71	04/16/22	1,289,219	655,239	UAL Pass Through Trust, Series 2009-1	10.40	11/01/16	758,439
322,500	TAL Advantage, LLC, Series 2006-1A (a)(e)(f)	0.41	04/20/21	315,923	284,884	Wachovia Bank Commercial Mortgage Trust, Series 2003-C6 A4 (a)(f)	5.13	08/15/35	292,419
432,458	TAL Advantage, LLC, Series 2010-2A A (e)	4.30	10/20/25	436,931	1,610,000	Wachovia Bank Commercial Mortgage Trust, Series 2004-C12 A4 (f)	5.49	07/15/41	1,719,647
208,333	TAL Advantage, LLC, Series 2011-1A A (e)	4.60	01/20/26	222,899	1,830,000	Wachovia Bank Commercial Mortgage Trust, Series 2005-C20 A7 (a)(f)	5.12	07/15/42	2,036,753
628,333	TAL Advantage, LLC, Series 2011-2A A (e)	4.31	05/20/26	654,060	129,498	Wachovia Bank Commercial Mortgage Trust, Series 2005-C21 A4 (a)(f)	5.41	10/15/44	145,353
249,338	Terwin Mortgage Trust, Series 2005-1SL M1 (e)(f)	1.09	02/25/35	236,193	14,116	WaMu Mortgage Pass Through Certificates, Series 2002-AR18 A (a)(f)	2.40	01/25/33	14,266
					43,041	WaMu Mortgage Pass Through Certificates, Series 2005-AR14 1A1 (a)(f)	2.47	12/25/35	42,992

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2012

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 348,371	WaMu Mortgage Pass Through Certificates, Series 2006- AR12 2A3 (a)(f)	5.71%	10/25/36	\$ 285,228	\$ 1,458,070	Washington Mutual Alternative Mortgage Pass- Through Certificates, Series 2006-1 4CB	6.50%	02/25/36	\$ 952,140
204,454	WaMu Mortgage Pass Through Certificates, Series 2006- AR16 1A1 (a)(f)	2.31	12/25/36	163,706	521,828	Washington Mutual Alternative Mortgage Pass- Through Certificates, Series 2006-7 A1A (h)	6.09	09/25/36	302,746
389,033	WaMu Mortgage Pass Through Certificates, Series 2007- HY3 4A1 (a)(f)	2.76	03/25/37	347,967	2,295,719	Washington Mutual Alternative Mortgage Pass- Through Certificates, Series 2006- AR2 A1A (f)	1.09	04/25/46	1,453,989
628,947	WaMu Mortgage Pass Through Certificates, Series 2007- HY4 1A1 (f)	2.42	04/25/37	446,903	2,551,058	Washington Mutual Alternative Mortgage Pass- Through Certificates, Series 2006- AR7 A1A (f)	1.07	09/25/46	1,190,947
928,489	WaMu Mortgage Pass Through Certificates, Series 2007- OA1 A1A (f)	0.85	02/25/47	635,273	2,914,053	Washington Mutual Alternative Mortgage Pass- Through Certificates, Series 2007- OA2 2A (f)	0.85	01/25/47	1,486,852
791,824	WaMu Mortgage Pass Through Certificates, Series 2007- OA4 1A (a)(f)	0.92	05/25/47	620,406	2,501,121	Washington Mutual Alternative Mortgage Pass- Through Certificates, Series 2007- OA3 2A (f)	0.90	02/25/47	1,280,620
1,747,854	WaMu Mortgage Pass Through Certificates, Series 2007- OA6 1A (f)	0.96	07/25/47	1,317,476	926,175	Washington Mutual Alternative Mortgage Pass- Through Certificates, Series 2007- OC1 A4 (f)	0.54	01/25/47	475,547
695,532	Washington Mutual Alternative Mortgage Pass- Through Certificates, Series 2005-3 2A3 (f)	0.77	05/25/35	455,224	68,584	Wells Fargo Alternative Loan Trust, Series 2005-2 A4 (a)(f)	0.56	10/25/35	68,858
428,447	Washington Mutual Alternative Mortgage Pass- Through Certificates, Series 2005-4 CB13 (f)	0.72	06/25/35	310,131	295,313	Wells Fargo Home Equity Trust, Series 2006-3 A2 (f)	0.37	01/25/37	238,138

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2012

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 115,000	WF-RBS Commercial Mortgage Trust, Series 2011-C5 A4 (a)	3.67%	11/15/44	\$ 128,203	\$ 10,872,000	Regis Corp. (a)	5.00%	07/15/14	\$ 14,228,730
1,095,000	Wind River CLO, Ltd., Series 2004-1A B1 (a)(e)(f)	1.48	12/19/16	995,013	1,250,000	Saks, Inc.	2.00	03/15/24	1,302,344
Total Asset Backed Obligations (Cost \$232,010,207)				<b>253,278,154</b>	5,275,000	Standard Pacific Corp. (a)	1.25	08/01/32	5,828,875
<b>Corporate Convertible Bonds - 16.5%</b>					427,000	The Ryland Group, Inc. (a)	1.63	05/15/18	512,400
<b>Consumer Discretionary - 3.2%</b>					10,000,000	Titan Machinery, Inc. (a)(e)	3.75	05/01/19	8,818,750
1,336,000	Callaway Golf Co. (e)	3.75	08/15/19	1,360,215	740,000	Toll Brothers Finance Corp. (a)(e)	0.50	09/15/32	748,788
7,300,000	Chemed Corp. (a)	1.88	05/15/14	7,728,875	4,500,000	Wabash National Corp. (a)	3.38	05/01/18	4,522,500
3,500,000	Coinstar, Inc. (a)	4.00	09/01/14	4,589,375	2,002,000	WESCO International, Inc. (a)	6.00	09/15/29	4,300,546
1,473,000	DR Horton, Inc., Series DHI (a)	2.00	05/15/14	2,419,402	2,629,000	XM Satellite Radio, Inc. (a)(e)	7.00	12/01/14	4,135,746
7,600,000	Equinix, Inc. (a)	3.00	10/15/14	14,981,500	<b>Consumer Staples - 0.5%</b>				
1,400,000	Hawaiian Holdings, Inc. (a)	5.00	03/15/16	1,453,375	978,000	Sunrise Senior Living, Inc.	5.00	04/01/41	1,385,092
9,199,000	Hertz Global Holdings, Inc. (a)	5.25	06/01/14	16,374,220	31,000	Sunrise Senior Living, Inc. (a)	5.00	04/01/41	43,904
500,000	Home Inns & Hotels Management, Inc. (a)	2.00	12/15/15	425,313	3,000,000	Tyson Foods, Inc. (a)	3.25	10/15/13	3,326,250
4,500,000	Home Inns & Hotels Management, Inc. (a)(e)	2.00	12/15/15	3,827,812	6,000,000	United Rentals, Inc. (a)	4.00	11/15/15	18,056,250
5,500,000	Jakks Pacific, Inc. (a)	4.50	11/01/14	6,297,500	<b>Energy - 0.5%</b>				
812,000	JetBlue Airways Corp., Series A-C (a)	6.75	10/15/39	1,003,835	770,000	Alpha Appalachia Holdings, Inc. (a)	3.25	08/01/15	714,175
2,294,000	Lennar Corp. (a)(e)	2.75	12/15/20	3,886,896	920,000	Chesapeake Energy Corp.	2.50	05/15/37	830,875
835,000	Liberty Interactive, LLC	3.13	03/30/23	1,179,437	5,400,000	Helix Energy Solutions Group, Inc. (a)	3.25	03/15/32	6,024,375
3,919,000	Liberty Interactive, LLC (a)	3.25	03/15/31	3,708,354	4,162,000	Hornbeck Offshore Services, Inc. (a)(e)	1.50	09/01/19	4,201,019
3,543,000	Live Nation Entertainment, Inc. (a)	2.88	07/15/27	3,494,284	1,500,000	JinkoSolar Holding Co., Ltd. (a)(e)	4.00	05/15/16	622,500
1,400,000	M/I Homes, Inc. (a)	3.25	09/15/17	1,491,875	728,000	Newpark Resources, Inc. (a)	4.00	10/01/17	760,760
2,550,000	Meritage Homes Corp. (a)	1.88	09/15/32	2,542,031	1,874,000	Peabody Energy Corp. (a)	4.75	12/15/41	1,588,215
1,794,000	MGM Resorts International (a)	4.25	04/15/15	1,869,124	933,000	Penn Virginia Corp. (g)	4.50	11/15/12	921,338
4,950,000	Navistar International Corp. (a)	3.00	10/15/14	4,414,781	1,600,000	Subsea 7 SA	3.50	10/13/14	2,422,720
3,200,000	priceline.com, Inc. (a)(e)	1.25	03/15/15	6,692,000	1,590,000	Western Refining, Inc. (a)	5.75	06/15/14	3,992,887
3,000,000	priceline.com, Inc. (a)(e)	1.00	03/15/18	3,236,250	<b>22,078,864</b>				

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2012

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
<b>Financial - 1.3%</b>					<b>Industrial - 2.4%</b>				
\$ 757,000	Affiliated Managers Group, Inc.	3.95%	08/15/38	\$ 847,367	\$ 8,875,000	Endo Health Solutions, Inc. (a)	1.75%	04/15/15	\$ 10,855,234
4,728,000	Air Lease Corp. (a)(e)	3.88	12/01/18	4,931,895	990,000	Exelixis, Inc. (a)	4.25	08/15/19	1,037,025
5,500,000	American Equity Investment Life Holding Co. (a)(e)	3.50	09/15/15	6,318,125	2,173,000	Hologic, Inc., Series 2010 (a)(h)	2.00	12/15/37	2,447,341
725,000	American Equity Investment Life Holding Co. (a)(e)	5.25	12/06/29	966,516	9,799,000	Illumina, Inc. (a)(e)	0.25	03/15/16	9,180,438
2,997,000	Amtrust Financial Services, Inc. (a)(e)	5.50	12/15/21	3,465,281	2,700,000	Insulet Corp. (a)	3.75	06/15/16	3,017,250
11,096,000	CBIZ, Inc. (a)(e)	4.88	10/01/15	11,394,205	730,000	Isis Pharmaceuticals, Inc. (a)(e)	2.75	10/01/19	839,500
1,409,000	DFC Global Corp. (a)(e)	3.25	04/15/17	1,504,988	2,201,000	LifePoint Hospitals, Inc. (a)	3.50	05/15/14	2,403,217
1,034,000	Forest City Enterprises, Inc. (a)	4.25	08/15/18	1,086,992	4,400,000	Medivation, Inc. (a)	2.63	04/01/17	5,942,750
1,830,000	Forest City Enterprises, Inc.	3.63	10/15/14	2,161,687	7,600,000	Molina Healthcare, Inc. (a)	3.75	10/01/14	8,512,000
3,080,000	Icahn Enterprises LP (e)(f)	4.00	08/15/13	3,084,620	8,900,000	Mylan, Inc. (a)	3.75	09/15/15	17,082,438
1,066,000	Jefferies Group, Inc. (a)	3.88	11/01/29	1,032,688	3,825,000	NuVasive, Inc. (a)	2.75	07/01/17	3,669,609
1,304,000	KKR Financial Holdings, LLC (a)	7.50	01/15/17	1,954,370	9,000,000	PSS World Medical, Inc. (a)(e)	3.13	08/01/14	11,115,000
1,024,000	Knight Capital Group, Inc.	3.50	03/15/15	949,248	1,000,000	Sequenom, Inc. (a)(e)	5.00	10/01/17	1,036,875
949,000	Knight Capital Group, Inc. (a)	3.50	03/15/15	862,404	5,250,000	Teleflex, Inc. (a)	3.88	08/01/17	6,634,688
1,807,000	Leucadia National Corp.	3.75	04/15/14	2,054,333	811,000	The Medicines Co. (a)(e)	1.38	06/01/17	915,416
620,000	National Financial Partners Corp.	4.00	06/15/17	911,788	7,450,000	ViroPharma, Inc. (a)	2.00	03/15/17	13,125,969
8,296,000	National Financial Partners Corp. (a)	4.00	06/15/17	12,200,305	6,222,000	Volcano Corp. (a)	2.88	09/01/15	7,544,175
1,900,000	The NASDAQ OMX Group, Inc. (g)	2.50	08/15/13	1,912,901	730,000	West Pharmaceutical Services, Inc.	4.00	03/15/47	820,338
				<u>57,639,713</u>	1,014,000	Wright Medical Group, Inc. (a)(e)	2.00	08/15/17	1,122,371
<b>Healthcare - 3.2%</b>					<u>138,145,497</u>				
8,860,000	Accuray, Inc. (a)	3.75	08/01/16	9,325,150	<b>Industrial - 2.4%</b>				
686,000	Alere, Inc. (a)	3.00	05/15/16	651,271	6,515,000	AirTran Holdings, Inc. (a)	5.25	11/01/16	8,192,612
4,775,000	Cubist Pharmaceuticals, Inc. (a)	2.25	06/15/13	7,386,328	6,945,000	Altra Holdings, Inc. (a)	2.75	03/01/31	6,953,681
7,709,000	Cubist Pharmaceuticals, Inc. (a)	2.50	11/01/17	13,481,114	4,000,000	AM Castle & Co. (a)(e)	7.00	12/15/17	5,640,000
					2,311,000	Bristow Group, Inc. (a)	3.00	06/15/38	2,394,774
					2,281,000	Cemex SAB de CV (a)	4.88	03/15/15	2,271,021
					1,312,000	Chart Industries, Inc. (a)	2.00	08/01/18	1,720,360
					11,551,000	Covanta Holding Corp. (a)	3.25	06/01/14	13,536,328
					3,518,000	DryShips, Inc. (a)	5.00	12/01/14	2,924,338
					3,500,000	FEI Co. (a)	2.88	06/01/13	6,446,562

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2012

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 2,620,000	Genco Shipping & Trading, Ltd. (a)	5.00%	08/15/15	\$ 1,190,463	\$ 3,707,000	Micron Technology, Inc.	1.50%	08/01/31	\$ 3,352,518
462,000	General Cable Corp. (a)	0.88	11/15/13	462,866	125,000	Micron Technology, Inc., Series A (a)	1.50	08/01/31	113,047
3,469,000	General Cable Corp. (a)(h)	4.50	11/15/29	3,729,175	8,800,000	NetApp, Inc. (a)	1.75	06/01/13	10,065,000
758,000	Greenbrier Cos., Inc.	3.50	04/01/18	688,359	1,897,000	Novellus Systems, Inc.	2.63	05/15/41	2,116,341
3,000	Greenbrier Cos., Inc. (a)	3.50	04/01/18	2,724	209,000	Novellus Systems, Inc. (a)	2.63	05/15/41	233,166
9,195,000	Griffon Corp. (a)(e)	4.00	01/15/17	9,390,394	1,550,000	Nuance Communications, Inc. (a)	2.75	08/15/27	2,228,125
8,187,000	Kaman Corp. (a)(e)	3.25	11/15/17	10,218,399	9,550,000	ON Semiconductor Corp. (a)	1.88	12/15/25	9,800,687
4,500,000	L-3 Communications Holdings, Inc. (a)	3.00	08/01/35	4,533,750	5,600,000	ON Semiconductor Corp., Series B (a)	2.63	12/15/26	5,880,000
2,372,000	PHH Corp. (a)	4.00	09/01/14	2,582,515	9,708,000	Photronics, Inc. (a)	3.25	04/01/16	9,489,570
772,000	PHH Corp. (a)	6.00	06/15/17	1,406,005	2,300,000	Photronics, Inc. (a)	5.50	10/01/14	3,083,438
7,100,000	RTI International Metals, Inc. (a)	3.00	12/01/15	7,450,562	5,000,000	Radisys Corp. (a)(g)	4.50	02/15/15	4,775,000
6,600,000	TTM Technologies, Inc. (a)	3.25	05/15/15	6,715,500	6,300,000	Rambus, Inc. (a)	5.00	06/15/14	6,347,250
3,747,000	Vishay Intertechnology, Inc. (a)(e)	2.25	06/01/42	3,641,616	6,000,000	Rudolph Technologies, Inc. (a)(e)	3.75	07/15/16	6,622,500
2,082,000	XPO Logistics, Inc. (a)	4.50	10/01/17	2,068,988	3,000,000	Salesforce.com, Inc. (a)	0.75	01/15/15	5,591,250
				<u>104,160,992</u>	7,500,000	SYNNEX Corp. (a)	4.00	05/15/18	8,817,187
<b>Information Technology - 3.6%</b>					6,200,000	Take-Two Interactive Software, Inc. (a)	4.38	06/01/14	7,560,125
8,049,000	CACI International, Inc. (a)	2.13	05/01/14	8,999,788	1,988,000	Take-Two Interactive Software, Inc. (a)(e)	1.75	12/01/16	1,866,235
625,000	CACI International, Inc. (a)(e)	2.13	05/01/14	698,828	2,832,000	VeriSign, Inc. (a)	3.25	08/15/37	4,331,190
5,444,000	Cadence Design Systems, Inc. (a)	2.63	06/01/15	9,690,320				<u>153,757,182</u>	
4,500,000	Ciena Corp. (a)(e)	4.00	03/15/15	4,865,625	<b>Materials - 0.4%</b>				
2,263,000	Ciena Corp. (a)(e)	3.75	10/15/18	2,387,465	7,000,000	Horsehead Holding Corp. (a)	3.80	07/01/17	6,636,875
8,000,000	Digital River, Inc. (a)	2.00	11/01/30	7,680,000	1,227,000	Kaiser Aluminum Corp.	4.50	04/01/15	1,657,186
1,398,000	Electronic Arts, Inc.	0.75	07/15/16	1,282,665	37,000	Kaiser Aluminum Corp. (a)	4.50	04/01/15	49,972
725,000	Electronic Arts, Inc. (a)	0.75	07/15/16	665,188	2,934,000	Royal Gold, Inc. (a)	2.88	06/15/19	3,562,976
5,663,000	GT Advanced Technologies, Inc. (a)	3.00	10/01/17	5,652,382	1,000,000	Steel Dynamics, Inc. (a)	5.13	06/15/14	1,050,625
9,250,000	Lam Research Corp. (a)	0.50	05/15/16	8,787,500	2,948,000	Sterlite Industries India, Ltd. (a)	4.00	10/30/14	2,822,710
5,550,000	Mentor Graphics Corp. (a)	4.00	04/01/31	6,264,562				<u>15,780,344</u>	
3,576,000	Microchip Technology, Inc. (a)	2.13	12/15/37	4,510,230					

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2012

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value	
<b>Telecommunication Services - 1.4%</b>					\$	37,334	ADFITECH, Inc.	8.00%	03/15/20	\$ 24,288
\$ 9,000,000	Alaska Communications Systems Group, Inc. (a)(e)	6.25%	05/01/18	\$ 6,136,875	858,000	Ally Financial, Inc. (f)	2.62	12/01/14	847,727	
4,000,000	Clearwire Communications, LLC/Clearwire Finance, Inc. (a)(e)	8.25	12/01/40	2,922,500	945,000	Bank of America Corp. (a)	5.63	10/14/16	1,065,013	
7,500,000	Comtech Telecommunications Corp. (a)	3.00	05/01/29	7,964,062	1,150,000	Bank of America Corp., MTN (a)	7.38	05/15/14	1,259,335	
3,480,000	DealerTrack Holdings, Inc. (a)(e)	1.50	03/15/17	3,645,300	20,000	Bank of America Corp., MTN, Series L (a)	5.65	05/01/18	22,831	
4,978,000	InterDigital, Inc. (a)	2.50	03/15/16	5,211,344	750,000	Bank of America NA BKNT	5.30	03/15/17	833,666	
3,000,000	Ixia (a)	3.00	12/15/15	3,517,500	1,500,000	Bank of America NA BKNT	6.10	06/15/17	1,705,380	
245,000	Level 3 Communications, Inc., Series B (a)	7.00	03/15/15	297,522	750,000	Bank of America NA BKNT (f)	0.69	06/15/17	690,462	
450,000	SBA Communications Corp.	1.88	05/01/13	686,250	625,000	Cantor Fitzgerald LP (e)	6.38	06/26/15	634,940	
1,961,000	SBA Communications Corp. (a)	4.00	10/01/14	4,164,674	420,000	Capital One Capital V (a)	10.25	08/15/39	434,700	
11,137,000	Virgin Media, Inc. (a)	6.50	11/15/16	19,246,128	1,175,000	Chase Capital II, Series B (f)	0.94	02/01/27	902,637	
5,175,000	WebMD Health Corp. (a)	2.25	03/31/16	4,812,750	1,540,000	Chase Capital III, Series C (a)(f)	0.97	03/01/27	1,182,358	
3,824,000	WebMD Health Corp. (a)	2.50	01/31/18	3,176,310	500,000	Chase Capital VI (f)	1.07	08/01/28	383,507	
				<u>61,781,215</u>	2,475,000	CIT Group, Inc. (a)(e)	6.63	04/01/18	2,821,500	
Total Corporate Convertible Bonds (Cost \$634,977,311)				<b>713,530,436</b>	135,000	Citigroup, Inc.	6.50	08/19/13	141,740	
<b>Corporate Non-Convertible Bonds - 2.2%</b>					400,000	Citigroup, Inc. (a)(f)	0.72	11/05/14	393,995	
<b>Consumer Discretionary - 0.0%</b>					150,000	Citigroup, Inc.	5.85	08/02/16	169,372	
1,416,000	Jarden Corp.	7.50	05/01/17	1,628,400	90,000	Citigroup, Inc. (a)	6.13	05/15/18	106,673	
<b>Energy - 0.1%</b>					2,200,000	Citigroup, Inc. (f)	2.13	05/15/18	2,174,174	
1,420,000	Arch Coal, Inc. (a)	7.00	06/15/19	1,199,900	3,250,000	Citigroup, Inc. (a)(f)	0.98	08/25/36	2,230,530	
470,000	CenterPoint Energy Resources Corp.	6.15	05/01/16	541,639	94,000	Citigroup, Inc.	6.88	03/05/38	123,956	
155,000	El Paso Pipeline Partners Operating Co., LLC (a)	5.00	10/01/21	171,485	100,000	Credit Suisse New York	5.50	05/01/14	106,838	
910,000	Newfield Exploration Co.	5.63	07/01/24	1,011,237	500,000	Credit Suisse New York	6.00	02/15/18	567,272	
210,000	The Williams Cos., Inc.	7.88	09/01/21	275,805	965,000	Discover Bank BKNT	8.70	11/18/19	1,247,732	
				<u>3,200,066</u>	925,000	Duke Realty LP REIT	7.38	02/15/15	1,039,725	
<b>Financial - 1.4%</b>					500,000	ERP Operating LP REIT (a)	5.20	04/01/13	510,829	
1,850,000	Abbey National Treasury Services PLC (a)(e)	3.88	11/10/14	1,889,061	800,000	Farmers Exchange Capital (a)(e)	7.05	07/15/28	973,508	
					207,000	General Electric Capital Corp.	5.63	05/01/18	244,413	
					100,000	General Electric Capital Corp., MTN (f)	0.64	05/11/16	97,396	
					150,000	General Electric Capital Corp., MTN	5.38	10/20/16	172,760	



**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2012

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 130,000	General Electric Capital Corp., MTN (f)	0.71%	08/07/18	\$ 124,156	\$ 925,000	Morgan Stanley, MTN (a)(f)	0.91%	10/18/16	\$ 860,516
2,590,000	General Electric Capital Corp., MTN (f)	0.82	05/05/26	2,198,560	1,250,000	Nationwide Health Properties, Inc.	6.00	05/20/15	1,393,396
1,880,000	General Electric Capital Corp., MTN (f)	0.91	08/15/36	1,393,159	2,575,000	Nationwide Mutual Insurance Co. (e)(f)	5.81	12/15/24	2,372,708
400,000	General Electric Capital Corp., MTN, Series A (f)	0.65	09/15/14	398,038	2,282,000	Nuveen Investments, Inc.	5.50	09/15/15	2,179,310
150,000	HBOS PLC, MTN (e)	6.75	05/21/18	153,000	770,000	Raymond James Financial, Inc.	8.60	08/15/19	962,813
232,000	HCP, Inc. REIT	5.63	05/01/17	263,311	49,000	Shurgard Storage Centers, LLC REIT	5.88	03/15/13	50,081
100,000	HCP, Inc., MTN (a)	6.70	01/30/18	120,057	1,600,000	SL Green Realty Corp / SL Green Operating Partnership / Reckson Operating Part	5.00	08/15/18	1,717,315
1,000,000	HCP, Inc., MTN REIT	6.30	09/15/16	1,146,651	250,000	The Bear Stearns Cos., LLC	5.70	11/15/14	273,909
1,250,000	Health Care REIT, Inc.	4.70	09/15/17	1,381,141	75,000	The Bear Stearns Cos., LLC	7.25	02/01/18	93,696
125,000	Health Care REIT, Inc.	4.95	01/15/21	136,875	250,000	The Goldman Sachs Group, Inc.	6.25	09/01/17	293,358
60,000	Health Care REIT, Inc. (a)	5.25	01/15/22	67,690	405,000	The Goldman Sachs Group, Inc.	6.15	04/01/18	473,268
50,000	Health Care REIT, Inc. (a)	6.50	03/15/41	58,672	555,000	The Goldman Sachs Group, Inc.	7.50	02/15/19	689,207
1,409,000	Healthcare Realty Trust, Inc. REIT	6.50	01/17/17	1,607,325	1,500,000	The Goldman Sachs Group, Inc.	6.00	06/15/20	1,732,275
540,000	Healthcare Realty Trust, Inc. REIT	5.75	01/15/21	595,546	100,000	The Goldman Sachs Group, Inc., MTN, Series B (f)	0.85	07/22/15	96,851
1,475,000	International Lease Finance Corp. (e)	6.75	09/01/16	1,664,906	477,000	Thornburg Mortgage, Inc. (g)(i)	8.00	05/15/13	31,601
725,000	JP Morgan Chase Capital XIII (f)	1.31	09/30/34	556,741	1,100,000	Wachovia Corp. (a)(f)	0.79	10/28/15	1,079,131
150,000	JPMorgan Chase & Co. (a)	4.50	01/24/22	166,707	1,155,000	WEA Finance, LLC / WT Finance Aust Pty, Ltd. (e)	7.50	06/02/14	1,273,172
2,090,000	JPMorgan Chase Capital XXI, Series U (f)	1.39	02/02/37	1,466,509	15,000	WEA Finance, LLC / WT Finance Aust Pty, Ltd. (a)(e)	6.75	09/02/19	18,215
450,000	JPMorgan Chase Capital XXIII (f)	1.43	05/15/47	321,769	170,000	Weingarten Realty Investors, MTN REIT	4.99	09/03/13	175,121
1,600,000	Lloyds TSB Bank PLC	4.88	01/21/16	1,750,736					
830,000	Macquarie Bank, Ltd. (e)	5.00	02/22/17	887,398					
80,000	Merrill Lynch & Co., Inc., MTN (f)	8.68	05/02/17	91,304					
80,000	Merrill Lynch & Co., Inc., MTN (f)	8.95	05/18/17	92,104					
80,000	Merrill Lynch & Co., Inc., MTN (f)	9.57	06/06/17	94,504					
1,645,000	Morgan Stanley	6.00	05/13/14	1,744,312					
90,000	Morgan Stanley	4.20	11/20/14	93,600					



**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2012

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 72,961,125	Residential Accredit Loans, Inc., Series 2007-QS3 AV (f)	0.32%	02/25/37	\$ 973,447	\$ 2,175,000	FNMA	0.55%	10/22/49	\$ 2,175,822
									<u>16,203,174</u>
					<b>Discount Note - 0.4%</b>				
					6,135,000	FHLB (j)	0.13	10/05/12	6,134,994
					8,200,000	FHLB (a)(j)	0.11	10/17/12	8,199,967
					800,000	FHLB (a)(j)	0.13	10/19/12	799,996
					320,000	FHLB (a)(j)	0.13	11/02/12	319,994
					4,145,000	FHLB (j)	0.12	11/07/12	<u>4,144,913</u>
									<u>19,599,864</u>
					<b>Interest Only Bonds - 0.5%</b>				
					9,481,292	FHLMC, Series 3262, Class KS (f)	6.19	01/15/37	1,403,964
					13,615,453	FHLMC, Series 3271, Class SB (f)	5.83	02/15/37	1,947,730
					5,925,035	FHLMC, Series 3404, Class AS (f)	5.67	01/15/38	948,995
					8,250,406	FHLMC, Series 4030, Class HS (f)	6.39	04/15/42	1,274,663
					5,044,078	FNMA, Series 2005-92, Class US (f)	5.88	10/25/25	738,948
					8,210,051	FNMA, Series 2006-125, Class SM (a)(f)	6.98	01/25/37	1,379,187
					506,435	FNMA, Series 2006-27, Class SH (a)(f)	6.48	04/25/36	80,252
					10,386,192	FNMA, Series 2007-52, Class LS (f)	5.83	06/25/37	1,447,131
					2,676,770	FNMA, Series 2007-68, Class SC (f)	6.48	07/25/37	405,398
					901,439	FNMA, Series 2007-77, Class SK (a)(f)	5.65	08/25/37	128,160
					10,979,037	FNMA, Series 2009-115, Class SB (f)	6.03	01/25/40	1,660,668
					4,683,073	FNMA, Series 2010-112, Class PI	6.00	10/25/40	656,764
					4,161,364	FNMA, Series 2010-35, Class IA	5.00	07/25/38	244,119
					3,855,498	GNMA, Series 2007-78, Class SG (f)	6.32	12/20/37	673,139
					5,131,382	GNMA, Series 2008-51, Class GS (f)	6.01	06/16/38	1,073,394
					497,896	GNMA, Series 2009-106, Class KS (a)(f)	6.18	11/20/39	78,223
					947,823	GNMA, Series 2010-158, Class EI (a)	4.00	12/16/25	99,454
Total Interest Only Bonds (Cost \$3,305,908)				<b>4,225,917</b>					
<b>Municipal Bonds - 0.2%</b>									
<b>California - 0.0%</b>									
60,000	State of California (a)	7.55	04/01/39	81,451					
105,000	State of California (a)	7.30	10/01/39	137,320					
				<u>218,771</u>					
<b>Illinois - 0.1%</b>									
75,000	State of Illinois (a)	5.67	03/01/18	84,593					
1,000,000	State of Illinois	6.20	07/01/21	1,123,820					
2,030,000	State of Illinois	4.95	06/01/23	2,084,972					
185,000	State of Illinois (a)	5.10	06/01/33	179,480					
				<u>3,472,865</u>					
<b>North Carolina - 0.1%</b>									
3,300,000	North Carolina State Education Assistance Authority, Series 2011-1 A3 (a)(f)	1.35	10/25/41	3,218,919					
<b>Texas - 0.0%</b>									
100,000	City of Houston TX (a)	6.29	03/01/32	123,063					
Total Municipal Bonds (Cost \$6,832,736)				<b>7,033,618</b>					
<b>Syndicated Loans - 0.1%</b>									
992,481	Chrysler Group, LLC (f)	6.00	05/24/17	1,014,753					
1,384,268	HCA, Inc.	3.47	11/18/12	1,386,434					
500,000	HCA, Inc.	3.47	11/18/12	500,783					
761,406	Texas Competitive Electric Holdings Co., LLC (f)	4.94	10/10/17	525,754					
2,988,594	Texas Competitive Electric Holdings Co., LLC (f)	4.73	10/10/17	2,063,639					
Total Syndicated Loans (Cost \$5,125,781)				<b>5,491,363</b>					
<b>U.S. Government &amp; Agency Obligations - 2.3%</b>									
<b>Agency - 0.4%</b>									
2,225,000	FHLB (a)	0.45	07/30/14	2,226,460					
4,195,000	FHLB	0.45	09/04/14	4,195,071					
675,370	FHLB (a)	0.60	08/06/15	675,396					
2,175,000	FHLB	0.55	10/05/15	2,175,533					
4,750,000	FNMA (a)	0.63	02/22/16	4,754,892					

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2012

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 11,721,176	GNMA, Series 2010-20, Class SE (f)	6.03%	02/20/40	\$ 1,937,977	\$ 18,177	FHLMC, Series 2433, Class SA (a)(f)	20.36%	02/15/32	\$ 29,080
337,875	GNMA, Series 2010-4, Class NS (f)	6.17	01/16/40	54,508	175,248	FHLMC, Series 2929, Class PE (a)	5.00	05/15/33	179,850
4,032,701	GNMA, Series 2010-4, Class SL (f)	6.18	01/16/40	679,920	717,383	FHLMC, Series 3442, Class MT (f)	0.22	07/15/34	675,928
8,178,375	GNMA, Series 2011-146, Class EI	5.00	11/16/41	1,720,047	215,000	FHLMC, Series K020, Class A2 (a)	2.37	05/25/22	219,800
7,229,487	GNMA, Series 2011-69, Class GI	5.00	05/16/40	1,129,468	275,000	FNCL3 - FNMA TBA	3.00	11/15/42	289,652
10,114,159	GNMA, Series 2012-7, Class PI	3.50	01/20/38	1,286,338	95,083	FNMA Pool #545639 (a)	6.50	04/01/32	109,630
				<u>21,048,447</u>	16,006	FNMA Pool #555177 (f)	2.26	01/01/33	16,702
					2,930	FNMA Pool #673743 (a)(f)	3.01	11/01/32	2,948
<b>Mortgage Securities - 0.3%</b>					188,077	FNMA Pool #734922	4.50	09/01/33	209,863
625,187	FHLMC Gold Pool #A95820 (a)	4.00	12/01/40	697,174	96,692	FNMA Pool #735646	4.50	07/01/20	104,676
220,257	FHLMC Gold Pool #A96411 (a)	4.00	01/01/41	244,931	57,586	FNMA Pool #735861 (a)	6.50	09/01/33	67,304
108,245	FHLMC Gold Pool #G01864 (a)	5.00	01/01/34	118,463	54,653	FNMA Pool #735881 (a)	6.00	11/01/34	61,865
161,396	FHLMC Gold Pool #G05866 (a)	4.50	02/01/40	181,131	58,486	FNMA Pool #764388 (a)(f)	4.99	03/01/34	63,382
487,915	FHLMC Gold Pool #G06242 (a)	4.50	09/01/40	547,576	104,024	FNMA Pool #776708 (a)	5.00	05/01/34	117,898
313,664	FHLMC Gold Pool #G06354 (a)	4.00	04/01/41	348,800	17,674	FNMA Pool #841741 (a)(f)	5.15	09/01/35	18,617
187,715	FHLMC Gold Pool #G06361 (a)	4.00	03/01/41	209,329	210,185	FNMA Pool #888219	5.50	03/01/37	230,788
94,675	FHLMC Gold Pool #G13475 (a)	6.00	01/01/24	106,751	60,572	FNMA Pool #895606 (a)(f)	5.73	06/01/36	65,992
17,939	FHLMC Gold Pool #H03161 (a)	6.50	08/01/37	19,932	197,099	FNMA Pool #897164 (a)	6.50	08/01/36	225,141
488,626	FHLMC Gold Pool #J13884 (a)	3.50	12/01/25	525,392	275,871	FNMA Pool #962723 (a)	5.50	04/01/38	314,206
112,967	FHLMC Gold Pool #Q04090 (a)	4.00	10/01/41	125,621	337,843	FNMA Pool #963997	5.50	06/01/38	384,790
449,274	FHLMC Gold Pool #Q04091 (a)	4.00	10/01/41	494,828	101,845	FNMA Pool #974148	5.50	02/01/38	111,701
99,428	FHLMC Pool #1B3413 (f)	5.92	05/01/37	107,918	198,194	FNMA Pool #AB1613 (a)	4.00	10/01/40	220,682
10,277	FHLMC Pool #1L0113 (f)	3.06	05/01/35	10,994	196,519	FNMA Pool #AB3864 (a)	3.50	11/01/41	213,294
					593,296	FNMA Pool #AB5215 (a)	3.00	05/01/27	636,045
					165,086	FNMA Pool #AD0791 (a)	4.76	02/01/20	194,548
					165,623	FNMA Pool #AE0600 (a)	3.98	11/01/20	189,624
					166,155	FNMA Pool #AE0605 (a)	4.67	07/01/20	195,725
					459,659	FNMA Pool #AH3428 (a)	3.50	01/01/26	500,925
					227,996	FNMA Pool #AJ0764 (a)	4.50	09/01/41	248,065

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2012

<b>Principal</b>	<b>Security Description</b>	<b>Rate</b>	<b>Maturity</b>	<b>Value</b>
\$ 292,740	FNMA Pool #AL0149 (a)	4.00%	02/01/41	\$ 322,752
319,194	FNMA Pool #AL0851 (a)	6.00	10/01/40	353,336
180,757	FNMA Pool #FN0009 (a)	3.42	10/01/20	201,079
60,021	FNMA, Series 2001-52, Class YZ (a)	6.50	10/25/31	68,954
28,109	FNMA, Series 2001-81, Class QG (a)	6.50	01/25/32	31,995
1,211,904	FNMA, Series 2003-64, Class KS (f)	9.35	07/25/18	1,365,208
225,000	FNMA, Series 2006-4, Class WE (a)	4.50	02/25/36	244,844
140,000	FNMA, Series 2010-M1, Class A2 (a)	4.45	09/25/19	161,700
290,000	FNMA, Series 2012-M12, Class 1A (a)(f)	2.84	08/25/22	304,863
355,000	G2SF3 - GNMA TBA	3.00	10/15/42	380,349
200,000	G2SF35 - GNMA TBA	3.50	10/15/42	218,813
8,829	GNMA II Pool #080610 (a)(f)	1.75	06/20/32	9,199
22,014	GNMA II Pool #081136 (a)(f)	2.13	11/20/34	22,987
28,162	GNMA II Pool #081432 (a)(f)	1.63	08/20/35	29,165
25,547	GNMA II Pool #081435 (a)(f)	1.63	08/20/35	26,456
				<u>13,379,261</u>
<b>Principal Only Bonds - 0.0%</b>				
1,643,827	FHLMC, Series 3885, Class PO	0.00	11/15/33	1,542,590
<b>U.S. Treasury Securities - 0.7%</b>				
15,685,000	U.S. Treasury Bill (k)	0.09-0.10	10/04/12	15,684,937
130,000	U.S. Treasury Bill (k)	0.10	12/13/12	129,979
205,000	U.S. Treasury Bond (a)	2.75	08/15/42	201,637
7,750,000	U.S. Treasury Inflation Indexed Bond (a)	0.63	04/15/13	8,485,694
140,000	U.S. Treasury Inflation Indexed Bonds (a)	2.13	02/15/41	215,704
710,000	U.S. Treasury Note (a)	0.88	01/31/17	720,983
2,585,000	U.S. Treasury Note (a)	0.75	06/30/17	2,604,995
980,000	U.S. Treasury Note (a)	0.63	08/31/17	980,766

<b>Principal</b>	<b>Security Description</b>	<b>Rate</b>	<b>Maturity</b>	<b>Value</b>
\$ 625,000	U.S. Treasury Note (a)	1.75%	05/15/22	\$ 633,887
				<u>29,658,582</u>
Total U.S. Government & Agency Obligations (Cost \$94,838,940)				<b>101,431,918</b>
<b>Total Fixed Income Securities (Cost \$1,064,758,836)</b>				<b>1,182,273,419</b>

<b>Shares</b>	<b>Security Description</b>	<b>Value</b>
<b>Rights - 0.0%</b>		
150,000	Comdisco Holding Co., Inc. (b)(l)	11,250
3,334	Liberty Ventures (b)	90,271
9,057	Sears Hometown and Outlet Stores, Inc. (b)	24,635
<b>Total Rights (Cost \$43,782)</b>		<b>126,156</b>

<b>Investment Companies - 8.5%</b>		
23,000	American Select Portfolio	255,760
50,529	BlackRock Credit Allocation Income Trust I, Inc.	537,123
61,990	BlackRock Floating Rate Income Fund	913,113
1,403,000	Consumer Staples Select Sector SPDR Fund (a)	50,269,490
69,698	Eaton Vance Limited Duration Income Fund	1,183,472
205,492	Financial Select Sector SPDR Fund	3,205,675
125,350	Invesco Van Kampen Senior Income Trust	628,003
21,000	iShares Barclays TIPS Bond Fund (b)	2,556,960
13,500	iShares iBoxx \$ High Yield Corporate Bond Fund	1,246,995
61,198	PCM Fund, Inc.	759,467
30,000	PIMCO Income Opportunity Fund	906,900
98,012	PIMCO Income Strategy Fund II	1,119,297
35,000	ProShares UltraShort 20+ Year Treasury (a)(b)	545,650
31,100	SPDR Barclays Capital High Yield Bond ETF	1,250,842
1,888,062	SPDR S&P 500 ETF Trust (a)(c)(d)	271,748,764
83,891	SPDR S&P Homebuilders ETF	2,082,175
39,844	SPDR S&P Metals & Mining ETF	1,734,011
1,700,000	Sprott Physical Gold Trust (b)	25,840,000
7,400	WisdomTree Japan SmallCap Dividend Fund	313,094

<b>Total Investment Companies (Cost \$311,536,163)</b>		<b>367,096,791</b>
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**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2012

Principal	Security Description	Rate	Maturity	Value	Contracts	Security Description	Strike Price	Exp. Date	Value
<b>Short-Term Investments - 0.1%</b>					<b>Put Options Purchased - 0.4%</b>				
<b>Commercial Paper - 0.1%</b>					50 Amazon.com, Inc. \$ 225.00 10/12 \$ 2,800				
\$ 2,220,000	Lloyds TSB Bank, PLC	0.25%	12/03/12	\$ 2,219,029	135	Amazon.com, Inc.	175.00	01/13	16,808
2,755,000	RBS Holdings USA, Inc.	0.32	11/16/12	2,753,873	7,897	iShares Russell 2000 Index Fund	80.00	11/12	931,846
Total Commercial Paper (Cost \$4,972,902)				<b>4,972,902</b>	839	SPDR S&P 500 ETF Trust	129.00	10/12	10,907
<b>Total Short-Term Investments (Cost \$4,972,902)</b>					1,469	SPDR S&P 500 ETF Trust	138.00	11/12	183,625
					20,070	SPDR S&P 500 ETF Trust	137.00	01/13	5,559,390
					5,950	SPDR S&P 500 ETF Trust	133.00	01/13	1,219,750
					6,335	SPDR S&P 500 ETF Trust	125.00	01/13	690,515
<b>Purchased Options - 1.2%</b>					18,610	SPDR S&P 500 ETF Trust	60.00	01/13	18,610
<b>Call Options Purchased - 0.8%</b>					12,656	SPDR S&P 500 ETF Trust	141.00	03/13	7,239,232
630	Abbott Laboratories	\$ 50.00	01/13	\$ 1,178,100	Total Put Options Purchased (Premiums Paid \$48,472,915)				
1,600	Abbott Laboratories	45.00	01/13	3,732,000	<b>15,873,483</b>				
238	Accenture PLC	45.00	01/13	599,760	<b>Total Purchased Options (Premiums Paid \$70,069,241)</b>				
2,625	Bed Bath & Beyond, Inc.	62.50	11/12	672,000	<b>52,030,140</b>				
1,230	Berkshire Hathaway, Inc., Class B	90.00	12/12	147,600	<b>Total Long Positions - 78.0% (Cost \$2,925,576,934)*</b>				
225	Berkshire Hathaway, Inc., Class B	70.00	01/13	416,812	<b>\$3,374,214,264</b>				
19,669	Financial Select Sector	17.00	01/13	314,704	<b>Total Short Positions - (36.3)% (Cost \$(1,547,058,313))*</b>				
2,340	Johnson & Johnson	65.00	01/13	959,400	<b>Total Written Options - (0.5)% (Premiums Received \$(42,016,668))*</b>				
1,440	Johnson & Johnson	50.00	01/13	2,700,000	<b>(23,881,534)</b>				
1,700	Lowe's Cos., Inc.	15.00	01/13	2,575,500	<b>Other Assets &amp; Liabilities, Net - 58.8%</b>				
5,640	Staples, Inc.	12.00	12/12	423,000	<b>2,543,337,839</b>				
465	Target Corp.	40.00	01/13	1,060,200	<b>Net Assets - 100.0%</b>				
3,150	The Coca-Cola Co.	27.50	01/13	3,307,500	<b>\$4,324,511,533</b>				
1,426	The Procter & Gamble Co.	55.00	01/13	2,040,606					
840	The Walt Disney Co.	35.00	01/13	1,440,600					
327	The Walt Disney Co.	25.00	01/13	892,710					
277	United Parcel Service, Inc., Class B	60.00	01/13	325,475					
940	Walgreen Co.	38.00	01/13	85,540					
365	Walgreen Co.	30.00	01/13	233,600					
1,665	Walgreen Co.	25.00	01/13	1,839,825					
1,850	Wal-Mart Stores, Inc.	50.00	01/13	4,430,750					
443	Wal-Mart Stores, Inc.	42.50	01/13	1,384,375					
4,460	Wells Fargo & Co.	22.50	01/13	5,396,600					
Total Call Options Purchased (Premiums Paid \$21,596,326)				<b>36,156,657</b>					

**ABSOLUTE STRATEGIES FUND**  
**SCHEDULE OF SECURITIES SOLD SHORT**  
**SEPTEMBER 30, 2012**

<b>Shares</b>	<b>Security Description</b>	<b>Value</b>	<b>Shares</b>	<b>Security Description</b>	<b>Value</b>
<b>Short Positions - (36.3)%</b>			(158,600)	Rackspace Hosting, Inc.	\$ (10,481,874)
<b>Common Stock - (34.7)%</b>			(503,970)	Regis Corp.	(9,262,969)
<b>Consumer Discretionary - (6.9)%</b>			(50,000)	Robert Half International, Inc.	(1,331,500)
(44,700)	Apollo Group, Inc., Class A	\$ (1,298,535)	(46,000)	Royal Caribbean Cruises, Ltd.	(1,389,660)
(162,188)	Beazer Homes USA, Inc.	(575,767)	(219,500)	Ruby Tuesday, Inc.	(1,591,375)
(139,600)	Body Central Corp.	(1,458,820)	(83,100)	Rush Enterprises, Inc.	(1,600,506)
(235,750)	Brookdale Senior Living, Inc.	(5,474,115)	(73,000)	Signet Jewelers, Ltd.	(3,559,480)
(35,000)	Cabela's, Inc.	(1,913,800)	(43,075)	Sonic Automotive, Inc., Class A	(817,563)
(493,558)	Callaway Golf Co.	(3,030,446)	(245,600)	Southwest Airlines Co.	(2,153,912)
(167,300)	CarMax, Inc.	(4,734,590)	(661,239)	Standard Pacific Corp.	(4,469,976)
(100,600)	Carnival Corp.	(3,665,864)	(109,000)	The Home Depot, Inc.	(6,580,330)
(31,300)	Chemed Corp.	(2,168,777)	(136,448)	The Interpublic Group of Cos., Inc.	(1,517,302)
(91,700)	Coach, Inc.	(5,137,034)	(22,000)	The McGraw-Hill Cos., Inc.	(1,200,980)
(61,400)	Coinstar, Inc.	(2,761,772)	(221,900)	The Pep Boys-Manny, Moe & Jack	(2,258,942)
(50,300)	Darden Restaurants, Inc.	(2,804,225)	(9,197)	The Ryland Group, Inc.	(275,910)
(153,900)	Dick's Sporting Goods, Inc.	(7,979,715)	(91,000)	Tiffany & Co.	(5,631,080)
(28,750)	DIRECTV	(1,508,225)	(4,861)	Time Warner Cable, Inc.	(462,087)
(159,707)	DR Horton, Inc.	(3,296,352)	(192,900)	Titan Machinery, Inc.	(3,912,012)
(184,600)	DreamWorks Animation SKG, Inc., Class A	(3,549,858)	(130,600)	TiVo, Inc.	(1,362,158)
(46,500)	EchoStar Corp., Class A	(1,332,690)	(6,290)	Toll Brothers, Inc.	(209,017)
(91,400)	Emeritus Corp.	(1,913,916)	(161,800)	Under Armour, Inc., Class A	(9,033,294)
(91,200)	Equinix, Inc.	(18,791,760)	(33,996)	United Continental Holdings, Inc.	(662,922)
(184,500)	Fastenal Co.	(7,931,655)	(75,100)	Vail Resorts, Inc.	(4,329,515)
(44,900)	Fossil, Inc.	(3,803,030)	(69,000)	ValueClick, Inc.	(1,186,110)
(66,200)	FTI Consulting, Inc.	(1,766,216)	(18,566)	Viacom, Inc., Class B	(994,952)
(152,500)	Genuine Parts Co.	(9,307,075)	(242,850)	Wabash National Corp.	(1,731,520)
(42,500)	Guess?, Inc.	(1,080,350)	(65,243)	WESCO International, Inc.	(3,731,900)
(79,900)	Hanesbrands, Inc.	(2,547,212)	(29,200)	Williams-Sonoma, Inc.	(1,283,924)
(75,000)	Harley-Davidson, Inc.	(3,177,750)	(93,000)	Yum! Brands, Inc.	(6,169,620)
(38,600)	Hasbro, Inc.	(1,473,362)			<u>(299,148,126)</u>
(125,424)	Hawaiian Holdings, Inc.	(701,120)	<b>Consumer Staples - (2.0)%</b>		
(985,590)	Hertz Global Holdings, Inc.	(13,532,151)	(186,100)	Accretive Health, Inc.	(2,076,876)
(49,671)	Home Inns & Hotels Management, Inc., ADR	(1,231,841)	(102,900)	AVEO Pharmaceuticals, Inc.	(1,071,189)
(104,900)	Hyatt Hotels Corp., Class A	(4,211,735)	(40,137)	Bunge, Ltd.	(2,691,186)
(68,700)	Iconix Brand Group, Inc.	(1,253,088)	(39,600)	Campbell Soup Co.	(1,378,872)
(85,200)	Interface, Inc.	(1,125,492)	(39,300)	Centene Corp.	(1,470,213)
(215,900)	Jakks Pacific, Inc.	(3,145,663)	(240,000)	Chiquita Brands International, Inc.	(1,833,600)
(139,200)	JC Penney Co., Inc.	(3,381,168)	(51,800)	Coca-Cola Enterprises, Inc.	(1,619,786)
(122,649)	JetBlue Airways Corp.	(587,489)	(109,200)	DENTSPLY International, Inc.	(4,164,888)
(217,500)	Johnson Controls, Inc.	(5,959,500)	(313,938)	Dole Food Co., Inc.	(4,404,550)
(128,600)	K12, Inc.	(2,597,720)	(64,700)	FleetCor Technologies, Inc.	(2,898,560)
(151,400)	KB Home	(2,172,590)	(174,900)	Green Dot Corp., Class A	(2,139,027)
(39,000)	Landauer, Inc.	(2,329,080)	(22,900)	HeartWare International, Inc.	(2,163,821)
(123,422)	Lennar Corp., Class A	(4,291,383)	(44,400)	IPC The Hospitalist Co., Inc.	(2,029,080)
(30,500)	Life Time Fitness, Inc.	(1,395,070)	(43,000)	Iron Mountain, Inc.	(1,466,730)
(5,391)	Live Nation Entertainment, Inc.	(46,416)	(31,000)	Kellogg Co.	(1,601,460)
(67,400)	LKQ Corp.	(1,246,900)	(59,150)	Masimo Corp.	(1,430,247)
(142,000)	Ltd. Brands, Inc.	(6,994,920)	(82,600)	Matthews International Corp., Class A	(2,463,132)
(43,800)	M/I Homes, Inc.	(847,092)	(111,400)	McGrath RentCorp	(2,906,426)
(24,400)	Meritage Homes Corp.	(927,932)	(150,000)	OraSure Technologies, Inc.	(1,668,000)
(38,646)	MGM Resorts International	(415,444)	(73,700)	Ritchie Bros. Auctioneers, Inc.	(1,417,251)
(235,900)	Mobile Mini, Inc.	(3,941,889)	(311,100)	ServiceSource International, Inc.	(3,191,886)
(110,500)	Monro Muffler Brake, Inc.	(3,888,495)	(73,753)	Sunrise Senior Living, Inc.	(1,052,455)
(18,000)	MSC Industrial Direct Co., Inc.	(1,214,280)	(49,000)	Sysco Corp.	(1,532,230)
(20,300)	Navistar International Corp.	(428,127)	(51,600)	The Advisory Board Co.	(2,468,028)
(8,875)	Netflix, Inc.	(483,155)	(41,000)	The Brink's Co.	(1,053,290)
(83,000)	Nordstrom, Inc.	(4,579,940)	(122,700)	The Estee Lauder Cos., Inc., Class A	(7,554,639)
(94,000)	Nu Skin Enterprises, Inc., Class A	(3,650,020)	(62,000)	The Kroger Co.	(1,459,480)
(320,700)	Orient-Express Hotels, Ltd., Class A	(2,854,230)	(56,856)	Tootsie Roll Industries, Inc.	(1,533,975)
(36,600)	PACCAR, Inc.	(1,464,915)	(76,000)	Tyson Foods, Inc., Class A	(1,217,520)
(23,000)	priceline.com, Inc.	(14,230,790)	(524,300)	United Rentals, Inc.	(17,149,853)
(121,550)	Pricesmart, Inc.	(9,203,766)	(36,055)	Universal Corp.	(1,835,921)
(343,200)	Quiksilver, Inc.	(1,139,424)	(19,900)	Varian Medical Systems, Inc.	(1,200,368)

**ABSOLUTE STRATEGIES FUND**  
**SCHEDULE OF SECURITIES SOLD SHORT**  
**SEPTEMBER 30, 2012**

<b>Shares</b>	<b>Security Description</b>	<b>Value</b>	<b>Shares</b>	<b>Security Description</b>	<b>Value</b>
(23,000)	Whole Foods Market, Inc.	\$ (2,240,200)	(57,250)	Brown & Brown, Inc.	\$ (1,492,508)
		<u>(86,384,739)</u>	(17,000)	Camden Property Trust REIT	(1,096,330)
			(35,000)	Cardinal Health, Inc.	(1,363,950)
			(859,044)	CBIZ, Inc.	(5,171,445)
			(69,100)	CBRE Group, Inc., Class A	(1,272,131)
<b>Energy - (1.7)%</b>			(14,627,000)	China Citic Bank Corp, Ltd., Class H	(6,941,838)
(294,400)	AbraXas Petroleum Corp.	(677,120)	(11,812,000)	China Construction Bank Corp., Class H	(8,195,531)
(40,200)	Approach Resources, Inc.	(1,211,226)	(4,575,000)	China Merchants Bank Co., Ltd., Class H	(7,705,586)
(195,700)	Arch Coal, Inc.	(1,238,781)	(67,100)	Cincinnati Financial Corp.	(2,542,419)
(33,200)	Cabot Oil & Gas Corp.	(1,490,680)	(108,300)	Community Bank System, Inc.	(3,052,977)
(100,700)	Carrizo Oil & Gas, Inc.	(2,518,507)	(206,573)	Deutsche Bank AG	(8,190,620)
(110,100)	Cheniere Energy, Inc.	(1,712,055)	(45,129)	DFC Global Corp.	(773,962)
(223,830)	Chesapeake Energy Corp.	(4,223,672)	(50,600)	Eaton Vance Corp.	(1,465,376)
(14,900)	Concho Resources, Inc.	(1,411,775)	(629,000)	Erste Group Bank AG	(14,036,065)
(36,200)	Devon Energy Corp.	(2,190,100)	(257,100)	First Horizon National Corp.	(2,475,873)
(19,050)	Dril-Quip, Inc.	(1,369,314)	(145,400)	First Potomac Realty Trust REIT	(1,872,752)
(104,300)	Enbridge, Inc.	(4,070,829)	(141,500)	FNB Corp.	(1,586,215)
(76,495)	Energy XXI Bermuda, Ltd.	(2,673,500)	(114,797)	Forest City Enterprises, Inc., Class A	(1,819,532)
(22,900)	EQT Corp.	(1,351,100)	(37,600)	Global Payments, Inc.	(1,572,808)
(155,800)	EXCO Resources, Inc.	(1,247,958)	(1,823,909)	Grupo Financiero Banorte SAB de CV	(10,308,573)
(162,300)	Forest Oil Corp.	(1,371,435)	(95,500)	HCP, Inc. REIT	(4,247,840)
(71,305)	Goodrich Petroleum Corp.	(901,295)	(113,059)	Health Care REIT, Inc.	(6,529,157)
(39,800)	Gulfport Energy Corp.	(1,244,148)	(29,000)	Highwoods Properties, Inc. REIT	(945,980)
(131,000)	Helix Energy Solutions Group, Inc.	(2,393,370)	(24,500)	Home Properties, Inc. REIT	(1,501,115)
(50,412)	Hornbeck Offshore Services, Inc.	(1,847,600)	(14,047,000)	Industrial & Commercial Bank of China, Class H	(8,296,988)
(11,800)	Kinder Morgan Energy Partners LP	(973,500)	(11,800)	IntercontinentalExchange, Inc.	(1,574,238)
(386,800)	Magnum Hunter Resources Corp.	(1,717,392)	(4,264)	Jefferies Group, Inc.	(58,374)
(46,479)	Newpark Resources, Inc.	(344,409)	(101,141)	KeyCorp	(883,972)
(60,600)	Northern Oil and Gas, Inc.	(1,029,594)	(113,566)	KKR Financial Holdings, LLC	(1,141,338)
(29,000)	ONEOK, Inc.	(1,400,990)	(37,802)	Knight Capital Group, Inc., Class A	(101,309)
(11,836)	Peabody Energy Corp.	(263,825)	(50,000)	Lazard, Ltd., Class A	(1,461,500)
(12,600)	PetroChina Co., Ltd., ADR	(1,627,416)	(80,879)	MetLife, Inc.	(2,787,090)
(57,795)	Petroquest Energy, Inc.	(387,805)	(218,000)	Morgan Stanley	(3,649,320)
(58,100)	Range Resources Corp.	(4,059,447)	(21,100)	Morningstar, Inc.	(1,321,704)
(463,500)	Resolute Energy Corp.	(4,111,245)	(562,454)	National Financial Partners Corp.	(9,505,473)
(23,957)	Sanchez Energy Corp.	(489,442)	(70,500)	National Retail Properties, Inc. REIT	(2,150,250)
(641,664)	SandRidge Energy, Inc.	(4,472,398)	(86,700)	NBT Bancorp, Inc.	(1,913,469)
(102,000)	Seadrill, Ltd.	(4,000,440)	(309,000)	New York Community Bancorp, Inc.	(4,375,440)
(36,900)	Southwestern Energy Co.	(1,283,382)	(1,414,000)	Nordea Bank AB	(13,981,138)
(48,100)	Spectra Energy Corp.	(1,412,216)	(161,600)	Old Republic International Corp.	(1,502,880)
(84,640)	Subsea 7 SA	(1,963,905)	(96,677)	Oriental Financial Group, Inc.	(1,017,042)
(88,200)	TransCanada Corp.	(4,013,100)	(759,500)	OTP Bank PLC	(13,332,524)
(50,000)	Ultra Petroleum Corp.	(1,099,000)	(46,000)	Paychex, Inc.	(1,531,340)
(138,462)	Western Refining, Inc.	(3,624,935)	(152,900)	Plum Creek Timber Co., Inc. REIT	(6,703,136)
		<u>(73,418,906)</u>	(41,600)	Potlatch Corp. REIT	(1,554,592)
			(375,100)	Radian Group, Inc.	(1,627,934)
<b>Financial - (7.7)%</b>			(111,000)	Royal Bank of Canada	(6,372,510)
(11,383)	Affiliated Managers Group, Inc.	(1,400,109)	(152,200)	S&T Bancorp, Inc.	(2,680,242)
(20,392,000)	Agricultural Bank of China, Ltd., Class H	(7,942,152)	(18,600)	Signature Bank	(1,247,688)
(93,294)	Air Lease Corp.	(1,903,198)	(832,000)	Swedbank AB, Class A	(15,629,765)
(35,900)	Alexander & Baldwin, Inc.	(1,060,127)	(1,064,453)	Synovus Financial Corp.	(2,522,754)
(19,080)	Alexandria Real Estate Equities, Inc. REIT	(1,402,762)	(355,600)	TCF Financial Corp.	(4,245,864)
(333,415)	American Equity Investment Life Holding Co.	(3,877,616)	(79,900)	TD Ameritrade Holding Corp.	(1,228,063)
(74,115)	Amtrust Financial Services, Inc.	(1,898,826)	(150,000)	The Progressive Corp.	(3,111,000)
(58,024)	Aspen Insurance Holdings, Ltd.	(1,769,152)	(61,400)	United Bankshares, Inc.	(1,529,474)
(1,974,895)	Banco Santander SA, ADR	(14,732,717)	(396,500)	Valley National Bancorp	(3,972,930)
(1,501,008)	Bank of America Corp.	(13,253,901)	(318,500)	Wells Fargo & Co.	(10,997,805)
(21,410,000)	Bank of China, Ltd., Class H	(8,145,356)	(84,300)	Westamerica Bancorp.	(3,966,315)
(12,159,000)	Bank of Communications Co., Ltd., Class H	(8,248,121)	(260,700)	Weyerhaeuser Co. REIT	(6,814,698)
(635,008)	Barclays PLC, ADR	(8,807,561)	(47,159)	Wintrust Financial Corp.	(1,771,764)
(364,000)	BB&T Corp.	(12,070,240)			<u>(331,999,594)</u>
(25,000)	Boston Properties, Inc. REIT	(2,765,250)			



**ABSOLUTE STRATEGIES FUND**  
**SCHEDULE OF SECURITIES SOLD SHORT**  
**SEPTEMBER 30, 2012**

<b>Shares</b>	<b>Security Description</b>	<b>Value</b>	<b>Shares</b>	<b>Security Description</b>	<b>Value</b>
<b>Healthcare - (2.5)%</b>			(81,601)	General Cable Corp.	\$ (2,397,437)
(445,900)	Accuray, Inc.	\$ (3,156,972)	(560,700)	General Electric Co.	(12,733,497)
(209,000)	Achillion Pharmaceuticals, Inc.	(2,175,690)	(65,700)	Gentex Corp.	(1,117,557)
(38,004)	Alere, Inc.	(740,698)	(44,800)	Golar LNG, Ltd.	(1,728,832)
(52,700)	Becton Dickinson and Co.	(4,140,112)	(12,006)	Greenbrier Cos., Inc.	(193,777)
(42,000)	Cerner Corp.	(3,251,220)	(270,000)	Greif, Inc., Class A	(11,928,600)
(29,550)	Covance, Inc.	(1,379,689)	(280,400)	Griffon Corp.	(2,888,120)
(375,969)	Cubist Pharmaceuticals, Inc.	(17,926,202)	(104,000)	HMS Holdings Corp.	(3,476,720)
(251,016)	Endo Health Solutions, Inc.	(7,962,228)	(21,300)	Illinois Tool Works, Inc.	(1,266,711)
(140,447)	Exelixis, Inc.	(676,955)	(61,600)	Imax Corp.	(1,226,456)
(100,374)	HealthSouth Corp.	(2,414,998)	(25,000)	Jabil Circuit, Inc.	(468,000)
(38,000)	Hill-Rom Holdings, Inc.	(1,104,280)	(13,700)	Joy Global, Inc.	(768,022)
(59,400)	Hologic, Inc.	(1,202,256)	(161,942)	Kaman Corp.	(5,807,240)
(22,936)	Illumina, Inc.	(1,105,515)	(347)	Kansas City Southern	(26,296)
(50,500)	Insulet Corp.	(1,089,790)	(23,000)	Kirby Corp.	(1,271,440)
(29,965)	Isis Pharmaceuticals, Inc.	(421,608)	(5,400)	L-3 Communications Holdings, Inc.	(387,234)
(16,000)	Laboratory Corp. of America Holdings	(1,479,520)	(52,400)	Martin Marietta Materials, Inc.	(4,342,388)
(12,749)	LifePoint Hospitals, Inc.	(545,402)	(35,900)	Matson, Inc.	(750,669)
(62,000)	Medivation, Inc.	(3,494,320)	(80,500)	National Instruments Corp.	(2,026,185)
(33,700)	Mednax, Inc.	(2,508,965)	(22,900)	Nordson Corp.	(1,342,398)
(102,100)	Molina Healthcare, Inc.	(2,567,815)	(55,900)	Pall Corp.	(3,549,091)
(590,800)	Mylan, Inc.	(14,415,520)	(87,183)	PHH Corp.	(1,774,174)
(38,900)	NuVasive, Inc.	(891,199)	(8,000)	Precision Castparts Corp.	(1,306,720)
(40,108)	Omnicare, Inc.	(1,362,469)	(13,000)	Roper Industries, Inc.	(1,428,570)
(370,455)	PSS World Medical, Inc.	(8,438,965)	(94,300)	RTI International Metals, Inc.	(2,257,542)
(36,015)	Sequenom, Inc.	(127,133)	(834,000)	Sandvik AB	(11,318,825)
(21,600)	Techne Corp.	(1,553,904)	(250,200)	Sealed Air Corp.	(3,868,092)
(54,500)	Teleflex, Inc.	(3,751,780)	(24,500)	Silgan Holdings, Inc.	(1,065,995)
(18,856)	The Medicines Co.	(486,673)	(652,500)	SKF AB, Class B	(14,075,516)
(46,600)	Theravance, Inc.	(1,207,406)	(71,382)	Swift Transportation Co.	(615,313)
(62,500)	VCA Antech, Inc.	(1,233,125)	(30,500)	Texas Industries, Inc.	(1,239,825)
(332,600)	ViroPharma, Inc.	(10,051,172)	(46,800)	The Babcock & Wilcox Co.	(1,191,996)
(130,600)	Volcano Corp.	(3,731,242)	(10,300)	TransDigm Group, Inc.	(1,461,261)
(23,929)	Wright Medical Group, Inc.	(529,070)	(145,300)	TTM Technologies, Inc.	(1,370,179)
		<u>(107,123,893)</u>	(13,302)	United Technologies Corp.	(1,041,413)
			(94,500)	Valmont Industries, Inc.	(12,426,750)
			(272,261)	Vishay Intertechnology, Inc.	(2,676,326)
			(395,000)	Wartsila OYJ Abp	(13,679,676)
			(140,300)	Waste Connections, Inc.	(4,244,075)
			(132,750)	Waste Management, Inc.	(4,258,620)
			(12,000)	Waters Corp.	(999,960)
			(50,800)	Werner Enterprises, Inc.	(1,085,596)
			(5,500)	XPO Logistics, Inc.	(67,320)
					<u>(266,417,392)</u>
<b>Industrial - (6.2)%</b>			<b>Information Technology - (4.2)%</b>		
(70,300)	ADA-ES, Inc.	(1,659,783)	(214,000)	Akamai Technologies, Inc.	(8,187,640)
(34,900)	Agilent Technologies, Inc.	(1,341,905)	(32,100)	Analog Devices, Inc.	(1,257,999)
(147,500)	Altra Holdings, Inc.	(2,684,500)	(103,200)	ANSYS, Inc.	(7,574,880)
(330,214)	AM Castle & Co.	(4,124,373)	(13,280)	Apple, Inc.	(8,861,213)
(25,500)	Armstrong World Industries, Inc.	(1,182,435)	(61,400)	Aspen Technology, Inc.	(1,587,190)
(681,000)	Atlas Copco AB, Class A	(15,892,903)	(249,000)	Autodesk, Inc.	(8,309,130)
(11,200)	Bristow Group, Inc.	(566,160)	(112,600)	Bottomline Technologies, Inc.	(2,780,094)
(157,500)	Caterpillar, Inc.	(13,551,300)	(36,350)	Broadcom Corp., Class A	(1,256,983)
(133,442)	Cemex SAB de CV, ADR	(1,111,572)	(45,000)	Broadridge Financial Solutions, Inc.	(1,049,850)
(21,750)	CH Robinson Worldwide, Inc.	(1,273,462)	(82,600)	CACI International, Inc., Class A	(4,277,854)
(14,291)	Chart Industries, Inc.	(1,055,390)	(639,565)	Cadence Design Systems, Inc.	(8,228,004)
(26,900)	Clean Harbors, Inc.	(1,314,065)	(78,000)	Cavium, Inc.	(2,599,740)
(276,000)	Colfax Corp.	(10,120,920)	(246,688)	Ciena Corp.	(3,354,957)
(39,400)	Con-way, Inc.	(1,078,378)	(16,900)	Cognizant Technology Solutions Corp., Class A	(1,181,648)
(439,779)	Covanta Holding Corp.	(7,546,608)	(21,600)	Concur Technologies, Inc.	(1,592,568)
(31,800)	Crown Holdings, Inc.	(1,168,650)	(91,000)	Constant Contact, Inc.	(1,583,400)
(53,700)	CSX Corp.	(1,114,275)	(15,900)	Digital River, Inc.	(264,894)
(12,800)	Cummins, Inc.	(1,180,288)	(19,206)	Electronic Arts, Inc.	(243,724)
(254,800)	Donaldson Co., Inc.	(8,844,108)			
(259,267)	DryShips, Inc.	(606,685)			
(273,507)	Eaton Corp.	(12,925,941)			
(161,000)	Emerson Electric Co.	(7,771,470)			
(35,300)	Expeditors International of Washington, Inc.	(1,283,508)			
(112,000)	FEI Co.	(5,992,000)			
(219,000)	FLSmidth & Co. A/S	(12,702,491)			
(88,000)	Fluor Corp.	(4,952,640)			
(60,100)	Genco Shipping & Trading, Ltd.	(221,168)			



**ABSOLUTE STRATEGIES FUND**  
 SCHEDULE OF SECURITIES SOLD SHORT  
 SEPTEMBER 30, 2012

Shares	Security Description	Value
(67,000)	iShares MSCI Canada Index Fund	\$ (1,906,820)
(330,000)	iShares MSCI Hong Kong Index Fund	(6,006,000)
(67,095)	iShares Russell 2000 Index Fund	(5,599,748)
(54,000)	Market Vectors Russia ETF	(1,554,660)
(8,388)	Midcap SPDR Trust, Series 1	(1,509,169)
(4,193)	SPDR Gold Trust	(721,280)
(211,561)	SPDR S&P 500 ETF Trust	(30,449,975)
(80,000)	SPDR S&P Metals & Mining ETF	(3,481,600)
<b>Total Investment Companies</b>		
<b>(Cost \$(75,372,870))</b>		<b>(70,416,459)</b>
<b>Total Short Positions - (36.3)%</b>		
<b>(Cost \$(1,547,058,313))</b>		<b><u>\$(1,569,159,036)</u></b>

**ABSOLUTE STRATEGIES FUND**

## SCHEDULE OF CALL AND PUT OPTIONS WRITTEN

SEPTEMBER 30, 2012

Contracts	Security Description	Strike Price	Exp. Date	Value	Contracts	Security Description	Strike Price	Exp. Date	Value	
<b>Written Options - (0.5)%</b>					(6,800)	Bank of America Corp.	\$ 7.50	01/13	\$ (170,000)	
<b>Call Options Written - (0.2)%</b>					(1,750)	Bed Bath & Beyond, Inc.	60.00	01/13	(465,500)	
(1,221)	Abbott Laboratories	\$ 67.50	02/13	\$ (332,112)	(205)	Berkshire Hathaway, Inc., Class B	85.00	01/14	(115,210)	
(855)	Accenture, PLC	67.50	02/13	(395,010)	(1,700)	Berkshire Hathaway, Inc., Class B	90.00	01/13	(595,000)	
(50)	Amazon.com, Inc.	250.00	10/12	(42,250)	(1,210)	CarMax, Inc.	35.00	10/12	(810,700)	
(45)	Amazon.com, Inc.	175.00	01/13	(365,850)	(107)	Chipotle Mexican Grill, Inc.	220.00	03/13	(47,080)	
(595)	American Express Co.	62.50	04/13	(81,515)	(260)	Coach, Inc.	45.00	02/13	(44,200)	
(179)	Apple, Inc.	750.00	04/13	(564,745)	(880)	Decker's Outdoor Corp.	40.00	01/14	(1,042,800)	
(50)	Apple, Inc.	675.00	04/13	(301,750)	(500)	Expeditors International of Washington, Inc.	32.50	01/13	(42,500)	
(65)	Apple, Inc.	640.00	04/13	(511,875)	(1,194)	iShares Russell 2000 Index Fund	75.00	11/12	(585)	
(6,642)	Bank of America Corp.	12.00	05/13	(132,840)	(5,800)	iShares Russell 2000 Index Fund	70.00	11/12	(92,800)	
(2,625)	Bed Bath & Beyond, Inc.	65.00	11/12	(364,875)	(1,400)	JPMorgan Chase & Co.	35.00	01/14	(504,000)	
(225)	Bed Bath & Beyond, Inc.	60.00	01/13	(128,025)	(425)	Kohl's Corp.	57.50	01/13	(303,875)	
(1,128)	Bed, Bath & Beyond, Inc.	75.00	02/13	(84,600)	(450)	Kohl's Corp.	50.00	01/13	(108,000)	
(2,123)	CarMax, Inc.	40.00	04/13	(26,538)	(730)	Kohl's Corp.	38.00	01/13	(18,250)	
(107)	Chipotle Mexican Grill, Inc.	325.00	03/13	(289,970)	(1,400)	Lowe's Cos., Inc.	30.00	01/13	(238,000)	
(432)	Franklin Resources	130.00	04/13	(280,800)	(1,475)	Lowe's Cos., Inc.	22.50	01/13	(33,925)	
(179)	Goldman Sachs Group, Inc.	120.00	04/13	(110,980)	(5,950)	SPDR S&P 500 ETF Trust	115.00	01/13	(297,500)	
(75)	Google, Inc.	850.00	03/13	(140,550)	(10,603)	SPDR S&P 500 ETF Trust	110.00	01/13	(349,899)	
(2,900)	iShares Russell 2000 Index Fund	81.00	11/12	(1,133,900)	(12,656)	SPDR S&P 500 ETF Trust	129.00	03/13	(3,404,464)	
(1,137)	Johnson & Johnson	75.00	04/13	(36,384)	(6,335)	SPDR S&P 500 ETF Trust	113.00	06/13	(1,434,877)	
(1,125)	Kohl's Corp.	60.00	04/13	(95,625)	(1,410)	Staples, Inc.	12.00	01/14	(334,875)	
(2,066)	Lowe's Cos., Inc.	33.00	04/13	(235,524)	(1,050)	Target Corp.	40.00	01/13	(10,500)	
(760)	Quest Diagnostics, Inc.	70.00	02/13	(70,300)	(185)	The Bank of New York Mellon Corp.	30.00	01/13	(128,575)	
(447)	Rotal Caribbean Cruise, Ltd.	30.00	01/13	(107,280)	(1,000)	The Bank of New York Mellon Corp.	25.00	01/13	(281,500)	
(5,950)	SPDR S&P 500 ETF Trust	140.00	01/13	(4,325,650)	(460)	The Bank of New York Mellon Corp.	20.00	01/13	(21,620)	
(1,337)	Target Corp.	75.00	04/13	(36,099)	(743)	The Boeing Co.	82.50	01/13	(997,478)	
(1,908)	The Bank of New York Mellon Corp.	25.00	03/13	(106,848)	(300)	The Coca-Cola Co.	38.75	01/13	(53,100)	
(962)	The Boeing Co.	80.00	02/13	(60,606)	(775)	The Walt Disney Co.	45.00	01/13	(38,750)	
(3,150)	The Coca-Cola Co.	40.00	02/13	(204,750)	(1,400)	Walgreen Co.	30.00	01/13	(42,000)	
(2,026)	The Procter & Gamble Co.	72.50	04/13	(232,990)	(1,050)	Wal-Mart Stores, Inc.	40.00	01/13	(4,200)	
(1,239)	The Walt Disney Co.	57.50	04/13	(136,290)	Total Put Options Written (Premiums Received \$(31,027,804))					<b>(12,263,178)</b>
(718)	UPS, Inc.	77.50	04/13	(74,672)	<b>Total Written Options - (0.5)% (Premiums Received \$(42,016,668))</b>					<b>\$ (23,881,534)</b>
(2,660)	Walgreen Co.	40.00	04/13	(215,460)						
(1,613)	Wal-Mart Stores, Inc.	80.00	03/13	(104,845)						
(4,482)	Wells Fargo & Co.	39.00	04/13	(286,848)						
Total Call Options Written (Premiums Received \$(10,988,864))				<b>(11,618,356)</b>						
<b>Put Options Written - (0.3)%</b>										
(500)	Accenture PLC	40.00	01/13	(5,000)						
(50)	Amazon.com, Inc.	200.00	10/12	(850)						
(135)	Amazon.com, Inc.	155.00	01/13	(9,315)						
(70)	Apple, Inc.	475.00	01/13	(28,000)						
(25)	Apple, Inc.	600.00	01/14	(188,250)						

**ABSOLUTE STRATEGIES FUND**

 NOTES TO SCHEDULES OF INVESTMENTS, SECURITIES SOLD SHORT AND CALL AND PUT OPTIONS WRITTEN  
 SEPTEMBER 30, 2012

ADR	American Depositary Receipt	(f)	Variable rate security. Rate presented is as of September 30, 2012.
BKNT	Bank Note		
ETF	Exchange Traded Fund	(g)	Security fair valued in accordance with procedures adopted by the Board of Trustees. At the period end, the value of these securities amounted to \$10,567,705 or 0.2% of net assets.
ETN	Exchange Traded Note		
FHLB	Federal Home Loan Bank		
FHLMC	Federal Home Loan Mortgage Corporation		
FNMA	Federal National Mortgage Association	(h)	Debt obligation initially issued at one coupon rate which converts to higher coupon rate at a specified date. Rate presented is as of September 30, 2012.
GNMA	Government National Mortgage Association		
LLC	Limited Liability Company		
LP	Limited Partnership	(i)	Security is currently in default and is on scheduled interest or principal payment.
MTN	Medium Term Note		
PLC	Public Limited Company	(j)	Zero coupon bond. Interest rate presented is yield to maturity.
REIT	Real Estate Investment Trust		
(a)	All or a portion of this security is held as collateral for securities sold short.	(k)	Rate presented is yield to maturity.
(b)	Non-income producing security.	(l)	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.
(c)	Subject to call option written by the Fund.		
(d)	Subject to put option written by the Fund.		
(e)	Security exempt from registration under Rule 144A under the Securities Act of 1933. At the period end, the value of these securities amounted to \$212,976,335 or 4.9% of net assets.		

At September 30, 2012, the Fund held the following credit default swap agreement:

**Credit Default Swap – Sell Protection**

<u>Counterparty</u>	<u>Reference Entity / Obligation</u>	<u>Receive Rate</u>	<u>Termination Date</u>	<u>Credit Spread as of 09/30/12<sup>(1)</sup></u>	<u>Notional Amount</u>	<u>Net Unrealized Appreciation</u>
Barclays Capital, Inc.	Index CDX HY CDS	5.00%	06/20/17	4.85%	\$ (990,000)	\$ 79,493

<sup>(1)</sup> Credit spreads are an indication of the seller's performance risk, related to the likelihood of a credit event occurring that would require a seller to make payment to a buyer. Credit spreads are used to determine the value of swap contracts and reflect the cost of buying/selling protection, which may include upfront payments made to enter into the contract.

The notional amounts are equal to the potential payment that the Fund could be required to make as a seller of credit protection.

The Fund enters contracts to sell protection to create a long credit position. Credit events that could require payment are bankruptcy, failure to pay, restructuring, obligation acceleration, obligation default, or repudiation/moratorium.

At September 30, 2012, 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 Appreciation (Depreciation)</u>
6	U.S. 10-year Note Future	12/31/12	\$ 795,104	\$ 5,802
12	U.S. Ultra Bond Future	12/31/12	1,993,886	(11,261)
(600)	Euro FX Currency Future	12/20/12	(96,781,350)	316,350
(4,800)	Russell 2000 Mini Future	12/21/12	(403,219,357)	2,707,357
(5,000)	S&P 500 Emini Future	12/21/12	(355,701,313)	(2,861,187)
(855)	U.S. 10-year Note Future	12/31/12	(113,625,964)	(503,177)
(40)	U.S. 2-year Note Future	12/31/12	(8,815,000)	(6,250)
(160)	U.S. 5-year Note Future	12/31/12	(19,880,000)	(61,250)
(20)	U.S. Long Bond Future	12/31/12	(2,988,124)	624
			<u>\$ (998,222,118)</u>	<u>\$ (412,992)</u>

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

Gross Unrealized Appreciation	\$ 654,646,832
Gross Unrealized Depreciation	(209,975,091)
Net Unrealized Appreciation	<u>\$ 444,671,741</u>

**ABSOLUTE STRATEGIES FUND**NOTES TO SCHEDULES OF INVESTMENTS, SECURITIES SOLD SHORT AND CALL AND PUT OPTIONS WRITTEN  
SEPTEMBER 30, 2012

The following is a summary of the inputs used to value the Fund's investments and other financial instruments and liabilities as of September 30, 2012.

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<b>Investments At Value</b>				
Common Stock				
Consumer Discretionary	\$ 386,449,667	\$ -	\$ -	\$ 386,449,667
Consumer Staples	265,228,035	-	-	265,228,035
Energy	90,783,586	-	-	90,783,586
Financial	278,836,099	-	-	278,836,099
Healthcare	198,170,775	-	-	198,170,775
Industrial	82,929,918	-	-	82,929,918
Information Technology	182,355,951	-	-	182,355,951
Materials	52,988,993	-	-	52,988,993
Telecommunication Services	115,667,804	-	-	115,667,804
Utilities	25,549,601	-	-	25,549,601
Preferred Stock				
Consumer Discretionary	5,844,539	-	-	5,844,539
Consumer Staples	2,422,147	3,594,707	-	6,016,854
Energy	12,322,480	2,858,408	-	15,180,888
Financial	37,610,141	832,885	-	38,443,026
Healthcare	8,910,477	-	-	8,910,477
Industrial	4,364,934	-	-	4,364,934
Information Technology	2,276,567	-	-	2,276,567
Materials	2,103,468	-	-	2,103,468
Telecommunication Services	620,000	-	-	620,000
Utilities	4,993,674	-	-	4,993,674
Asset Backed Obligations	-	250,351,289	2,926,865	253,278,154
Corporate Convertible Bonds	-	705,921,197	7,609,239	713,530,436
Corporate Non-Convertible Bonds	-	95,212,777	31,601	95,244,378
Exchange Traded Note	694,335	-	-	694,335
Foreign Government Bond	-	1,343,300	-	1,343,300
Interest Only Bonds	-	4,225,917	-	4,225,917
Municipal Bonds	-	7,033,618	-	7,033,618
Syndicated Loans	-	5,491,363	-	5,491,363
U.S. Government & Agency Obligations	-	101,431,918	-	101,431,918
Rights	126,156	-	-	126,156
Investment Companies	367,096,791	-	-	367,096,791
Commercial Paper	-	4,972,902	-	4,972,902
Purchased Options	52,030,140	-	-	52,030,140
<b>Total Investments At Value</b>	<b>\$ 2,180,376,278</b>	<b>\$ 1,183,270,281</b>	<b>\$ 10,567,705</b>	<b>\$ 3,374,214,264</b>
<b>Other Financial Instruments**</b>				
Credit Default Swap	-	79,493	-	79,493
Forward Currency Contracts	-	5,131	-	5,131
Futures	3,030,133	-	-	3,030,133
<b>Total Other Financial Instruments</b>	<b>\$ 3,030,133</b>	<b>\$ 84,624</b>	<b>\$ -</b>	<b>\$ 3,114,757</b>
<b>Total Assets</b>	<b>\$ 2,183,406,411</b>	<b>\$ 1,183,354,905</b>	<b>\$ 10,567,705</b>	<b>\$ 3,377,329,021</b>

**ABSOLUTE STRATEGIES FUND**

NOTES TO SCHEDULES OF INVESTMENTS, SECURITIES SOLD SHORT AND CALL AND PUT OPTIONS WRITTEN  
 SEPTEMBER 30, 2012

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Liabilities</b>				
<b>Securities Sold Short</b>				
Common Stock	\$ (1,498,742,577)	\$ -	\$ -	\$ (1,498,742,577)
Investment Companies	(70,416,459)	-	-	(70,416,459)
<b>Total Securities Sold Short</b>	<b>\$ (1,569,159,036)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,569,159,036)</b>
<b>Other Financial Instruments**</b>				
Written Options	(23,881,534)	-	-	(23,881,534)
Forward Currency Contracts	-	(1,614)	-	(1,614)
Futures	(3,443,125)	-	-	(3,443,125)
<b>Total Other Financial Instruments</b>	<b>\$ (27,324,659)</b>	<b>\$ (1,614)</b>	<b>\$ -</b>	<b>\$ (27,326,273)</b>
<b>Total Liabilities</b>	<b>\$ (1,596,483,695)</b>	<b>\$ (1,614)</b>	<b>\$ -</b>	<b>\$ (1,596,485,309)</b>

\*\* Other Financial instruments are derivative instruments not reflected in the Schedule of Investments and Schedule of Securities Sold Short, such as futures, credit default swaps and forward currency contracts, which are valued at the unrealized appreciation (depreciation) of the instrument. Written options are reported at their market value at period end.

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value.

	<u>Common Stock</u>	<u>Preferred Stock</u>	<u>Asset Backed Obligations</u>	<u>Corporate Convertible Bonds</u>	<u>Corporate Non-Convertible Bonds</u>
<b>Balance as of 03/31/12</b>	\$ 1,058,581	\$ 488,813	\$ 2,347,070	\$ 7,015,907	\$ 326,637
Accrued Accretion / (Amortization)	-	-	28,694	63,056	(8,433)
Realized Gain / (Loss)	(86,815)	-	-	(44,612)	-
Change in Unrealized Appreciation / (Depreciation)	(27,005)	49,661	39,011	160,944	15,597
Purchases	-	661,345	-	176,000	-
Sales	(944,761)	-	-	(828,702)	-
Transfers In / (Out)	-	(1,199,819)	512,090	1,066,646	(302,200)
<b>Balance as of 09/30/12</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,926,865</b>	<b>\$ 7,609,239</b>	<b>\$ 31,601</b>
Net change in unrealized appreciation / (depreciation) from investments held as of 09/30/12***	\$ 27,005	\$ 49,661	\$ 79,757	\$ (8,912)	\$ 15,597

\*\*\* The change in unrealized appreciation/(depreciation) is included in net change in unrealized appreciation/(depreciation) of investments in the accompanying Statement of Operations.

The Fund utilizes the end of period methodology when determining transfers in or out of the Level 3 category.

There were no transfers between Level 1 and Level 2 for the period ended September 30, 2012.

**ABSOLUTE OPPORTUNITIES FUND**

PORTFOLIO HOLDINGS SUMMARY

SEPTEMBER 30, 2012

<b>Portfolio Breakdown (% of Net Assets)</b>	
Long Positions	
Equity Securities	41.1%
Asset Backed Obligations	0.8%
Corporate Convertible Bonds	2.0%
Corporate Non-Convertible Bonds	5.4%
Syndicated Loans	0.6%
U.S. Government & Agency Obligations	3.2%
Warrants	2.1%
Investment Companies	1.4%
Short-Term Investments	17.6%
Purchased Options	1.3%
Short Positions	
Common Stock	-13.7%
Corporate Non-Convertible Bonds	-4.9%
Foreign Bonds	-1.4%
U.S. Treasury Securities	-0.9%
Investment Companies	-4.7%
Other Assets & Liabilities, Net*	50.1%
	100.0%

\* Consists of deposits with the custodian and/or brokers for securities sold short, cash, foreign currency, prepaid expenses, receivables, payables, and accrued liabilities. Deposits with the custodian and/or brokers for securities sold short represents 26.3% of net assets. See Note 2.

<b>Sector Breakdown</b>	<b>(% of Equity Holdings)</b>	
	Long	Short
Consumer Discretionary	17.6%	47.2%
Consumer Staples	7.3%	7.5%
Energy	26.1%	1.6%
Financial	11.0%	4.2%
Healthcare	4.0%	0.2%
Industrial	11.1%	14.5%
Information Technology	0.8%	2.6%
Materials	8.4%	11.4%
Telecommunication Services	12.6%	10.8%
Utilities	1.1%	0.0%
	100.0%	100.0%



**ABSOLUTE OPPORTUNITIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2012

Shares	Security Description	Value	Shares	Security Description	Value
<b>Long Positions - 75.5%</b>			<b>Financial (continued)</b>		
<b>Equity Securities - 41.1%</b>			264,727	Forest City Enterprises, Inc., Class A (a) \$	4,195,923
<b>Common Stock - 40.9%</b>			80,227	Global Cash Access Holdings, Inc. (a)	645,827
<b>Consumer Discretionary - 7.2%</b>			110,725	Lender Processing Services, Inc.	3,088,120
131,832	Barnes & Noble, Inc. (a)	\$ 1,684,813	193,330	MGIC Investment Corp. (a)(b)	295,795
91,303	Cooper-Standard Holding, Inc. (a)	3,423,863	408,594	Old Republic International Corp.	3,799,924
15,430	Express, Inc. (a)	228,673	1,703,933	Orco Property Group (a)	3,700,489
150,962	General Motors Co. (a)	3,434,385	21,125	Popular, Inc. (a)	368,209
20,980	Hanesbrands, Inc. (a)	668,842	201,386	Sprott Resource Lending Corp. (b)	285,968
3,545	Motors Liquidation Co. GUC Trust (a)	59,556	60,362	Sprott, Inc.	291,035
272,297	Nevada Gold & Casinos, Inc. (a)(b)	239,621			<u>19,867,374</u>
27,472	Newell Rubbermaid, Inc.	524,440	<b>Healthcare - 1.6%</b>		
2,663	NVR, Inc. (a)(b)	2,248,904	314,649	Allscripts Healthcare Solutions, Inc. (a)	3,911,087
142,817	PHH Corp. (a)	2,906,326	145,169	PSS World Medical, Inc. (a)	3,306,950
194,263	Regis Corp.	3,570,554			<u>7,218,037</u>
6,780	Six Flags Entertainment Corp.	398,664	<b>Industrial - 4.6%</b>		
54,424	Susser Holdings Corp. (a)(b)	1,968,516	16,680	Air Transport Services Group, Inc. (a)(b)	73,392
15,610	Tempur-Pedic International, Inc. (a)	466,583	13,608	Clean Harbors, Inc. (a)(b)	664,751
105,726	The Pep Boys - Manny, Moe & Jack (b)	1,076,291	126,090	Darling International, Inc. (a)	2,306,186
317,500	Tigrent, Inc. (a)	41,291	67,516	EnPro Industries, Inc. (a)(b)	2,431,251
502,428	Titan International, Inc. (b)	8,872,878	232,804	Exelis, Inc.	2,407,193
410	Under Armour, Inc., Class A (a)	22,890	62,990	General Dynamics Corp.	4,164,899
		<u>31,837,090</u>	24,143	Genesee & Wyoming, Inc. (a)	1,614,201
<b>Consumer Staples - 3.0%</b>			51,379	Great Lakes Dredge & Dock Corp. (b)	395,618
224,265	ACCO Brands Corp. (a)(b)	1,455,480	46,168	GSI Group, Inc. (a)	411,357
128,239	Assisted Living Concepts, Inc., Class A	978,464	1,878,260	Kvaerner ASA	4,852,284
54,280	Atrium Innovations, Inc. (a)	592,989	31,710	MasTec, Inc. (a)(b)	624,687
31,225	Blyth, Inc.	811,538	18,505	McDermott International, Inc. (a)	226,131
64,290	Cott Corp. (a)	507,891			<u>20,171,950</u>
12,318	Hanger, Inc. (a)	351,433	<b>Information Technology - 0.3%</b>		
185,361	Ingles Markets, Inc., Class A (b)	3,030,652	33,825	Marvell Technology Group, Ltd.	309,499
35,088	MGP Ingredients, Inc. (b)	134,036	14,735	Verint Systems, Inc. (a)	404,475
70,079	Nordion, Inc. (a)	473,033	118,426	Wi-Lan, Inc.	666,154
559,350	QLT, Inc. (a)(b)	4,357,336			<u>1,380,128</u>
13,246	Teva Pharmaceutical Industries, Ltd., ADR	548,517	<b>Materials - 3.3%</b>		
		<u>13,241,369</u>	346,164	Alexco Resource Corp. (a)(b)	1,502,352
<b>Energy - 10.7%</b>			6,168	Ashland, Inc.	441,629
1,458,382	Connacher Oil and Gas, Ltd. (a)	801,064	33,435	Clearwater Paper Corp. (a)(b)	1,381,200
16,645	Denbury Resources, Inc. (a)(b)	268,983	14,968	Domtar Corp. (b)	1,171,845
111,562	Energy XXI Bermuda, Ltd. (b)	3,899,092	89,639	Fortuna Silver Mines, Inc. (a)(b)	476,879
39,949	Helix Energy Solutions Group, Inc. (a)(b)	729,868	152,206	Gabriel Resources, Ltd. (a)	323,579
96,783	Kinder Morgan, Inc. (b)	3,437,732	8,014	Kaiser Aluminum Corp.	467,937
59,098	Kodiak Oil & Gas Corp. (a)	553,157	17,875	Kinross Gold Corp. (b)	182,504
25,612	Marathon Petroleum Corp. (b)	1,398,159	111,488	Kirkland Lake Gold, Inc. (a)	1,351,782
14,716	McMoRan Exploration Co. (a)	172,913	143,248	Novagold Resources, Inc. (a)(b)	802,189
81,222	Mitcham Industries, Inc. (a)(b)	1,293,867	555,261	Rentech, Inc. (a)(b)	1,365,942
565,253	Primary Energy Recycling Corp. (a)	2,846,102	418,415	San Gold Corp. (a)	455,400
93,847	QEP Resources, Inc.	2,971,196	114,777	Sprott Resource Corp. (a)	461,163
125,355	Rose Rock Midstream LP (b)	4,022,642	11,602	The Mosaic Co. (b)	668,391
162,022	SemGroup Corp., Class A (a)(b)	5,970,511	56,739	TPC Group, Inc. (a)	2,315,518
286,098	SunCoke Energy, Inc. (a)(b)	4,611,900	9,261	Tronox, Ltd., Class A	209,762
30,926	Talisman Energy, Inc. (b)	411,934	166,454	Uranium One, Inc. (a)	397,891
159,049	Tesoro Corp. (b)	6,664,153	35,491	Wausau Paper Corp.	328,647
451,217	TETRA Technologies, Inc. (a)(b)	2,729,863			<u>14,304,610</u>
121,469	Valero Energy Corp. (b)	3,848,138	<b>Telecommunication Services - 5.2%</b>		
39,539	WPX Energy, Inc. (a)(b)	655,952	50,875	Charter Communications, Inc., Class A (a)(b)	3,819,186
		<u>47,287,226</u>	952,245	Cincinnati Bell, Inc. (a)(b)	5,427,797
<b>Financial - 4.5%</b>			23,572	Cisco Systems, Inc.	449,989
163,445	Coventree, Inc. (a)(c)	137,992	730,298	Comverse Technology, Inc. (a)	4,491,333
347,116	E*TRADE Financial Corp. (a)	3,058,092			

See Notes to Financial Statements.

**ABSOLUTE OPPORTUNITIES FUND**
**SCHEDULE OF INVESTMENTS**
**SEPTEMBER 30, 2012**

Shares	Security Description		Value	Principal	Security Description	Rate	Maturity	Value
<b>Telecommunication Services (continued)</b>				<b>Industrial - 0.4%</b>				
32,427	Liberty Media Corp. - Liberty Capital, Class A (a)		\$ 3,377,921	\$ 1,300,000	MasTec, Inc. (b)	4.00%	06/15/14	\$ 1,812,687
32,438	Nexstar Broadcasting Group, Inc., Class A (a)(b)		344,492	<b>Materials - 0.4%</b>				
1,059	Promotora de Informaciones SA, Class A, ADR (a)		2,012	50,000	AngloGold Ashanti Holdings Finance PLC (b)(d)	3.50	05/22/14	53,281
3,140	Promotora de Informaciones SA, Class B, ADR (a)		6,688	1,358,000	Goldcorp, Inc. (b)	2.00	08/01/14	1,644,029
143,218	Sonus Networks, Inc. (a)		269,250	Total Corporate Convertible Bonds (Cost \$7,144,583)				
46,163	The Active Network, Inc. (a)		578,422	<b>8,851,231</b>				
125,732	Vodafone Group PLC, ADR		3,582,733	<b>Corporate Non-Convertible Bonds - 5.4%</b>				
38,592	WebMD Health Corp. (a)(b)		541,446	<b>Consumer Discretionary - 1.3%</b>				
			<u>22,891,269</u>	880,000	Dillard's, Inc. (b)	7.88	01/01/23	946,000
				880,000	Dillard's, Inc. (b)	7.75	05/15/27	906,400
				2,820,000	Greektown Superholdings, Inc., Series A (b)	13.00	07/01/15	3,066,750
				1,760,000	New Albertsons, Inc., MTN, Series C (b)	6.63	06/01/28	959,200
				10,000	Service Corp. International (b)	7.88	02/01/13	10,075
				<b>5,888,425</b>				
				<b>Consumer Staples - 0.3%</b>				
				267,000	Novasep Holding SAS (d)	8.00	12/15/16	218,940
				1,442,000	Novasep Holding SAS (d)	8.00	12/15/16	1,182,440
				<b>1,401,380</b>				
				<b>Energy - 0.6%</b>				
				75,000	Denbury Resources, Inc. (b)	9.75	03/01/16	80,812
				501,000	Encore Acquisition Co. (b)	9.50	05/01/16	546,090
				1,150,000	McMoRan Exploration Co. (b)	11.88	11/15/14	1,216,125
				700,000	SEACOR Holdings, Inc. (b)	7.38	10/01/19	763,847
				<b>2,606,874</b>				
				<b>Financial - 0.6%</b>				
				750,981	Orco Property Group, Series XW (c)	2.50	04/30/20	869,230
				1,397,000	Signature Group Holdings, Inc.	9.00	12/31/16	1,187,450
				500,000	Woodside Finance, Ltd. (b)(d)	5.00	11/15/13	520,419
				<b>2,577,099</b>				
				<b>Healthcare - 0.4%</b>				
				1,623,000	PSS World Medical, Inc.	6.38	03/01/22	1,734,581
				<b>1,734,581</b>				
				<b>Utilities - 0.5%</b>				
21,376	American Water Works Co., Inc. (b)		792,194	<b>Preferred Stock - 0.2%</b>				
59,661	California Water Service Group (b)		1,112,678	<b>Materials - 0.2%</b>				
1,288	SJW Corp.		32,664	24,465	AngloGold Ashanti Holdings Finance PLC (b)	6.00%		1,017,499
			<u>1,937,536</u>	<b>Total Preferred Stock (Cost \$987,912)</b>				
				<b>1,017,499</b>				
				<b>Total Equity Securities (Cost \$159,363,948)</b>				
				<b>181,154,088</b>				
				<b>Principal</b>	<b>Security Description</b>	<b>Rate</b>	<b>Maturity</b>	<b>Value</b>
				<b>Fixed Income Securities - 12.0%</b>				
				<b>Asset Backed Obligations - 0.8%</b>				
\$ 1,327,837	Punch Taverns Finance B, Ltd.	7.37	06/30/22	1,956,573				
770,000	Punch Taverns Finance B, Ltd.	8.44	06/30/25	702,518				
1,174,000	Punch Taverns Finance B, Ltd.	6.96	06/30/28	1,071,113				
				<b>Total Asset Backed Obligations (Cost \$3,520,271)</b>				
				<b>3,730,204</b>				
				<b>Corporate Convertible Bonds - 2.0%</b>				
				<b>Energy - 0.3%</b>				
1,375,000	Newpark Resources, Inc. (b)	4.00	10/01/17	1,436,875				
				<b>Financial - 0.9%</b>				
2,819,000	Hilltop Holdings, Inc. (b)	7.50	08/15/25	3,407,466				
28,130	Orco Property Group, MTN, Series WW (c)	4.50	04/30/20	32,559				
401,166	Orco Property Group, Series ORC (c)	1.00	04/30/20	464,334				
				<b>3,904,359</b>				

**ABSOLUTE OPPORTUNITIES FUND**
**SCHEDULE OF INVESTMENTS**
**SEPTEMBER 30, 2012**

Principal	Security Description	Rate	Maturity	Value	Shares	Security Description	Value
<b>Industrial - 0.6%</b>					<b>Investment Companies - 1.4%</b>		
\$ 1,760,000	Darling International, Inc. (b)	8.50%	12/15/18	\$ 2,013,000	8,156	Central GoldTrust (a)(b)	\$ 555,750
500,000	MasTec, Inc. (b)	7.63	02/01/17	520,000	250,266	Sprott Physical Gold Trust (a)(b)	3,804,043
				<u>2,533,000</u>	110,599	Sprott Physical Silver Trust (a)(b)	1,562,764
					<b>Total Investment Companies (Cost \$5,491,247)</b>		
					<b>5,922,557</b>		
<b>Materials - 0.9%</b>					<b>Short-Term Investments - 17.6%</b>		
1,000,000	Allegheny Ludlum Corp. (b)	6.95	12/15/25	1,196,146	<b>Commercial Paper - 17.6%</b>		
365,000	Clearwater Paper Corp. (b)	7.13	11/01/18	398,763	\$ 2,500,000	Airgas, Inc. (b)	0.50% 10/19/12 2,499,375
695,000	Freeport-McMoRan Corp. (b)	9.50	06/01/31	1,005,090	4,000,000	Apache Corp.	0.38 10/04/12 3,999,873
1,000,000	Freeport-McMoRan Corp. (b)	6.13	03/15/34	1,089,936	4,000,000	Church & Dwight Co., Inc.	0.40 10/18/12 3,999,244
				<u>3,689,935</u>	3,000,000	Devon Energy Corp.	0.32 10/24/12 2,999,387
<b>Telecommunication Services - 0.7%</b>					1,300,000	Dominion Resources, Inc.	0.40 10/01/12 1,300,000
1,255,000	OTE PLC, MTN	5.00	08/05/13	1,479,848	2,500,000	Dominion Resources, Inc.	0.40 10/29/12 2,499,222
717,000	OTE PLC, MTN	7.25	04/08/14	785,993	2,000,000	Duke Energy Corp.	0.41 11/19/12 1,998,884
939,000	OTE PLC, MTN (e)	7.25	02/12/15	941,136	4,000,000	Kinder Morgan Energy LP	0.47 10/02/12 3,999,948
				<u>3,206,977</u>	4,000,000	Marathon Oil Corp.	0.45 10/16/12 3,999,250
Total Corporate Non-Convertible Bonds (Cost \$21,320,612)					<b>23,638,271</b>		
<b>Syndicated Loans - 0.6%</b>					<b>Commercial Paper - 17.6%</b>		
3,124,383	Cinram International, Inc. (f)	10.25	12/31/13	1,116,967	3,000,000	Marriott International (b)	0.36 10/02/12 2,999,970
1,720,800	Walter Investment Management	12.50	12/31/16	1,788,772	1,821,000	NextEra Energy Capital Holdings, Inc.	0.42 10/03/12 1,820,957
Total Syndicated Loans (Cost \$3,612,645)					<b>2,905,739</b>		
<b>U.S. Government &amp; Agency Obligations - 3.2%</b>					<b>Commercial Paper - 17.6%</b>		
<b>U.S. Treasury Securities - 3.2%</b>					<b>Commercial Paper - 17.6%</b>		
4,000,000	U.S. Treasury Bill (b)(g)	0.09	10/11/12	3,999,948	4,000,000	Northeast Utilities	0.41 10/01/12 4,000,000
5,000,000	U.S. Treasury Bill (b)(g)	0.10	12/13/12	4,999,190	4,000,000	Oneok, Inc.	0.40 10/10/12 3,999,600
5,000,000	U.S. Treasury Bill (g)	0.10	12/20/12	4,999,110	4,000,000	People's Gas, Light and Coke	0.39 10/03/12 3,999,913
				<u>13,998,248</u>	5,000,000	Potomac Electric Power	0.36 10/04/12 4,999,850
Total U.S. Government & Agency Obligations (Cost \$13,997,812)					<b>13,998,248</b>		
<b>Total Fixed Income Securities (Cost \$49,595,923)</b>					<b>53,123,693</b>		
Shares	Security Description			Value			
<b>Warrants - 2.1%</b>					<b>Commercial Paper - 17.6%</b>		
175,929	Bank of America Corp. (a)			621,029	3,000,000	Reed Elsevier, Inc.	0.40 10/04/12 2,999,900
75,104	General Motors Co. (a)			1,034,933	1,200,000	South Carolina Electric and Gas	0.41 10/22/12 1,199,713
2,131,146	Kinder Morgan, Inc. (a)(b)			7,437,700	996,000	Stanley, Black & Decker	0.37 11/14/12 995,550
44,070	Kinross Gold Corp. (a)			31,379	5,000,000	Talisman Energy, Inc.	0.47 10/16/12 4,999,021
3,690	Orco Property Group (a)			4,742	1,375,000	Thermo Fisher Scientific, Inc.	0.39 10/10/12 1,374,866
<b>Total Warrants (Cost \$5,549,862)</b>					<b>9,129,783</b>		
					<b>Total Commercial Paper (Cost \$77,680,532)</b>		
					<b>77,680,532</b>		
					<b>Total Short-Term Investments (Cost \$77,680,532)</b>		
					<b>77,680,532</b>		

**ABSOLUTE OPPORTUNITIES FUND**

## SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2012

Contracts	Security Description	Strike Price	Exp. Date	Value	Contracts	Security Description	Strike Price	Exp. Date	Value
<b>Purchased Options - 1.3%</b>									
<b>Call Options Purchased - 0.2%</b>									
160	Kinross Gold Corp.	\$ 17.50	01/13	\$ 800	49	World Acceptance Corp.	\$ 65.00	04/13	\$ 28,420
1,656	Marathon Petroleum Corp.	55.00	01/13	513,360	Total Put Options Purchased (Premiums Paid \$5,675,517) <b>4,818,708</b>				
1,077	Market Vectors - Gold Miners ETF	60.00	03/13	258,480	<b>Total Purchased Options (Premiums Paid \$6,510,220) 5,828,138</b>				
306	SPDR Gold Trust	175.00	01/13	160,344	<b>Total Long Positions - 75.5% (Cost \$304,191,732)* \$ 332,838,791</b>				
1,644	Suncor Energy, Inc.	38.00	01/13	76,446	<b>Total Short Positions - (25.6%) (Cost \$(105,821,461))* (112,929,511)</b>				
Total Call Options Purchased (Premiums Paid \$834,703)				<b>1,009,430</b>	<b>Other Assets &amp; Liabilities, Net - 50.1% 220,492,414</b>				
					<b>Net Assets - 100.0% \$ 440,401,694</b>				
<b>Put Options Purchased - 1.1%</b>									
127	Amazon.com, Inc.	220.00	04/13	149,860					
526	Caterpillar, Inc.	80.00	01/13	179,366					
306	Darden Restaurants, Inc.	50.00	04/13	74,970					
348	Dick's Sporting Goods	46.00	03/13	77,430					
2,887	Exxon Mobil Corp.	85.00	04/13	785,264					
482	Focus Media Holding, Ltd., ADR	23.00	01/13	134,960					
884	iShares DJ US Real Estate	60.00	03/13	164,424					
3,040	iShares MSCI Emerging Markets Index Fund	39.00	03/13	586,720					
3,066	iShares MSCI Hong Kong Index Fund	16.00	01/13	53,655					
306	iShares MSCI Hong Kong Index Fund	17.00	03/13	16,065					
1,165	iShares Russell 2000 Index Fund	77.00	05/13	465,417					
262	Market Vectors Oil Service ETF	38.00	01/13	42,575					
346	Salesforce.com, Inc.	135.00	01/13	243,065					
87	Salesforce.com, Inc.	125.00	01/13	39,803					
876	Seadrill, Ltd.	29.65	01/13	26,280					
174	Simon Property Group, Inc. REIT	144.80	01/13	69,165					
778	Southern Copper Corp.	30.00	01/13	58,350					
772	Southern Copper Corp.	29.00	03/13	82,990					
3,130	SPDR S&P 500 ETF Trust	131.00	03/13	967,170					
284	SPDR S&P Oil & Gas Exploration & Production ETF	48.00	01/13	39,760					
1,646	SPDR S&P Retail ETF	59.00	03/13	398,332					
438	U.S. Oil Fund	32.00	04/13	103,587					
28	Westport Innovations, Inc.	38.00	10/12	31,080					

**ABSOLUTE OPPORTUNITIES FUND**  
**SCHEDULE OF SECURITIES SOLD SHORT**  
**SEPTEMBER 30, 2012**

Shares	Security Description	Value	Shares	Security Description	Value																														
<b>Short Positions - (25.6)%</b>			<b>Industrial - (2.0)%</b>																																
<b>Common Stock - (13.7)%</b>																																			
<b>Consumer Discretionary - (6.5)%</b>																																			
(164,109)	American Axle & Manufacturing Holdings, Inc.	\$ (1,849,508)	(5,348)	3M Co.	\$ (494,262)																														
(40,492)	Autoliv, Inc.	(2,509,289)	(5,998)	Aptargroup, Inc.	(310,157)																														
(30,736)	AutoNation, Inc.	(1,342,241)	(4,381)	Atlas Copco AB, ADR, Class A	(103,216)																														
(4,563)	Bob Evans Farms, Inc.	(178,550)	(13,072)	Bristow Group, Inc.	(660,790)																														
(49,725)	Brinker International, Inc.	(1,755,293)	(2,464)	Caterpillar, Inc.	(212,002)																														
(48,891)	Dick's Sporting Goods, Inc.	(2,534,998)	(12,112)	CNH Global NV	(469,582)																														
(2,335)	Equinix, Inc.	(481,127)	(46,477)	General Electric Co.	(1,055,493)																														
(1,964)	Factset Research Systems, Inc.	(189,369)	(65,597)	IMI PLC	(953,334)																														
(2,987)	Fastenal Co.	(128,411)	(24,379)	Legrand SA	(918,857)																														
(32,071)	Francesca's Holdings Corp.	(985,542)	(2,987)	Lindsay Corp.	(214,974)																														
(76,217)	Grand Canyon Education, Inc.	(1,793,386)	(1,964)	Mettler-Toledo International, Inc.	(335,333)																														
(11,355)	Group 1 Automotive, Inc.	(683,912)	(1,725)	Middleby Corp.	(199,479)																														
(77,224)	Hanesbrands, Inc.	(2,461,901)	(5,296)	Mine Safety Appliances Co.	(197,382)																														
(9,477)	HNI Corp.	(241,758)	(48,100)	Rexel SA	(967,959)																														
(35,043)	JC Penney Co., Inc.	(851,195)	(20,777)	Sensata Technologies Holding NV	(618,531)																														
(16,798)	Knoll, Inc.	(234,332)	(42,865)	SKF AB, Class B	(924,670)																														
(775)	Lululemon Athletica, Inc.	(57,304)	(2,808)	Tennant Co.	(120,239)																														
(25,310)	Newell Rubbermaid, Inc.	(483,168)			<u>(8,756,260)</u>																														
(1,490)	O'Reilly Automotive, Inc.	(124,594)	<b>Information Technology - (0.3)%</b>																																
(75,311)	Penske Automotive Group, Inc.	(2,266,108)	(4,064)	Citrix Systems, Inc.	(311,181)																														
(7,203)	Red Robin Gourmet Burgers, Inc.	(234,530)	(2,999)	F5 Networks, Inc.	(313,995)																														
(103,258)	Sonic Automotive, Inc., Class A	(1,959,837)	(7,187)	Guidewire Software, Inc.	(223,156)																														
(2,738)	Tesla Motors, Inc.	(80,169)	(7,094)	j2 Global, Inc.	(232,825)																														
(4,914)	Texas Roadhouse, Inc.	(84,029)	(3,972)	Jive Software, Inc.	(62,400)																														
(2,573)	The Toro Co.	(102,354)	(6,749)	Microchip Technology, Inc.	(220,962)																														
(410)	Under Armour, Inc., Class A	(22,890)	(1,256)	Salesforce.com, Inc.	(191,779)																														
(4,391)	WABCO Holdings, Inc.	(253,229)			<u>(1,556,298)</u>																														
(3,282)	Watsco, Inc.	(248,743)	<b>Materials - (1.6)%</b>																																
(17,957)	WESCO International, Inc.	(1,027,140)	(9,710)	Air Liquide SA	(1,203,487)																														
(5,779)	Westport Innovations, Inc.	(160,887)	(8,741)	Assore, Ltd.	(346,258)																														
(15,176)	WW Grainger, Inc.	(3,162,223)	(51,062)	Fortescue Metals Group, Ltd.	(184,854)																														
		<u>(28,488,017)</u>	(32,856)	Kumba Iron Ore, Ltd.	(1,985,335)																														
			(83,376)	Southern Copper Corp.	(2,864,799)																														
			(9,638)	Teck Resources, Ltd., Class B	(283,839)																														
					<u>(6,868,572)</u>																														
<b>Consumer Staples - (1.0)%</b>			<b>Telecommunication Services - (1.5)%</b>																																
(6,157)	Align Technology, Inc.	(227,624)	(18,163)	Bazaarvoice, Inc.	(275,169)																														
(17,513)	Amedisys, Inc.	(241,855)	(421,881)	Cincinnati Bell, Inc.	(2,404,722)																														
(5,622)	DENTSPLY International, Inc.	(214,423)	(61,501)	Focus Media Holding, Ltd., ADR	(1,439,123)																														
(49,613)	ExamWorks Group, Inc.	(740,226)	(10,444)	HomeAway, Inc.	(244,912)																														
(4,040)	Neogen Corp.	(172,508)	(3,068)	The Washington Post Co., Class B	(1,113,776)																														
(10,444)	PAREXEL International Corp.	(321,257)	(28,149)	ViaSat, Inc.	(1,052,210)																														
(3,965)	Questcor Pharmaceuticals, Inc.	(73,353)			<u>(6,529,912)</u>																														
(17,025)	Ritchie Bros. Auctioneers, Inc.	(327,391)	<b>Total Common Stock</b>																																
(88,693)	Serco Group PLC	(830,684)	<b>(Cost \$(55,629,820))</b>																																
(14,536)	Whole Foods Market, Inc.	(1,415,806)			<b>(60,392,566)</b>																														
		<u>(4,565,127)</u>																																	
<b>Energy - (0.2)%</b>																																			
(12,530)	InterOil Corp.	(968,068)																																	
<b>Financial - (0.6)%</b>																																			
(14,915)	Coresite Realty Corp. REIT	(401,810)																																	
(14,221)	Digital Realty Trust, Inc. REIT	(993,337)																																	
(28,097)	DuPont Fabros Technology, Inc. REIT	(709,449)																																	
(15,065)	Societe Generale SA	(427,840)																																	
		<u>(2,532,436)</u>																																	
<b>Healthcare - (0.0)%</b>																																			
(6,318)	Hologic, Inc.	(127,876)																																	
			<table border="1"> <thead> <tr> <th>Principal</th> <th>Security Description</th> <th>Rate</th> <th>Maturity</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td colspan="5"><b>Fixed Income Securities - (7.2)%</b></td> </tr> <tr> <td colspan="5"><b>Corporate Non-Convertible Bonds - (4.9)%</b></td> </tr> <tr> <td colspan="5"><b>Consumer Discretionary - (3.4)%</b></td> </tr> <tr> <td>\$ (843,000)</td> <td>Hanesbrands, Inc.</td> <td>6.38%</td> <td>12/15/20</td> <td>(918,870)</td> </tr> <tr> <td>(3,587,000)</td> <td>Levi Strauss &amp; Co.</td> <td>7.63</td> <td>05/15/20</td> <td>(3,891,895)</td> </tr> </tbody> </table>			Principal	Security Description	Rate	Maturity	Value	<b>Fixed Income Securities - (7.2)%</b>					<b>Corporate Non-Convertible Bonds - (4.9)%</b>					<b>Consumer Discretionary - (3.4)%</b>					\$ (843,000)	Hanesbrands, Inc.	6.38%	12/15/20	(918,870)	(3,587,000)	Levi Strauss & Co.	7.63	05/15/20	(3,891,895)
Principal	Security Description	Rate	Maturity	Value																															
<b>Fixed Income Securities - (7.2)%</b>																																			
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\$ (843,000)	Hanesbrands, Inc.	6.38%	12/15/20	(918,870)																															
(3,587,000)	Levi Strauss & Co.	7.63	05/15/20	(3,891,895)																															

**ABSOLUTE OPPORTUNITIES FUND**  
SCHEDULE OF SECURITIES SOLD SHORT  
SEPTEMBER 30, 2012

<b>Principal</b>	<b>Security Description</b>	<b>Rate</b>	<b>Maturity</b>	<b>Value</b>	<b>Shares</b>	<b>Security Description</b>	<b>Value</b>
<b>Consumer Discretionary (continued)</b>					<b>Investment Companies - (4.7)%</b>		
\$ (3,083,000)	Pinnacle Entertainment, Inc.	8.75%	05/15/20	\$ (3,418,276)	(6,483)	CurrencyShares Australian Dollar Trust ETF	(674,232)
(5,275,000)	PVH Corp.	7.38	05/15/20	(5,987,125)	(10,775)	CurrencyShares Euro Trust ETF	(1,375,860)
(879,000)	Quiksilver, Inc.	6.88	04/15/15	(879,000)	(46,340)	iShares iBoxx \$ High Yield Corporate Bond Fund	(4,280,426)
				<u>(15,095,166)</u>	(43,804)	iShares MSCI Hong Kong Index Fund	(797,233)
					(44,586)	iShares Russell 2000 Index Fund	(3,721,147)
					(34,590)	Market Vectors Oil Service ETF	(1,390,518)
					(13,673)	SPDR S&P 500 ETF Trust	(1,967,955)
					(119,774)	SPDR S&P Oil & Gas Exploration & Production ETF	(6,670,214)
<b>Consumer Staples - (0.5)%</b>					<b>Total Investment Companies</b>		
(2,487,000)	SUPERVALU, Inc.	8.00	05/01/16	(2,232,082)	<b>(Cost \$(20,576,712))</b>		<b>(20,877,585)</b>
					<b>Total Short Positions - (25.6)%</b>		
					<b>(Cost \$(105,821,461))</b>		<b>\$ (112,929,511)</b>
<b>Materials - (0.6)%</b>							
(2,000,000)	The Dow Chemical Co.	7.38	11/01/29	(2,664,024)			
<b>Telecommunication Services - (0.4)%</b>							
(1,674,000)	Univision Communications, Inc.	8.50	05/15/21	(1,707,480)			
Total Corporate Non-Convertible Bonds (Cost \$(20,562,689))				<b>(21,698,752)</b>			
<b>Foreign Bonds - (1.4)%</b>							
(3,504,000)	France Government Bond OAT	3.00	04/25/22	(4,823,653)			
(876,000)	Italy Buoni Poliennali Del Tesoro	5.50	09/01/22	(1,167,580)			
Total Foreign Bonds (Cost \$(5,877,834))				<b>(5,991,233)</b>			
<b>U.S. Treasury Securities - (0.9)%</b>							
(3,000,000)	U.S. Treasury Bond	4.38	05/15/40	(3,969,375)			
Total U.S. Treasury Securities (Cost \$(3,174,406))				<b>(3,969,375)</b>			
<b>Total Fixed Income Securities</b> <b>(Cost \$(29,614,929))</b>				<b>(31,659,360)</b>			

**ABSOLUTE OPPORTUNITIES FUND**

## NOTES TO SCHEDULES OF INVESTMENTS AND SECURITIES SOLD SHORT

SEPTEMBER 30, 2012

ADR	American Depositary Receipt	(d)	Security exempt from registration under Rule 144A under the Securities Act of 1933. At the period end, the value of these securities amounted to \$1,975,080 or 0.4% of net assets.
ETF	Exchange Traded Fund		
LP	Limited Partnership		
MTN	Medium Term Note		
PLC	Public Limited Company	(e)	Debt obligation initially issued at one coupon rate which converts to higher coupon rate at a specified date. Rate presented is as of September 30, 2012.
REIT	Real Estate Investment Trust		
(a)	Non-income producing security.		
(b)	All or a portion of this security is held as collateral for securities sold short.	(f)	Security is currently in default and is on scheduled interest or principal payment.
(c)	Security fair valued in accordance with procedures adopted by the Board of Trustees. At the period end, the value of these securities amounted to \$1,504,115 or 0.3% of net assets.	(g)	Rate presented is yield to maturity.

At September 30, 2012, the Fund held the following credit default swap agreements:

**Credit Default Swaps – Buy Protection**

Counterparty	Reference Entity / Obligation	Pay Rate	Termination Date	Credit Spread as of 09/30/12 <sup>(1)</sup>	Notional Amount	Net Unrealized Appreciation (Depreciation)
Deutsche Bank	Boston Scientific Corp., 6.40%, 10/01/28	1.00 %	03/20/18	1.15 %	\$ 10,000,000	\$ (26,229)
Deutsche Bank	Carnival Corp., 6.65%, 01/15/28	1.00	12/20/17	1.05	5,000,000	(140,135)
Citigroup Global Markets, Inc.	Carnival Corp., 6.65%, 01/15/28	1.00	12/20/17	1.05	5,000,000	(167,539)
Deutsche Bank	Carnival Corp., 6.65%, 01/15/28	1.00	03/20/18	1.09	10,000,000	(84,068)
Citigroup Global Markets, Inc.	Carnival Corp., 6.65%, 11/01/29	1.00	03/20/18	1.09	10,000,000	(79,222)
Deutsche Bank	ConAgra Foods, Inc., 7.00%, 01/15/28	1.00	03/20/18	1.04	10,000,000	45,751
Barclays Capital, Inc.	ConAgra Foods, Inc., 7.00%, 10/01/28	1.00	12/20/17	1.00	5,000,000	43,647
Citigroup Global Markets, Inc.	ConAgra Foods, Inc., 7.00%, 10/01/28	1.00	12/20/17	1.00	5,000,000	36,075
Citigroup Global Markets, Inc.	Darden Restaurants, Inc., 6.00%, 11/10/15	1.00	12/20/17	1.46	10,000,000	(34,125)
Barclays Capital, Inc.	Dow Chemical Co., 7.38%, 08/15/35	1.00	12/20/17	1.32	5,000,000	(10,290)
Citigroup Global Markets, Inc.	Dow Chemical Co., 7.38%, 11/01/29	1.00	03/20/18	1.38	10,000,000	(161,667)
Citigroup Global Markets, Inc.	Dow Chemical Co., 7.38%, 11/01/29	1.00	12/20/17	1.32	10,000,000	(126,012)
Barclays Capital, Inc.	Eastman Chemical Co., 7.60%, 02/01/27	1.00	03/20/18	0.80	10,000,000	(87,652)
Barclays Capital, Inc.	Eastman Chemical Co., 7.60%, 05/15/18	1.00	12/20/17	0.76	10,000,000	(82,731)
Barclays Capital, Inc.	Kimco Realty Corp., 5.98%, 07/30/12	1.00	03/20/18	1.29	10,000,000	(92,712)
Citigroup Global Markets, Inc.	Kimco Realty Corp., 5.98%, 12/15/17	1.00	12/20/17	1.26	15,000,000	(194,059)
Deutsche Bank	Kohl's Corp., 62.50%, 10/01/14	1.00	12/20/17	1.63	5,000,000	4,905
Deutsche Bank	Koninklijke DSM, 4.00%, 02/01/27	1.00	12/20/17	0.57	10,000,000	(181,134)
Barclays Capital, Inc.	Macy's Retail Holdings, Inc., 7.45%, 11/10/15	1.00	12/20/17	1.21	10,000,000	(8,673)
Barclays Capital, Inc.	Marriott International, Inc., 5.81%, 11/10/15	1.00	12/20/17	0.96	5,000,000	(129,878)

**ABSOLUTE OPPORTUNITIES FUND**

 NOTES TO SCHEDULES OF INVESTMENTS AND SECURITIES SOLD SHORT  
 SEPTEMBER 30, 2012

Counterparty	Reference Entity / Obligation	Pay Rate	Termination Date	Credit Spread as of 09/30/12 <sup>(1)</sup>	Notional Amount	Net Unrealized Appreciation (Depreciation)
Citigroup Global Markets, Inc.	Marriott International, Inc., 5.81%, 11/10/15	1.00%	03/20/18	1.01 %	\$ 10,000,000	\$ (111,776)
Citigroup Global Markets, Inc.	Marriott International, Inc., 5.81%, 12/01/25	1.00	12/20/17	0.96	5,000,000	(13,567)
Citigroup Global Markets, Inc.	Nordstrom, Inc., 6.95%, 03/15/28	1.00	03/02/18	0.81	5,000,000	(61,487)
Barclays Capital, Inc.	Nordstrom, Inc., 6.95%, 03/15/28	1.00	03/02/18	0.81	5,000,000	(63,882)
BNP Paribas Securities Corp.	Nordstrom, Inc., 6.95%, 03/15/28	1.00	03/02/18	0.81	5,000,000	(61,487)
Deutsche Bank	Nordstrom, Inc., 6.95%, 07/30/12	1.00	12/20/17	0.77	10,000,000	(98,781)
BNP Paribas Securities Corp.	Ryder System, Inc., 6.95%, 04/01/12	1.00	03/20/18	1.77	5,000,000	(13,807)
Morgan Stanley & Co., LLC	Ryder System, Inc., 6.95%, 12/01/25	1.00	12/20/17	1.71	5,000,000	(1,981)
Citigroup Global Markets, Inc.	Ryder System, Inc., 6.95%, 12/01/25	1.00	12/20/17	1.71	5,000,000	32,742
Citigroup Global Markets, Inc.	Southwest Airlines Co., 5.25%, 10/01/14	1.00	12/20/17	1.51	30,000,000	(297,004)
BNP Paribas Securities Corp.	Starwood Hotels & Resorts Worldwide Inc., 6.75%, 03/15/28	1.00	03/20/18	1.09	5,000,000	(41,543)
Barclays Capital, Inc.	Starwood Hotels & Resorts Worldwide Inc., 6.75%, 05/15/18	1.00	12/20/17	1.05	5,000,000	(78,606)
Citigroup Global Markets, Inc.	Starwood Hotels & Resorts Worldwide Inc., 6.75%, 05/15/18	1.00	12/20/17	1.05	5,000,000	(72,833)
Deutsche Bank	Starwood Hotels & Resorts Worldwide Inc., 6.75%, 05/15/18	1.00	03/20/18	1.09	15,000,000	(224,805)
Barclays Capital, Inc.	Tyson Foods, Inc., 6.85%, 06/15/16	1.00	12/20/17	1.71	5,000,000	(7,928)
						<u>\$ (2,592,493)</u>

<sup>(1)</sup> Credit spreads are an indication of the seller's performance risk, related to the likelihood of a credit event occurring that would require a seller to make payment to a buyer. Credit spreads are used to determine the value of swap contracts and reflect the cost of buying/selling protection, which may include upfront payments made to enter into the contract.

At September 30, 2012, the Fund held the following futures contracts:

Contracts	Type	Expiration Date	Notional Contract Value	Net Unrealized Appreciation (Depreciation)
(100)	Euro FX Currency Future	12/20/12	\$ (16,130,225)	\$ 52,725
(300)	Russell 2000 Mini Future	12/21/12	(25,187,170)	155,170
(350)	S&P 500 Emini Future	12/21/12	(24,899,188)	(200,187)
			<u>\$ (66,216,583)</u>	<u>\$ 7,708</u>

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

Gross Unrealized Appreciation	\$ 41,109,019
Gross Unrealized Depreciation	(19,570,010)
Net Unrealized Appreciation	<u>\$ 21,539,009</u>



**ABSOLUTE OPPORTUNITIES FUND**

## NOTES TO SCHEDULES OF INVESTMENTS AND SECURITIES SOLD SHORT

SEPTEMBER 30, 2012

The following is a summary of the inputs used to value the Fund's investments and other financial instruments and liabilities as of September 30, 2012.

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<b>Investments At Value</b>				
Common Stock				
Consumer Discretionary	\$ 31,837,090	\$ -	\$ -	\$ 31,837,090
Consumer Staples	13,241,369	-	-	13,241,369
Energy	47,287,226	-	-	47,287,226
Financial	19,729,382	-	137,992	19,867,374
Healthcare	7,218,037	-	-	7,218,037
Industrial	20,171,950	-	-	20,171,950
Information Technology	1,380,128	-	-	1,380,128
Materials	14,304,610	-	-	14,304,610
Telecommunication Services	22,891,269	-	-	22,891,269
Utilities	1,937,536	-	-	1,937,536
Preferred Stock				
Materials	1,017,499	-	-	1,017,499
Asset Backed Obligations	-	3,730,204	-	3,730,204
Corporate Convertible Bonds	-	8,354,338	496,893	8,851,231
Corporate Non-Convertible Bonds	-	22,769,041	869,230	23,638,271
Syndicated Loans	-	2,905,739	-	2,905,739
U.S. Government & Agency Obligations	-	13,998,248	-	13,998,248
Warrants	9,129,783	-	-	9,129,783
Investment Companies	5,922,557	-	-	5,922,557
Commercial Paper	-	77,680,532	-	77,680,532
Purchased Options	5,828,138	-	-	5,828,138
<b>Total Investments At Value</b>	<b>\$ 201,896,574</b>	<b>\$ 129,438,102</b>	<b>\$ 1,504,115</b>	<b>\$ 332,838,791</b>
<b>Other Financial Instruments**</b>				
Credit Default Swaps	-	163,120	-	163,120
Forward Currency Contracts	-	270	-	270
Futures	207,895	-	-	207,895
<b>Total Other Financial Instruments</b>	<b>\$ 207,895</b>	<b>\$ 163,390</b>	<b>\$ -</b>	<b>\$ 371,285</b>
<b>Total Assets</b>	<b>\$ 202,104,469</b>	<b>\$ 129,601,492</b>	<b>\$ 1,504,115</b>	<b>\$ 333,210,076</b>
<b>Liabilities</b>				
<b>Securities Sold Short</b>				
Common Stock	(60,392,566)	-	-	(60,392,566)
Corporate Non-Convertible Bonds	-	(21,698,752)	-	(21,698,752)
Foreign Government Bonds	-	(5,991,233)	-	(5,991,233)
U.S. Government & Agency Obligations	-	(3,969,375)	-	(3,969,375)
Investment Companies	(20,877,585)	-	-	(20,877,585)
<b>Total Securities Sold Short</b>	<b>\$ (81,270,151)</b>	<b>\$ (31,659,360)</b>	<b>\$ -</b>	<b>\$ (112,929,511)</b>
<b>Other Financial Instruments**</b>				
Credit Default Swaps	-	(2,755,613)	-	(2,755,613)
Forward Currency Contracts	-	(331)	-	(331)
Futures	(200,187)	-	-	(200,187)
<b>Total Other Financial Instruments</b>	<b>\$ (200,187)</b>	<b>\$ (2,755,944)</b>	<b>\$ -</b>	<b>\$ (2,956,131)</b>
<b>Total Liabilities</b>	<b>\$ (81,470,338)</b>	<b>\$ (34,415,304)</b>	<b>\$ -</b>	<b>\$ (115,885,642)</b>

\*\* Other Financial instruments are derivative instruments not reflected in the Schedule of Investments and Schedule of Securities Sold Short, such as futures, credit default swaps and forward currency contracts, which are valued at the unrealized appreciation (depreciation) of the instrument.

**ABSOLUTE OPPORTUNITIES FUND**

NOTES TO SCHEDULES OF INVESTMENTS AND SECURITIES SOLD SHORT  
 SEPTEMBER 30, 2012

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value.

	<u>Common Stock</u>	<u>Preferred Stock</u>	<u>Corporate Convertible Bonds</u>	<u>Corporate Non- Convertible Bonds</u>
<b>Balance as of 03/31/12</b>	\$ 696,417	\$ 87,500	\$ 1,871,580	\$ 4,789,313
Accrued Accretion / (Amortization)	-	-	(129,852)	(189,558)
Realized Gain / (Loss)	6,442	-	-	-
Change in Unrealized Appreciation / (Depreciation)	(376,731)	(87,500)	813,627	1,351,271
Purchases	-	-	498,571	966,674
Sales	(188,136)	-	(2,557,033)	(4,647,090)
Transfers In / (Out)	-	-	-	(1,401,380)
<b>Balance as of 09/30/12</b>	<u>\$ 137,992</u>	<u>\$ -</u>	<u>\$ 469,893</u>	<u>\$ 869,230</u>
Net change in unrealized appreciation / (depreciation) from investments held as of 09/30/12***	<u>\$ (376,731)</u>	<u>\$ (87,500)</u>	<u>\$ 809,648</u>	<u>\$ 1,535,827</u>

\*\*\* The change in unrealized appreciation/(depreciation) is included in net change in unrealized appreciation/(depreciation) of investments in the accompanying Statement of Operations.

The Fund utilizes the end of period methodology when determining transfers in or out of the Level 3 category.

There were no transfers between Level 1 and Level 2 for the period ended September 30, 2012.

**ABSOLUTE FUNDS**  
**STATEMENTS OF ASSETS AND LIABILITIES**  
**SEPTEMBER 30, 2012**

	<b>ABSOLUTE STRATEGIES FUND</b>	<b>ABSOLUTE OPPORTUNITIES FUND</b>
<b>ASSETS</b>		
Total investments, at value (Cost \$2,925,576,934 and \$304,191,732, respectively)	\$ 3,374,214,264	\$ 332,838,791
Deposits with brokers	1,633,762,283	115,944,283
Cash	894,624,934	84,790,818
Foreign currency (Cost \$0 and \$11,012,937, respectively)	-	11,150,336
Receivables:		
Fund shares sold	15,046,730	1,151,765
Investment securities sold	30,459,828	13,395,714
Dividends and interest	12,677,073	756,900
Variation margin	5,166,859	385,375
Swap premiums paid	-	5,072,708
Unrealized gain on swap agreements	79,493	163,120
Unrealized gain on forward currency contracts	5,131	270
Prepaid expenses	103,543	32,872
<b>Total Assets</b>	<b>5,966,140,138</b>	<b>565,682,952</b>
<b>LIABILITIES</b>		
Swap premiums received	72,832	227,757
Unrealized loss on swap agreements	-	2,755,613
Unrealized loss on forward currency contracts	1,614	331
Payables:		
Securities sold short, at value (Cost \$1,547,058,313 and \$105,821,461, respectively)	1,569,159,036	112,929,511
Call options written, at value (Premiums received \$10,988,864 and \$0, respectively)	11,618,356	-
Put options written, at value (Premiums received \$31,027,804 and \$0, respectively)	12,263,178	-
Foreign currency due to broker (Cost \$7,253,688 and \$0, respectively)	7,315,832	-
Investment securities purchased	31,335,800	7,146,999
Fund shares redeemed	2,282,313	351,493
Dividends and interest on securities sold short	1,196,426	782,095
Variation margin	23,908	-
Other	25,699	39,587
Accrued Liabilities:		
Investment adviser fees	5,630,382	974,229
Fund services fees	130,854	17,787
Other expenses	572,375	55,856
<b>Total Liabilities</b>	<b>1,641,628,605</b>	<b>125,281,258</b>
<b>NET ASSETS</b>	<b>\$ 4,324,511,533</b>	<b>\$ 440,401,694</b>

**ABSOLUTE FUNDS**  
**STATEMENTS OF ASSETS AND LIABILITIES**  
**SEPTEMBER 30, 2012**

	<b>ABSOLUTE STRATEGIES FUND</b>	<b>ABSOLUTE OPPORTUNITIES FUND</b>
<b>COMPONENTS OF NET ASSETS</b>		
Paid-in capital	\$ 4,100,090,201	\$ 447,600,201
Distributions in excess of net investment income	(20,643,771)	(10,911,649)
Accumulated net realized loss	(199,193,177)	(15,379,760)
Net unrealized appreciation	444,258,280	19,092,902
<b>NET ASSETS</b>	<b>\$ 4,324,511,533</b>	<b>\$ 440,401,694</b>
<b>SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)</b>		
Institutional Shares	375,461,801	38,142,326
R Shares	9,029,026	-
<b>NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE</b>		
Institutional Shares (based on net assets of \$4,223,268,047 and \$440,401,694, respectively)	\$ 11.25	\$ 11.55
R Shares (based on net assets of \$101,243,486 and \$0, respectively)	\$ 11.21	-

**ABSOLUTE FUNDS**  
**STATEMENTS OF OPERATIONS**  
**SIX MONTHS ENDED SEPTEMBER 30, 2012**

	<b>ABSOLUTE STRATEGIES FUND</b>	<b>ABSOLUTE OPPORTUNITIES FUND</b>
<b>INVESTMENT INCOME</b>		
Dividend income (Net of foreign withholding taxes of \$258,767 and \$171,911, respectively)	\$ 22,593,112	\$ 1,570,807
Interest income	12,225,731	2,298,219
Total Investment Income	<u>34,818,843</u>	<u>3,869,026</u>
<b>EXPENSES</b>		
Investment adviser fees	33,122,635	6,350,825
Fund services fees	668,817	118,921
Transfer agent fees:		
Institutional Shares	83,599	-
R Shares	53,147	-
Distribution fees:		
R Shares	124,333	-
Custodian fees	279,090	140,432
Registration fees:		
Institutional Shares	90,788	24,699
R Shares	9,683	-
Professional fees	81,478	37,362
Trustees' fees and expenses	77,763	8,546
Dividend and interest expense on securities sold short	14,132,338	1,644,413
Interest expense	2,987,767	568,724
Miscellaneous expenses	1,486,227	256,724
Total Expenses	<u>53,197,665</u>	<u>9,150,646</u>
Fees waived and expenses reimbursed	-	(124,794)
Net Expenses	<u>53,197,665</u>	<u>9,025,852</u>
<b>NET INVESTMENT LOSS</b>	<u>(18,378,822)</u>	<u>(5,156,826)</u>
<b>NET REALIZED AND UNREALIZED GAIN (LOSS)</b>		
Net realized gain (loss) on:		
Investments	81,526,836	9,926,153
Foreign currency transactions	(252,491)	(38,758)
Futures	(39,190,295)	(879,972)
Securities sold short	(44,673,948)	(6,316,696)
Written options	11,703,285	856,544
Swaps	224,053	(2,052,443)
Net realized gain	<u>9,337,440</u>	<u>1,494,828</u>

**ABSOLUTE FUNDS**  
 STATEMENTS OF OPERATIONS  
 SIX MONTHS ENDED SEPTEMBER 30, 2012

	<b>ABSOLUTE STRATEGIES FUND</b>	<b>ABSOLUTE OPPORTUNITIES FUND</b>
Net change in unrealized appreciation (depreciation) on:		
Investments	\$ (13,266,645)	\$ (2,971,441)
Foreign currency translations	(21,676)	116,984
Futures	23,160,606	2,932,045
Securities sold short	49,772,199	2,669,514
Written options	6,517,913	(11,294)
Swaps	99,068	(893,819)
Net change in unrealized appreciation (depreciation)	<u>66,261,465</u>	<u>1,841,989</u>
<b>NET REALIZED AND UNREALIZED GAIN</b>	<u>75,598,905</u>	<u>3,336,817</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><u>\$ 57,220,083</u></u>	<u><u>\$ (1,820,009)</u></u>

**ABSOLUTE FUNDS**  
STATEMENTS OF CHANGES IN NET ASSETS

	<b>ABSOLUTE STRATEGIES FUND</b>		<b>ABSOLUTE OPPORTUNITIES FUND</b>	
		<u>Shares</u>		<u>Shares</u>
<b>NET ASSETS MARCH 31, 2011</b>	<u>\$ 3,401,987,995</u>		<u>\$ 593,127,207</u>	
<b>OPERATIONS</b>				
Net investment loss	(29,258,718)		(11,785,135)	
Net realized gain (loss)	(1,844,835)		2,460,325	
Net change in unrealized appreciation (depreciation)	<u>146,634,457</u>		<u>(13,504,509)</u>	
Increase (Decrease) in Net Assets Resulting from Operations	<u>115,530,904</u>		<u>(22,829,319)</u>	
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM</b>				
Net investment income	(6,689,291)		-	
Net realized gain:				
Institutional Shares	(16,344,134)		(16,872,174)	
R Shares	<u>(439,299)</u>		<u>-</u>	
Total Distributions to Shareholders	<u>(23,472,724)</u>		<u>(16,872,174)</u>	
<b>CAPITAL SHARE TRANSACTIONS</b>				
Sale of shares:				
Institutional Shares	1,600,750,824	145,911,735	246,299,421	20,519,202
R Shares	33,674,499	3,066,276	-	-
Reinvestment of distributions:				
Institutional Shares	18,063,489	1,641,104	16,150,949	1,392,323
R Shares	411,621	37,285	-	-
Redemption of shares:				
Institutional Shares	(1,119,308,289)	(102,309,486)	(304,955,155)	(25,605,864)
R Shares	<u>(44,205,889)</u>	<u>(4,026,253)</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Assets from Capital Share Transactions	<u>489,386,255</u>	<u>44,320,661</u>	<u>(42,504,785)</u>	<u>(3,694,339)</u>
Increase (Decrease) in Net Assets	<u>581,444,435</u>		<u>(82,206,278)</u>	
<b>NET ASSETS MARCH 31, 2012 (Including line (a))</b>	<u>\$ 3,983,432,430</u>		<u>\$ 510,920,929</u>	

**ABSOLUTE FUNDS**  
STATEMENTS OF CHANGES IN NET ASSETS

	<u>ABSOLUTE STRATEGIES FUND</u>		<u>ABSOLUTE OPPORTUNITIES FUND</u>	
		<u>Shares</u>		<u>Shares</u>
<b>NET ASSETS MARCH 31, 2012 (Including line (a))</b>	<u>\$ 3,983,432,430</u>		<u>\$ 510,920,929</u>	
<b>OPERATIONS</b>				
Net investment loss	(18,378,822)		(5,156,826)	
Net realized gain	9,337,440		1,494,828	
Net change in unrealized appreciation (depreciation)	<u>66,261,465</u>		<u>1,841,989</u>	
Increase (Decrease) in Net Assets Resulting from Operations	<u>57,220,083</u>		<u>(1,820,009)</u>	
<b>CAPITAL SHARE TRANSACTIONS</b>				
Sale of shares:				
Institutional Shares	700,065,114	62,476,154	66,798,347	5,798,800
R Shares	21,537,078	1,929,692	-	-
Redemption of shares:				
Institutional Shares	(422,153,563)	(37,713,773)	(135,497,573)	(11,749,349)
R Shares	<u>(15,589,609)</u>	<u>(1,395,956)</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Assets from Capital Share Transactions	<u>283,859,020</u>	<u>25,296,117</u>	<u>(68,699,226)</u>	<u>(5,950,549)</u>
Increase (Decrease) in Net Assets	<u>341,079,103</u>		<u>(70,519,235)</u>	
<b>NET ASSETS SEPTEMBER 30, 2012 (Including line (b))</b>	<u>\$ 4,324,511,533</u>		<u>\$ 440,401,694</u>	
(a) Distributions in excess of net investment income March 31, 2012	<u>\$ (2,264,949)</u>		<u>\$ (5,754,823)</u>	
(b) Distributions in excess of net investment income September 30, 2012	<u>\$ (20,643,771)</u>		<u>\$ (10,911,649)</u>	



**ABSOLUTE STRATEGIES FUND**  
FINANCIAL HIGHLIGHTS

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

	For the Six Months Ended September 30, 2012	For the Years Ended March 31,				
		2012	2011	2010	2009	2008
<b>INSTITUTIONAL SHARES</b>						
<b>NET ASSET VALUE, Beginning of Period</b>	\$ 11.09	\$ 10.80	\$ 10.66	\$ 8.79	\$ 10.52	\$ 10.62
<b>INVESTMENT OPERATIONS</b>						
Net investment income (loss) (a)	(0.05)	(0.09)	(0.02)	0.10	0.08	0.16
Net realized and unrealized gain (loss)	0.21	0.45	0.20	1.91	(1.38)	(0.11)
Total from Investment Operations	0.16	0.36	0.18	2.01	(1.30)	0.05
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM</b>						
Net investment income	—	(0.02)	(0.04)	(0.14)	(0.08)	(0.15)
Net realized gain	—	(0.05)	—	— <sup>(b)</sup>	(0.35)	—
Total Distributions to Shareholders	—	(0.07)	(0.04)	(0.14)	(0.43)	(0.15)
<b>NET ASSET VALUE, End of Period</b>	\$ 11.25	\$ 11.09	\$ 10.80	\$ 10.66	\$ 8.79	\$ 10.52
<b>TOTAL RETURN</b>	1.44%(c)	3.36%	1.73%	22.95%	(12.41)%	0.41%
<b>RATIOS/SUPPLEMENTARY DATA</b>						
Net Assets at End of Period (000's omitted)	\$4,223,268	\$3,889,319	\$3,300,120	\$2,116,412	\$786,766	\$856,441
Ratios to Average Net Assets:						
Net investment income (loss)	(0.87%)(d)	(0.80)%	(0.20)%	0.98%	0.78%	1.50%
Net expense (e)	1.73%(d)	1.73%	1.73%	1.78%	1.81%	1.88%
Dividend and interest expense	0.82%(d)	0.85%	0.53%	0.34%	0.50%	0.50%
Gross expense	2.55%(d)	2.58%	2.26%(f)	2.12%(f)	2.31%(f)	2.38%(f)
<b>PORTFOLIO TURNOVER RATE</b>	30%(c)	112%	192%	114%	133%	553%

(a) Calculated based on average shares outstanding during each period.

(b) Less than \$0.01 per share.

(c) Not annualized.

(d) Annualized.

(e) Excludes dividend and interest expense.

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

**ABSOLUTE STRATEGIES FUND**  
FINANCIAL HIGHLIGHTS

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

	For the Six Months Ended September 30, 2012	For the Years Ended March 31,				
		2012	2011	2010	2009	2008
<b>R SHARES (a)</b>						
<b>NET ASSET VALUE, Beginning of Period</b>	\$ 11.08	\$ 10.82	\$ 10.67	\$ 8.82	\$ 10.55	\$ 10.63
<b>INVESTMENT OPERATIONS</b>						
Net investment income (loss) (b)	(0.07)	(0.16)	(0.10)	0.05	0.04	0.13
Net realized and unrealized gain (loss)	0.20	0.47	0.26	1.91	(1.39)	(0.13)
Total from Investment Operations	0.13	0.31	0.16	1.96	(1.35)	—
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM</b>						
Net investment income	—	—	(0.01)	(0.11)	(0.03)	(0.08)
Net realized gain	—	(0.05)	—	—(c)	(0.35)	—
Total Distributions to Shareholders	—	(0.05)	(0.01)	(0.11)	(0.38)	(0.08)
<b>NET ASSET VALUE, End of Period</b>	\$ 11.21	\$ 11.08	\$ 10.82	\$ 10.67	\$ 8.82	\$ 10.55
<b>TOTAL RETURN</b>	1.17%(e)	2.87%	1.49%	22.28%	(12.73)%	0.01%(d)
<b>RATIOS/SUPPLEMENTARY DATA</b>						
Net Assets at End of Period (000's omitted)	\$101,243	\$94,113	\$101,868	\$93,696	\$27,600	\$32,106
Ratios to Average Net Assets:						
Net investment income (loss)	(1.32)% (f)	(1.43)%	(0.95)%	0.52%	0.37%	1.17%
Net expense (g)	2.13% (f)	2.14%	2.11%	2.22%	2.23%	2.25%
Dividend and interest expense	0.82% (f)	0.81%	0.53%	0.34%	0.50%	0.48%
Gross expense	2.96% (f)	2.95%	2.64% (h)	2.56% (h)	2.73% (h)	2.76% (h)
<b>PORTFOLIO TURNOVER RATE</b>	30% (e)	112%	192%	114%	133%	553%

(a) Effective July 31, 2009, C Shares were reclassified as R Shares. For the period April 1, 2009 through July 31, 2009, total return for the C Shares was 14.02%. For the aforementioned period, the annualized gross expense and net expense ratios were 3.56% and 3.30%, respectively.

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

(c) Less than \$0.01 per share.

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

(e) Not annualized.

(f) Annualized.

(g) Excludes dividend and interest expense.

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

**ABSOLUTE OPPORTUNITIES FUND**  
FINANCIAL HIGHLIGHTS

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

	For the Six Months Ended September 30, 2012	For the Years Ended March 31,			October 21, 2008 (a) through March 31, 2009
		2012	2011	2010	
<b>INSTITUTIONAL SHARES</b>					
<b>NET ASSET VALUE, Beginning of Period</b>	\$ 11.59	\$ 12.41	\$ 11.77	\$ 10.57	\$ 10.00
<b>INVESTMENT OPERATIONS</b>					
Net investment income (loss) (b)	(0.13)	(0.25)	(0.13)	(0.11)	0.04
Net realized and unrealized gain (loss)	0.09	(0.21)	0.95	2.11	0.55
Total from Investment Operations	(0.04)	(0.46)	0.82	2.00	0.59
<b>DISTRIBUTIONS TO SHAREHOLDERS FROM</b>					
Net investment income	—	—	—	(0.01)	(0.02)
Net realized gain	—	(0.36)	(0.18)	(0.75)	—(c)
Return of capital	—	—	—	(0.04)	—
Total Distributions to Shareholders	—	(0.36)	(0.18)	(0.80)	(0.02)
<b>NET ASSET VALUE, End of Period</b>	\$ 11.55	\$ 11.59	\$ 12.41	\$ 11.77	\$ 10.57
<b>TOTAL RETURN</b>	(0.35%)(d)	(3.68)%	6.98%	19.00%	5.95%(d)
<b>RATIOS/SUPPLEMENTARY DATA</b>					
Net Assets at End of Period (000's omitted)	\$440,402	\$510,921	\$593,127	\$285,639	\$77,245
Ratios to Average Net Assets:					
Net investment income (loss)	(2.23%)(e)	(2.12)%	(1.05)%	(0.90)%	0.84%(e)
Net expense (f)	2.95%(e)	2.95%	2.95%	2.95%	2.95%(e)
Dividend and interest expense	0.96%(e)	0.61%	0.42%	0.46%	0.05%(e)
Gross expense (g)	3.96%(e)	3.58%	3.42%	3.66%	3.82%(e)
<b>PORTFOLIO TURNOVER RATE</b>	117%(d)	430%	630%	597%	281%(d)

- (a) Commencement of operations.  
(b) Calculated based on average shares outstanding during each period.  
(c) Less than \$0.01 per share.  
(d) Not annualized.  
(e) Annualized.  
(f) Excludes dividend and interest expense.  
(g) Reflects the expense ratio excluding any waivers and/or reimbursements.

### **Note 1. Organization**

Absolute Strategies Fund and Absolute Opportunities Fund (individually, a "Fund" and, collectively the "Funds") are non-diversified portfolios of Forum Funds (the "Trust"). The Trust is a Delaware statutory trust that is registered as an open-end, management investment company under the Investment Company Act of 1940 (the "Act"), as amended. Under its Trust Instrument, the Trust is authorized to issue an unlimited number of each Fund's shares of beneficial interest without par value. Absolute Strategies Fund currently offers two classes of shares: Institutional Shares and R Shares. Institutional and R Shares commenced operations on July 11, 2005. Absolute Strategies Fund seeks to achieve long-term capital appreciation with an emphasis on absolute (positive) returns and low sensitivity to traditional financial market indices, such as the S&P 500 Index. Absolute Opportunities Fund currently offers Institutional Shares. Absolute Opportunities Fund commenced operations on October 21, 2008. Absolute Opportunities Fund seeks to achieve long-term capital appreciation with an emphasis on risk-adjusted returns and lower volatility than traditional equity market indices, such as the S&P 500 Index.

### **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 ("GAAP"), 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 each Fund:

**Security Valuation** – Exchange-traded securities and over-the-counter securities are valued using the last quoted sale or official closing price, provided by independent pricing services as of the close of trading on the market or exchange for which they are primarily traded, on each Fund business day. In the absence of a sale, such securities are valued at the mean of the last bid and ask price provided by independent pricing services. Non-exchange traded securities for which quotations are available are valued using the last quoted sales price, or in the absence of a sale at the mean of the last bid and ask 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 mean of the last bid and ask prices. Options not traded on an exchange are generally valued at broker-dealer bid quotations. Shares of open-end mutual funds are valued at net asset value ("NAV"). 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 60 days or less may be valued at amortized cost.

Each 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. The Trust's Valuation Committee performs certain functions as they relate to the administration and oversight of each Fund's valuation procedures. Under these procedures, the Valuation Committee convenes on a regular and ad-hoc basis to review such securities and considers a number of factors, including valuation methodologies and significant unobservable inputs, when arriving at fair value.

The Valuation Committee may work with an adviser to provide valuation inputs. In determining fair valuations, inputs may include market-based analytics which may consider related or comparable assets or liabilities, recent transactions, market multiples, book values and other relevant investment information. Adviser inputs may include an income-based approach in which the anticipated future cash flows of the investment are discounted in determining fair value. Discounts may also be applied based on the nature or duration of any restrictions on the disposition of the investments. The Valuation Committee performs regular reviews of valuation methodologies, key inputs and assumptions, disposition analysis and market activity.

Fair valuation is based on subjective factors and, as a result, the fair value price of an investment may differ from

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**ABSOLUTE FUNDS**

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

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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 NAV than a NAV determined by using market quotes.

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

Level 1 — quoted prices in active markets for identical assets

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

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

The aggregate value by input level, as of September 30, 2012, for each Fund's investments is included in the Notes to Schedules of Investments, Securities Sold Short and Call and Put Options Written.

**Security Transactions, Investment Income and Realized Gain and Loss** – Investment transactions are accounted for on the 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 possible after each 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 is amortized and discount is accreted using the effective interest method. Identified cost of investments sold is used to determine the gain and loss for both financial statement and federal income tax purposes. Each Fund estimates components of distributions 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 Translations** – Foreign currency amounts are translated into U.S. dollars as follows: (1) assets and liabilities at the rate of exchange at the end of the respective period; and (2) 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 volume of open currency positions may vary on a daily basis as Absolute Strategies Fund and Absolute Opportunities Fund transacts forward currency contracts in order to achieve the exposure desired by the adviser. Absolute Strategies Fund and Absolute Opportunities Fund entered into an aggregated total notional value of \$54,125,223 and \$4,690,631, respectively, of forward currency contracts for the period ended September 30, 2012.

The values of each individual forward currency contract outstanding in Absolute Strategies Fund and Absolute Opportunities Fund as of September 30, 2012, are disclosed in the tables below.

*Absolute Strategies Fund*

<u>Contracts to Sell</u>		<u>Settlement Date</u>	<u>Settlement Value</u>	<u>Net Unrealized Appreciation (Depreciation)</u>
(4,525,093)	Danish Krone	10/02/12	\$ 780,250	\$ 263
(2,906,119)	Danish Krone	10/03/12	500,749	(1,614)
(2,168,104)	Swedish Krona	10/02/12	330,614	553
(8,474,848)	Swedish Krona	10/02/12	1,292,329	2,163
(8,429,495)	Swedish Krona	10/02/12	1,285,414	2,152
				<u>\$ 3,517</u>

*Absolute Opportunities Fund*

<u>Contracts to Purchase/(Sell)</u>		<u>Settlement Date</u>	<u>Settlement Value</u>	<u>Net Unrealized Appreciation (Depreciation)</u>
99,201	Canadian Dollars	10/01/12	\$ (100,712)	\$ 195
121,942	Canadian Dollars	10/01/12	(123,963)	75
(26,725)	Canadian Dollars	10/01/12	27,184	-
122,875	Canadian Dollars	10/02/12	(125,318)	(331)
				<u>\$ (61)</u>

**Futures Contracts** – Each Fund may purchase futures 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, a 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.

Notional amounts of each individual futures contract outstanding as of September 30, 2012, for each Fund, are disclosed in the Notes to Schedule of Investments, Securities Sold Short and Call and Put Options Written. The volume of open positions may vary on a daily basis as each Fund transacts futures contracts in order to achieve the exposure desired by the adviser. Each Fund entered into a total notional amount of \$1,974,732,652 and \$134,063,920 for Absolute Strategies Fund and Absolute Opportunities Fund, respectively, on futures contracts for the period ended September 30, 2012.

**Securities Sold Short** – Each Fund may sell a security short to increase investment returns. Each 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 a 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; the 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 broker 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 and interest paid on securities sold short are recorded as an expense on each Fund’s Statement of Operations.

**Purchased Options** – When a 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. Purchased options are non-income producing securities.

**ABSOLUTE FUNDS**

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

The values of each individual purchased option outstanding as of September 30, 2012, are disclosed in each Fund's Schedule of Investments. The volume of open purchased option positions may vary on a daily basis as each Fund transacts purchased options in order to achieve the exposure desired by the adviser. Each Fund entered into a total value of \$27,309,631 and \$30,409,703 for Absolute Strategies Fund and Absolute Opportunities Fund, respectively, on purchased options during the period ended September 30, 2012.

**Written Options** – When a 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 written options. 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 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. Written options are non-income producing securities.

The values of each individual written option outstanding as of September 30, 2012, if any, are disclosed in each Fund's Schedule of Call and Put Options Written. The volume of open positions may vary on a daily basis as each Fund transacts written options in order to achieve the exposure desired by the adviser. Each Fund entered into written options with a total value of \$(28,146,633) and \$(1,234,181) for Absolute Strategies Fund and Absolute Opportunities Fund, respectively, during the period ended September 30, 2012.

Transactions in written options during the period ended September 30, 2012, were as follows:

*Absolute Strategies Fund*

	<b>Calls</b>		<b>Puts</b>	
	<b>Number of Contracts</b>	<b>Premiums</b>	<b>Number of Contracts</b>	<b>Premiums</b>
<i>Options Outstanding, March 31, 2012</i>	(6,815)	\$ (4,249,484)	(56,840)	\$ (27,395,810)
Options written	(58,204)	(10,354,154)	(45,569)	(17,792,479)
Options terminated in closing transactions	6,562	3,093,905	31,086	14,015,501
Options exercised	-	-	65	32,449
Options expired	7,381	520,869	275	112,535
<i>Options Outstanding, September 30, 2012</i>	<u>(51,076)</u>	<u>\$ (10,988,864)</u>	<u>(70,983)</u>	<u>\$ (31,027,804)</u>

*Absolute Opportunities Fund*

	<b>Calls</b>		<b>Puts</b>	
	<b>Number of Contracts</b>	<b>Premiums</b>	<b>Number of Contracts</b>	<b>Premiums</b>
<i>Options Outstanding, March 31, 2012</i>	(2,330)	\$ (150,248)	(383)	\$ (115,906)
Options written	(16,035)	(725,646)	(12,924)	(508,535)
Options terminated in closing transactions	8,211	388,108	13,307	624,441
Options exercised	-	-	-	-
Options expired	10,154	487,786	-	-
<i>Options Outstanding, September 30, 2012</i>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

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**ABSOLUTE FUNDS**

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

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**Credit Default Swaps** – Each Fund may invest in credit default swaps. A credit default swap gives one party (the buyer) the right to recoup the economic value of a decline in the value of debt securities of the reference issuer (including sovereign debt obligations) if a credit event (a downgrade or default) occurs. This value is obtained by delivering a debt security of the reference issuer to the party in return for a previously agreed payment from the other party (frequently, the par value of the debt security). Credit default swaps may require initial premium (discount) payments as well as periodic payments (receipts) related to the interest leg of the swap or to the default of a reference obligation.

If a fund is a seller of a credit default swap contract, the fund would be required to pay the par (or other agreed upon) value of a referenced debt obligation to the counterparty in the event of a default or other credit event by the reference issuer, such as a U.S. or foreign corporate issuer, with respect to such debt obligations. In return, the fund would receive from the counterparty a periodic stream of payments over the term of the contract provided that no event of default has occurred. If no default occurs, the fund would keep the stream of payments and would have no payment obligations. As the seller, the fund would be subject to investment exposure on the notional amount of the swap.

If a fund is the buyer of a credit default swap contract, the fund would have the right to deliver a referenced debt obligation and receive the par (or other agreed-upon) value of such debt obligation from the counterparty in the event of a default or other credit event (such as a credit downgrade) by the reference issuer, such as a U.S. or foreign corporation, with respect to its debt obligations. In return, the fund would pay the counterparty a periodic stream of payments over the term of the contract provided that no event of default has occurred. If no default occurs, the counterparty would keep the stream of payments and would have no further obligations to the fund.

Notional amounts of each individual credit default swap agreement outstanding as of September 30, 2012, for each Fund, are disclosed in the Notes to Schedule of Investments, Securities Sold Short and Call and Put Options Written. The volume of open positions may vary on a daily basis as each Fund transacts credit default swaps in order to achieve the exposure desired by the adviser. Absolute Strategies Fund and Absolute Opportunities Fund entered into a total notional amount of \$1,000,000 and \$325,000,000, respectively, on credit default swap agreements during the period ended September 30, 2012.

**Interest Rate Swaps** – Each Fund may enter into interest rate swaps for investment purposes to manage exposure to fluctuations in interest rates or to add leverage.

Interest rate swaps represent an agreement between two counterparties to exchange cash flows based on the difference in two interest rates, applied to the notional principal amount for a specified period. The payment flows are usually netted against each other, with the difference being paid by one party to the other. The Fund settles accrued net receivables or payables under the swap contracts on a periodic basis.

The primary risk associated with interest rate swaps is that unfavorable changes in interest rates could adversely impact the Funds.

Notional amounts of each individual interest rate swap agreement outstanding as of September 30, 2012, for each Fund, are disclosed in the Notes to Schedule of Investments, Securities Sold Short and Call and Put Options Written. The volume of open positions may vary on a daily basis as each Fund transacts interest rate swaps in order to achieve the exposure desired by the adviser. The Funds did not enter into any interest rate swaps for the period ended September 30, 2012.

**Derivatives Transactions** - Each Fund's use of derivatives during the period ended September 30, 2012, was limited to credit default swaps, interest rate swaps, options, forward currency contracts and futures contracts. Following is a summary of how the derivatives are treated in the financial statements and their impact on each Fund.

The location on the Statement of Assets and Liabilities of each Fund's derivative positions by type of exposure, all



of which are not accounted for as hedging instruments, is as follows:

<b>Fund Contract Type/ Primary Risk Exposure</b>	<b>Location on Statement of Assets and Liabilities</b>	<b>Asset Derivatives</b>	<b>Location on Statement of Assets and Liabilities</b>	<b>Liability Derivatives</b>
<i>Absolute Strategies Fund</i>				
Credit contracts	Unrealized gain on swap agreements	\$ 79,493	Unrealized loss on swap agreements	\$ -
	Swap premiums paid	-	Swap premiums received	(72,832)
Currency contracts	Receivable-Variation margin	487,500	Payable-Variation margin	-
Equity contracts	Receivable-Variation margin	4,663,500	Payable-Variation margin	-
	Total investments, at value	52,030,140	Call options written, at value	(11,618,356)
			Put options written, at value	(12,263,178)
Forward Currency contracts	Unrealized gain on forward currency contracts	5,131	Unrealized loss on forward currency contracts	(1,614)
Interest contracts	Receivable-Variation margin	15,859	Payable-Variation margin	(23,908)
<i>Absolute Opportunities Fund</i>				
Credit contracts	Unrealized gain on swap agreements	163,120	Unrealized loss on swap agreements	(2,755,613)
	Swap premiums paid	5,072,708	Swap premiums received	(227,757)
Currency contracts	Receivable-Variation margin	81,250	Payable-Variation margin	-

**ABSOLUTE FUNDS**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

<b>Fund Contract Type/ Primary Risk Exposure</b>	<b>Location on Statement of Assets and Liabilities</b>	<b>Asset Derivatives</b>	<b>Location on Statement of Assets and Liabilities</b>	<b>Liability Derivatives</b>
<i>Absolute Opportunities Fund - continued</i>				
Equity contracts	Receivable-Variation margin	\$ 304,125	Payable-Variation margin	\$ -
	Total investments, at value	5,828,138		

Realized and unrealized gains and losses on derivatives contracts during the period ended September 30, 2012, by each Fund are recorded in the following locations on the Statement of Operations:

<b>Fund Contract Type/Primary Risk Exposure</b>	<b>Location of Gain or (Loss) on Derivatives</b>	<b>Realized Gain (Loss) on Derivatives</b>	<b>Change in Unrealized Appreciation (Depreciation) on Derivatives</b>
<i>Absolute Strategies Fund</i>			
Credit contracts	Realized gain (loss) – Swaps and Change in unrealized gain (loss) - Swaps	\$ 249,553	\$ 94,766
Currency contracts	Realized gain (loss) – Futures and Change in unrealized gain (loss) – Futures	2,860,475	2,272,500
Equity contracts	Realized gain (loss) – Futures and Change in unrealized gain (loss) – Futures	(38,670,476)	23,148,110
	Realized gain (loss) – Investments and Change in unrealized gain (loss) - Investments	(5,556,281)	(15,343,358)
	Realized gain (loss) – Written options and Change in unrealized gain (loss) – Written options	11,703,285	6,517,913

<b>Fund Contract Type/Primary Risk Exposure</b>	<b>Location of Gain or (Loss) on Derivatives</b>	<b>Realized Gain (Loss) on Derivatives</b>	<b>Change in Unrealized Appreciation (Depreciation) on Derivatives</b>
<i>Absolute Strategies Fund - continued</i>			
Forward Currency contracts	Realized gain (loss) – Foreign currency transactions and Net Change in unrealized gain (loss) – Foreign currency translations	\$ (347,514)	\$ 96,033
Interest contracts	Realized gain (loss) – Futures and Change in unrealized gain (loss) – Futures	(3,380,295)	(2,260,004)
	Realized gain (loss) – Swaps and Change in unrealized gain (loss) – Swaps	(25,500)	4,304
<i>Absolute Opportunities Fund</i>			
Credit contracts	Realized gain (loss) – Swaps and Change in unrealized gain (loss) – Swaps	(2,052,443)	(893,819)
Currency contracts	Realized gain (loss) – Futures and Change in unrealized gain (loss) – Futures	590,012	541,763
Equity contracts	Realized gain (loss) – Futures and Change in unrealized gain (loss) – Futures	(1,469,984)	2,390,282
	Realized gain (loss) – Investments and Change in unrealized gain (loss) - Investments	(5,735,905)	2,308,083
	Realized gain (loss) – Written options and Change in unrealized gain (loss) – Written options	856,544	(11,294)

<b>Fund</b>		<b>Realized Gain</b>	<b>Change in</b>
<b>Contract Type/Primary</b>	<b>Location of Gain or (Loss) on</b>	<b>(Loss) on</b>	<b>Unrealized</b>
<b>Risk Exposure</b>	<b>Derivatives</b>	<b>Derivatives</b>	<b>(Depreciation) on</b>
			<b>Derivatives</b>
<i>Absolute Opportunities</i>			
<i>Fund - continued</i>			
Forward Currency contracts	Realized gain (loss) – Foreign currency transactions and Net Change in unrealized gain (loss) – Foreign currency translations	\$ 2,603	\$ (61)

**Restricted Securities** – Each 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 each Fund is included in their Schedule of Investments, if applicable.

**When-Issued Transactions** – Each Fund may purchase securities on a forward commitment or ‘when-issued’ basis. A 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 net capital gains, if any, are declared and paid annually. Distributions are based on amounts calculated in accordance with applicable federal income tax regulations, which may differ from GAAP. These differences are due primarily to differing treatments of income and gain on various investment securities held by each Fund, timing differences and differing characterizations of distributions made by each Fund.

**Federal Taxes** – Each Fund intends to continue to qualify each year as a regulated investment company under Subchapter M of the Internal Revenue Code and to distribute all of their taxable income to shareholders. In addition, by distributing in each calendar year substantially all of their net investment income and capital gains, if any, the Funds will not be subject to a federal excise tax. Therefore, no federal income or excise tax provision is required. Each Fund files a U.S. federal income and excise tax return as required. A fund’s federal income tax returns are subject to examination by the Internal Revenue Service for a period of three fiscal years after they are filed. As of September 30, 2012, there are no uncertain tax positions that would require financial statement recognition, de-recognition, or disclosure.

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

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

assets of the Fund.

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

### **Note 3. Fees and Expenses**

**Investment Adviser** – Absolute Investment Advisers LLC (the "Adviser") is the investment adviser to the Funds. Pursuant to an Investment Advisory Agreement, the Adviser receives an advisory fee at an annual rate of 1.60% and 2.75% of the average daily net assets of Absolute Strategies Fund and Absolute Opportunities Fund, respectively.

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

**Distribution** – Foreside Fund Services, LLC serves as each Fund's distributor (the "Distributor"). The Distributor is not affiliated with the Adviser or Atlantic Fund Administration, LLC (d/b/a Atlantic Fund Services) ("Atlantic") or their affiliates. Absolute Strategies Fund has adopted a Distribution Plan (the "Plan") for R Shares of the Fund in accordance with Rule 12b-1 of the Act. Under the Plan, the Fund pays the Distributor and/or any other entity as authorized by the Board a fee of up to 0.25% of the average daily net assets of R Shares.

**Other Service Providers** – Atlantic provides fund accounting, fund administration, compliance and transfer agency services to each Fund. Atlantic also provides certain shareholder report production, and EDGAR conversion and filing services. Pursuant to an Atlantic services agreement, each Fund pays Atlantic customary fees for its services. Atlantic provides a Principal Executive Officer, a Principal Financial Officer, a Chief Compliance Officer, and an Anti-Money Laundering Officer to each Fund, as well as certain additional compliance support functions.

**Trustees and Officers** – The Trust pays each independent Trustee an annual retainer fee of \$45,000 for service to the Trust (\$66,000 for the Chairman). The Trustees and Chairman may receive additional fees for special Board meetings. Each Trustee is also reimbursed for all reasonable out-of-pocket expenses incurred in connection with his duties as a Trustee, including travel and related expenses incurred in attending Board meetings. The amount of Trustees' fees attributable to each Fund is disclosed in the Statement of Operations. Certain officers of the Trust are also officers or employees of the above named service providers, and during their terms of office received no compensation from each Fund.

### **Note 4. Expense Reimbursements and Fees Waived**

The Adviser has contractually agreed to waive its fees and/or reimburse expenses to limit total annual operating expenses (excluding all taxes, interest, portfolio transaction expenses, dividend and interest expenses on short sales, acquired fund fees, proxy expenses and extraordinary expenses) of Institutional Shares of Absolute Opportunities Fund to 2.95% through July 31, 2013. The Adviser waived fees of \$124,794 for the period ended September 30, 2012.

Absolute Opportunities Fund may repay the Adviser 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; (2) such payment is approved by the Board, and (3) the resulting class expenses do not exceed 2.95% for Institutional Shares. For the period April 1, 2009 through September 30, 2012, the Adviser waived fees and/or reimbursed expenses as follows:

<u>Year/Period Ended</u>	<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, 2010	\$ 327,552	March 31, 2013	\$ -
March 31, 2011	\$ 95,814	March 31, 2014	\$ -
March 31, 2012	\$ 87,404	March 31, 2015	\$ -
September 30, 2012	\$ 124,794	March 31, 2016	\$ -

**Note 5. Security Transactions**

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term investments during the period ended September 30, 2012, were as follows:

*Absolute Strategies Fund*

<u>Non-U.S. Government Obligations</u>		<u>U.S. Government Obligations</u>	
<u>Purchases</u>	<u>Sales</u>	<u>Purchases</u>	<u>Sales</u>
\$ 925,563,810	\$ 894,584,587	\$ 55,933,624	\$ 50,713,020

Absolute Strategies Fund placed a portion of its portfolio transactions with a brokerage firm affiliated with a sub-adviser. The commissions paid to this affiliated firm were \$19,141 for the period.

*Absolute Opportunities Fund*

<u>Non-U.S. Government Obligations</u>		<u>U.S. Government Obligations</u>	
<u>Purchases</u>	<u>Sales</u>	<u>Purchases</u>	<u>Sales</u>
\$ 296,260,969	\$ 339,194,014	\$ -	\$ -

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

As of March 31, 2012, distributable earnings (accumulated loss) on a tax basis were as follows:

	<u>Capital and Other Losses</u>	<u>Unrealized Appreciation (Depreciation)</u>	<u>Total</u>
Absolute Strategies Fund	\$ (81,811,149)	\$ 249,012,398	\$ 167,201,249
Absolute Opportunities Fund	(18,853,472)	13,474,974	(5,378,498)

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 credit default swaps, wash sales, post October losses, passive foreign investment holdings, real estate investment trusts, partnerships, grantor trusts, constructive sales, straddles, short dividend adjustments, loss deferral on covers, convertible bond premium adjustments, contingent payment debt instruments, futures mark-to-market and registered investment companies.

For tax purposes, the prior year post-October loss and late year ordinary loss was \$81,811,149 and \$18,853,472 (realized during the period November 1, 2011 through March 31, 2012) for Absolute Strategies Fund and Absolute Opportunities Fund, respectively. These losses were recognized for tax purposes on the first business day of each Fund's current fiscal year, April 1, 2012.

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**ABSOLUTE FUNDS**

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

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**Note 7. Recent Accounting Pronouncements**

In May 2011, FASB issued ASU No. 2011-04 “Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs.” ASU No. 2011-04 establishes common requirements for measuring fair value and for disclosing information about fair value measurements in accordance with U.S. GAAP and International Financial Reporting Standards (“IFRSs”). ASU No. 2011-04 is effective for interim and annual periods beginning after December 15, 2011. Management has evaluated ASU No. 2011-04 and has determined that it did not have a significant impact on the reporting of the financial statement disclosures.

In December 2011, FASB issued ASU No. 2011-11 “Disclosures about Offsetting Assets and Liabilities” requiring disclosure of both gross and net information related to offsetting and related arrangements enabling users of its financial statements to understand the effect of those arrangements on the entity’s financial position. The objective of this disclosure is to facilitate comparison between those entities that prepare their financial statements on the basis of U.S. GAAP and those entities that prepare their financial statements on the basis of IFRSs. ASU No. 2011-11 is effective for interim and annual periods beginning on or after January 1, 2013. Management is evaluating any impact ASU No. 2011-11 may have on each Fund’s financial statements.

**Note 8. Subsequent Events**

Subsequent events occurring after the date of this report through the date these financial statements were issued have been evaluated for potential impact and each Fund has had no such events.

## **Investment Advisory Agreement Approval**

At the June 15, 2012 Board meeting, the Board, including the Independent Trustees, considered the initial approval and the continuance of certain sub-advisory agreements (“Sub-Advisory Agreements”) for the Funds with Sabal Capital Management, LLC (“Sabal”); Madden Asset Management, LLC (“Madden”); and Yacktman Asset Management Co. (“Yacktman”). In evaluating the Sub-Advisory Agreements for the Funds, the Board reviewed materials furnished by Absolute Investment Advisors LLC (“Absolute”), the Sub-advisers (collectively, the “Advisers”) and the administrator, including information regarding the Advisers’ personnel, operations and financial condition.

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

### Sabal Capital Management, LLC

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

Based on a presentation from senior representatives of Absolute and Sabal, and a discussion of the personnel, operations and financial condition of Sabal, the Board considered the quality of services provided by Sabal under the Subadvisory Agreement between Absolute and Sabal. In this regard, the Board considered information regarding the experience, qualifications and professional background of the portfolio managers and other personnel at Sabal with principal investment responsibility for the portion of Absolute Opportunities Fund’s investments to be managed by Sabal; the investment philosophy and decision-making processes of those professionals; the capability and integrity of Sabal’s senior management and staff; the quality of Sabal’s services with respect to regulatory compliance and compliance with client investment policies and restrictions; and Sabal’s representation that the firm is financially stable and able to provide investment advisory services to Absolute Opportunities Fund. In addition, the Board took into consideration Absolute’s recommendation on behalf of Sabal.

#### *Costs of Services and Profitability*

The Board did not consider information regarding the costs of services to be provided and profits to be realized by Sabal from its relationship with Absolute Opportunities Fund, noting instead the arm’s length nature of the relationship between Absolute and Sabal with respect to the negotiation of the advisory fee rate on behalf of the Fund and that Absolute, and not Absolute Opportunities Fund, was responsible for paying the sub-advisory fees due under the Subadvisory Agreement. The Board concluded that Sabal’s projected profitability was not a material factor in determining whether or not to approve the Subadvisory Agreement.

#### *Performance*

The Board reviewed Sabal’s historical performance record. In particular, the Board reviewed the performance of another fund managed by Sabal since August of 2010 in a style similar but not identical to the investment strategy to be employed on behalf of the Fund (“Comparable Fund”). The Board noted that the Comparable Fund underperformed the Russell 2000 Index for the year to date period but had provided similar since inception gross returns that were less volatile than the Russell 2000 Index. Based on this review and all of the relevant facts and circumstances, the Board concluded that Sabal’s management of its portion of Absolute Opportunities Fund could benefit Absolute Opportunities Fund and its shareholders.



### *Compensation*

The Board reviewed Sabal's proposed compensation for providing subadvisory services to Absolute Opportunities Fund and noted that the addition of Sabal would not change the total management fee paid by Absolute Opportunities Fund because the subadvisory fees are paid by Absolute and not Absolute Opportunities Fund. The Board considered that the total management fees paid by Absolute Opportunities Fund had been compared to fees paid by other similarly managed mutual funds in connection with the Board's annual approval of the Advisory Agreement between Absolute and Absolute Opportunities Fund on March 16, 2012. The Board also noted Sabal's representation that the proposed subadvisory fee rate is in line with the fee rates that are charged to Sabal's other advisory relationships. After considering these matters, the Board concluded that the proposed subadvisory fee rate to be paid to Sabal was not excessive in light of the services to be provided to Absolute Opportunities Fund.

### *Economies of Scale*

The Board considered whether Absolute Opportunities Fund would benefit from any economies of scale. The Board determined that because Absolute, and not Absolute Opportunities Fund, pays the subadvisory fee, shareholders would not benefit from any economies of scale in the form of breakpoints to the subadvisory fee rate. Based on the foregoing information, the Board concluded that economies of scale were not a material factor in approving the Subadvisory Agreement.

### *Other Benefits*

The Board noted Sabal's representation that it would not receive significant ancillary benefits as a result of its relationship with Absolute Opportunities Fund. As a result, other benefits accrued by Sabal were not a material factor in approving the Subadvisory Agreement.

### *Conclusion*

The Board did not identify any single factor as being of paramount importance, and different Trustees may have given different weight to different factors. The Board reviewed a memorandum from Trust counsel discussing the legal standards applicable to its consideration of the Subadvisory Agreement. Based on its review, including consideration of the factors referenced above, the Board determined, in the exercise of its business judgment, that the overall subadvisory arrangement, as outlined in the Subadvisory Agreement, was fair and reasonable in light of the services to be performed, expenses to be incurred and such other matters as the Board considered relevant in the exercise of its reasonable business judgment.

## Madden Asset Management, LLC

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

Based on a presentation from senior representatives of Absolute and Madden, and a discussion of the personnel, operations and financial condition of Madden, the Board considered the quality of services provided by Madden under the Subadvisory Agreement between Absolute and Madden. In this regard, the Board considered information regarding the experience, qualifications and professional background of the portfolio managers and other personnel at Madden with principal investment responsibility for the portion of Absolute Strategies Fund's investments to be managed by Madden; the investment philosophy and decision-making processes of those professionals; the capability and integrity of Madden's senior management and staff; the quality of Madden's services with respect to regulatory compliance and compliance with client investment policies and restrictions; and Madden's representation that the firm is financially stable and able to provide investment advisory services to Absolute Strategies Fund. In addition, the Board took into consideration the Absolute's recommendation on behalf of Madden.

#### *Costs of Services and Profitability*

The Board did not consider information regarding the costs of services to be provided and profits to be realized by Madden from its relationship with Absolute Strategies Fund, noting instead the arm's length nature of the relationship between Absolute and Madden with respect to the negotiation of the advisory fee rate on behalf of Absolute Strategies Fund and that Absolute, and not Absolute Strategies Fund, was responsible for paying the sub-advisory fees due under the Subadvisory Agreement. The Board concluded that Madden's projected profitability was not a material factor in determining whether or not to approve the Subadvisory Agreement.

#### *Performance*

The Board reviewed Madden's historical performance record. In particular, the Board reviewed the performance of the portion of Absolute Opportunities Fund managed by Madden in the same style to be employed on behalf of the Fund ("Comparable Fund"). The Board noted that the Comparable Fund total return since inception exceeded that of the S&P Total Return Index during the same period by 35.91%. Based on this review and all of the relevant facts and circumstances, the Board concluded that Madden's management of its portion of Absolute Strategies Fund could benefit Absolute Strategies Fund and its shareholders.

#### *Compensation*

The Board reviewed Madden's proposed compensation for providing subadvisory services to Absolute Strategies Fund and noted that the addition of Madden would not change the total management fee paid by Absolute Strategies Fund because the subadvisory fees are paid by Absolute and not Absolute Strategies Fund. The Board considered that the total management fees paid by Absolute Strategies Fund had been compared to fees paid by other similarly managed mutual funds in connection with the Board's annual approval of the Advisory Agreement between Absolute and Absolute Strategies Fund on March 16, 2012. The Board also noted Madden's representation that the proposed subadvisory fee rate is in line with the fee rates that are charged to Madden's other advisory relationships. After considering these matters, the Board concluded that the proposed subadvisory fee rate to be paid to Madden was not excessive in light of the services to be provided to Absolute Strategies Fund.

#### *Economies of Scale*

The Board considered whether Absolute Strategies Fund would benefit from any economies of scale. The Board determined that because Absolute, and not Absolute Strategies Fund, pays the subadvisory fee, shareholders would not benefit from any economies of scale in the form of breakpoints to the subadvisory fee rate. Based on the foregoing information, the Board concluded that economies of scale were not a material factor in approving the Subadvisory Agreement.

#### *Other Benefits*

The Board noted Madden's representation that it would not receive significant ancillary benefits as a result of its relationship with Absolute Strategies Fund. As a result, other benefits accrued by Madden were not a material factor in approving the Subadvisory Agreement.

#### *Conclusion*

The Board did not identify any single factor as being of paramount importance, and different Trustees may have given different weight to different factors. The Board reviewed a memorandum from Trust counsel discussing the legal standards applicable to its consideration of the Subadvisory Agreement. Based on its review, including consideration of the factors referenced above, the Board determined, in the exercise of its business judgment, that the overall subadvisory arrangement, as outlined in the Subadvisory Agreement, was fair and reasonable in light of the services to be performed, expenses to be incurred and such other matters as the Board considered relevant in the exercise of its reasonable business judgment.

Yacktman Asset Management Co.

*Nature, Extent and Quality of Services*

Based on a presentation from senior representatives of Absolute and Yacktman, and a discussion of the personnel, operations and financial condition of Yacktman, the Board considered the quality of services to be provided by Yacktman under the Subadvisory Agreement. In this regard, the Board considered information regarding the experience, qualifications and professional background of the portfolio managers and other personnel at Yacktman with principal investment responsibility for the portion of Absolute Strategies Fund's investments to be managed by Yacktman; the investment philosophy and decision-making processes of those professionals; the capability and integrity of Yacktman's senior management and staff; the quality of Yacktman's services with respect to regulatory compliance and compliance with client investment policies and restrictions; and Yacktman's representation that the firm is financially stable and able to provide investment advisory services to Absolute Strategies Fund. In addition, the Board took into consideration Absolute's recommendation on behalf of Yacktman.

*Costs of Services and Profitability*

The Board did not consider information regarding the costs of services to be provided and profits to be realized by Yacktman from its relationship with Absolute Strategies Fund, noting instead the arm's length nature of the relationship between Absolute and Yacktman with respect to the negotiation of the advisory fee rate on behalf of Absolute Strategies Fund and that Absolute, and not Absolute Strategies Fund, was responsible for paying the sub-advisory fees due under the Subadvisory Agreement. The Board concluded that Yacktman's projected profitability was not a material factor in determining whether or not to approve the Subadvisory Agreement.

*Performance*

The Board reviewed Yacktman's historical performance record. In particular, the Board noted the performance of the portion of Absolute Strategies Fund's assets allocated to Yacktman was the same as the performance reviewed by the Board at its March 16, 2012 meeting and that no deviations in performance from Yacktman's prior performance record with respect to Absolute Strategies Fund were expected. Based on this review and all of the relevant facts and circumstances, the Board concluded that Yacktman's management of its portion of Absolute Strategies Fund could benefit Absolute Strategies Fund and its shareholders.

*Compensation*

The Board reviewed Yacktman's proposed compensation for providing subadvisory services to Absolute Strategies Fund and noted that the addition of Yacktman would not change the total management fee paid by Absolute Strategies Fund because the subadvisory fees are paid by Absolute and not Absolute Strategies Fund. The Board considered that the total management fees paid by the Fund had been compared to fees paid by other similarly managed mutual funds in connection with the Board's annual approval of the Advisory Agreement between Absolute and Absolute Strategies Fund on March 16, 2012. The Board also noted Yacktman's representation that the proposed subadvisory fee rate is in line with the fee rates that are charged to Yacktman's other advisory relationships. After considering these matters, the Board concluded that the proposed subadvisory fee rate to be paid to Yacktman was not excessive in light of the services to be provided to Absolute Strategies Fund.

*Economies of Scale*

The Board considered whether Absolute Strategies Fund would benefit from any economies of scale. The Board determined that because Absolute, and not the Absolute Strategies Fund, pays the subadvisory fee, shareholders would not benefit from any economies of scale in the form of breakpoints to the subadvisory fee rate. Based on the foregoing information, the Board concluded that economies of scale were not a material factor in approving the Subadvisory Agreement.

#### *Other Benefits*

The Board noted Yacktman's representation that it would not receive significant ancillary benefits as a result of its relationship with the Fund. As a result, other benefits accrued by Yacktman were not a material factor in approving the Subadvisory Agreement.

#### *Conclusion*

The Board did not identify any single factor as being of paramount importance, and different Trustees may have given different weight to different factors. The Board reviewed a memorandum from Trust counsel discussing the legal standards applicable to its consideration of the Subadvisory Agreement. Based on its review, including consideration of the factors referenced above, the Board determined, in the exercise of its business judgment, that the overall subadvisory arrangement, as outlined in the Subadvisory Agreement, was fair and reasonable in light of the services to be performed, expenses to be incurred and such other matters as the Board considered relevant in the exercise of its reasonable business judgment.

#### **Proxy Voting Information**

A description of the policies and procedures that each Fund uses to determine how to vote proxies relating to securities held in each Fund's portfolio is available, without charge and upon request, by calling (888) 992-2765 and on the U.S. Securities and Exchange Commission's (the "SEC") website at [www.sec.gov](http://www.sec.gov). Each Fund's proxy voting record for the most recent twelve-month period ended June 30 is available, without charge and upon request, by calling (888) 992-2765 and on the SEC's website at [www.sec.gov](http://www.sec.gov).

#### **Availability of Quarterly Portfolio Schedules**

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

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from April 1, 2012, through September 30, 2012.

**Actual Expenses** – The first line under each share class 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 under each share class of the table below provides information about hypothetical account values and hypothetical expenses based on each Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not each Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in each 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.

**ABSOLUTE FUNDS**  
 ADDITIONAL INFORMATION  
 SEPTEMBER 30, 2012

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

	<b>Beginning Account Value April 1, 2012</b>	<b>Ending Account Value September 30, 2012</b>	<b>Expenses Paid During Period*</b>	<b>Annualized Expense Ratio*</b>
<b>Absolute Strategies Fund</b>				
<b>Institutional Shares</b>				
Actual	\$ 1,000.00	\$ 1,014.42	\$ 12.88	2.55%
Hypothetical (5% return before taxes)	\$ 1,000.00	\$ 1,012.28	\$ 12.86	2.55%
<b>R Shares</b>				
Actual	\$ 1,000.00	\$ 1,012.64	\$ 14.93	2.96%
Hypothetical (5% return before taxes)	\$ 1,000.00	\$ 1,010.23	\$ 14.92	2.96%
<b>Absolute Opportunities Fund</b>				
<b>Institutional Shares</b>				
Actual	\$ 1,000.00	\$ 996.55	\$ 19.57	3.91%
Hypothetical (5% return before taxes)	\$ 1,000.00	\$ 1,005.46	\$ 19.66	3.91%

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

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# ABSOLUTE FUNDS

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## **DISTRIBUTOR**

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