
ABSOLUTEStrategies
FUND

ANNUAL REPORT

MARCH 31, 2008

ABSOLUTE
INVESTMENT ADVISERS

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ABSOLUTE STRATEGIES FUND

A MESSAGE TO OUR SHAREHOLDERS

MARCH 31, 2008

Dear Shareholder,

We are pleased to present the annual report for the Absolute Strategies Fund (the “Fund”) for the fiscal year ended March 31, 2008. The Fund continues to perform as intended given the Fund’s risk exposures and risk-adjusted performance. Fund performance has been achieved with low volatility and low beta relative to the S&P 500 Index (“S&P 500”), while at the same time being broadly hedged against equity market fluctuations. From inception through March 31, 2008, the Fund’s monthly returns have had a beta of 0.22, (beta measures the Fund’s sensitivity to the S&P 500) demonstrating that Fund returns were largely independent of this market index. The annualized standard deviation of monthly returns, a measure of portfolio volatility and risk, has been 2.5%; the largest down month was –1.38% for the Institutional Shares. As of March 31, net assets totaled \$907 million, an increase of 266% over March 31, 2007. As a result of the increase in assets, the Fund’s net expense ratio has fallen.

The Fund (Institutional Shares) had a modest positive return of 0.41% over the 12 months ended March 31 versus negative returns of –5.1% for the S&P 500 and –13.0% for the Russell 2000 Index. The Fund’s beta and standard deviation have been very consistent during the past twelve months and have been inline with expectations. We view our “uneventful” performance as attractive given the context of current market volatility, especially when large losses appear to be common among many investments. As an example of the cost of volatility, if the S&P 500 is to recover its recent peak-to-trough loss of approximately –20%, it will need a 25% gain. For equity investors who may need short-term liquidity, this volatility could be costly.

Please see the accompanying performance charts and financial highlights for complete return and expense information by share class. For a longer term perspective, the Fund’s (Institutional Shares) 1-year and since inception (July 27, 2005) average annual total returns for the period ended March 31, 2008 were 0.41% and 3.49%, respectively. Past performance is not predictive of, nor a guarantee of future results. Results of an investment made today may differ substantially from the Fund’s historical performance. Investment return and principal value of an investment in the Fund will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their original cost. As stated in the current prospectus, the Fund’s total annual operating expense ratio (gross) is 2.57% for Institutional Shares. Excluding the effect of expenses attributable to dividends on short sales, the Fund’s total annual operating expense ratio (net) was 1.88% for Institutional Shares for the fiscal year ended March 31, 2008. The Fund’s adviser has agreed to contractually waive a portion of its fees and/or reimburse expenses such that total operating expenses do not exceed 1.95%. Although subject to change, this waiver has been renewed annually on July 31st. For the most recent month end performance information, please call (888) 992-2765 or contact your financial adviser.

As stated in previous reports, the Fund’s emphasis on risk management differs from more traditional investments which achieve returns from general market or beta exposures. The Fund and its sub-advisers do not attempt to track a traditional benchmark or index, such as the S&P 500. Instead, we seek to achieve absolute (positive) returns independent of traditional indices over a complete market cycle (bull and bear markets combined) by using multiple investment strategies. As such, our performance will likely differ from the performance of major market indices during both up and down periods. In addition, the sub-advisers may

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selectively take risk, hedge risk, or seek to avoid risk in individual securities or industries without being constrained by managing to a benchmark.

Over the past 18 months we have added four new strategies and have removed four others from the Fund. We believe the new sub-advisers to be highly-skilled managers that will further improve the mix of our assets and offer distinctive risk-adjusted return opportunities. While we continue to seek skilled managers to the Fund, the recent number of manager changes has been largely opportunistic based on asset growth and is unlikely to be common in the future. We also plan to maintain a manageable number of sub-advisers; too many strategies can create over-diversification and higher sensitivity to systemic risks. As the Fund's adviser, we want to have a firm understanding of each strategy's risks and opportunities while maintaining ongoing dialogue with the sub-advisers.

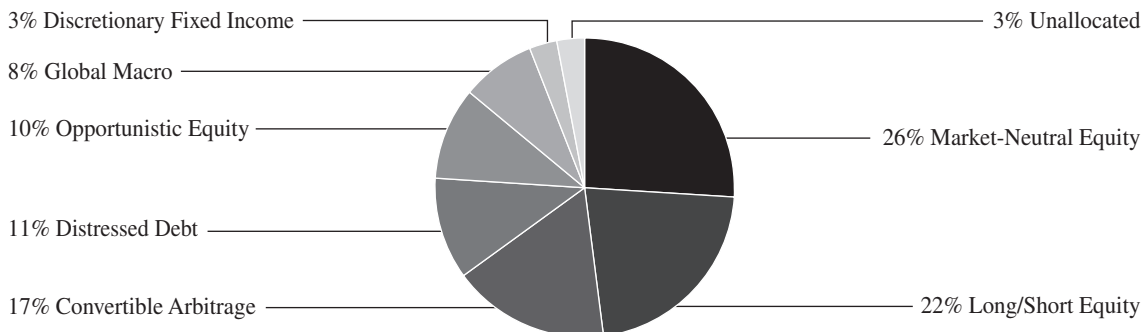
The Fund's allocations and performance can be viewed along multiple dimensions. Overall holdings of the Fund, aggregated across sub-adviser strategies, are diversified across a wide range of industries and asset classes. As such, it is difficult to attribute performance to any small group of securities. As of March 31, 2008, the Fund held over 1500 securities, including both long and short equity, fixed income, ETFs, options, and financial futures hedges. The Fund's long and short securities, excluding short term investments, were approximately \$714 million and \$369 million respectively. Long and short equity securities totaled approximately 53% and 36% of net assets respectively. Our largest single long stock position was in Berkshire Hathaway, which represented 1% of net assets. Convertible bonds and other fixed income securities totaled approximately 12% and 11% of net assets respectively; these securities are utilized in convertible arbitrage, distressed debt, and discretionary fixed income strategies. Cash held by our sub-advisers was approximately 17% of net assets; much of this cash was held as collateral for options, futures hedges, and short positions.

Fund assets are actively managed by the sub-advisers within clearly specified mandates and allocations, and the sub-advisers act independently of one another. With the recent sub-adviser changes, we currently allocate assets to fourteen strategies among twelve sub-advisers. As of March 31, 2008, we allocated approximately 97% of the Fund's assets; the remaining 3% was held in cash for future allocations and rebalancing. Of the sub-advisers who received assets, the largest allocation to a single strategy was approximately 14%; the smallest was roughly 1%. While we view each manager strategy as an independent risk/return profile, the following chart illustrates a summary breakdown of our sub-adviser allocations by style, (each category may represent strategies used by multiple sub-advisers):

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As expected, the sub-advisers have produced a range of return profiles that combine to form the overall portfolio. With dislocations in both the equity and credit markets over the past 12 months, meaningful upside performance in almost any sub-adviser strategy was difficult to obtain. However, of the twelve strategies receiving an allocation for the full 12 months, eight had positive returns. Largest gains came from equity market neutral and convertible arbitrage strategies while negative returns were attributable to certain equity strategies. Considering the performance of many other investments, we are pleased with the ability of our managers to preserve capital during this time. Additionally, our overlay hedge provided an intended buffer against systemic risk as well as providing a positive return to the Fund's performance. This overlay hedge was implemented to minimize potential systemic risk due to our ongoing concerns regarding broad asset class correlations, financial industry leverage, and mis-pricing of risk.

Given our emphasis on risk management, the Fund performed well preserving capital during highly volatile and difficult markets for many investments over the 9 months ended March 31, 2008. Since June 30, 2007 when volatility returned to the markets, the Fund (Institutional Shares) was down -1.1% versus losses of -10.7% for the S&P 500 and -16.7% for the Russell 2000 Index. Hedge funds have also had a difficult time as the HFRX Global Hedge Fund Index was down -4.8% over the past 9 months. Much of our past commentary stressed that banks, investment banks and hedge funds were relying on easy credit, low volatility, and excessive use of leverage and that the inevitable re-pricing of risk would not be kind to these participants. To restate a portion of our letter to shareholders from September 30, 2007:

"...hedge funds and investment banks have relied on easy credit, low volatility and excessive use of leverage to generate performance. Up until recently, this undisciplined approach had created a panacea of exciting returns with low volatility. Unfortunately, low volatility does not mean low risk, especially when using illiquid investments that are not marked to market, but marked to model. When highly leveraged portfolios are not valued appropriately, a dislocation is inevitable when conditions change... Given the above, investors and advisors would be wise to assess how much of their investments 'require' leverage or sensitivity to directional markets to generate attractive returns."

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The massive unwinding of these systemic factors clearly took center stage during the first quarter 2008, especially with the “intervention” of Bear Stearns. In addition to the Bear event, dislocations were defined by liquidations of both good and bad assets caused by the frantic unwinding of leverage by banks and hedge funds. These events likely had an impact on some of the Fund’s securities and performance (like most investments); however irrational market movements also presented opportunities. While the Fund was well positioned for increased volatility including certain defensive exposures and the overlay hedge, some of our managers did attempt to exploit short and long term opportunities. As this took place during highly volatile markets, the Fund’s volatility did increase modestly during the first quarter.

Serious dislocations and struggles in the credit markets continue to be a threat. Market participants have quickly realized that leverage can magnify results but does not add much value. As a result they are likely not finished unwinding leverage, liquidating securities, and raising capital, (most investment banks have balance sheets similar to Bear with leverage ratios of around 30:1). The credit crisis probably extends beyond the well-publicized *Subprime* risks as all kinds of lenders have taken on various types of under-priced credit risk with poor lending standards. This is the result of bad ideas drummed up by advocates of innovative securitizations that have not passed the test of time, (these ideas are not exclusive to *Subprime*). As such, the years of cheap and easy credit are probably over and the availability of credit remains tight as excesses correct; investors may no longer accept historically low risk premiums.

Although there will be many strong rallies, traditional equity and fixed income investments may have low return expectations over the next several years. For those looking beyond the next few years and planning for the *long term*, well known market historian Peter Bernstein was recently quoted in a New York Times article, “*The next 20 years will be far more a result of the past 20 than what happened in the distant past.*” In fact, since the market peak 8 years ago, the S&P 500 has produced a total cumulative return of 1% as of March 31. That is a far cry from the 17.8% annualized total return over the 20 years ending in 1999 that played a big part in the equity market’s often quoted “historical return” of 10% per year. To summarize Mr. Bernstein’s view, equity investors hoping for historical returns may be disappointed, especially if they cannot “*afford to hang on for the long run.*”

Recent market turmoil has created a “flight to safety” to fixed income, yielding attractive gains in certain highly-liquid investments. However, these recent returns may not be sustainable as current US Treasury yields are near historic lows, higher inflation is a potential threat, and corporate bond defaults hit record lows in 2007. Therefore, we appreciate the role of your investment advisor and their prudent decision to diversify portfolios away from traditional stocks and bonds.

We are excited about the Fund’s prospects for higher risk-adjusted return opportunities when risk becomes re-priced. The Fund should be well positioned to exploit what could be excellent risk-return trade-offs over the next few years given the fore mentioned issues. As a reminder, the Fund is not a “bear market” fund. The Fund seeks to manage the capital you give us, not to “rescue” your other investments. As the Fund’s

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exposures evolve and assets are repositioned, minimal dips and short term volatility are inescapable; nevertheless our goal will continue to be to seek strategies that can avoid large systemic losses.

Thank you for your investment in the Absolute Strategies Fund.

Sincerely,



Jay Compson
Portfolio Manager
Absolute Investment Advisers LLC

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

The views in this report were those of the Fund's adviser as of March 31, 2008 and may not reflect their views on the date this report is first published or any time thereafter. These views are intended to assist shareholders in understanding their investment in the Fund and do not constitute investment advice.

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

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

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PERFORMANCE CHART AND ANALYSIS

MARCH 31, 2008

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

Past performance is not predictive of, nor a guarantee of future results. Results of an investment made today may differ substantially from the Fund's historical performance. Investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. As stated in the current prospectus, the Fund's total annual operating expense ratios (gross) are 2.57%, 2.96% and 3.75% for Institutional Shares, A Shares and C Shares, respectively. Excluding the effect of expenses attributable to dividends on short sales, the Fund's total annual operating expense ratios (net) was 1.88%, 2.25% and 3.00% for Institutional Shares, A Shares and C Shares, respectively, for the fiscal year ended March 31, 2008. The Fund's adviser has agreed to contractually waive a portion of its fees and/or reimburse expenses such that total operating expenses do not exceed 1.95%, 2.25% and 3.00% for Institutional Shares, A Shares and C Shares, respectively. Although subject to change, this waiver has been renewed annually on July 31st. The performance table and graph do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. For the most recent month end performance information, please call (888) 992-2765 or contact your financial adviser.

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

Average Annual Total Return as of 03/31/08

Absolute Strategies Fund — Institutional Shares	0.41%
Absolute Strategies Fund — A Shares (w/sales charge)	(4.49)%
Absolute Strategies Fund — C Shares*	(0.72)%
S&P 500 Index	(5.08)%
Lehman Brothers U.S. Aggregate Index (since 07/31/05)	7.67%

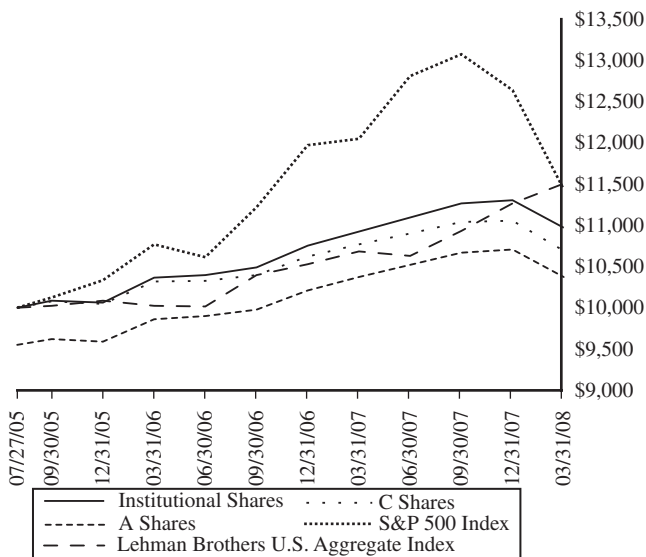
Commencement of Investment Operations 07/27/05

Absolute Strategies Fund — Institutional Shares	0.41%	3.49%
Absolute Strategies Fund — A Shares (w/sales charge)	(4.49)%	1.35%
Absolute Strategies Fund — C Shares*	(0.72)%	2.49%
S&P 500 Index	(5.08)%	4.53%
Lehman Brothers U.S. Aggregate Index (since 07/31/05)	7.67%	5.37%

Investment Value as of 03/31/08

Absolute Strategies Fund — Institutional Shares	\$10,962
Absolute Strategies Fund — A Shares (w/sales charge)	\$10,366
Absolute Strategies Fund — C Shares	\$10,681
S&P 500 Index	\$11,425
Lehman Brothers U.S. Aggregate Index (since 07/31/05)	\$11,497

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



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SCHEDULE OF INVESTMENTS

MARCH 31, 2008

<u>Shares</u>	<u>Security Description</u>	<u>Value</u>	<u>Shares</u>	<u>Security Description</u>	<u>Value</u>
Long Positions - 79.1%					
Equity Securities - 53.3%					
Common Stock - 51.4%					
Consumer Discretionary - 7.8%					
20,925	Abercrombie & Fitch Co. (f)	\$1,530,455	44,650	International Game Technology (f)	\$ 1,795,376
60,400	Aeropostale, Inc. (a)(f)	1,637,444	6,200	Jack in the Box, Inc. (a)(f)	166,594
129,975	American Eagle Outfitters, Inc. (f)	2,275,862	2,463	Johnson Controls, Inc. (f)	83,249
22,600	AnnTaylor Stores Corp. (a)(f)	546,468	4,000	Knoll, Inc. (f)	46,160
7,247	Autoliv, Inc. (f)	363,799	44,650	Kohl's Corp. (a)(f)	1,915,039
3,200	Barnes & Noble, Inc. (f)	98,080	20,535	Las Vegas Sands Corp. (a)	1,512,197
54,925	Bed Bath & Beyond, Inc. (a)(f)	1,620,288	41,800	Lions Gate Entertainment Corp. (a)(f)	407,550
25,600	Best Buy Co., Inc. (f)	1,061,376	42,000	Lowe's Cos., Inc. (f)	963,480
3,500	Big Lots, Inc. (a)(f)	78,050	6,805	Macy's, Inc. (f)	156,923
6,400	BJ's Wholesale Club, Inc. (a)(f)	228,416	1,500	Magna International, Inc., Class A (f)	108,225
20,400	Bob Evans Farms, Inc. (f)	562,836	33,500	Marvel Entertainment, Inc. (a)(f)	897,465
107,000	Building Materials Holding Corp. (f)	468,660	16,415	McDonald's Corp. (f)	915,464
41,400	Burger King Holdings, Inc. (f)	1,145,124	28,360	MGM Mirage (a)	1,666,717
150,000	Cabela's, Inc., Class A (a)	2,124,000	110,000	Mobile Mini, Inc. (a)	2,090,000
128,730	Carmax, Inc. (a)(f)	2,499,937	24,265	Mohawk Industries, Inc. (a)(f)	1,737,617
120,050	Carter's, Inc. (a)(f)	1,938,808	22,952	Nike, Inc., Class B (f)(j)	1,560,736
14,200	Casey's General Stores, Inc. (f)	320,920	3,495	Northwest Airlines Corp. (a)(f)	31,420
800	Centex Corp. (f)(j)	19,368	1,300	NVR, Inc. (a)(f)	776,750
2,700	Charlotte Russe Holding, Inc. (a)(f)	46,818	3,140	Oshkosh Corp. (f)	113,919
11,900	Cherokee, Inc. (f)	400,673	17,400	Owens & Minor, Inc. (f)	684,516
1,000	China Eastern Airlines Corporation, Ltd., ADR (a)	51,400	7,100	Pacific Sunwear of California (a)(f)	89,531
1,000	China Southern Airlines Company, Ltd., ADR (a)	39,650	9,900	PF Chang's China Bistro, Inc. (a)(f)	281,556
18,900	Christopher & Banks Corp. (f)	188,811	12,600	Polaris Industries, Inc. (f)	516,726
96,735	Cintas Corp. (f)	2,760,817	68,200	Pulte Homes, Inc. (f)(j)	992,310
2,000	Circuit City Stores, Inc. (f)(j)	7,960	2,940	RadioShack Corp. (f)	47,775
29,300	CKE Restaurants, Inc. (f)	328,746	56,605	Royal Caribbean Cruises, Ltd. (f)	1,862,305
8,428	Coach, Inc. (a)(f)	254,104	1,800	Ryland Group, Inc. (f)(j)	59,202
9,200	Copart, Inc. (a)(f)	356,592	18,700	School Specialty, Inc. (a)(f)	589,798
27,670	Dana Holding Corp. (a)	276,700	6,570	Sears Holdings Corp. (a)	670,731
3,300	Deckers Outdoor Corp. (a)(f)	355,806	135,000	Sonic Corp. (a)(f)	2,975,400
15,600	Dollar Tree, Inc. (a)(f)	430,404	61,350	Steak 'N Shake Co. (a)(f)	482,825
28,650	DreamWorks Animation SKG, Inc., Class A (a)	738,597	23,800	Steelcase, Inc. (f)	263,228
41,400	Dress Barn, Inc. (a)(f)	535,716	9,050	Target Corp. (f)	458,654
60,800	Ezcorp, Inc., Class A (a)(f)	748,448	1,300	Tech Data Corp. (a)(f)	42,640
100,000	Family Dollar Stores, Inc.	1,950,000	6,700	Thor Industries, Inc. (f)	199,459
25,000	Furniture Brands International, Inc. (j)	292,500	1,820	Tiffany & Co.	76,149
22,950	GameStop Corp., Class A (a)(f)	1,186,745	30,400	Tim Hortons, Inc. (f)	1,035,120
24,018	Gap, Inc. (f)	472,674	1,458	TJX Cos., Inc. (f)	48,216
36,500	Goodyear Tire & Rubber Co. (a)(f)	941,700	2,500	Toro Co. (f)	103,475
10,700	Gymboree Corp. (a)(f)	426,716	21,300	Tween Brands, Inc. (a)(f)	526,962
39,535	Hasbro, Inc. (f)	1,103,026	32,900	Urban Outfitters, Inc. (a)(f)	1,031,415
26,900	Herman Miller, Inc. (f)	660,933	26,900	Wabash National Corp. (f)	241,831
9,300	HNI Corp.(f)	250,077	15,000	Wal-Mart Stores, Inc.	790,200
20,475	Home Depot, Inc. (f)	572,686	2,800	Warnaco Group, Inc. (a)(f)	110,432
47,800	HOT Topic, Inc. (a)(f)	206,018	197,902	Warner Music Group Corp. (f)	985,552
3,350	Iconix Brand Group, Inc. (a)	58,123	7,700	WESCO International, Inc. (a)(f)	280,973
			13,500	Winnebago Industries (f)	228,150
			8,400	WMS Industries, Inc. (a) (f)	302,148
			1,400	WW Grainger, Inc. (f)	106,946
			20,540	Wynn Resorts, Ltd.	2,067,146
			34,400	Yum! Brands, Inc. (f)	1,280,024
			28,200	Zale Corp. (a)(f)	557,232
					<u>71,095,839</u>

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Shares	Security Description	Value	Shares	Security Description	Value
50,175	Quest Diagnostics, Inc. (f)	\$ 2,271,422	72,000	Hainan Meilan International Airport Co., Ltd., Class H	\$ 74,564
5,502	Smith & Nephew PLC, ADR (f)	363,077		Harsco Corp. (f)	232,596
14,800	Stryker Corp. (f)	962,740	4,200	Herbalife, Ltd. (f)	483,313
6,800	SurModics, Inc. (a)(f)	284,784	10,175	Hubbell, Inc., Class B (f)	358,258
2,090	Varian Medical Systems, Inc. (a)(f)	97,896	8,200	Insteel Industries, Inc. (f)	509,394
7,600	WellPoint, Inc. (a)(f)	335,388	43,800	Jacobs Engineering Group, Inc. (a)(f)	927,234
20,000	West Pharmaceutical Services, Inc.	884,600	12,600	JB Hunt Transport Services, Inc. (f)	1,272,915
1,550	Zimmer Holdings, Inc. (a)(f)	120,683	40,500	Joy Global, Inc. (f)(j)	1,228,266
		<u>27,111,452</u>	18,850	Kansas City Southern (a)(f)	13,918
			347	Lancaster Colony Corp. (f)	2,245,752
Industrials - 6.4%			56,200	Landstar System, Inc. (f)	558,112
1,900	3M Co. (f)	150,385	10,700	Lennox International, Inc. (f)	615,087
20,680	Acuity Brands, Inc. (f)	888,206	17,100	Lockheed Martin Corp. (f)	571,174
1,675	AGCO Corp. (a)(f)	100,299	5,752	Manitowoc Co., Inc. (f)	1,056,720
14,000	American Ecology Corp. (f)	354,620	25,900	Masco Corp. (f)	928,044
24,200	Amphenol Corp., Class A (f)	901,450	46,800	McDermott International, Inc. (a)	164,460
4,700	Analogic Corp. (f)	312,738	3,000	Methode Electronics, Inc. (f)	457,079
2,120	Ball Corp. (f)	97,393	39,100	Mettler Toledo International, Inc. (a)(f)	1,485,159
900,000	Beijing Capital International Airport Co., Ltd., Class H	815,259	15,292	Mueller Industries, Inc. (f)	556,805
41,050	Boeing Co. (f)	3,052,889	19,300	Norfolk Southern Corp. (f)	170,565
44,100	Brink's Co. (f)	2,962,638	3,140	Northrop Grumman Corp. (f)	471,918
29,000	Burlington Northern Santa Fe Corp. (f)	2,674,380	6,065	Overseas Shipholding Group, Inc. (f)	350,200
10,700	Canadian National Railway Co. (f)	517,024	5,000	Pacer International, Inc. (f)	630,912
1,200	Caterpillar, Inc. (f)(j)	93,948	38,400	Packaging Corp. of America (f)	60,291
107,800	Cemex SAB de C.V., ADR (a)(f)	2,815,736	2,700	Parker Hannifin Corp. (f)	135,077
21,900	CH Robinson Worldwide, Inc. (f)	1,191,360	1,950	Pentair, Inc.	1,276,000
2,499	Chicago Bridge & Iron Co. NV (f)	98,061	40,000	Precision Castparts Corp. (f)	308,077
8,000	Commercial Metals Co.	239,760	3,018	Rockwell Collins, Inc. (f)	350,101
3,800	Crane Co. (f)	153,330	6,126	Rogers Corp. (a)(f)	257,257
1,000	CSX Corp.	56,070	7,700	Ryder System, Inc. (f)	103,547
20,900	Cummins, Inc. (f)	978,538	1,700	Simpson Manufacturing Co., Inc. (f)	184,824
6,700	Cymer, Inc. (a)(f)	174,468	6,800	Snap-On, Inc. (f)	100,429
12,700	Deere & Co. (f)	1,021,588	1,975	Sonoco Products Co.	2,290,400
2,700	Dionex Corp. (a)(f)	207,873	80,000	Stericycle, Inc. (a)(f)	355,607
20,800	Dolby Laboratories, Inc., Class A (a)(f)	754,208	6,905	Teledyne Technologies, Inc. (a)(f)	79,900
1,800	Dover Corp. (f)	75,204	1,700	Terex Corp. (a)(f)	120,313
6,210	Eagle Materials, Inc. (f)	220,765	1,925	Teva Pharmaceutical Industries, Ltd., ADR (f)	138,339
4,275	Eastman Kodak Co. (f)	75,539	2,995	Textron, Inc. (f)	964,308
4,700	Encore Wire Corp. (f)	85,587	17,400	Thermo Fisher Scientific, Inc. (a)(f)	533,784
14,426	Energizer Holdings, Inc. (a)(f)	1,305,264	9,391	Thomas & Betts Corp. (a)(f)	109,110
2,200	EnPro Industries, Inc. (a)(f)	68,618	3,000	Tsakos Energy Navigation, Ltd. (f)	110,736
5,200	Excel Maritime Carriers, Ltd. (f)	152,620	3,600	Tyco International, Ltd.	121,138
11,100	Flowserve Corp. (f)	1,158,618	2,750	Union Pacific Corp.	125,380
7,400	Fluor Corp. (f)	1,044,584	1,000	United Parcel Service, Inc., Class B (f)	2,197,902
14,900	Foster Wheeler, Ltd. (a)(f)	843,638	30,100	United Technologies Corp. (f)(j)	189,737
16,800	Freightcar America, Inc. (f)	576,240	2,757	USG Corp. (a)(f)	255,531
24,400	Frontline, Ltd. (f)	1,122,888	6,940	Waters Corp. (a)(f)	1,022,206
11,100	Gardner Denver, Inc. (a)(f)	411,810	18,352	Zebra Technologies Corp. (a)(f)	143,276
60,800	GATX Corp. (f)	2,375,456	4,300		
4,800	General Maritime Corp. (f)	113,328			
6,000	Genesee & Wyoming, Inc. (a)(f)	206,400			
17,900	Graco, Inc. (f)	649,054			
6,500	Greif, Inc., Class A (f)	441,545			
					<u>58,435,094</u>

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Shares	Security Description	Value	Shares	Security Description	Value
Information Technology - 3.1%			1,087	Barrick Gold Corp. (f)	\$ 47,230
23,435	Adobe Systems, Inc. (a)(f)	\$ 834,052	4,657	Bayer AG, ADR (f)	374,868
2,000	Advanced Micro Devices, Inc. (a)(f)(j)	11,780	600	BHP Billiton, Ltd., ADR	39,510
4,094	American Reprographics Co. (a)(f)	60,755	11,100	Carpenter Technology Corp. (f)	621,267
15,600	Analog Devices, Inc. (f)	460,512	31,026	Celanese Corp., Class A (f)	1,211,565
2,100	Apple, Inc. (a)(f)(j)	301,350	9,300	CF Industries Holdings, Inc. (f)	963,666
50,000	Applied Materials, Inc. (f)(j)	975,500	51,800	Chemtura Corp. (f)	380,212
12,900	ATMI, Inc. (a)(f)	359,007	453	Cleveland-Cliffs, Inc. (f)	54,278
14,400	Autodesk, Inc. (a)(f)	453,312	1,138	Compass Minerals International, Inc. (f)	67,119
32,123	Automatic Data Processing, Inc. (f)	1,361,694	12,300	Cytec Industries, Inc. (f)	662,355
6,200	Avid Technology, Inc. (a)(f)	150,908	7,900	Dow Chemical Co. (f)	291,115
54,400	BMC Software, Inc. (a)(f)	1,769,088	6,300	Eastman Chemical Co. (f)	393,435
62,900	Broadridge Financial Solutions, Inc. (f)	1,107,040	5,700	Ecolab, Inc. (f)	247,551
16,125	CACI International, Inc., Class A (a)	734,494	48,000	Franco-Nevada Corp. (a)	946,815
63,500	Compuware Corp. (a)(f)	466,090	2,195	Freeport-McMoRan Copper & Gold, Inc. (f)	211,203
28,200	CSG Systems International, Inc. (a)(f)	320,634	21,400	Innospec, Inc. (f)	453,680
35,300	Cypress Semiconductor Corp. (a)(f)	833,433	3,300	International Paper Co. (f)	89,760
13,200	DST Systems, Inc. (a)(f)	867,768	8,000	Louisiana-Pacific Corp. (f)	73,440
3,204	Dun & Bradstreet Corp. (f)	260,742	6,200	Lubrizol Corp. (f)	344,162
7,495	Emulex Corp. (a)(f)	121,719	1,800	Methanex Corp. (f)	47,106
34,200	Entegris, Inc. (a)(f)	245,898	11,100	Minerals Technologies, Inc. (f)	697,080
13,900	Fair Isaac Corp. (f)	299,128	10,300	Mosaic Co. (a)(f)	1,056,780
11,300	Global Payments, Inc. (f)	467,368	7,500	NewMarket Corp. (f)	565,875
7,419	Hewlett-Packard Co. (f)	338,752	17,600	Nucor Corp. (f)	1,192,224
4,325	Intel Corp. (f)	91,603	26,000	Plum Creek Timber Co., Inc. (f)	1,058,200
4,121	International Business Machines Corp. (f)	474,492	16,834	Praxair, Inc. (f)	1,417,928
42,000	Jack Henry & Associates, Inc. (f)	1,036,140	1,630	Rio Tinto PLC, ADR	671,299
1,100	Lexmark International, Inc., Class A (a)(f)	33,792	2,100	Schnitzer Steel Industries, Inc. (f)	149,142
6,000	Mastercard, Inc., Class A (f)	1,337,940	30,000	Schulman A, Inc. (f)	615,900
15,000	MEMC Electronic Materials, Inc. (a)(f)	1,063,500	7,000	Sherwin-Williams Co. (f)	357,280
164,510	Microsoft Corp. (f)	4,668,794	34,790	Sigma-Aldrich Corp.	2,075,224
3,400	MicroStrategy, Inc. (a)(f)	251,566	12,800	Southern Copper Corp. (f)	1,329,024
42,900	NCR Corp. (a)(f)	979,407	27,600	Steel Dynamics, Inc. (f)	911,904
3,617	Nvidia Corp. (a)(f)	71,580	1,515	Terra Industries, Inc. (a)(f)	53,828
2,200	Omnivision Technologies, Inc. (a)(f)	37,004	5,379	United States Steel Corp. (f)	682,434
21,279	Oracle Corp. (a)(f)	416,217	1,500	Westlake Chemical Corp. (f)	19,575
42,600	QLogic Corp. (a)(f)	653,910	3,800	Weyerhaeuser Co. (f)	247,152
60,000	Rackable Systems, Inc. (a)(f)	547,200			
50,300	Rambus, Inc. (a)(f)	1,172,493			24,299,332
16,300	Salesforce.com, Inc. (a)(f)	943,281	Telecommunication Services - 2.8%		
41,460	Scientific Learning Corp. (a)(f)	194,862	4,700	Adtran, Inc. (f)	86,950
12,300	Seagate Technology (f)	257,562	15,500	Amazon.com, Inc. (a)(f)(j)	1,105,150
11,400	SEI Investments Co. (f)	281,466	10,020	American Tower Corp., Class A (a)(f)	392,884
21,400	Semtech Corp. (a)(f)	306,662	11,220	AT&T, Inc. (f)	429,725
10,700	Sybase, Inc. (a)(f)	281,410	10,200	Central European Media Enterprises, Ltd. (a)(f)	869,346
9,400	Texas Instruments, Inc. (f)	265,738	3,900	CenturyTel, Inc. (f)	129,636
		<u>28,167,643</u>	20,900	Check Point Software Technologies (a)(f)	468,160
Materials - 2.7%			6,150	Cisco Systems, Inc. (a)(f)(j)	148,153
9,400	Air Products & Chemicals, Inc. (f)	864,800	3,000	Comcast Corp., Class A (f)(j)	58,020
1,661	Airgas, Inc. (f)	75,526	135,700	Comcast Corp., Special Class A (f)	2,574,229
21,800	AK Steel Holding Corp. (f)	1,186,356	24,500	CommScope, Inc. (a)(f)	853,335
52,115	Anglo American PLC, ADR	1,551,464	5,073	Corning, Inc. (f)	121,955

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Shares	Security Description	Rate	Value	Principal	Security Description	Rate	Maturity Date	Value	
Industrials - 0.2%				\$1,300,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-AHL3 A3B (c)	2.77%	05/25/37	\$1,073,994	
974	Kansas City Southern (f)	5.13%	\$ 1,428,030						
Telecommunication Services - 0.1%				980,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-AMC4 A2C (c)	2.77	05/25/37	797,394	
323	Interpublic Group of Cos., Inc. (b)(f)	5.25	273,742						
757	Interpublic Group of Cos., Inc. (f)(g)	5.25	621,665	26,032	Citigroup Mortgage Loan Trust, Inc., Series 2005-WFI A2 (c)	4.49	02/25/35	25,451	
			895,407						
Total Convertible Preferred Stock (Cost \$18,438,928)				17,085,655	415,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-AMC2 M1 (c)	2.87	01/25/37	122,263
Total Equity Securities (Cost \$509,396,277)				483,661,584	195,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-AMC2 M2 (c)	2.89	01/25/37	46,359
Principal	Security Description	Rate	Maturity Date	Value	Security Description	Rate	Maturity Date	Value	
Fixed-Income Securities - 22.9%									
Asset Backed Obligations - 3.1%									
\$ 390,000	Asset Backed Funding Certificates Series 2006-HE1 M2 (c)	2.88	01/25/37	98,774	800,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-WFH2 A3 (c)	2.78	03/25/37	635,347
1,350,000	Asset Backed Funding Certificates Series 2006-OPT2 A3D (c)	2.82	10/25/36	777,465	1,250,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-WFH2 M1 (c)	3.00	03/25/37	464,942
254,388	Adjustable Rate Mortgage Trust, Series 2005-8 4A11 (c)	5.44	11/25/35	229,068	925,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-WFH3 A2 (c)	2.76	06/25/37	776,000
230,000	Banc of America Commercial Mortgage, Inc., Series 2005-4 A3	4.89	07/10/45	223,851	1,000,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-WFH3 M2 (c)	2.87	06/25/37	217,821
110,000	Bayview Financial Acquisition Trust, Series 2005-D AF3 (c)	5.50	12/28/35	90,819	1,000,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-WFH4 A2B (c)	3.65	07/25/37	781,135
330,000	Bear Stearns Commercial Mortgage Securities, Series 2003-PWR2 A4 (c)	5.19	05/11/39	322,136	280,000	Commercial Mortgage Pass Through Certificates, Series 2005-C6 A3	5.14	06/10/44	275,423
185,343	Chase Mortgage Finance Corp., Series 2005-A1 1A1 (c)	5.41	12/25/35	187,010	1,250,000	Conseco Finance, Series 2002-C BF1 (c)	8.00	06/15/32	1,116,179
125,000	Chase Mortgage Finance Corp., Series 2005-A1 2A3 (c)	5.24	12/25/35	117,611	95,590	Countrywide Alternative Loan Trust, Series 2004-J10 4CB1	6.50	10/25/34	97,239

ABSOLUTE STRATEGIES FUND

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<u>Principal</u>	<u>Security Description</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Value</u>	<u>Principal</u>	<u>Security Description</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Value</u>
\$ 55,661	Countrywide Alternative Loan Trust, Series 2005-43 4A1 (c)	5.71%	10/25/35	\$ 35,123	\$2,500,000	First Franklin Mortgage Loan Asset Backed Certificates, Series 2006-FF18 M1 (c)	2.83%	12/25/37	\$692,442
595,516	Countrywide Alternative Loan Trust, Series 2006-0A2 X1P	4.15	05/20/46	28,245	183,547	First Horizon Asset Securities, Inc., Series 2003-10 2A1	4.75	01/25/19	182,921
956,848	Countrywide Alternative Loan Trust, Series 2006-0A22 A1 (c)	2.76	02/25/47	729,878	375,699	Fannie Mae REMICS Series 2007-54 FA (c)	3.00	06/25/37	363,969
375,000	Credit Suisse First Boston Mortgage Securities Corp., Series 2002-CKS4 A2	5.18	11/15/36	375,029	200,000	General Electric Capital Commercial Mortgage Corp., Series 2006-C1 (c)	5.34	03/10/44	188,613
63,098	Credit Suisse First Boston Mortgage Securities Corp., Series 2003-AR24 2A4 (c)	4.03	10/25/33	63,383	300,000	GMAC Commercial Mortgage Securities, Inc., Series 2002-C2 A3	5.71	10/15/38	300,959
200,000	Credit Suisse First Boston Mortgage Securities Corp., Series 2005-C5 A3 (c)	5.10	08/15/38	194,019	210,000	GMAC Commercial Mortgage Securities, Inc., Series 2004-C3 A4	4.55	12/10/41	203,096
200,000	Credit Suisse Mortgage Capital Certificates, Series 2006-C1 A3 (c)	5.55	02/15/39	196,393	6,260,922	Government National Mortgage Association, Series 2007-78 SG (c)	4.00	12/20/37	459,515
1,600,000	Credit-Based Asset Servicing and Securitization, LLC, Series 2006-CB8 M2 (c)	2.90	10/25/36	504,973	1,500,000	GSAA Home Equity Trust Series 2006-9 A4A (c)	2.84	06/25/36	918,464
564,000	Credit-Based Asset Servicing and Securitization, LLC, Series 2006-CB9 A2 (c)	2.71	11/25/36	432,271	27,440	Harborview Mortgage Loan Trust, Series 2004-8 2A4A (c)	2.96	11/19/34	23,508
1,563,000	Credit-Based Asset Servicing and Securitization, LLC, Series 2007-CB4 M1 (c)	2.92	04/25/37	408,288	682,497	Harborview Mortgage Loan Trust, Series 2006-1 X1 (c)	3.93	03/19/37	28,366
500,000	CW Capital Cobalt, Ltd., Series 2007-C3 AJ (c)	5.82	05/15/46	389,769	1,350,000	Indymac Residential Asset Backed Trust, Series 2007-A 2A4A (c)	2.92	04/25/37	818,906
82,291	Equity One ABS, Inc., Series 2002-4 M1 (c)	5.22	02/25/33	66,343	225,000	JP Morgan Chase Commercial Mortgage Securities Corp., Series 2004-C3 A4	4.66	01/15/42	216,387
1,583,980	FINOVA Group, Inc. (d)	7.50	11/15/09	241,557	400,000	JP Morgan Chase Commercial Mortgage Securities Corp., Series 2007-CB19 AJ (c)	5.75	02/12/49	311,382
					200,000	JP Morgan Chase Commercial Mortgage Securities Corp., Series 2007-LD11 AJ (c)	5.82	06/15/49	156,075

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<u>Principal</u>	<u>Security Description</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Value</u>	<u>Principal</u>	<u>Security Description</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Value</u>
\$ 454,000	JP Morgan Chase Commercial Mortgage Securities Corp., Series 2007-LD12 AJ (c)	6.06%	02/15/51	\$ 359,558	\$ 100,000	Northwest Airlines, Inc.	6.84%	04/01/11	\$ 98,000
1,000,000	JP Morgan Mortgage Acquisition Corp., Series 2007-CH3 A4 (c)	2.81	03/25/37	801,752	350,000	Salomon Brothers Mortgage Securities VII, Inc., Series 2002-KEY2 A3	4.87	03/18/36	340,321
120,000	JP Morgan Mortgage Trust, Series 2005-A3 11A2 (c)	4.49	06/25/35	95,434	1,365,000	Saxon Asset Securities Trust, Series 2007-1 A2C (c)	2.75	01/25/47	1,127,118
200,000	JP Morgan Mortgage Trust, Series 2006-A2 2A2 (c)	5.75	04/25/36	174,269	810,000	Soundview Home Equity Loan Trust, Series 2006-EQ1 A2 (c)	2.71	10/25/36	740,540
330,000	LB-UBS Commercial Mortgage Trust, Series 2003-C8 A4 (c)	5.12	11/15/32	326,831	1,130,000	Soundview Home Equity Loan Trust, Series 2006-EQ1 A3 (c)	2.76	10/25/36	863,810
49,319,512	Lehman ABS Manufactured Housing Contract, Series 2001-B AIOC (c)	0.00	05/15/41	863,092	1,200,000	Soundview Home Equity Loan Trust, Series 2006-OPT1 2A4 (c)	2.87	03/25/36	771,621
2,250,000	Lehman XS Trust, Series 2007-12N 1A3A (c)(g)	2.80	07/25/47	1,365,865	120,000	Soundview Home Equity Loan Trust, Series 2007-OPT2 M2 (c)	2.87	07/25/37	31,052
58,070	Mastr Seasoned Securities Trust, Series 2004-1 4A1 (c)	7.10	10/25/32	54,729	500,000	Soundview Home Equity Loan Trust, Series 2007-OPT5 M2 (c)(b)	4.75	10/25/37	310,625
143,000	Merrill Lynch Mortgage Trust, Series 2007-C1 AJ (c)	5.83	06/12/50	111,798	739,880	Structured Asset Mortgage Investments, Inc., Series 2007-AR3 2A1 (c)	2.79	09/25/47	562,135
106,471	Morgan Stanley Dean Witter Capital I, Series 2000-LIFE A2 (c)	7.57	11/15/36	109,712	675,000	United Air Lines, Inc.	6.93	09/01/11	783,000
1,100,000	Nationstar Home Equity Loan Trust, Series 2007-A AV3 (c)	2.75	03/25/37	856,475	330,000	Wachovia Bank Commercial Mortgage Trust, Series 2003-C6 A4 (c)	5.13	08/15/35	319,748
17,292	Newcastle Mortgage Securities Trust, Series 2006-1 A1 (c)	2.67	03/25/36	17,211	220,000	Wachovia Bank Commercial Mortgage Trust, Series 2006-C25 AM (c)	5.74	05/15/43	206,286
					29,745	Washington Mutual Mortgage Pass Through Certificates, Series 2002-AR18 A (c)	6.57	01/25/33	28,955

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<u>Principal</u>	<u>Security Description</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Value</u>	<u>Principal</u>	<u>Security Description</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Value</u>
\$ 115,000	Washington Mutual Mortgage Pass Through Certificates, Series 2005-AR16 1-A4A (c)	5.10%	12/25/35	\$ 107,397	\$ 857,000	Euronet Worldwide, Inc. (f)	3.50%	10/15/25	\$ 729,521
4,950,789	Washington Mutual Mortgage Pass Through Certificates, Series 2006-AR5 X (e)	0.00	06/25/46	34,037	1,806,000	Live Nation, Inc. (b)(f)	2.88	07/15/27	1,424,483
					103,000	PHH Corp. (b)	4.00	04/15/12	106,958
					803,000	Quanta Services, Inc. (f)	4.50	10/01/23	1,691,319
					665,000	Spartan Stores, Inc. (b)(f)	3.38	05/15/27	568,575
					335,000	Spartan Stores, Inc. (f)	3.38	05/15/27	286,425
									<u>6,532,506</u>
Total Asset Backed Obligations (Cost \$29,428,202)				28,467,526					
Corporate Convertible Bonds - 11.9%					Energy - 1.2%				
Consumer Discretionary - 0.6%					442,000	Bill Barrett Corp. (f)(g)	5.00	03/15/28	472,940
600,000	Ambassadors International, Inc. (b)(f)	3.75	04/15/27	381,750	500,000	Delta Petroleum Corp. (f)	3.75	05/01/37	540,625
243,000	Champion Enterprises, Inc. (f)	2.75	11/01/37	209,284	1,000,000	Evergreen Solar, Inc. (f)	4.38	07/01/12	1,373,750
200,000	Empire Resorts, Inc. (f)	8.00	07/31/14	130,000	844,000	Global Industries, Ltd. (b)(f)	2.75	08/01/27	655,155
534,000	Ford Motor Co. (f)	4.25	12/15/36	460,575	176,000	Global Industries, Ltd. (f)	2.75	08/01/27	136,620
500,000	Frontier Airlines Holdings, Inc. (f)	5.00	12/15/25	290,000	100,000	International Coal Group, Inc. (b)(f)	9.00	08/01/12	132,250
64,000	Group 1 Automotive, Inc. (b)(f)(h)	2.25	06/15/36	41,120	801,000	Nabors Industries, Inc. (f)	0.94	05/15/11	823,027
336,000	Group 1 Automotive, Inc. (f)(h)	2.25	06/15/36	215,880	736,000	Peabody Energy Corp. (f)	4.75	12/15/41	839,040
467,000	Mesa Air Group, Inc. (f)(h)	2.48	06/16/23	170,455	2,020,000	Penn Virginia Corp. (f)	4.50	11/15/12	2,174,025
513,000	Morgan Hotel Group Co. (b)(f)	2.38	10/15/14	412,324	521,000	Pioneer Natural Resources Co. (f)	2.88	01/15/38	578,961
1,250,000	Penske Auto Group, Inc. (f)	3.50	04/01/26	1,312,500	2,000,000	Suntech Power Holdings Co., Ltd. (b)(f)	3.00	03/15/13	2,442,500
560,000	School Specialty, Inc. (f)	3.75	11/30/26	513,100	740,000	Transocean, Inc. (f)	1.63	12/15/37	813,075
1,000,000	School Specialty, Inc. (f)(h)	3.75	08/01/23	957,500					<u>10,981,968</u>
414,000	Scientific Games Corp. (f)(h)	0.75	12/01/24	411,930	Financials - 1.0%				
300,000	Sport Supply Group, Inc. (f)	5.75	12/01/09	291,000	400,000	Alesco Financial, Inc. (b)(f)	7.63	05/15/27	202,000
				<u>5,797,418</u>	789,000	American Equity Investment Life Holding Co. (f)	5.25	12/06/24	764,344
Consumer Staples - 0.7%					1,000,000	CapitalSource, Inc. (f)	7.25	07/15/37	686,250
1,200,000	CBIZ, Inc. (f)	3.13	06/01/26	1,216,500	829,000	Forest City Enterprises, Inc. (f)	3.63	10/15/11	703,075
612,000	Chemed Corp. (f)	1.88	05/15/14	508,725					

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Principal	Security Description	Rate	Maturity Date	Value	Principal	Security Description	Rate	Maturity Date	Value
Information Technology - 1.3%					\$ 509,000	Global Crossing, Ltd. (f)	5.00%	05/15/11	\$ 481,005
\$ 375,000	CACI International, Inc. (f)	2.13%	05/01/14	\$ 389,531	224,000	HLTH Corp. (f)	3.13	09/01/25	188,720
625,000	CACI International, Inc. (b)(f)	2.13	05/01/14	649,219	1,025,000	Level 3 Communications, Inc. (f)	6.00	09/15/09	914,813
409,000	EMC Corp. (f)	1.75	12/01/13	482,109	2,000,000	Level 3 Communications, Inc. (f)	5.25	12/15/11	1,580,000
2,431,000	Epicor Software Corp. (f)	2.38	05/15/27	2,142,319	2,000,000	Network Equipment Technologies, Inc. (b)(f)(g)	3.75	12/15/14	1,572,500
1,000,000	Magma Design Automation, Inc. (b)(f)	2.00	05/15/10	908,750	241,000	NII Holdings, Inc. (b)(f)	3.13	06/15/12	192,499
500,000	Maxtor Corp. (f)	2.38	08/15/12	686,875	585,000	NII Holdings, Inc. (f)	3.13	06/15/12	467,269
579,000	Mentor Graphics Corp. (f)	6.25	03/01/26	547,155	750,000	Symmetricom, Inc. (f)	3.25	06/15/25	644,063
465,000	Nuance Communications, Inc. (b)(f)	2.75	08/15/27	537,075	744,000	Time Warner Telecom, Inc. (f)	2.38	04/01/26	781,200
165,000	ON Semiconductor Corp. (b)(f)	2.63	12/15/26	137,569	579,000	Verisign, Inc. (b)(f)	3.25	08/15/37	683,220
2,999,000	ON Semiconductor Corp. (f)	2.63	12/15/26	2,500,416					16,415,640
176,000	PMC — Sierra, Inc. (f)	2.25	10/15/25	172,920					
302,000	Skyworks Solutions, Inc. (f)	1.25	03/01/10	312,193					
2,000,000	SPSS, Inc. (f)(g)	2.50	03/15/12	2,167,500					
				<u>11,633,631</u>					
									108,351,760
Materials - 0.5%					Corporate Non-Coverable Bonds - 1.6%				
2,510,000	Kinross Gold Corp. (b)(f)	1.75	03/15/28	2,754,725	Consumer Discretionary - 0.3%				
70,000	Newmont Mining Corp. (b)(f)	1.25	07/15/14	85,400	96,000	Continental Airlines, Inc.	7.06	09/15/09	95,640
533,000	Newmont Mining Corp. (f)	1.25	07/15/14	650,260	129,749	Continental Airlines, Inc.	7.46	04/01/15	120,667
2,000,000	USEC, Inc. (f)	3.00	10/01/14	1,172,500	500,000	Continental Airlines, Inc.	6.90	04/19/22	420,000
				<u>4,662,885</u>	300,000	Delphi Corp. (d)	6.50	08/15/13	96,000
					720,000	Delta Air Lines, Inc.	7.11	09/18/11	710,334
Telecommunication Services - 1.8%					2,028,000	WGM Holdings Corp. (f)(h)	0.00	12/15/14	1,064,700
142,000	ADC Telecommunications, Inc. (f)	3.50	07/15/15	127,800					<u>2,507,341</u>
2,123,000	Central European Media Enterprises, Ltd. (b)(f)(g)	3.50	03/15/13	2,182,956	Financials - 0.9%				
749,000	Ciena Corp. (f)	0.25	05/01/13	704,996	155,000	Allied World Assurance Holdings, Ltd.	7.50	08/01/16	159,264
119,000	Citadel Broadcasting Corp. (f)	1.88	02/15/11	101,596	630,000	Bank of America Corp. (c)	8.00	12/29/49	631,821
2,974,000	Earthlink, Inc. (f)(h)	3.25	11/15/26	3,182,180	65,000	BankAmerica Capital III (c)	4.83	01/15/27	49,296
2,834,000	Equinix, Inc. (f)	3.00	10/15/14	2,610,823	66,000	BNP Paribas (c)	9.23	06/08/17	76,131

See Notes to Financial Statements.

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2008

Principal	Security Description	Rate	Maturity Date	Value	Principal	Security Description	Rate	Maturity Date	Value
\$ 225,000	Camden Property Trust	4.38%	01/15/10	\$219,748	\$ 24,000	MetLife, Inc.	6.40%	12/15/36	\$ 19,126
195,000	Capital One Financial Corp.	5.70	09/15/11	184,080	201,000	MetLife, Inc.	6.50	12/15/32	198,631
400,000	Chase Capital II (c)	3.74	02/01/27	319,140	65,000	Nationsbank Cap Trust III (c)	4.81	01/15/27	50,117
300,000	Citigroup Capital XXI (c)	8.30	12/21/57	296,417	60,000	New Plan Excel Realty Trust	5.13	09/15/12	49,200
324,000	Citigroup, Inc.	6.88	03/05/38	324,795	160,000	Reckson Operating Partnership LP	6.00	03/31/16	137,081
100,000	Countrywide Home Loans, Inc.	3.25	05/21/08	98,073	400,000	Residential Capital, LLC (c)	3.49	06/09/08	318,000
50,000	Countrywide Financial Corp. (c)	2.85	12/19/08	47,256	49,000	Shurgard Storage Centers, LLC	5.88	03/15/13	49,565
130,000	Countrywide Financial Corp. (c)	4.79	01/05/09	121,699	100,000	Shurgard Storage Centers, LLC	7.75	02/22/11	109,990
200,000	Countrywide Financial Corp. (c)	3.35	05/05/08	198,707	180,000	Simon Property Group LP	5.75	05/01/12	180,087
250,000	Countrywide Financial Corp. (c)	2.87	06/18/08	245,779	130,000	Wachovia Bank NA	6.00	11/15/17	127,197
477,000	Countrywide Financial Corp. (c)	2.82	03/24/09	438,286	175,000	Washington Real Estate Investment Trust	5.95	06/15/11	180,737
105,000	Credit Suisse	6.00	02/15/18	104,942	170,000	Weingarten Realty Investors	4.99	09/03/13	170,797
75,000	Developers Diversified Realty Corp.	4.63	08/01/10	72,035					<u>8,491,288</u>
100,000	Fairfax Financial Holdings, Ltd.	7.75	04/26/12	99,500		Materials - 0.0% (k)			
100,000	Ford Motor Credit Co., LLC (c)	8.71	04/15/12	93,988	110,000	Barrick Gold Finance Co.	5.80	11/15/34	100,287
120,000	Ford Motor Credit Co., LLC	7.38	10/28/09	109,375		Telecommunication Services - 0.2%			
500,000	Ford Motor Credit Co., LLC	5.80	01/12/09	476,430	450,000	CCH I Holdings LLC/CCH I Holdings Capital Corp.	11.00	10/01/15	315,000
1,064,000	GMAC, LLC (c)	5.28	12/01/14	711,830	275,000	Hawaiian Telcom Communications, Inc.	9.75	05/01/13	149,875
480,000	HBOS PLC (c)(b)	5.92	12/30/49	353,618	250,000	Level 3 Financing, Inc.	9.25	11/01/14	205,625
232,000	HCP, Inc.	5.63	05/01/17	187,225	500,000	Mediacom LLC/Mediacom Capital Corp.	9.50	01/15/13	462,500
325,000	JP Morgan Chase Capital XIII (c)	3.65	09/30/34	242,663	300,000	Sprint Capital Corp.	6.13	11/15/08	297,794
50,000	JPMorgan Chase Bank NA (c)	7.78	03/28/22	49,314					<u>1,430,794</u>
31,000	Lehman Brothers Holdings, Inc. (c)	0.00	11/30/10	33,579		Utilities - 0.2%			
56,000	Lehman Brothers Holdings, Inc. (c)	8.92	02/16/17	50,361	350,000	Aquila, Inc.	14.88	07/01/12	433,125
151,000	Lehman Brothers Holdings, Inc. (c)	0.00	06/20/16	166,175	500,000	Aquila, Inc.	7.63	11/15/09	521,710
171,000	Lehman Brothers Holdings, Inc. (c)	0.00	11/07/16	166,075	675,000	Sabine Pass LNG LP	7.25	11/30/13	654,750
325,000	Mack-Cali Realty LP	7.25	03/15/09	329,054	140,000	Southern Union Co. (c)	7.20	11/01/66	118,300
80,000	Merrill Lynch & Co., Inc. (c)	8.68	05/02/17	80,100	55,000	SWEPCO Capital Trust I (c)	5.25	10/01/43	55,556
80,000	Merrill Lynch & Co., Inc. (c)	8.95	05/18/17	79,700					<u>1,783,441</u>
80,000	Merrill Lynch & Co., Inc. (c)	9.57	06/06/17	84,304		Total Corporate Non-Coverible Bonds (Cost \$15,359,358)			<u>14,313,151</u>

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2008

<u>Principal</u>	<u>Security Description</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Value</u>	<u>Principal</u>	<u>Security Description</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Value</u>
Municipal Bonds - 0.1%					Syndicated Loans - 0.3%				
\$35,000	City of Houston Texas, Series A, FSA Insured, Prerefunded 12/01/12 @ 100	5.00%	12/01/30	\$ 38,118	\$ 250,000	Delphi Corp.	7.06%	07/01/08	\$ 246,375
35,000	Clark County School District, Series C, MBIA Insured, Prerefunded 06/15/12 @ 100	5.00	06/15/22	38,044	500,000	Delphi Corp.	7.06	07/01/08	492,750
40,000	Commonwealth of Massachusetts Series A, FGIC Insured, Prerefunded 06/01/12 @ 100	5.38	06/01/19	43,460	500,000	HCA, Inc.	6.83	11/18/12	456,318
20,000	Commonwealth of Massachusetts Series B, AMBAC Insured, Prerefunded 08/01/14 @ 100	5.00	08/01/22	21,974	728,842	HCA, Inc.	7.20	11/18/12	665,166
50,000	Commonwealth of Massachusetts Series B, FSA Insured, Prerefunded 03/01/12 @ 100	5.50	03/01/18	54,695	748,747	Tribune Co.	7.91	05/24/14	506,340
35,000	Commonwealth of Massachusetts Series E, FSA Insured, Prerefunded 01/01/13 @ 100	5.25	01/01/18	38,311	Total Syndicated Loans (Cost \$2,539,733)				
40,000	County of Galveston Texas, Series C, AMBAC Insured, Prerefunded 02/01/13 @ 100	5.00	02/01/28	43,588	2,366,949				
59,000	County of Harris Texas, Refunded	5.25	10/01/20	65,238	U.S. Government and Agency Obligations - 5.9%				
25,000	Greenville County School District Prerefunded 12/01/12 @ 101	5.50	12/01/28	28,102	Agency - 0.3%				
15,000	New Jersey Economic Development Authority Series C, MBIA Insured, Prerefunded 06/15/12 @ 100	5.25	06/15/17	16,452	735,000	Freddie Mac (c)	2.61	09/28/09	733,554
50,000	Sacramento County Sanitation District Series A, AMBAC Insured, Prerefunded 12/01/14 @ 100	5.00	12/01/35	55,804	635,000	Federal Home Loan Bank System (c)	2.95	02/18/09	635,480
35,000	University of Texas Series D, Prerefunded 08/15/14 @ 100	5.00	08/15/24	38,369	720,000	Federal Home Loan Bank System (c)	2.50	03/26/10	720,215
Total Municipal Bonds (Cost \$481,097)				482,155	225,000	Fannie Mae Discount Notes (e)	2.16	04/21/08	224,778
					2,314,027				
					Discount Note - 4.0%				
					705,000	FHLB Discount Note (e)	2.18	04/21/08	704,305
					3,260,000	FHLB Discount Note (e)	1.78	04/22/08	3,256,626
					4,730,000	FHLB Discount Note (e)	2.08, 2.21	04/18/08	4,726,036
					6,495,000	FHLB Discount Note (e)	2.21	04/23/08	6,487,953
					21,200,000	FHLB Discount Note (e)	1.88, 1.95	04/16/08	21,184,312
					55,000	FHLMC Discount Note (e)	1.92	04/14/08	54,965
					90,000	FHLMC Discount Note (e)	2.08	04/04/08	89,987
					185,000	FHLMC Discount Note (e)	2.30	04/07/08	184,945
					36,689,129				
					Mortgage Backed Securities - 1.1%				
					355,000	FGLMC Gold Pool # G04048 (g)	6.00	03/01/38	364,420
					299,609	FGLMC Gold Pool # G02366	6.50	10/01/36	312,045
					344,686	FGLMC Gold Pool # G03995	6.50	02/01/38	357,924
					355,000	FGLMC Gold Pool # G04079	5.50	03/01/38	358,873
					333,824	FGLMC Gold Pool # G12399	6.00	09/01/21	343,849

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2008

<u>Contracts</u>	<u>Security Description</u>	<u>Strike Price</u>	<u>Expiration Date</u>	<u>Value</u>
170	Comcast Corp.	10.00	01/16/10	\$ 160,650
170	ConocoPhillips	60.00	01/21/09	321,725
15	FedEx Corp. (j)	90.00	01/21/09	17,775
326	Home Depot, Inc.	30.00	01/17/09	93,399
233	Johnson & Johnson	50.00	01/21/09	351,830
16	Joy Global, Inc.	16.00	04/23/08	4,960
219	Joy Global, Inc.	30.00	01/16/10	821,250
130	Kohl's Corp.	20.00	01/16/10	325,000
225	Kraft Foods, Inc.	25.00	01/16/10	175,500
825	Lowe's Cos., Inc.	10.00	01/16/10	1,097,250
109	McDonald's Corp.	40.00	01/21/09	179,850
150	Microsoft Corp.	20.00	01/16/10	152,625
247	Microsoft Corp.	20.00	01/21/09	224,770
70	Procter & Gamble Co.	40.00	01/21/09	211,050
72	Procter & Gamble Co.	60.00	01/21/09	80,640
100	Procter & Gamble Co.	100.00	01/21/09	204,000
190	Royal Caribbean Cruises, Ltd.	20.00	01/16/10	295,450
250	Target Corp.	30.00	01/17/09	552,500
100	United Parcel Service, Inc.	50.00	01/16/10	245,500
260	Wal-Mart Stores, Inc.	30.00	01/21/09	598,000
350	Wal-Mart Stores, Inc.	30.00	01/16/10	805,000
417	Wal-Mart Stores, Inc.	35.00	01/21/09	768,323
100	Walt Disney Co.	20.00	01/16/10	124,500
150	Walt Disney Co.	20.00	01/21/09	180,000
201	Walt Disney Co.	30.00	01/21/09	88,440
228	Warner Music Group Corp. (g)	25.00	01/21/09	3,420
Total Call Options Purchased (Premiums Paid \$13,865,358)				12,684,817
Total Long Positions - 79.1% (Cost \$752,086,711) *				717,524,227
Total Short Positions - (35.9)% (Cost \$(364,185,599))				(325,322,477)
Total Options Written - (0.2)% (Cost \$(2,240,298))				(2,089,702)
Other Assets & Liabilities, Net - 57.0%				516,808,233
Net Assets - 100.00%				\$ 906,920,281

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

MARCH 31, 2008

Shares	Security Description	Value	Shares	Security Description	Value
Securities Sold Short - (35.9)%					
Common Stock - (31.3)%					
Consumer Discretionary - (5.0)%					
(3,125)	Aeropostale, Inc.	\$ (84,719)	(100)	KB Home	\$ (2,473)
(3,152)	Alaska Air Group, Inc.	(61,842)	(9,668)	Kohl's Corp.	(414,661)
(56,672)	Ambassadors International, Inc.	(419,940)	(12,215)	Las Vegas Sands Corp.	(899,513)
(51,300)	American Eagle Outfitters, Inc.	(898,262)	(52,500)	Lennar Corp., Class A	(987,525)
(3,000)	AnnTaylor Stores Corp.	(72,540)	(67,600)	Limited Brands, Inc.	(1,155,960)
(13,200)	AutoNation, Inc.	(197,604)	(5,000)	Lithia Motors, Inc., Class A	(50,800)
(2,300)	Barnes & Noble, Inc.	(70,495)	(9,100)	Liz Claiborne, Inc.	(165,165)
(100)	Beazer Homes USA, Inc.	(945)	(3,093)	Lowe's Cos., Inc.	(70,953)
(32,100)	Bed Bath & Beyond, Inc.	(946,950)	(8,000)	Macrovision Corp.	(108,000)
(49,446)	Blockbuster, Inc., Class A	(161,194)	(34,800)	MarineMax, Inc.	(433,608)
(12,055)	Bob Evans Farms, Inc.	(332,597)	(49,800)	Mattel, Inc.	(991,020)
(11,300)	Borders Group, Inc.	(66,331)	(31,900)	McCormick & Schmick's Seafood Restaurants, Inc.	(371,635)
(1,600)	BorgWarner, Inc.	(68,848)	(2,800)	MDC Holdings, Inc.	(122,612)
(20,413)	Carmax, Inc.	(396,420)	(2,876)	Mesa Air Group, Inc.	(6,759)
(2,000)	Carnival Corp.	(80,960)	(19,300)	MGM Mirage	(1,134,261)
(2,850)	Casey's General Stores, Inc.	(64,410)	(26,700)	Mobile Mini, Inc.	(507,300)
(35,900)	Casual Male Retail Group, Inc.	(150,780)	(1,154)	Mohawk Industries, Inc.	(82,638)
(34,600)	CBRL Group, Inc.	(1,237,642)	(14,196)	Morgans Hotel Group Co.	(210,385)
(28,100)	Centex Corp.	(680,301)	(25,300)	MSC Industrial Direct Co.	(1,068,925)
(11,008)	Champion Enterprises, Inc.	(110,410)	(6,800)	News Corp., Class A	(127,500)
(54,970)	Cheesecake Factory	(1,197,796)	(41,900)	Office Depot, Inc.	(462,995)
(30,700)	Choice Hotels International, Inc.	(1,047,177)	(5,900)	OfficeMax, Inc.	(112,926)
(712)	Citadel Broadcasting Corp.	(1,182)	(8,500)	O'Reilly Automotive, Inc.	(242,420)
(13,800)	Citi Trends, Inc.	(254,610)	(5,650)	Pacific Sunwear of California	(71,247)
(1,598)	Columbia Sportswear Co.	(70,360)	(23,200)	Panera Bread Co., Class A	(971,848)
(4,900)	Comcast Corp., Class A	(94,766)	(7,725)	PC Mall, Inc.	(82,117)
(28,600)	Copa Holdings SA, Class A	(1,089,946)	(40,893)	Penske Auto Group, Inc.	(795,778)
(33,980)	Dick's Sporting Goods, Inc.	(909,984)	(16,300)	PepsiAmericas, Inc.	(416,139)
(21,500)	DR Horton, Inc.	(338,625)	(52,126)	PetSmart, Inc.	(1,065,455)
(11,000)	DSW, Inc., Class A	(142,450)	(9,000)	Phillips-Van Heusen Corp.	(341,280)
(1,176)	Empire Resorts, Inc.	(1,611)	(13,500)	Pinnacle Entertainment, Inc.	(172,800)
(1,300)	Fastenal Co.	(59,709)	(16,800)	Polo Ralph Lauren Corp.	(979,272)
(73,139)	Ford Motor Co.	(418,355)	(30,900)	Pool Corp.	(583,701)
(33,850)	Frontier Airlines Holdings, Inc.	(85,641)	(66,500)	Pulte Homes, Inc.	(967,575)
(1,350)	GameStop Corp., Class A	(69,809)	(50,500)	Quiksilver, Inc.	(495,405)
(5,600)	Gaylord Entertainment Co.	(169,624)	(4,800)	RadioShack Corp.	(78,000)
(7,127)	General Motors Corp.	(135,769)	(47,800)	Ruby Tuesday, Inc.	(358,500)
(17,650)	Genesco, Inc.	(407,892)	(8,795)	Ryanair Holdings PLC, ADR	(248,723)
(12,200)	Goodyear Tire & Rubber Co.	(314,760)	(600)	Ryland Group, Inc.	(19,734)
(14,119)	Group 1 Automotive, Inc.	(331,514)	(79,500)	Sara Lee Corp.	(1,111,410)
(2,000)	Guess?, Inc.	(80,940)	(11,853)	School Specialty, Inc.	(373,844)
(1,862)	Gymboree Corp.	(74,257)	(35,142)	Scientific Games Corp., Class A	(741,848)
(16,100)	Harman International Industries, Inc.	(700,994)	(10,700)	Skechers U.S.A., Inc., Class A	(216,247)
(2,830)	Hibbett Sports, Inc.	(43,695)	(3,700)	Sonic Automotive, Inc., Class A	(76,035)
(29,200)	HNI Corp.	(785,188)	(5,169)	Sonic Corp.	(113,925)
(200)	Hovnanian Enterprises, Inc., Class A	(2,120)	(70,000)	Spartan Motors, Inc.	(592,200)
(1,990)	International Game Technology	(80,018)	(2,781)	Sport Supply Group, Inc.	(33,233)
(1,700)	J Crew Group, Inc.	(75,089)	(16,100)	Standard-Pacific Corp.	(78,246)
(13,880)	JC Penney Co., Inc.	(523,414)	(3,325)	Starbucks Corp.	(58,188)
(27,700)	Jetblue Airways Corp.	(160,660)	(19,000)	Starwood Hotels & Resorts Worldwide, Inc.	(983,250)
			(89,600)	Steak 'n' Shake Co.	(705,152)
			(15,223)	Target Corp.	(771,502)

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

MARCH 31, 2008

Shares	Security Description	Value	Shares	Security Description	Value
(22,600)	Thor Industries, Inc.	\$ (672,802)	(41,494)	Live Nation, Inc.	\$ (503,322)
(13,350)	Tiffany & Co.	(558,564)	(2,575)	McCormick & Co., Inc., NV	(95,198)
(2,900)	Timberland Co., Class A	(39,817)	(12,200)	Mcgrath Rentcorp	(294,142)
(6,900)	Titan International, Inc.	(211,209)	(31,100)	Monster Worldwide, Inc.	(752,931)
(200)	Toll Brothers, Inc.	(4,696)	(24,300)	Moody's Corp.	(846,369)
(2,882)	Toyota Motor Corp., ADR	(290,765)	(4,125)	Nash Finch Co.	(140,168)
(28,107)	Tractor Supply Co.	(1,110,789)	(6,775)	Noven Pharmaceuticals, Inc.	(60,840)
(3,375)	Tween Brands, Inc.	(83,498)	(22,288)	Omnicare, Inc.	(404,750)
(3,050)	Urban Outfitters, Inc.	(95,618)	(4,135)	Oscient Pharmaceuticals Corp.	(7,195)
(10,955)	Vail Resorts, Inc.	(529,017)	(4,762)	OSI Pharmaceuticals, Inc.	(178,051)
(7,300)	Wal-Mart Stores, Inc.	(384,563)	(54,700)	PDL BioPharma, Inc.	(579,273)
(300)	Washington Post Co., Class B	(198,450)	(9,900)	PeopleSupport, Inc.	(90,288)
(1,892)	Watsco, Inc.	(78,367)	(12,300)	Pharmaceutical Product Development, Inc.	(515,370)
(37,400)	Wendy's International, Inc.	(862,444)	(3,502)	PHH Corp.	(61,040)
(21,600)	WESCO International, Inc.	(788,184)	(8,300)	Procter & Gamble Co.	(581,581)
(2,900)	Williams-Sonoma, Inc.	(70,296)	(70,607)	Quanta Services, Inc.	(1,635,964)
(3,550)	Zumiez, Inc.	(55,700)	(35,700)	Robert Half International, Inc.	(918,918)
		<u>45,038,612</u>	(2,496)	Sanderson Farms, Inc.	(94,873)
			(5,200)	Satyam Computer Services, Ltd., ADR	(117,468)
Consumer Staples - (4.2)%			(4,250)	Schering-Plough Corp.	(61,243)
(14,000)	Aegean Marine Petroleum Network, Inc.	(478,940)	(29,800)	Scotts Miracle-Gro Co., Class A	(966,116)
(17,900)	Avery Dennison Corp.	(881,575)	(27,600)	Sepracor, Inc.	(538,752)
(39,400)	Bare Escentuals, Inc.	(922,748)	(2,393)	Smithfield Foods, Inc.	(61,644)
(6,527)	Brown-Forman Corp., Class B	(432,218)	(8,800)	Sotheby's	(254,408)
(27,795)	Bunge, Ltd.	(2,414,830)	(17,992)	Spartan Stores, Inc.	(375,133)
(4,910)	Campbell Soup Co.	(166,695)	(80,300)	Stewart Enterprises, Inc.	(515,525)
(41,000)	Cardiome Pharma Corp.	(344,400)	(34,300)	SYSCO Corp.	(995,385)
(68,163)	CBIZ, Inc.	(553,484)	(27,913)	Tootsie Roll Industries, Inc.	(703,408)
(8,100)	Central European Distribution Corp.	(471,339)	(2,000)	Tyson Foods, Inc., Class A	(31,900)
(16,000)	Cephalon, Inc.	(1,030,400)	(34,100)	United Natural Foods, Inc.	(638,011)
(24,167)	Charles River Laboratories International, Inc.	(1,424,403)	(9,007)	Universal Corp.	(590,229)
(5,360)	Chemed Corp.	(226,192)	(85,950)	Valeant Pharmaceuticals International	(1,102,739)
(3,155)	Coinstar, Inc.	(88,782)	(49,000)	VCA Antech, Inc.	(1,340,150)
(1,460)	Colgate-Palmolive Co.	(113,749)	(87,945)	Vertex Pharmaceuticals, Inc.	(2,101,006)
(2,506)	Constellation Brands, Inc., Class A	(44,281)	(29,542)	Whole Foods Market, Inc.	(974,000)
(13,300)	Cornell Cos., Inc.	(298,718)	(427)	Wimm-Bill-Dann Foods OJSC, ADR	(43,759)
(17,800)	Corporate Executive Board Co.	(720,544)			<u>(38,139,703)</u>
(11,946)	Corrections Corp. of America	(328,754)			
(3,645)	Cosan Limited, Class A	(44,906)	Energy - (3.2)%		
(5,900)	Deluxe Corp.	(113,339)	(700)	Apache Corp.	(84,574)
(1,625)	Estee Lauder Cos., Inc.	(74,506)	(2,800)	Arch Coal, Inc.	(121,800)
(44,512)	Euronet Worldwide, Inc.	(857,301)	(5,800)	Arena Resources, Inc.	(224,518)
(8,900)	Fortune Brands, Inc.	(618,550)	(16,520)	Baker Hughes, Inc.	(1,131,620)
(98,500)	H&R Block, Inc.	(2,044,860)	(2,250)	Bery Petroleum Co.	(104,603)
(3,896)	Hain Celestial Group, Inc.	(114,932)	(12,190)	Bill Barrett Corp.	(575,978)
(36,500)	Healthcare Services Group	(753,360)	(38,600)	BJ Services Co.	(1,100,486)
(5,900)	Henry Schein, Inc.	(338,660)	(54,100)	BPZ Resources, Inc.	(1,175,593)
(26,500)	Hershey Co.	(998,255)	(2,385)	CARBO Ceramics, Inc.	(95,639)
(9,700)	Huron Consulting Group, Inc.	(403,035)	(1,225)	Carrizo Oil & Gas, Inc.	(72,606)
(28,900)	Iron Mountain, Inc.	(764,116)	(60,600)	Cheniere Energy, Inc.	(1,199,880)
(20,500)	Kenexa Corp.	(378,840)	(16,394)	Chesapeake Energy Corp.	(756,583)
(14,853)	Kraft Foods, Inc.	(460,592)	(1,325)	Chevron Corp.	(113,102)
(3,125)	Lance, Inc.	(61,250)	(1,850)	Comstock Resources, Inc.	(74,555)

See Notes to Financial Statements.

ABSOLUTE STRATEGIES FUND

SCHEDULE OF SECURITIES SOLD SHORT

MARCH 31, 2008

Shares	Security Description	Value	Shares	Security Description	Value
(1,500)	Sun Life Financial, Inc.	\$ (69,900)	(37,000)	Medicis Pharmaceutical Corp., Class A	\$ (728,530)
(1,863)	SunTrust Banks, Inc.	(102,726)	(14,772)	Medtronic, Inc.	(714,522)
(54,500)	TCF Financial Corp.	(976,640)	(4,010)	Mentor Corp.	(103,137)
(50,850)	UDR, Inc.	(1,246,842)	(27,249)	Millennium Pharmaceuticals, Inc.	(421,270)
(18,700)	UMB Financial Corp.	(770,440)	(10,056)	Millipore Corp.	(677,875)
(2,400)	Unum Group	(52,824)	(45,037)	Molina Healthcare, Inc.	(1,099,804)
(22,620)	Valley National Bancorp	(434,530)	(32,975)	Mylan, Inc.	(382,510)
(30,358)	Washington Federal, Inc.	(693,377)	(48,125)	NovaMed, Inc.	(182,394)
(38,453)	Washington Mutual, Inc.	(396,066)	(18,680)	NuVasive, Inc.	(644,647)
(1,086)	Westamerica Bancorporation	(57,124)	(3,300)	Patterson Cos., Inc.	(119,790)
(9,872)	World Acceptance Corp.	(314,423)	(5,463)	Pfizer, Inc.	(114,341)
(23,300)	XL Capital, Ltd., Class A	(688,515)	(5,137)	PSS World Medical, Inc.	(85,582)
(13,900)	Zenith National Insurance Corp.	(498,454)	(6,700)	Psychiatric Solutions, Inc.	(227,264)
		(36,565,075)	(6,280)	Quest Diagnostics, Inc.	(284,296)
			(15,400)	Resmed, Inc.	(649,571)
			(30,268)	Sciele Pharma, Inc.	(590,226)
			(40,025)	SonoSite, Inc.	(1,137,911)
			(9,300)	Stereotaxis, Inc.	(55,056)
			(3,800)	Stryker Corp.	(247,190)
			(12,000)	Tenet Healthcare Corp.	(67,920)
			(3,173)	UnitedHealth Group, Inc.	(109,024)
			(10,200)	Vital Images, Inc.	(151,164)
			(28,800)	Well Care Health Plans, Inc.	(1,121,760)
			(25,655)	West Pharmaceutical Services, Inc.	(1,134,721)
			(73,632)	Wright Medical Group, Inc.	(1,777,476)
					(26,941,974)
Health Care - (3.0)%			Industrials - (4.5)%		
(3,500)	Abbott Laboratories	(193,025)	(2,144)	3M Co.	(169,698)
(14,865)	Affymetrix, Inc.	(258,800)	(51,130)	AAR Corp.	(1,394,315)
(3,700)	Alcon, Inc.	(526,325)	(29,200)	Aircastle, Ltd.	(328,500)
(5,100)	AMAG Pharmaceuticals, Inc.	(206,193)	(2,000)	Alexander & Baldwin, Inc.	(86,160)
(35,000)	American Dental Partners, Inc.	(338,449)	(1,950)	Ametek, Inc.	(85,625)
(69,324)	American Medical Systems Holdings, Inc.	(983,708)	(22,800)	Ball Corp.	(1,047,432)
(50,499)	Amylin Pharmaceuticals, Inc.	(1,475,076)	(32,540)	Barnes Group, Inc.	(746,793)
(44,100)	APP Pharmaceuticals, Inc.	(532,728)	(4,010)	Bemis Co., Inc.	(101,974)
(9,959)	ATS Medical, Inc.	(14,042)	(15,388)	Black & Decker Corp.	(1,017,147)
(2,500)	Baxter International, Inc.	(144,550)	(9,400)	Brady Corp., Class A	(314,242)
(8,900)	BioMarin Pharmaceuticals, Inc.	(314,793)	(4,300)	Bristow Group, Inc.	(230,781)
(5,000)	Bristol-Myers Squibb Co.	(106,500)	(7,200)	Curtiss-Wright Corp.	(298,656)
(2,900)	Cooper Cos., Inc.	(99,847)	(5,900)	Danaher Corp.	(448,577)
(41,269)	Cubist Pharmaceuticals, Inc.	(760,175)	(5,800)	Deere & Co.	(466,552)
(1,400)	Cyberonics, Inc.	(20,300)	(8,800)	Dolby Laboratories, Inc., Class A	(319,088)
(25,500)	DaVita, Inc.	(1,217,880)	(29,600)	Eagle Bulk Shipping, Inc.	(762,496)
(11,673)	deCODE Genetics, Inc.	(17,860)	(27,200)	Eagle Materials, Inc.	(966,960)
(10,000)	Dentsply International, Inc.	(386,000)	(2,700)	Energizer Holdings, Inc.	(244,296)
(3,122)	Edwards Lifesciences Corp.	(139,085)	(950)	Energy Conversion Devices, Inc.	(28,404)
(2,333)	Eli Lilly & Co.	(120,359)	(2,785)	EnerSys	(66,617)
(38,500)	Endo Pharmaceuticals Holdings, Inc.	(921,690)	(1,600)	ESCO Technologies, Inc.	(63,552)
(750)	Genentech, Inc.	(60,885)	(32,145)	Expeditors International Washington, Inc.	(1,452,311)
(20,100)	Gen-Probe, Inc.	(968,820)	(9,700)	FARO Technologies, Inc.	(302,446)
(18,635)	Health Management Associates, Inc., Class A	(98,579)	(27,698)	FEI Co.	(604,647)
(3,940)	HealthExtras, Inc.	(97,870)	(11,600)	Flir Systems, Inc.	(349,044)
(13,345)	Healthsouth Corp.	(237,408)	(2,200)	Flowserve Corp.	(229,636)
(16,880)	Hologic, Inc.	(938,528)			
(6,126)	Illumina, Inc.	(464,963)			
(11,900)	Immucor, Inc.	(253,946)			
(39,269)	Incyte Corp.	(412,717)			
(62,874)	Isis Pharmaceuticals, Inc.	(887,152)			
(1,624)	Johnson & Johnson	(105,349)			
(15,841)	King Pharmaceuticals, Inc.	(137,817)			
(12,762)	LifePoint Hospitals, Inc.	(350,572)			
(4,255)	Lincare Holdings, Inc.	(119,608)			
(10,300)	Luminex Corp.	(202,394)			

See Notes to Financial Statements.

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

MARCH 31, 2008

Shares	Security Description	Value	Shares	Security Description	Value
(1,800)	General Cable Corp.	\$ (106,326)	(10,800)	Cadence Design Systems, Inc.	\$ (115,344)
(28,300)	General Electric Co.	(1,047,383)	(1,200)	Cerner Corp.	(44,736)
(59,900)	Gentex Corp.	(1,027,285)	(54,700)	Cognizant Technology Solutions Corp., Class A	(1,577,001)
(15,300)	Golar LNG, Ltd.	(279,531)	(8,100)	Computer Sciences Corp.	(330,399)
(27,500)	Graco, Inc.	(997,150)	(23,000)	Concur Technologies, Inc.	(714,150)
(16,300)	Haynes International, Inc.	(894,544)	(51,000)	CSG Systems International, Inc.	(579,870)
(10,500)	IDEX Corp.	(322,245)	(51,000)	Cypress Semiconductor Corp.	(1,204,109)
(21,300)	Illinois Tool Works, Inc.	(1,027,299)	(7,350)	Diodes, Inc.	(161,406)
(4,600)	Insituform Technologies, Inc.	(63,618)	(13,400)	DST Systems, Inc.	(880,916)
(4,138)	Intermec, Inc.	(91,822)	(11,600)	Electronic Arts, Inc.	(579,072)
(33,523)	Itron, Inc.	(3,024,780)	(7,100)	Electronic Data Systems Corp.	(118,215)
(19,400)	ITT Industries, Inc.	(1,005,114)	(32,900)	Electronics for Imaging	(490,868)
(17,200)	Kaman Corp.	(486,588)	(19,076)	EMC Corp.	(273,550)
(32,577)	Kansas City Southern	(1,306,663)	(89,395)	Epicor Software Corp.	(1,001,224)
(7,500)	Kaydon Corp.	(329,325)	(28,400)	FalconStor Software, Inc.	(216,124)
(54,795)	Kemet Corp.	(221,372)	(4,600)	IHS, Inc.	(295,826)
(13,100)	Layne Christensen Co.	(458,762)	(46,700)	Immersion Corp.	(332,037)
(27,112)	LeCroy Corp.	(234,790)	(44,000)	IMS Health, Inc.	(924,440)
(4,000)	Lindsay Corp.	(409,880)	(2,300)	International Business Machines Corp.	(264,822)
(54,700)	LSB Industries, Inc.	(806,278)	(28,800)	Lexmark International, Inc., Class A	(884,736)
(37,600)	Metalico, Inc.	(368,856)	(36,300)	Linear Technology Corp.	(1,114,047)
(8,600)	Mine Safety Appliances Co.	(354,234)	(32,809)	Magma Design Automation, Inc.	(313,982)
(4,000)	Moog, Inc., Class A	(168,839)	(12,898)	Mentor Graphics Corp.	(113,889)
(42,100)	Nalco Holding Co.	(890,415)	(35,100)	Microchip Technology, Inc.	(1,148,823)
(13,234)	Newport Corp.	(147,824)	(7,500)	Micron Technology, Inc.	(44,775)
(31,257)	Orbital Sciences Corp.	(753,294)	(6,800)	Microsemi Corp.	(155,040)
(81,100)	Packaging Corp. of America	(1,810,963)	(8,400)	MKS Instruments, Inc.	(179,760)
(38,900)	Pactiv Corp.	(1,019,569)	(21,400)	MSC Software Corp.	(277,986)
(16,600)	Rockwell Automation, Inc.	(953,172)	(47,300)	National Semiconductor Corp.	(866,536)
(2,450)	Rofin-Sinar Technologies, Inc.	(110,005)	(36,100)	NetApp, Inc.	(723,805)
(6,500)	Roper Industries, Inc.	(386,360)	(20,075)	One Communications, Inc.	(349,506)
(27,700)	Seaspan Corp.	(789,173)	(11,700)	Omniceil, Inc.	(235,169)
(34,638)	Sonoco Products Co.	(991,686)	(71,000)	Parametric Technology Corp.	(1,134,580)
(3,800)	Stericycle, Inc.	(195,700)	(13,000)	Phase Forward, Inc.	(222,040)
(31,400)	Sturm Ruger & Co., Inc.	(258,736)	(56,491)	Pitney Bowes, Inc.	(1,978,315)
(14,000)	Terex Corp.	(874,999)	(12,020)	PMC - Sierra, Inc.	(68,514)
(34,300)	Tetra Tech, Inc.	(669,193)	(52,600)	Red Hat, Inc.	(967,313)
(10,125)	Trimble Navigation, Ltd.	(289,474)	(8,800)	Salesforce.com, Inc.	(509,256)
(3,578)	Trinity Industries, Inc.	(95,353)	(23,560)	Seagate Technology	(493,346)
(13,800)	Triumph Group, Inc.	(785,634)	(20,300)	Sigma Designs, Inc.	(460,201)
(17,500)	Universal Display Corp.	(250,600)	(19,046)	Skyworks Solutions, Inc.	(138,655)
(1,676)	Universal Forest Products, Inc.	(53,967)	(29,080)	SPSS, Inc.	(1,127,722)
(57,100)	UTi Worldwide, Inc.	(1,146,568)	(15,400)	Synaptics, Inc.	(367,752)
(6,000)	Waters Corp.	(334,200)	(15,600)	THQ, Inc.	(340,080)
(12,290)	Watts Water Technologies, Inc., Class A	(344,489)	(3,100)	Ultimate Software Group, Inc.	(93,186)
		<u>(40,310,007)</u>			<u>(27,745,539)</u>
Information Technology - (3.1)%			Materials - (1.4)%		
(53,900)	ACI Worldwide, Inc.	(1,073,688)	(9,200)	Albemarle Corp.	(335,984)
(11,600)	Anadigics, Inc.	(76,096)	(11,200)	Allegheny Technologies, Inc.	(799,232)
(28,500)	Analog Devices, Inc.	(841,320)	(4,296)	Cabot Corp.	(120,288)
(3,400)	Apple, Inc.	(487,900)	(6,900)	Cameco Corp.	(227,286)
(6,800)	Blackboard, Inc.	(226,644)	(4,500)	Century Aluminum Co.	(298,080)
(13,760)	CACI International, Inc., Class A	(626,768)			

See Notes to Financial Statements.

ABSOLUTE STRATEGIES FUND

SCHEDULE OF SECURITIES SOLD SHORT

MARCH 31, 2008

<u>Shares</u>	<u>Security Description</u>	<u>Value</u>
(3,400)	SPDR S&P Homebuilders ETF	\$ (73,746)
(27,075)	SPDR S&P Retail ETF	(865,046)
(60,535)	SPDR Trust Series 1	(7,972,460)
(4,625)	Technology Select Sector SPDR Fund	(104,294)
(39,275)	Utilities Select Sector SPDR Fund	(1,489,308)
Total Mutual Funds (Cost \$(44,078,513))		<u>(40,412,824)</u>
US Treasury Securities - (0.1)%		
(1,000,000)	U.S. Treasury Note (Cost \$(1,141,016))	<u>(1,139,219)</u>
Total Securities Sold Short - (35.9)%		
(Cost \$(364,185,599))		<u><u>\$(325,322,477)</u></u>

ABSOLUTE STRATEGIES FUND

SCHEDULE OF CALL AND PUT OPTIONS WRITTEN

MARCH 31, 2008

Number of Contracts	Security Description	Strike Price	Expiration Date	Value	Number of Contracts	Security Description	Strike Price	Expiration Date	Value
Options Written - (0.2)%					(82)	Pulte Homes, Inc. (g)	17.50	04/23/08	\$ (2,050)
Call Options Written - (0.2)%					(225)	Pulte Homes, Inc.	10.00	07/23/08	(123,750)
(20)	Advanced Micro Devices	20.00	01/21/09	\$ (140)	(288)	Pulte Homes, Inc.	15.00	01/21/09	(105,120)
(20)	Amazon.com, Inc.	30.00	01/21/09	(84,350)	(300)	Retail Holders Trust	110.00	01/21/09	(81,000)
(12)	Amgen, Inc.	60.00	01/21/09	(798)	(602)	Retail Holders Trust	105.00	01/21/09	(246,820)
(12)	Amgen, Inc.	70.00	01/21/09	(228)	(10)	Ryland Group, Inc.	30.00	01/21/09	(9,200)
(20)	Anadarko Petroleum Corp.	40.00	01/21/09	(49,100)	(12)	Ryland Group, Inc.	40.00	01/21/09	(6,060)
(12)	Apache Corp.	60.00	01/21/09	(73,200)	(65)	S&P 500 Index	1,480.00	04/23/08	(812)
(10)	Apple, Inc.	50.00	01/21/09	(95,000)	(65)	S&P 500 Index	1,490.00	04/23/08	(813)
(40)	Applied Materials, Inc.	15.00	01/21/09	(22,800)	(10)	Schlumberger, Ltd.	60.00	01/21/09	(29,700)
(12)	Bank of America Corp.	40.00	01/21/09	(5,076)	(300)	SLM Corp.	15.00	04/23/08	(46,500)
(10)	Bear Stearns Co., Inc. (g)	130.00	01/21/09	(90)	(450)	SLM Corp.	17.50	07/23/08	(90,000)
(30)	Bed Bath & Beyond, Inc.	30.00	01/21/09	(13,200)	(12)	Target Corp.	40.00	01/21/09	(17,250)
(100)	Bed Bath & Beyond, Inc.	25.00	05/21/08	(52,000)	(12)	United Technologies Corp.	50.00	01/21/09	(24,120)
(12)	Caterpillar, Inc.	60.00	01/21/09	(24,870)	Total Call Options Written - (0.2)%				
(12)	Centex Corp.	40.00	01/21/09	(2,130)	(Premiums Received \$(1,810,017))				
(20)	Circuit City Stores, Inc. (g)	30.00	01/21/09	(1,630)	(1,702,327)				
(40)	Cisco Systems, Inc.	15.00	01/21/09	(38,900)	Put Options Written - 0.0% (k)				
(20)	Comcast Corp.	20.00	01/21/09	(6,750)	(90)	iShares MSCI Index	80.00	01/21/09	(23,400)
(20)	Countrywide Financial Corp. (g)	25.00	01/21/09	(80)	(900)	Retail Holders Trust	75.00	01/21/09	(324,000)
(20)	Countrywide Financial Corp. (g)	30.00	01/21/09	(80)	(65)	S&P 500 Index	1,170.00	04/23/08	(8,840)
(250)	eBay, Inc.	32.50	07/23/08	(40,625)	(65)	S&P 500 Index	1,175.00	04/23/08	(12,025)
(15)	FedEx Corp.	110.00	01/21/09	(5,400)	(98)	S&P 500 Index	1,180.00	04/23/08	(19,110)
(62)	Furniture Brands International, Inc. (g)	15.00	04/23/08	(527)	Total Put Options Written - 0.0% (k)				
(20)	Halliburton Co.	30.00	01/21/09	(21,450)	(Premiums Received \$(430,281))				
(147)	ITT Educational Services, Inc.	70.00	01/20/10	(117,600)	(387,375)				
(72)	Joy Global, Inc.	70.00	07/23/08	(39,600)	Total Options Written - (0.2)%				
(220)	Joy Global, Inc.	65.00	04/23/08	(68,200)	(Premiums Received \$(2,240,298))				
(12)	Kohl's Corp.	50.00	01/21/09	(5,328)	<u><u>\$ (2,089,702)</u></u>				
(24)	Lowe's Cos., Inc.	30.00	01/21/09	(2,640)					
(30)	Lowe's Cos., Inc.	25.00	01/21/09	(7,350)					
(12)	Merrill Lynch & Co., Inc.	55.00	01/21/09	(4,020)					
(20)	Microsoft Corp.	20.00	01/21/09	(18,200)					
(12)	Morgan Stanley	50.00	01/21/09	(13,920)					
(20)	Nike, Inc.	40.00	01/21/09	(57,400)					
(12)	Procter & Gamble Co.	50.00	01/21/09	(24,480)					
(32)	Pulte Homes, Inc.	25.00	01/21/09	(2,720)					
(55)	Pulte Homes, Inc.	20.00	01/20/10	(19,250)					

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2008

- ADR American Depositary Receipt
 ETF Exchange Traded Fund
 FHLMC Federal Home Loan Mortgage Corporation
 FNMA Federal National Mortgage Association
 IO Interest Only
 NV Non-voting
 PLC Public Limited Company
 PO Principal Only
 REIT Real Estate Investment Trust
 SPDR Standard & Poor's Depository Receipts
- (a) Non-income producing security.
 (b) Security exempt from registration under Rule 144A under the Securities Act of 1933. At March 31, 2008, the value of these securities amounted to \$26,431,467 or 2.9% of net assets.
 (c) Variable rate security.
 (d) Security is currently in default and are on scheduled interest or principal payment.
 (e) Zero coupon bond. Interest rate presented is yield to maturity.
 (f) All or a portion of this security is held as collateral for securities sold short.
 (g) Security fair valued in accordance with procedures adopted by the Board of Trustees. At March 31, 2008, the value of these securities amounted to \$10,683,229 or 1.2% of net assets.
 (h) Debt obligation initially issued at one coupon rate which converts to a higher coupon rate at a specific date. The rate shown is the rate at year end.
 (i) Holders of Comdisco Holding Co., Inc. were issued contingent equity distribution rights pursuant to the Comdisco, Inc. First Amended Joint Plan of Reorganization. Accordingly, there is no associated strike price or expiration date.
 (j) Security subject to call option written by the Fund.
 (k) Less than 0.1%.

At March 31, 2008, the Fund held the following futures contract:

Contract	Type	Expiration Date	Notional Contract Value	Net Appreciation (Depreciation)
(500)	S&P 500 E-Mini Future	06/20/08	\$(33,100,000)	\$(1,111,250)
(50)	U.S. 5-year Note (CBOT)	06/30/08	(5,711,719)	(50,601)
(10)	U.S. 2-year Note (CBOT)	06/30/08	(2,146,562)	(6,250)
(10)	U.S. 10-year Note (CBOT)	06/30/08	(1,189,531)	(24,328)
(10)	U.S. Long Bond (CBOT)	06/30/08	(1,187,969)	(16,602)
			<u>\$(43,335,781)</u>	<u>\$(1,209,031)</u>

* Cost for Federal income tax purposes is \$397,525,194 and net unrealized appreciation (depreciation) consists of:

Gross Unrealized Appreciation	\$ 76,257,318
Gross Unrealized Depreciation	<u>(83,698,754)</u>
Net Unrealized Appreciation (Depreciation)	<u>\$ (7,441,436)</u>

ABSOLUTE STRATEGIES FUND

PORTFOLIO HOLDINGS SUMMARY

MARCH 31, 2008

Portfolio Breakdown (% of Net Assets)	
Long Positions	
Equity Securities	53.3%
Asset Backed Obligations	3.1%
Corporate Convertible Bonds	11.9%
Corporate Non-Convertible Bonds	1.6%
Municipal Bonds	0.1%
Syndicated Loans	0.3%
US Government and Agency Obligations	5.9%
Mutual Funds	0.8%
Options	1.7%
Short-Term Investments	0.4%
Short Positions	
Equity Securities	-31.3%
Mutual Funds	-4.5%
US Treasury Securities	-0.1%
Options	-0.2%
Other Assets less Liabilities*	57.0%*
	100.0%

* Consists of deposits with the custodian for securities sold short, cash, foreign currency, prepaid expenses, receivables, payables, and accrued liabilities. Deposits with the custodian for securities sold short represents 38.0% of net assets. See Note 2.

Sector Breakdown	(% of Equity Holdings)	
	Long	Short
Consumer Discretionary	14.8%	15.9%
Consumer Staples	12.0%	13.4%
Energy	8.7%	10.3%
Financials	25.7%	12.9%
Health Care	5.9%	9.5%
Industrials	12.4%	14.2%
Information Technology	5.8%	9.8%
Materials	5.0%	4.6%
Telecommunications	5.5%	7.7%
Utilities	4.2%	1.7%
	100.0%	100.0%

ABSOLUTE STRATEGIES FUND

STATEMENT OF ASSETS AND LIABILITIES

MARCH 31, 2008

ASSETS

Total investments, at value (Cost \$752,086,711)	\$ 717,524,227
Deposits with custodian for securities sold short	344,521,446
Cash	175,604,752
Foreign currency (Cost \$355,329)	362,243
Receivables:	
Fund shares sold	8,782,001
Investment securities sold	4,215,050
Interest and dividends	2,546,369
Prepaid expenses	8,481
Total Assets	<u>1,253,564,569</u>

LIABILITIES

Payables:	
Securities sold short, at value (Cost \$364,185,599)	325,322,477
Call options written, at value (Premiums received \$1,810,017)	1,702,327
Put options written, at value (Premiums received \$430,281)	387,375
Investment securities purchased	11,177,521
Fund shares redeemed	6,004,371
Variation margin	144,711
Dividends on securities sold short	293,351
Other payables	9,742
Accrued liabilities:	
Investment adviser fees	1,224,560
Trustees' fees and expenses	124
Compliance services fees	8,855
Other expenses	368,874
Total Liabilities	<u>346,644,288</u>

NET ASSETS\$ 906,920,281**COMPONENTS OF NET ASSETS**

Paid-in capital	\$ 918,801,926
Accumulated undistributed (distributions in excess of) net investment income	2,316,529
Accumulated net realized gain (loss)	(17,447,844)
Net unrealized appreciation (depreciation)	3,249,670

NET ASSETS\$ 906,920,281**SHARES OF BENEFICIAL INTEREST (UNLIMITED SHARES AUTHORIZED)**

Institutional Shares	81,439,137
A Shares	3,043,186
C Shares	1,753,266

NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE

Institutional Shares (based on net assets of \$856,441,064)	\$ 10.52
A Shares (based on net assets of \$32,105,617)	\$ 10.55
A Shares Maximum Public Offering Price Per Share (net asset value per share / 95.50%)	\$ 11.05
C Shares (based on net assets of \$18,373,600)	\$ 10.48

ABSOLUTE STRATEGIES FUNDSTATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2008

INVESTMENT INCOME

Interest income	\$ 16,279,161
Dividend income (net foreign withholding taxes of \$753,308)	4,520,441
Dividend income from affiliated investment	96,307
Total Investment Income	<u>20,895,909</u>

EXPENSES

Investment adviser fees	8,628,821
Investment adviser expense reimbursements recouped	92,289
Administrator fees	407,741
Distribution fees:	
A Shares	85,919
C Shares	166,475
Transfer agency fees:	
Institutional Shares	201,203
A Shares	43,900
C Shares	14,238
Custodian fees	157,244
Accountant fees	122,924
Registration fees	78,075
Professional fees	165,130
Trustees' fees and expenses	20,043
Compliance services fees	102,977
Dividend expenses on securities sold short	2,668,430
Miscellaneous expenses	174,948
Total Expenses	<u>13,130,357</u>
Fees waived and expenses reimbursed	(39,930)
Net Expenses	<u>13,090,427</u>

NET INVESTMENT INCOME (LOSS)7,805,482**NET REALIZED AND UNREALIZED GAIN (LOSS)**

Net realized gain (loss) on:	
Investments	(18,053,593)
Affiliated fund	48,907
Foreign currency transactions	(23,489)
Futures	8,701,930
Securities sold short	(1,993,951)
Written options	(868,214)
Net realized gain (loss)	<u>(12,188,410)</u>
Net unrealized gain (loss) on:	
Investments	48,533,490
Foreign currency translations	7,745
Futures	(863,281)
Securities sold short	40,167,043
Written options	60,250
Net change in unrealized appreciation (depreciation)	<u>(9,161,733)</u>

NET REALIZED AND UNREALIZED GAIN (LOSS)(21,350,143)**INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS**\$ (13,544,661)

ABSOLUTE STRATEGIES FUND

STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended March 31, 2008	Year Ended March 31, 2007
OPERATIONS		
Net investment income (loss)	\$ 7,805,482	\$ 3,800,443
Net realized gain (loss)	(12,188,410)	(3,754,614)
Net change in unrealized appreciation (depreciation)	(9,161,733)	8,936,206
Increase (Decrease) in Net Assets from Operations	<u>(13,544,661)</u>	<u>8,982,035</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM		
Net investment income:		
Institutional Shares	(6,678,510)	(2,358,385)
A Shares	(269,904)	(652,150)
C Shares	(34,231)	(109,781)
Net realized gain on investments sold:		
Institutional Shares	-	(1,951)
A Shares	-	(577)
C Shares	-	(158)
Total Distributions to Shareholders	<u>(6,982,645)</u>	<u>(3,123,002)</u>
CAPITAL SHARE TRANSACTIONS		
Sale of shares:		
Institutional Shares	801,449,919	145,536,577
A Shares	11,684,161	9,428,066
C Shares	7,900,305	10,781,208
Reinvestment of distributions:		
Institutional Shares	4,851,757	2,014,942
A Shares	218,795	525,469
C Shares	33,139	107,949
Redemption of shares:		
Institutional Shares	(126,417,988)	(22,151,545)
A Shares	(16,171,593)	(17,342,242)
C Shares	(2,999,072)	(566,599)
Redemption fees	-	14,735
Increase (Decrease) from Capital Share Transactions	<u>680,549,423</u>	<u>128,348,560</u>
Increase (Decrease) in Net Assets	660,050,407	134,207,593
NET ASSETS		
Beginning of period	246,898,164	112,690,571
End of period (a)	<u>\$ 906,920,281</u>	<u>\$246,898,164</u>
SHARE TRANSACTIONS		
Sale of shares:		
Institutional Shares	74,259,846	13,935,995
A Shares	1,084,973	906,997
C Shares	737,152	1,040,068
Reinvestment of distributions:		
Institutional Shares	449,364	194,374
A Shares	20,301	50,643
C Shares	3,100	10,417
Redemption of shares:		
Institutional Shares	(11,780,484)	(2,122,612)
A Shares	(1,506,233)	(1,671,433)
C Shares	(280,129)	(54,142)
Increase (Decrease) in Shares	<u>62,987,890</u>	<u>12,290,307</u>
(a) Accumulated undistributed (distributions in excess of) net investment income.	<u>\$ 2,316,529</u>	<u>\$ 1,148,834</u>

ABSOLUTE STRATEGIES FUNDFINANCIAL HIGHLIGHTS

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

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

ABSOLUTE STRATEGIES FUNDFINANCIAL HIGHLIGHTS

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

ABSOLUTE STRATEGIES FUNDFINANCIAL HIGHLIGHTS

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

(a) Commencement of operations.

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

(c) Less than \$0.01 per share.

(d) Not annualized for periods less than one year.

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

(f) Annualized for period less than one year.

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

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

(i) Excludes dividend expense.

ABSOLUTE STRATEGIES FUND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2008

Note 1. Organization

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

Note 2. Summary of Significant Accounting Policies

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

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

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

ABSOLUTE STRATEGIES FUND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2008

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

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

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

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

ABSOLUTE STRATEGIES FUND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2008

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

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

Options – When the Fund writes an option, an amount equal to the premium received by the Fund is recorded as a liability and is subsequently adjusted to the current value of the option written. Premiums received from writing options that expire unexercised are treated by the Fund on the expiration date as realized gain from investments. The difference between the premium and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium is less than the amount paid for the closing purchase transaction, as a realized loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security or currency in determining whether the Fund has realized a gain or loss. If a put option is exercised, the premium reduces the cost basis of the securities purchased by the Fund. The Fund, as writer of an option, bears the market risk of an unfavorable change in the price of the security underlying the written option.

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

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

ABSOLUTE STRATEGIES FUND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2008

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

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

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

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

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

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

New Accounting Pronouncements – In June 2006, the Financial Accounting Standards Board (“FASB”) issued FASB Interpretation No. 48 (“FIN 48”), *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109*. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in accordance with FASB Statement No. 109, “Accounting for Income Taxes”. This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 is effective on the last business day of the first required financial reporting period for fiscal years beginning after December 15, 2006. Management has concluded that as of March 31, 2008, there are no uncertain tax positions that would require financial statement recognition, de-recognition, or disclosure. Each of the Fund’s Federal tax returns filed in the 3-year period ended March 31, 2008 remains subject to examination by the Internal Revenue Service.

ABSOLUTE STRATEGIES FUND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2008

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157 *Fair Value Measurements* ("SFAS 157"), which is effective for fiscal years beginning after November 15, 2007 and for interim periods within those fiscal years. SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. Management is currently evaluating the impact the adoption of SFAS 157 will have on the Fund's financial statement disclosures.

In March 2008, Statement of Financial Accounting Standards No. 161, *Disclosures about Derivative Instruments and Hedging Activities* ("SFAS 161"), was issued and is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. SFAS 161 requires enhanced disclosures about the Fund's use of and accounting for derivative instruments and the effect of derivative instruments on the Fund's results of operations and financial position. Management is currently evaluating the impact the adoption of SFAS 161 will have on the Fund's financial statement disclosures.

Note 3. Advisory Fees, Servicing Fees and Other Transactions

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

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

Distribution – Foreside Fund Services, LLC serves as the Fund's distributor (the "Distributor"). The Distributor is not affiliated with the Adviser, Citi Fund Services, LLC ("Citi") or its affiliated companies. The Fund has adopted a distribution plan for A Shares and C Shares of the Fund in accordance with Rule 12b-1 of the Act. Under the plan, Fund pays the Distributor and any other entity as authorized by the Board a fee of 0.25% and 1.00% of the average daily net assets of A Shares and C Shares, respectively.

For the year ended March 31, 2008, the Distributor employed \$7,891 of the front-end sales charges assessed on the sale of A Shares. The Distributor did not retain any commissions from contingent deferred sales charges assessed on purchases of \$1 million or more of A Shares that are liquidated in whole or in part within one year of purchase. The Distributor did not retain any commissions from the contingent deferred sales charges assessed on A Shares, purchased and redeemed during the period beginning in the 13th month and ending in the 24th month of purchase on purchase amounts greater than \$5 million.

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

Foreside Compliance Services, LLC ("FCS"), an affiliate of the Distributor, provides a Principal Executive Officer, Principal Financial Officer, Chief Compliance Officer, and Anti-Money Laundering Officer as well as

ABSOLUTE STRATEGIES FUND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2008

certain additional compliance support functions to the Fund. FCS has no role in determining the investment policies of, or the securities to be purchased or sold by the Trust or the Fund. Certain officers or employees of FCS are also officers of the Trust. The Principal Executive Officer is an affiliate of the Distributor due to his ownership interest in the Distributor.

Pursuant to Board approval, beginning on June 2, 2008, as to fund accounting and fund administration, and on June 16, 2008, as to transfer agency, Atlantic Fund Administration, LLC ("Atlantic") will replace Citi as the provider of those services to the Fund. Beginning June 1, 2008, Atlantic will replace FCS as a provider of officers and compliance support services to the Fund. In connection with these changes in service providers, resignations of the Trust's existing officers, who have been provided to the Trust pursuant to agreements with Citi and FCS, will become effective and the existing officers will be replaced by officers provided by Atlantic.

Note 4. Expense Reimbursements and Fees Waived

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

<u>FCS</u>	<u>Other</u>	<u>Total Fees Waived</u>
\$12,653	\$27,277	\$39,930

The Fund may repay the Adviser for fees waived and expenses reimbursed pursuant to the expense cap if (1) such payment is made within three years of the fees waived or expense reimbursement; and (2) such payment is approved by the Board, and the resulting class expenses do not exceed 1.95% for Institutional Shares, 2.25% for A Shares and 3.00% for C Shares. For the period July 11, 2005 (commencement of operations) through each of March 31, 2006 and March 31, 2007, the Adviser waived and/or reimbursed fees as follows:

	<u>Amount of Fees Waived and/or Expenses Reimbursed</u>	<u>Expiration Date to Recoup Fees Waived and/or Expenses Reimbursed</u>	<u>Fees Recouped</u>
March 31, 2006	\$174,568	March 31, 2009	\$92,289
March 31, 2007	74,871	March 31, 2010	0

ABSOLUTE STRATEGIES FUND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2008

Note 5. Security Transactions

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term investments, respectively, for the year ended March 31, 2008, were as follows:

Non-US Government Obligations		US Government Obligations	
<u>Purchases</u>	<u>Sales</u>	<u>Purchases</u>	<u>Sales</u>
\$934,111,176	\$704,122,415	\$466,819,417	\$427,364,212

Note 6. Federal Income Tax and Investment Transactions

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

	<u>2008</u>	<u>2007</u>
Ordinary Income	\$6,982,645	\$3,120,347
Long-Term Capital Gain (Loss)	-	2,655
Total	<u>\$6,982,645</u>	<u>\$3,123,002</u>

As of March 31, 2008, distributable earnings (accumulated loss) on a tax basis were as follows:

Undistributed Ordinary Income	\$ 2,354,130
Unrealized Appreciation (Depreciation)	(7,446,124)
Capital and Other Losses	<u>(2,905,946)</u>
Total	<u>\$(7,997,940)</u>

The difference between components of distributable earnings on a tax basis and the amounts reflected in the Statement of Assets and Liabilities are primarily due to the tax treatment of passive foreign investment holdings, loss deferrals, and capital loss carryovers.

As of March 31, 2008 the Fund has capital loss carryovers to offset future capital gains of \$2,247,062 and \$637,459, expiring in 2015 and 2016, respectively.

For tax purposes, the current year post-October loss was \$21,425. This loss will be recognized for tax purposes on the first business day of the Fund's next year.

On the Statement of Assets and Liabilities, as a result of permanent book to tax differences, certain amounts have been reclassified for the year ended March 31, 2008. The following reclassification was the result of REITs, paydowns, partnerships and currency reclassifications, and has no impact on the net assets of the Fund.

Accumulated Net Investment Income (Loss)	\$ 344,858
Undistributed Net Realized Gain (Loss)	(333,650)
Paid-in Capital	<u>(11,208)</u>

ABSOLUTE STRATEGIES FUND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2008

Note 7. Written Option Transactions

Transactions in options written during the year ended March 31, 2008 were as follows:

	Calls	
	Number of Contracts	Premiums
<i>Options Outstanding, March 31, 2007</i>	777	\$ 990,246
Options written	5,896	1,696,230
Options terminated in closing transactions	(1,540)	(432,130)
Options exercised	(140)	(91,558)
Options expired	(1,103)	(352,771)
<i>Options Outstanding, March 31, 2008</i>	<u>3,890</u>	<u>1,810,017</u>

	Puts	
	Number of Contracts	Premiums
<i>Options Outstanding, March 31, 2007</i>	-	\$ -
Options written	2,503	794,362
Options terminated in closing transactions	(1,258)	(349,525)
Options exercised	(27)	(14,556)
Options expired	-	-
<i>Options Outstanding, March 31, 2008</i>	<u>1,218</u>	<u>430,281</u>

Note 8. Other Information

On March 31, 2008, three shareholders held approximately 76% of the outstanding Institutional Shares of the Fund, two shareholder held approximately 52% of the outstanding A Shares of the Fund and one shareholder held approximately 71% of the outstanding C Shares of the Fund. All of these shareholders are omnibus accounts, which are held on behalf of several thousand underlying shareholders.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Absolute Strategies Fund (the “Fund”), a series of Forum Funds (the “Trust”), as of March 31, 2008, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and financial highlights for each of the two years in the period then ended and for the period from July 11, 2005 (commencement of operations) through March 31, 2006. These financial statements and financial highlights are the responsibility of Trust management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Trust is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of March 31, 2008, by correspondence with the custodian; where replies were not received from the custodian, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Absolute Strategies Fund as of March 31, 2008, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and financial highlights for each of the two years in the period then ended and for the period from July 11, 2005 (commencement of operations) through March 31, 2006, in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

Boston, Massachusetts
May 28, 2008

ABSOLUTE STRATEGIES FUND

ADDITIONAL INFORMATION (Unaudited)

MARCH 31, 2008

Proxy Voting Information

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

Availability of Quarterly Portfolio Schedules

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

Shareholder Expense Example

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments on certain classes; and (2) ongoing costs, including management fees, distribution (12b-1) fees and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The following example is based on \$1,000 invested at the beginning of the period and held for the entire period from October 1, 2007 through March 31, 2008.

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

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

ABSOLUTE STRATEGIES FUND

ADDITIONAL INFORMATION (Unaudited)

MARCH 31, 2008

Please note that expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees or exchange fees. Therefore, the second line under each share class in the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs had been included, your costs would have been higher.

	Beginning Account Value October 1, 2007	Ending Account Value March 31, 2008	Expenses Paid During Period*	Annualized Expense Ratio*
Institutional Shares				
Actual Return	\$1,000.00	\$ 974.31	\$11.45	2.32%
Hypothetical Return (5% return before expenses)	\$1,000.00	\$1,013.40	\$11.68	2.32%
A Shares				
Actual Return	\$1,000.00	\$ 972.11	\$13.36	2.71%
Hypothetical Return (5% return before expenses)	\$1,000.00	\$1,011.45	\$13.63	2.71%
C Shares				
Actual Return	\$1,000.00	\$ 968.57	\$17.08	3.47%
Hypothetical Return (5% return before expenses)	\$1,000.00	\$1,007.65	\$17.42	3.47%

* Expenses are equal to the Fund's annualized expense ratio as indicated above multiplied by the average account value over the period, multiplied by the number of days in most recent fiscal half-year divided by 366 to reflect the half-year period.

Federal Tax Status of Dividends Declared during the Tax Year

Income Dividends – For Federal income tax purposes, dividends from short-term capital gains are classified as ordinary income. The Fund designates 44.21% of its income dividend distributed as qualifying for the corporate dividends-received deduction (DRD) and 49.51% for the qualified dividend rate (QDI) as defined in Section 1(h)(11) of the Internal Revenue Code. The Fund also designates 87.84% as qualified net investment income dividends exempt from U.S. tax for foreign shareholders (QII.)

Trustees and Officers of the Trust – The Board is responsible for oversight of the management of the Trust's business affairs and of the exercise of all the Trust's powers except those reserved for shareholders. The following tables give information about each Board member and certain officers of the Trust. The fund complex includes the Trust and Monarch Funds, another registered investment company (collectively, the "Fund Complex"), which hold themselves out to investors as related companies for purposes of investment and investor services. The Trustees and officers listed below also serve in the capacities noted below for Monarch Funds with the exception of Mr. Collier and Ms. Bakke who do not serve as officers of Monarch Funds.

ABSOLUTE STRATEGIES FUND

ADDITIONAL INFORMATION (Unaudited)

MARCH 31, 2008

Mr. Keffer is considered an Interested Trustee due to his affiliation with a Trust adviser and the Distributor within the past two years. Each Trustee and officer holds office until the person resigns, is removed, or is replaced. Unless otherwise noted, the persons have held their principal occupations for more than five years. The address for all Trustees and officers is 3435 Stelzer Road, Columbus, Ohio 43219, unless otherwise indicated. Each Trustee oversees thirty-two portfolios in the Fund Complex. Mr. Keffer is also an Interested Trustee/Director of Wintergreen Fund, Inc. The Fund's Statement of Additional Information includes additional information about the Trustees and is available, without charge and upon request, by calling (888) 992-2765.

Name and Year of Birth	Position with the Trust	Length of Time Served	Principal Occupation(s) During Past 5 Years
Independent Trustees			
J. Michael Parish Born: 1943	Chairman of the Board; Trustee; Chairman, Compliance Committee, Nominating Committee and Qualified Legal Compliance Committee	Trustee since 1989 (Chairman since 2004)	Retired; Partner, Wolf, Block, Schorr and Solis-Cohen, LLP (law firm) 2002-2003; Partner, Thelen Reid & Priest LLP (law firm) 1995-2002.
Costas Azariadis Born: 1943	Trustee; Chairman, Valuation Committee	Since 1989	Professor of Economics, Washington University (effective 2006); Professor of Economics, University of California-Los Angeles 1992-2006.
James C. Cheng Born: 1942	Trustee; Chairman, Audit Committee	Since 1989	President, Technology Marketing Associates (marketing company for small- and medium sized businesses in New England).
Interested Trustee			
John Y. Keffer Born: 1942	Trustee; Chairman, Contracts Committee	Since 1989	President, Forum Foundation (a charitable organization) since 2005; President, Forum Trust, LLC (a non-depository trust company) since 1997; President, Citi Fund Services, LLC (Citi) 2003-2005; President, Forum Financial Group, LLC ("Forum") (a fund services company acquired by Citibank, N.A.) 1999-2003.

ABSOLUTE STRATEGIES FUND

ADDITIONAL INFORMATION (Unaudited)

MARCH 31, 2008

Name and Year of Birth	Position with the Trust	Length of Time Served	Principal Occupation(s) During Past 5 Years
Officers Simon D. Collier Born: 1961	President; Principal Executive Officer	Since 2005	President of Foreside Financial Group LLC ("FFG"), (financial services firm), the parent of the Distributor, and holds various officer positions of FFG subsidiaries, 2005 to present; President, Foreside Services, Inc. (staffing services firm), an affiliate of the Distributor, 2006 to present; Chief Operating Officer and Managing Director, Global Fund Services, Citigroup 2003-2005; Managing Director, Global Securities Services for Investors, Citibank, N.A. 1999-2003. Mr. Collier serves as an officer to other unaffiliated mutual funds or closed-end funds for which the Distributor or its affiliates, act as distributor or provider of other services.
Trudance L.C. Bakke Born: 1971	Treasurer; Principal Financial Officer	Since 2005 (Principal Financial Officer since August 2006)	Director, Foreside Compliance Service, LLC since 2006; Product Manager, Citigroup 2003-2006; Senior Manager of Corporate Finance, Forum 1999-2003. Ms. Bakke serves as an officer to other unaffiliated mutual funds or closed-end funds for which the Distributor or its affiliates, act as distributor or provider of other services.
Sara M. Morris Born: 1963	Vice President	Since 2007	Director and Relationship Manager, Citigroup since 2004; Chief Financial Officer, The VIA Group, LLC (strategic marketing company) 2000-2003.
Velvet R. Regan Born: 1978	Secretary	Since 2007	Assistant Counsel, Citi Fund Services Ohio, Inc. (f/k/a BISYS Fund Services Ohio, Inc.) since September 2006; Associate Attorney, Gilmartin Magence Camiel & Ross, LLP (law firm) February 2006 through September 2006; Tax Administrator, State Street Corporation 2000-2002.

ABSOLUTEStrategies

FUND

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