



**SEMI-ANNUAL REPORT
(Unaudited)**

SEPTEMBER 30, 2008

ABSOLUTE
INVESTMENT ADVISERS

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ABSOLUTE STRATEGIES FUND

A MESSAGE TO OUR SHAREHOLDERS

SEPTEMBER 30, 2008

Dear Shareholder,

We are pleased to present the semi-annual report for the Absolute Strategies Fund (the “Fund”) for the period ended September 30, 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 September 30, 2008, the Fund’s monthly returns have had a beta of 0.24, (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 3.1%; the largest down month was –1.90% for the Institutional Shares. As of September 30, net assets totaled \$947 million, an increase of 107% over September 30, 2007. As a result of the increase in assets, the Fund’s net expense ratio has fallen.

The Fund (Institutional Shares) had a modest negative return of –1.46% over the 6 months ended September 30 versus negative returns of –10.85% for the S&P 500, –9.08% for the HFRX Global Hedge Fund Index. The Fund’s beta and standard deviation have been very consistent over this time and has been inline with expectations.

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 September 30, 2008 were –3.99% and 2.46%, respectively. Past performance is not predictive of, nor a guarantee of future results. Results of an investment made today may differ substantially from the Fund’s historical performance. Investment return and principal value of an investment in the Fund will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their original cost. As stated in the current prospectus, the Fund’s total annual operating expense ratio (gross) is 2.37% for Institutional Shares. Excluding the effect of expenses attributable to dividends on short sales, the Fund’s total annual operating expense ratio (net) was 1.88% for the fiscal year ended March 31, 2008. For the most recent month end performance information, please call (888) 992-2765 or contact your financial adviser.

If you read our previous commentaries, you would appreciate that we have had a pretty good grasp of the enormity of the situation as it related to deleveraging and crowded investment strategies. In our 4th quarter 2007 commentary, which is located on our website at www.absoluteadvisers.com, I wrote the following:

“We continue to stress that easy credit, low risk premiums and high degrees of leverage may not work well when credit tightens or liquidity moderates. However, many hedge fund strategies have required cheap credit, low volatility and excess leverage to generate performance. In addition, many strategies are betting on similar factors that tend to focus on highly cyclical, low quality securities. As we’ve stated repeatedly in previous commentaries, these factors appear to be highly sensitive (have high beta) to moves in various traditional asset classes. Therefore continued volatility may create a serious diversification dilemma for investors counting on ‘low correlation.’ The inevitable unwinding of leverage and re-pricing of risk among crowded allocations will likely continue to cause highly correlated volatility across most asset classes.”

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The events of recent weeks have created an extremely difficult environment the likes of which has not been seen by anyone in the investment arena today. I think *surreal* sums it up best.

Even those who have been investing for decades are seeing once-in-a-lifetime events. Recently, Charlie Rose interviewed Warren Buffett on PBS (Oct. 1, 2008), and asked him the following question:

Rose: "You have never seen anything like this in your life?"

Buffett: "No, I haven't."

We are often asked, "How will your Fund do if the S&P 500 is down 'x%'?" My usual response refers to the Fund's beta, but I also ask, "Well, what is everything else going to do?" However, if one year ago someone told me that the S&P 500 was going to be down 22% over the next 12 months through September 30, I would have been unfazed if our Fund was down 4%, simply given our beta. If in addition to the decrease in the S&P, I was told the HFRX Global Hedge Fund Index would be down 11.4%, including Convertible Arbitrage down 25%, I'd be very pleased with our performance. Now imagine the following unthinkable factors and events that have occurred over the past year:

- (1) Fannie Mae, Freddie Mac, Bear Stearns, Merrill Lynch, Lehman Brothers, AIG, Washington Mutual, and Wachovia all had to be rescued or were bankrupt, resulting in negative ramifications across all investments.
- (2) GE, Goldman Sachs and Morgan Stanley required significant capital infusions.
- (3) Credit markets seized up to the point where T-bills yielded 5 bps and the TED-spread reached its widest ever as banks feared lending to each other
- (4) All equity asset classes and most others collapsed by 15-35%; investment grade corporate bonds fell 7%.
- (5) The Government had to provide a guarantee for money market funds and propose an increase to FDIC insurance on bank deposits.
- (6) The Fed used its entire balance sheet and begged Congress to frantically pass a \$700 billion bailout plan to re-liquefy the credit markets and *overnight* bank lending

Given the above, I am extremely pleased with our performance. More importantly, unlike most hedge fund investments, our beta has been very consistent. In fact, since June 30, 2007, when the deleveraging process started to unwind, the Absolute Strategies Fund is down just -2.5% versus -20.4% for the S&P 500 and -13.4% for the HFRX Global Hedge Fund Index. Our Fund is a highly disciplined and diversified portfolio that does not rely on bear market or "inverse" strategies. We have been conscious to stay away from the crowded, momentum strategies we warned about that have rapidly and painfully unwound, and we have avoided strategies that need leverage.

We are becoming increasingly optimistic about the prospects for many of our manager strategies. We have done well to preserve capital with relatively low volatility in a severely distressed financial system, including massive deleveraging across hedge fund strategies and liquidations of large market participants. In this

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environment, once leverage is unwound it cannot be added back (no V-shaped recovery). We did not use leverage, and thus, are not in a permanent loss position that cannot be recovered from. The liquidations and deleveraging in other hedge fund strategies are unlike anything seen before by our managers. Since our Fund has been well hedged and we maintain sizable cash balances in our most opportunistic strategies, we hope to take advantage of much of the non-fundamental unwinding occurring in the industry of late, particularly in convertible securities and distressed mortgages. These are the same types of opportunities Warren Buffett has recently invested in or he said he wished he could invest in.

While strong rallies are quite possible, the markets are unlikely to have any sustained advance for the foreseeable future and may remain highly volatile. The credit markets and the banking system are in a state of crisis and economic conditions could turn quite severe. However, that does not mean opportunities will not be available in certain manager strategies. Like everybody, I do not like losing money, but I also recognize when long-term risk/reward trade-offs become highly attractive. In fact there are certain strategies that could find once-in-a-lifetime opportunities as industry deleveraging continues. As the Fund's exposures evolve, modest volatility will be accepted in the form of periodic gains and periodic losses. The key mission of these exposures is to avoid permanent losses of capital. I believe patient investors will be rewarded with attractive long-term risk-adjusted returns and modest volatility. I cannot say the same for most other investments, which may have unbearable volatility over the next 12-18 months.

We also view the current unwinding in the financial system as a major secular shift in investment management that will benefit our strategies. De-leveraging is a process that takes away huge long-run tailwinds that have made any one-way bet look much better than reality, including traditional investments. Taking the "juice" out of the investment industry will level the playing field and will separate good investments from bad investments. Performance driven by beta, leverage, and financial engineering has been exposed and investors will need to lower their expectations. In a deflationary environment a 10% return objective is not an objective; that is what got us into this mess. In fact, *negative* 10% has probably been the top decile benchmark over the past 2 years given housing values, equity values and incomes. Now is the time to concentrate on investments you can have long-term confidence in.

Thank you for your investment in the Absolute Strategies Fund.

Sincerely,



Jay Compson
Portfolio Manager
Absolute Investment Advisers LLC

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The views presented in the letter were those of the portfolio manager as of September 30, 2008 and may not reflect their views on the date this letter is first published or at anytime thereafter. These views are intended to assist the shareholders in understanding their investment in the Fund and do not constitute investment advice. None of the information presented should be construed as an offer to sell or recommendation of any security mentioned herein.

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

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

ABSOLUTE STRATEGIES FUND

PERFORMANCE CHART AND ANALYSIS

SEPTEMBER 30, 2008

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

ABSOLUTE STRATEGIES FUND

PERFORMANCE CHART AND ANALYSIS
 SEPTEMBER 30, 2008

Institutional, R and C Shares vs. S&P 500 Index, Lehman Brothers U.S. Aggregate Index and Hedge Fund Research U.S. Global Hedge Fund Index

Average Annual Total Return as of 09/30/08*

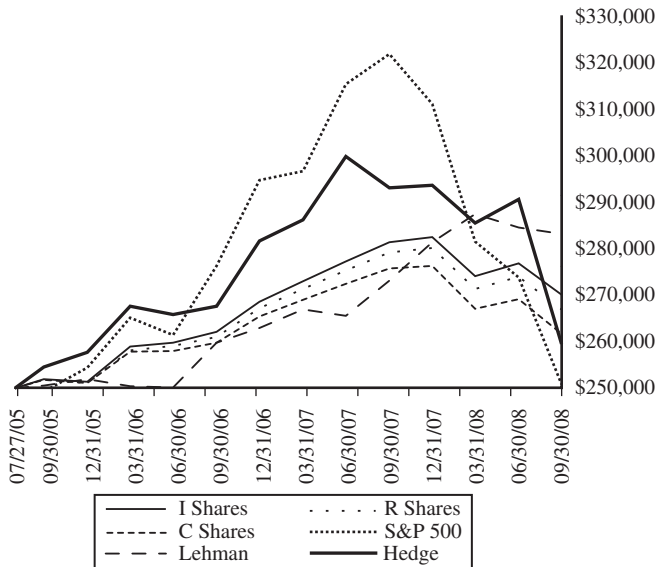
Absolute Strategies Fund — Institutional Shares
Absolute Strategies Fund — R Shares
Absolute Strategies Fund — C Shares
S&P 500 Index
Lehman Brothers U.S. Aggregate Index
Hedge Fund Research U.S. Global Hedge Fund Index

One Year	Commencement of Investment Operations 07/27/05
(3.99)%	2.46%
(4.39)%	2.08%
(5.08)%	1.45%
(21.98)%	0.11%
3.65%	3.96%
(11.43)%	1.18%

* 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.

Investment Value as of 09/30/08

Absolute Strategies Fund — Institutional Shares	\$270,048
Absolute Strategies Fund — R Shares	\$266,880
Absolute Strategies Fund — C Shares	\$261,677
S&P 500 Index	\$250,906
Lehman Brothers U.S. Aggregate Index	\$283,033
Hedge Fund Research U.S. Global Hedge Fund Index	\$259,473



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 2.37%, 2.72% and 3.45% for Institutional Shares, R Shares and C Shares, respectively. Excluding the effect of expenses attributable to dividends on short sales, organization costs, and offering costs, the Fund's total annual operating expense ratios would be 1.88%, 2.23% and 2.96% for Institutional Shares, R Shares and C Shares, respectively. The performance table and graph do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. For the most recent month end performance information, please call (888) 992-2765.

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SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2008

Shares	Security Description	Value	Shares	Security Description	Value
2,400	Amgen, Inc. (a)(f)(j)	\$ 142,248	16,700	General Electric Co.	\$ 425,850
5,894	Baxter International, Inc. (f)	386,823	4,800	General Maritime Corp. (f)	93,504
40,000	Beckman Coulter, Inc.	2,839,600	8,000	Goodrich Corp. (f)	332,800
4,000	Becton Dickinson & Co. (f)	321,040	21,500	Graco, Inc. (f)	765,611
6,300	Biogen Idec, Inc. (a)(f)	316,827	72,000	Hainan Meilan International Airport Co., Ltd., Class H	38,017
13,300	Cardinal Health, Inc. (f)	655,423	4,200	Harsco Corp. (f)	156,198
12,200	Covance, Inc. (a)(f)	1,078,602	8,600	Herbalife, Ltd. (f)	339,872
11,200	CR Bard, Inc. (f)	1,062,544	26,500	Insteel Industries, Inc. (f)	360,135
5,100	Endo Pharmaceuticals Holdings, Inc. (a)(f)	102,000	12,600	Jacobs Engineering Group, Inc. (a)(f)	684,306
14,900	Express Scripts, Inc. (a)(f)	1,099,918	2,700	JB Hunt Transport Services, Inc. (f)	90,099
15,700	Forest Laboratories, Inc. (a)(f)	443,996	13,100	Joy Global, Inc. (f)(j)	591,334
2,500	Haemonetics Corp. (a)(f)	154,300	347	Kansas City Southern (a)(f)	15,393
6,389	Henry Schein, Inc. (a)(f)	343,984	111,700	Lancaster Colony Corp. (f)	4,206,622
3,500	Intuitive Surgical, Inc. (a)(f)	843,430	4,300	Landstar System, Inc.	189,458
28,400	Johnson & Johnson (f)	1,967,552	11,600	Lennox International, Inc. (f)	385,932
19,000	Lincare Holdings, Inc. (a)(f)	571,710	6,055	Lockheed Martin Corp. (f)	664,052
7,100	Medco Health Solutions, Inc. (a)(f)	319,500	30,000	Martin Marietta Materials, Inc.	3,359,400
20,900	Mentor Corp. (f)	498,674	39,100	Methode Electronics, Inc. (f)	349,554
5,600	OSI Pharmaceuticals, Inc. (a)(f)	276,024	3,644	Mettler Toledo International, Inc. (a)(f)	357,112
60,000	Pfizer, Inc. (f)	1,106,400	19,300	Mueller Industries, Inc. (f)	444,093
25,400	PSS World Medical, Inc. (a)(f)	495,300	14,900	NCI Building Systems, Inc. (a)(f)	473,075
64,825	Quest Diagnostics, Inc. (f)	3,349,508	34,400	Newport Corp. (a)(f)	370,832
26,000	Quidel Corp. (a)(f)	426,660	14,400	Nordson Corp.	707,184
6,800	SurModics, Inc. (a)(f)	214,131	1,000	Norfolk Southern Corp. (f)	66,210
80,050	UnitedHealth Group, Inc. (f)	2,032,470	4,900	Northrop Grumman Corp. (f)	296,646
7,100	Universal Health Services, Inc., Class B (f)	397,813	13,800	Overseas Shipholding Group, Inc. (f)	804,678
57,200	Valeant Pharmaceuticals International (a)	1,170,884	1,950	Parker Hannifin Corp. (f)	103,350
29,800	Vertex Pharmaceuticals, Inc. (a)	990,552	12,900	Rockwell Collins, Inc. (f)	620,361
14,000	WellPoint, Inc. (a)(f)	654,780	7,700	Rogers Corp. (a)(f)	284,746
		<u>25,216,077</u>	1,700	Ryder System, Inc. (f)	105,400
			85,000	Sonoco Products Co.	2,522,800
Industrials - 5.6%			8,000	SPX Corp.	616,000
1,900	3M Co. (f)	129,789	65,000	Stanley Works	2,713,100
23,000	AAON, Inc. (f)	418,370	7,461	Stericycle, Inc. (a)(f)	439,528
24,200	Amphenol Corp., Class A (f)	971,388	6,885	Thermo Fisher Scientific, Inc. (a)(f)	378,675
900,000	Beijing Capital International Airport Co., Ltd., Class H (a)	730,214	9,700	Tidewater, Inc. (f)	536,992
60,900	Boeing Co. (f)	3,492,615	19,100	Tredegar Corp. (f)	339,789
30,000	Brink's Co. (f)	1,830,600	17,700	Tsakos Energy Navigation, Ltd. (f)	524,982
15,900	Bucyrus International, Inc.	710,412	7,100	Union Pacific Corp.	505,236
40,300	Burlington Northern Santa Fe Corp. (f)	3,724,929	51,350	United Parcel Service, Inc., Class B (f)	3,229,402
1,200	Caterpillar, Inc. (f)(j)	71,520	1,200	United Technologies Corp. (f)(j)	72,072
194,550	Cemex SAB de C.V., ADR (a)(f)	3,350,151	18,640	USG Corp. (a)(f)	477,184
15,100	Coherent, Inc. (a)(f)	536,805	16,200	Wabtec Corp.	829,926
3,800	Crane Co. (f)	112,898	4,300	Zebra Technologies Corp. (a)(f)	119,755
11,200	CSX Corp. (f)	611,184			<u>53,071,170</u>
29,700	Cummins, Inc. (f)	1,298,484	Information Technology - 2.8%		
21,000	Cymer, Inc. (a)(f)	531,930	14,000	Adobe Systems, Inc. (a)(f)	552,580
2,700	Dionex Corp. (a)(f)	171,585	2,000	Advanced Micro Devices, Inc. (a)(f)(j)	10,500
17,200	EnPro Industries, Inc. (a)(f)	639,152	41,600	Altera Corp. (f)	860,288
11,100	Flowserve Corp. (f)	985,347	23,200	Ansys, Inc. (a)	878,584
14,800	Fluor Corp. (f)	824,360	1,000	Apple, Inc. (a)(f)(j)	113,660
19,600	Frontline, Ltd. (f)	942,172	4,000	Applied Materials, Inc. (f)(j)	60,520

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

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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>
Fixed-Income Securities - 32.7%					\$ 125,000	Chase Mortgage Finance Corp., Series 2005-A1			
\$ 243,742	Adjustable Rate Mortgage Trust, Series 2005-8					2A3 (c)	5.24	12/25/35	\$ 104,279
	4A11 (c)	5.44	11/25/35	\$ 205,830	1,400,000	Citicorp Residential Mortgage Securities, Inc., Series 2007-1 A5	6.05	03/25/37	978,928
289,803	Alliance Bancorp Trust, Series 2007-OA1 A1 (c)	3.45	07/25/37	175,446	1,200,000	Citicorp Residential Mortgage Securities, Inc. Series 2006-2 A5	6.04	09/25/36	971,491
990,000	American Home Mortgage Assets Series 2007-4				1,285,000	Citigroup Mortgage Loan Trust, Inc. Series 2007-WFH1			
	A2 (c)	3.40	08/25/37	374,915		A4 (c)	3.41	01/25/37	703,171
1,130,000	Asset Backed Funding Certificates, Series 2006-HE1 A2D (c)	3.43	01/25/37	438,124	1,500,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-AHL2	3.48	05/25/37	650,345
390,000	Asset Backed Funding Certificates, Series 2006-HE1 M2 (c)	3.49	01/25/37	34,066	1,300,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-AHL3	3.38	07/25/45	770,147
1,875,000	Asset Backed Funding Certificates, Series 2006-NC1 M2 (b)(c)	4.46	05/25/37	382,688	2,230,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-AMC4			
1,350,000	Asset Backed Funding Certificates, Series 2006-OPT2 A3D (c)	3.43	10/25/36	649,040	17,403	Citigroup Mortgage Loan Trust, Inc., Series 2005-WFI	4.49	02/25/35	16,462
1,500,000	Asset Backed Funding Certificates, Series 2007-WMC1 A2B (c)	4.21	06/25/37	812,345	415,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-AMC2			
110,000	Bayview Financial Acquisition Trust, Series 2005-D				195,000	M1 (c)	3.48	01/25/37	73,988
	AF3 (c)	5.50	12/28/35	78,702	800,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-AMC2			
1,500,000	BNC Mortgage Loan Trust (c)	3.34	07/25/37	1,143,522		M2 (c)	3.50	01/25/37	27,540
824,588	BNC Mortgage Loan Trust, Series 2007-4 A3A	5.50	12/28/35	760,270	1,250,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-WFH2			
1,300,000	Centex Home Equity, Series 2006-A					A3 (c)	3.39	03/25/37	504,391
	AV4 (c)	3.46	06/25/36	887,801	925,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-WFH2			
824,100	Centex Home Equity, Series 2005-C AF6	4.64	06/25/35	718,179		M1 (c)	3.61	03/25/37	353,191
176,333	Chase Mortgage Finance Corp., Series 2005-A1					A2 (c)	3.37	06/25/37	723,469
	1A1 (c)	5.41	12/25/35	149,187					

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\$1,000,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-WFH3 M2 (c)	3.48	06/25/37	\$ 229,903	\$ 564,000	Credit-Based Asset Servicing and Securitization, LLC, Series 2006-CB9 A2 (c)	3.32	11/25/36	\$463,076
1,000,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-WFH4 A2B (c)	4.26	07/25/37	560,000	845,000	Credit-Based Asset Servicing and Securitization, LLC, Series 2006-CB9 A4 (c)	3.44	11/25/36	380,706
1,250,000	Conseco Finance, Series 2002-C BF1 (c)	8.00	06/15/32	1,055,506	1,563,000	Credit-Based Asset Servicing and Securitization, LLC, Series 2007-CB4 M1 (c)	3.53	04/25/37	339,364
100,000	Continental Airlines, Inc., Series A	5.98	04/19/22	80,625	1,500,000	Credit-Based Asset Servicing and Securitization, LLC, Series 2007-CB5 A3 (c)	3.46	04/25/37	587,833
93,377	Countrywide Alternative Loan Trust, Series 2004-J10 4CB1	6.50	10/25/34	81,897	500,000	CW Capital Cobalt, Ltd., Series 2007-C3 AJ (c)	6.02	05/15/46	332,607
326,891	Countrywide Alternative Loan Trust, Series 2005-43 4A1 (c)	5.68	10/25/35	199,957	1,484,319	Deutsche ALT-A Securities Inc Alternate Loan Trust, Series 2007-OA2 A1 (c)	3.98	04/25/47	845,242
1,661,697	Countrywide Alternative Loan Trust, Series 2006-OA2 X1P	4.15	05/20/46	43,360	1,447,199	Deutsche ALT-A Securities Inc Alternate Loan Trust, Series 2007-AR1 A4 (c)	3.37	01/25/47	539,537
916,167	Countrywide Alternative Loan Trust, Series 2006-OA22 A1 (c)	3.37	02/25/47	556,763	77,884	Equity One ABS, Inc., Series 2002-4 M1 (c)	5.22	02/25/33	68,880
1,027,000	Countrywide Alternative Loan Trust, Series 2007-7 2A2 (c)	3.37	10/25/37	750,395	361,169	Fannie Mae REMICS Series 2007-54 FA (c)	3.61	06/25/37	352,402
990,000	Countrywide Asset Backed Certificates, Series 2007-10 2A2 (c)	3.33	06/25/47	844,764	1,583,980	FINOVA Group, Inc. (d)	7.50	11/15/09	197,997
44,491	Credit Suisse First Boston Mortgage Securities Corp., Series 2003-AR24 2A4 (c)	4.79	10/25/33	43,580	2,500,000	First Franklin Mortgage Loan Asset Backed Certificates, Series 2006-FF18 M1 (c)	3.44	12/25/37	459,339
200,000	Credit Suisse First Boston Mortgage Securities Corp., Series 2005-C5 A3 (c)	5.10	08/15/38	188,376	930,000	First Franklin Mortgage Loan Asset Backed Certificates, Series 2007-FF1 A2C (c)	3.35	01/25/38	516,867
1,619,360	Credit Suisse Mortgage Capital Certificates, Series 2006-6 2A1 (c)	3.81	07/25/36	977,272	167,105	First Horizon Asset Securities, Inc., Series 2003-10 2A1	4.75	01/25/19	162,241
1,600,000	Credit-Based Asset Servicing and Securitization, LLC, Series 2006-CB8 M2 (c)	3.51	10/25/36	205,225	200,000	General Electric Capital Commercial Mortgage Corp., Series 2006-C1 A3 (c)	5.52	03/10/44	181,974

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 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>
\$ 300,000	GMAC Commercial Mortgage Securities, Inc., Series 2002-C2 A3	5.71	10/15/38	\$292,883	\$1,318,003	Indymac Index Mortgage Loan Trust, Series 2004-AR7 A2 (c)	3.64	09/25/34	\$926,672
4,950,151	Government National Mortgage Association, Series 2007-78 SG (c)	3.35	12/20/37	274,766	1,288,413	Indymac Index Mortgage Loan Trust, Series 2007-AR5 1A1 (c)	6.30	05/25/37	805,533
672,182	Green Tree Home Improvement Loan Trust, Series 1997-D HEB1	7.41	09/15/28	657,155	1,350,000	Indymac Residential Asset Backed Trust, Series 2007-A 2A4A (c)	3.53	04/25/47	599,944
1,500,000	GSAA Trust, Series 2006-9 A4A (c)	3.45	06/25/36	672,690	791,291	JP Morgan Alternative Loan Trust, Series 2007-A2 12A2 (c)	3.31	06/25/37	689,201
1,650,000	GSAA Trust, Series 2007-5 2A3A (c)	3.53	04/25/47	904,824	225,000	JP Morgan Chase Commercial Mortgage Securities Corp., Series 2004-C3 A4	4.66	01/15/42	210,354
2,503,163	GSAA Trust, Series 2007-3 1A1B (c)	3.31	03/25/47	671,565	400,000	JP Morgan Chase Commercial Mortgage Securities Corp., Series 2007-CB19 AJ (c)	5.94	02/12/49	266,170
700,000	GSAA Trust, Series 2005-7 AF3 (c)	4.75	05/25/35	479,948	200,000	JP Morgan Chase Commercial Mortgage Securities Corp., Series 2007-LD11 AJ (c)	6.01	06/15/49	133,289
1,092,000	GSAA Trust, Series 2005-12 AF3 (c)	5.07	09/25/35	978,856	454,000	JP Morgan Chase Commercial Mortgage Securities Corp., Series 2007-LD12 AJ (c)	6.26	02/15/51	306,718
1,839,680	GSAMP Trust, Series 2006-FM3 A2D (c)	3.44	11/25/36	949,913	1,500,000	JP Morgan Mortgage Acquisition Corp., Series 2006-WMC4 A4 (c)	2.62	12/25/36	723,156
25,321	Harborview Mortgage Loan Trust, Series 2004-8 2A4A (c)	3.43	11/19/34	18,911	1,000,000	JP Morgan Mortgage Acquisition Corp., Series 2007-CH3 A4 (c)	3.42	03/25/37	638,312
652,546	Harborview Mortgage Loan Trust, Series 2006-1 X1 (c)	2.93	03/19/37	14,886	900,000	JP Morgan Mortgage Acquisition Corp., Series 2007-HE1 AV4 (c)	3.49	04/25/37	407,605
1,000,000	HFC Home Equity Loan Asset Backed Certificates, Series 2007-2 M2 (c)	3.56	07/20/36	638,800	120,000	JP Morgan Mortgage Trust, Series 2005-A3 11A2 (c)	4.50	06/25/35	88,977
900,000	HFC Home Equity Loan Asset Backed Certificates, Series 2006-3 A4 (c)	3.43	03/20/36	642,183	200,000	JP Morgan Mortgage Trust, Series 2006-A2 2A2 (c)	5.76	04/25/36	148,945
600,000	HFC Home Equity Loan Asset Backed Certificates, Series 2007-1 M1 (c)	3.57	03/20/36	451,023	330,000	LB-UBS Commercial Mortgage Trust, Series 2003-C8 A4 (c)	5.12	11/15/32	309,079
700,000	HFC Home Equity Loan Asset Backed Certificates, Series 2007-1 M2 (c)	3.67	03/20/36	506,010					
1,300,000	HFC Home Equity Loan Asset Backed Certificates, Series 2007-2 M1 (c)	3.50	07/20/36	853,092					
738,873	HFC Home Equity Loan Asset Backed Certificates, Series 2007-3 APT (c)	4.39	11/20/36	561,658					

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\$45,409,405	Lehman ABS Manufactured Housing Contract, Series 2001-B AIOC (c)	0.00	05/15/41	\$817,369	\$ 835,000	Morgan Stanley Home Equity Loan Trust, Series 2007-2 A4 (c)	3.56	04/25/37	\$ 381,466
2,250,000	Lehman XS Trust, Series 2007-12N 1A3A (c)(g)	3.41	07/25/47	553,572	700,000	Morgan Stanley Mortgage Loan Trust, Series 2006-7 5A2 (c)	5.96	06/25/36	447,970
1,750,000	Long Beach Mortgage Loan Trust, Series 2006- 11 2A4 (c)	3.44	12/25/36	783,353	165,000	Nationstar Home Equity Loan Trust, Series 2006-B AV3 (c)	3.38	09/25/36	106,013
885,000	Mastr Asset Backed Securities Trust, Series 2007-HE1 A3 (c)	3.42	05/25/37	558,891	1,100,000	Nationstar Home Equity Loan Trust, Series 2007-A AV3 (c)	3.36	03/25/37	791,137
750,000	Mastr Asset Backed Securities Trust, Series 2006-AM3 A4 (c)	3.45	10/25/36	396,810	980,000	Nationstar Home Equity Loan Trust, Series 2007-C 2AV2 (c)	3.34	06/25/37	787,522
1,500,000	Mastr Asset Backed Securities Trust, Series 2006-WMC3 A4 (c)	3.37	08/25/36	683,632	1,100,000	Newcastle Mortgage Securities Trust, Series 2007-1 2A4 (c)	3.55	04/25/37	564,395
41,822	Mastr Seasoned Securities Trust, Series 2004-1 4A1 (c)	5.58	10/25/32	38,571	100,000	Northwest Airlines, Inc., Series 1A2	6.84	04/01/11	92,500
1,300,000	Merrill Lynch First Franklin Mortgage Loan Trust, Series 2007-1 A2C (c)	3.46	04/25/37	720,572	900,000	Opteum Mortgage Acceptance Corp., Series 2005-5 2A1B (c)	5.64	12/25/35	692,533
154,900	Merrill Lynch First Franklin Mortgage Loan Trust, Series 2007-3 A2C (c)	3.39	06/25/37	90,461	1,300,000	Opteum Mortgage Acceptance Corp., Series 2006-2 A1C (c)(g)	3.48	07/25/36	542,695
2,000,000	Merrill Lynch First Franklin Mortgage Loan Trust, Series 2007-3 A2D (c)	3.46	06/25/37	941,561	750,000	Option One Mortgage Loan Trust, Series 2007-3 2A4 (c)	3.54	04/25/37	333,298
1,500,000	Merrill Lynch First Franklin Mortgage Loan Trust, Series 2007-4 2A4 (c)	3.46	07/25/37	583,924	800,000	Option One Mortgage Loan Trust, Series 2007-4 2A4 (c)	3.52	04/25/37	303,208
1,500,000	Merrill Lynch Mortgage Investors, Inc., Series 2007- HE1 A2D (c)	3.54	02/25/37	578,878	750,000	Option One Mortgage Loan Trust, Series 2007-5 2A4 (c)	3.51	05/25/37	373,705
143,000	Merrill Lynch Mortgage Trust, Series 2007-C1 AJ (c)	6.02	06/12/50	95,429	750,000	Option One Mortgage Loan Trust, Series 2007-6 2A4 (c)	3.46	07/25/37	353,725
94,975	Morgan Stanley Dean Witter Capital I, Series 2000-LIFE A2 (c)	7.57	11/15/36	96,084	1,745,000	Popular ABS Mortgage Pass- Through Trust, Series 2007-A A3 (c)	3.52	06/25/47	1,067,110

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\$ 682,906	Residential Asset Mortgage Products, Inc., Series 2004-SL3 A4	8.50	12/25/31	\$457,720	\$ 500,000	Soundview Home Equity Loan Trust, Series 2007-OPT5 M2 (b)(c)	5.36	10/25/37	\$ 159,522
350,000	Salomon Brothers Mortgage Securities VII, Inc., Series 2002-KEY2 A3	4.87	03/18/36	331,638	2,000,000	Soundview Home Equity Loan Trust, Series 2007-WMC1 3A3 (c)	3.47	02/25/37	1,000,592
1,365,000	Saxon Asset Securities Trust, Series 2007-1 A2C (c)	3.36	01/25/47	918,895	969,042	Structured Asset Mortgage Investments, Inc., Series 2007-AR6 A1 (c)	4.36	08/25/47	545,793
1,200,000	Securitized Asset Backed Receivables LLC Trust, Series 2007-NC2 A2B (c)	3.35	01/25/37	692,604	702,188	Structured Asset Mortgage Investments Inc, Series 2007-AR3 2A1 (c)	3.40	09/25/47	421,860
1,350,000	Soundview Home Equity Loan Trust, Series 2006-OPT5 2A4 (c)	3.45	07/25/36	826,875	675,000	United Air Lines, Inc. Pass Through Trust, Series 01-1	6.93	09/01/11	783,000
1,075,000	Soundview Home Equity Loan Trust, Series 2007-OPT1 2A2 (c)	3.36	06/25/37	839,662	330,000	Wachovia Bank Commercial Mortgage Trust, Series 2003-C6 A4 (c)	5.13	08/15/35	308,137
1,200,000	Soundview Home Equity Loan Trust, Series 2007-NS1 A4 (c)	3.51	01/25/37	683,884	1,083,074	Washington Mutual Mortgage Pass Through Certificates, Series 2007-OA4 1A (c)	3.63	05/25/47	628,244
810,000	Soundview Home Equity Loan Trust, Series 2006-EQ1 A2 (c)	3.32	10/25/36	755,811	22,666	Washington Mutual Mortgage Pass Through Certificates, Series 2002-AR18 A (c)	6.48	01/25/33	21,817
1,130,000	Soundview Home Equity Loan Trust, Series 2006-EQ1 A3 (c)	3.37	10/25/36	841,986	115,000	Washington Mutual Mortgage Pass Through Certificates, Series 2005-AR16 1-A4A (c)	5.10	12/25/35	101,781
1,300,000	Soundview Home Equity Loan Trust, Series 2006-EQ1 A4 (c)	3.46	10/25/36	757,695	3,612,319	Washington Mutual Mortgage Pass Through Certificates, Series 2006-AR5 X (e)	0.00	06/25/46	24,835
1,200,000	Soundview Home Equity Loan Trust, Series 2006-EQ2 A4 (c)	3.45	01/25/37	570,059	1,500,000	Washington Mutual Mortgage Pass Through Certificates, Series 2007-OC1 A4 (c)	3.53	01/25/47	496,901
1,200,000	Soundview Home Equity Loan Trust, Series 2006-OPT1 2A4 (c)	3.48	03/25/36	734,863					
1,550,000	Soundview Home Equity Loan Trust, Series 2007-OPT2 2A4 (c)	3.46	07/25/37	876,389					
120,000	Soundview Home Equity Loan Trust, Series 2007-OPT2 M2 (c)	3.48	07/25/37	27,177					

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\$1,295,000	Wells Fargo Home Equity Trust, Series 2006-3 A3 (c)	3.42	01/25/37	\$ 731,877	\$ 265,000	Pioneer Natural Resources Co. (f)	2.88	01/15/38	\$ 280,569
					2,000,000	Suntech Power Holdings Co., Ltd. (b)(f)	3.00	03/15/13	2,060,000
					1,000,000	Suntech Power Holdings Co., Ltd.	3.00	01/15/27	1,030,000
					313,000	Transocean, Inc. (f)	1.63	12/15/37	296,568
Total Asset Backed Obligations (Cost \$77,437,798)				69,391,845					
Corporate Convertible Bonds - 12.8%									
Consumer Discretionary - 0.3%									
500,000	Ambassadors International, Inc. (b)(f)	3.75	04/15/27	192,500					
250,000	Empire Resorts, Inc. (f)	8.00	07/31/14	139,375					
350,000	Mesa Air Group, Inc. (f)(g)(h)	0.00	06/16/23	76,649					
513,000	Morgans Hotel Group Co. (b)(f)	2.38	10/15/14	365,513					
808,000	School Specialty, Inc. (f)	3.75	11/30/26	692,860					
1,500,000	School Specialty, Inc. (f)(h)	3.75	08/01/23	1,408,125					
303,000	Smithfield Foods, Inc.	4.00	06/30/13	257,171					
				<u>3,132,193</u>					
Consumer Staples - 1.3%									
3,000,000	CBIZ, Inc. (f)	3.13	06/01/26	2,917,500					
273,000	Chemed Corp. (f)	1.88	05/15/14	209,869					
601,000	Euronet Worldwide, Inc. (f)	3.50	10/15/25	462,019					
1,000,000	Live Nation, Inc. (b)(f)	2.88	07/15/27	826,250					
1,000,000	Live Nation, Inc. (f)	2.88	07/15/27	826,250					
3,390,000	Millipore Corp. (f)	3.75	06/01/26	3,224,737					
583,000	PHH Corp. (b)(f)(g)	4.00	04/15/12	530,803					
665,000	Spartan Stores, Inc. (b)(f)	3.38	05/15/27	620,113					
3,335,000	Spartan Stores, Inc. (f)	3.38	05/15/27	3,109,888					
				<u>12,727,429</u>					
Energy - 0.8%									
395,000	Alpha Natural Resources, Inc.	2.38	04/15/15	425,613					
507,000	Cameron International Corp. (f)	2.50	06/15/26	641,989					
2,100,000	Energy Conversion Devices, Inc. (f)	3.00	06/15/13	1,766,625					
677,000	Peabody Energy Corp. (f)	4.75	12/15/41	613,531					
681,000	Penn Virginia Corp. (f)	4.50	11/15/12	787,406					
Financials - 0.8%									
341,000	American Equity Investment Life Holding Co. (f)	5.25	12/06/24	254,471					
1,333,000	CapitalSource, Inc. (f)	7.25	07/15/37	989,753					
500,000	Countrywide Financial Corp. (c)	0.55	05/15/37	457,500					
473,000	Forest City Enterprises, Inc. (f)	3.63	10/15/11	361,372					
2,750,000	Host Hotels & Resorts LP (b)(f)	3.25	04/15/24	2,712,137					
300,000	Leucadia National Corp.	3.75	04/15/14	624,375					
450,000	MF Global, Ltd. (b)(f)(g)	9.00	06/15/38	354,375					
830,000	National City Corp. (f)	4.00	02/01/11	390,100					
485,000	SVB Financial Group (b)(f)	3.88	04/15/11	545,625					
1,146,000	World Acceptance Corp. (f)	3.00	10/01/11	939,720					
				<u>7,629,428</u>					
Health Care - 3.7%									
708,000	Advanced Medical Optics, Inc. (f)	3.25	08/01/26	465,510					
1,054,000	American Medical Systems Holdings, Inc. (f)	3.25	07/01/36	1,073,763					
608,000	AMERIGROUP Corp. (f)	2.00	05/15/12	493,240					
1,620,000	Amylin Pharmaceuticals, Inc. (f)	3.00	06/15/14	1,095,525					
700,000	Amylin Pharmaceuticals, Inc. (b)(f)	3.00	06/15/14	473,375					
400,000	ATS Medical, Inc. (b)(f)	6.00	10/15/25	364,000					
200,000	ATS Medical, Inc. (f)	6.00	10/15/25	182,000					
1,000,000	Charles River Laboratories International, Inc. (f)	2.25	06/15/13	1,232,500					

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\$ 800,000	Cubist Pharmaceuticals, Inc. (f)	2.25	06/15/13	\$ 779,000	Industrials - 1.6%				
400,000	deCODE genetics, Inc. (f)	3.50	04/15/11	82,000	\$ 500,000	C&D Technologies, Inc.	5.25	11/01/25	\$ 433,125
1,500,000	EPIX Pharmaceuticals, Inc. (f)	3.00	06/15/24	918,750	2,000,000	AAR Corp. (f)	1.75	02/01/26	1,650,000
193,000	Health Management Associates, Inc. (b)(f)(g)	3.75	05/01/28	142,395	348,000	Barnes Group, Inc. (b)(f)	3.38	03/15/27	339,300
1,300,000	Incyte Corp., Ltd. (f)	3.50	02/15/11	1,197,625	1,497,000	Barnes Group, Inc. (f)	3.38	03/15/27	1,459,575
350,000	Insulet Corp. (b)(f)(g)	5.38	06/15/13	331,905	701,000	EnerSys (f)(h)	3.38	06/01/38	523,998
4,000,000	Isis Pharmaceuticals, Inc. (f)	2.63	02/15/27	5,030,000	2,525,000	Itron, Inc. (f)	2.50	08/01/26	3,613,906
554,000	King Pharmaceuticals, Inc. (f)	1.25	04/01/26	419,655	1,800,000	LeCroy Corp. (f)	4.00	10/15/26	1,509,749
396,000	Kinetic Concepts, Inc. (b)(f)	3.25	04/15/15	303,435	500,000	LeCroy Corp. (b)(f)	4.00	10/15/26	419,375
867,000	LifePoint Hospitals, Inc. (f)	3.50	05/15/14	713,108	350,000	Newport Corp. (b)(f)	2.50	02/15/12	277,375
3,560,000	Molina Healthcare, Inc. (f)	3.75	10/01/14	3,319,699	3,150,000	Newport Corp. (f)	2.50	02/15/12	2,496,375
2,500,000	Mylan, Inc. (b)(g)	3.75	09/15/15	2,468,750	3,379,000	Trinity Industries, Inc. (f)(h)	3.88	06/01/36	2,466,670
500,000	NovaMed, Inc. (f)	1.00	06/15/12	431,875					<u>15,189,448</u>
1,000,000	Oscient Pharmaceuticals Corp. (f)	3.50	04/15/11	192,500	Information Technology - 2.1%				
392,000	OSI Pharmaceuticals, Inc. (b)(f)	3.00	01/15/38	395,430	2,919,000	CACI International, Inc. (f)	2.13	05/01/14	3,006,570
46,000	OSI Pharmaceuticals, Inc. (f)	3.00	01/15/38	46,403	625,000	CACI International, Inc. (b)(f)	2.13	05/01/14	643,750
1,000,000	PSS World Medical, Inc. (b)	3.13	8/1/2014	1,015,000	3,464,000	Epicor Software Corp. (f)	2.38	05/15/27	2,152,010
3,000,000	SonoSite, Inc. (f)	3.75	07/15/14	3,146,250	250,000	Magma Design Automation, Inc. (f)	2.00	05/15/10	195,000
3,000,000	Vertex Pharmaceuticals, Inc. (f)	4.75	02/15/13	4,541,250	500,000	Magma Design Automation, Inc. (b)(f)	2.00	05/15/10	390,000
750,000	Viropharma, Inc.	2.00	03/15/17	615,938	2,500,000	Maxtor Corp. (f)	2.38	08/15/12	2,265,625
895,000	West Pharmaceutical Services, Inc. (f)	4.00	03/15/47	906,188	660,000	Mentor Graphics Corp. (f)	6.25	03/01/26	589,875
2,250,000	Wright Medical Group, Inc. (f)	2.63	12/01/14	2,376,563	465,000	Nuance Communications, Inc. (b)(f)	2.75	08/15/27	429,544
				<u>34,753,632</u>	93,000	Nuance Communications, Inc. (f)	2.75	08/15/27	85,909
					165,000	ON Semiconductor Corp. (b)(f)	2.63	12/15/26	141,900
					4,387,000	ON Semiconductor Corp. (f)	2.63	12/15/26	3,772,820
					176,000	PMC - Sierra, Inc. (f)	2.25	10/15/25	192,940
					296,000	Skyworks Solutions, Inc. (f)	1.25	03/01/10	303,400
					2,000,000	SPSS, Inc. (f)(g)	2.50	03/15/12	1,777,499
					2,700,000	SYNNEX Corp. (b)(f)	4.00	05/15/18	2,743,875

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\$1,000,000	Veeco Instruments, Inc. (f)(g)	4.13	04/15/12	\$ 874,500	\$ 579,000	Verisign, Inc. (b)(f)	3.25	08/15/37	\$ 526,890
707,000	Virgin Media, Inc. (b)(f)	6.50	11/15/16	451,596					17,412,093
				<u>20,016,813</u>		Total Corporate Convertible Bonds (Cost \$132,607,121)			<u>121,160,281</u>
Materials - 0.3%					Corporate Non-Covertible Bonds - 1.8%				
1,500,000	Ferro Corp.	6.50	08/15/13	1,513,124	Consumer Discretionary - 0.4%				
70,000	Newmont Mining Corp. (b)(f)	1.25	07/15/14	72,275	96,000	Continental Airlines, Inc.	7.06	09/15/09	94,320
786,000	Newmont Mining Corp. (f)	1.25	07/15/14	811,545	53,257	Continental Airlines, Inc.	7.46	04/01/15	46,334
				<u>2,396,944</u>	500,000	Continental Airlines, Inc.	6.90	04/19/22	350,000
Telecommunication Services - 1.9%					300,000	Delphi Corp. (d)	6.50	08/15/13	39,001
208,000	ADC Telecommunications, Inc. (f)	3.50	07/15/15	155,220	720,000	Delta Air Lines, Inc.	7.11	09/18/11	664,200
2,900,000	Alaska Communications Systems Group, Inc. (b)(f)	5.75	03/01/13	3,008,750	1,200,000	Lear Corp.	8.50	12/01/13	886,500
1,952,000	Central European Media Enterprises, Ltd. (b)(f)	3.50	03/15/13	1,615,280	2,028,000	WMG Holdings Corp. (f)(h)	0.00	12/15/14	1,125,540
99,000	Citadel Broadcasting Corp. (f)(g)	4.00	02/15/11	77,096					<u>3,205,895</u>
4,096,000	Earthlink, Inc. (f)(h)	3.25	11/15/26	4,408,345	Financials - 1.1%				
3,384,000	Equinix, Inc. (f)	3.00	10/15/14	2,863,710	155,000	Allied World Assurance Co. Holdings, Ltd.	7.50	08/01/16	136,952
321,000	Leap Wireless International, Inc. (b)	4.50	07/15/14	251,584	630,000	Bank of America Corp. (c)	8.00	12/29/49	499,629
3,100,000	Level 3 Communications, Inc. (f)	5.25	12/15/11	2,576,875	40,000	Bank of America Corp.	5.65	05/01/18	33,751
2,000,000	Network Equipment Technologies, Inc. (b)(f)(g)	3.75	12/15/14	1,195,000	65,000	BankAmerica Capital III (c)	3.36	01/15/27	48,478
500,000	Network Equipment Technologies, Inc. (f)	3.75	12/15/14	298,750	225,000	Camden Property Trust	4.38	01/15/10	218,171
110,000	SBA Communications Corp. (b)(f)	1.88	05/01/13	89,238	350,000	Capital One Financial Corp. (c)	3.10	09/10/09	326,602
355,000	Symmetricom, Inc. (f)	3.25	06/15/25	322,606	195,000	Capital One Financial Corp.	5.70	09/15/11	172,794
25,000	Verisign, Inc. (f)	3.25	08/15/37	22,749	400,000	Chase Capital II (c)	3.30	02/01/27	316,720
					184,000	Citigroup, Inc.	6.88	03/05/38	150,922
					375,000	Citigroup, Inc. (c)	8.40	04/30/49	255,716
					135,000	Citigroup, Inc.	6.50	08/19/13	120,105
					300,000	Citigroup Capital XXI (c)	8.30	12/21/57	224,010
					70,000	Countrywide Home Loans, Inc.	4.00	03/22/11	60,259
					265,000	Countrywide Home Loans, Inc.	4.13	09/15/09	243,774

See Notes to Financial Statements.

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2008

Principal	Security Description	Rate	Maturity Date	Value	Principal	Security Description	Rate	Maturity Date	Value
\$ 75,000	Countrywide Financial Corp.	4.50	06/15/10	\$ 67,804	\$ 80,000	Merrill Lynch & Co., Inc. (c)	8.68	05/02/17	\$ 61,052
50,000	Countrywide Financial Corp. (c)	3.33	12/19/08	49,436	80,000	Merrill Lynch & Co., Inc. (c)	2.62	05/18/17	78,700
477,000	Countrywide Financial Corp. (c)	3.42	03/24/09	465,659	80,000	Merrill Lynch & Co., Inc. (c)	0.00	06/06/17	65,052
205,000	Countrywide Financial Corp. (c)	4.29	01/05/09	202,257	201,000	MetLife, Inc.	6.50	12/15/32	174,851
340,000	Countrywide Financial Corp.	5.80	06/07/12	287,445	95,000	Morgan Stanley	6.75	04/15/11	70,348
105,000	Credit Suisse/ New York	6.00	02/15/18	91,633	125,000	Morgan Stanley	4.25	05/15/10	101,915
100,000	Credit Suisse Guernsey, Ltd. (c)	3.49	05/15/49	63,807	65,000	Nationsbank Cap Trust III (c)	3.34	01/15/27	45,948
75,000	Developers Diversified Realty Corp.	4.63	08/01/10	71,963	60,000	New Plan Excel Realty Trust	5.13	09/15/12	42,300
100,000	Fairfax Financial Holdings, Ltd.	7.75	04/26/12	99,000	160,000	Reckson Operating Partnership LP	6.00	03/31/16	134,158
620,000	Ford Motor Credit Co., LLC	5.80	01/12/09	588,712	100,000	Shurgard Storage Centers, LLC	7.75	02/22/11	104,571
100,000	Ford Motor Credit Co., LLC (c)	7.24	04/15/12	92,462	49,000	Shurgard Storage Centers, LLC	5.88	03/15/13	48,566
1,464,000	GMAC, LLC (c)	5.01	12/01/14	676,766	180,000	Simon Property Group LP	5.75	05/01/12	175,032
50,000	Goldman Sachs Group, Inc. (c)	3.19	07/22/15	31,060	477,000	Thornburg Mortgage, Inc.	8.00	05/15/13	264,736
250,000	Goldman Sachs Group, Inc.	5.13	01/15/15	206,627	130,000	Wachovia Bank NA	6.00	11/15/17	77,202
200,000	Goldman Sachs Group, Inc. (c)	2.98	02/06/12	155,361	175,000	Washington Real Estate Investment Trust	5.95	06/15/11	171,772
170,000	Goldman Sachs Group, LP	4.50	06/15/10	157,870	170,000	Weingarten Realty Investors	4.99	09/03/13	160,834
150,000	HBOS PLC (b)	6.75	05/21/18	125,982					<u>10,029,628</u>
680,000	HBOS PLC (b)(c)	5.92	10/01/49	401,543	Materials - 0.0%				
232,000	HCP, Inc.	5.63	05/01/17	182,824	110,000	Barrick Gold Finance Co.	5.80	11/15/34	84,356
450,000	JPMorgan Chase & Co. (c)	7.90	10/30/49	379,859	Telecommunication Services - 0.1%				
68,000	JPMorgan Chase & Co.	6.40	05/15/38	58,968	450,000	CCO Holdings LLC/ CCO Holdings Capital Corp.	8.75	11/15/13	393,751
725,000	JP Morgan Chase Capital XIII (c)	4.71	09/30/34	560,497	250,000	Level 3 Financing, Inc.	9.25	11/01/14	190,000
50,000	JPMorgan Chase Bank NA (c)	0.00	03/28/22	46,330	500,000	Mediacom LLC/ Mediacom Capital Corp.	9.50	01/15/13	450,000
31,000	Lehman Brothers Holdings, Inc. (d)	0.00	11/30/10	4,140					<u>1,033,751</u>
151,000	Lehman Brothers Holdings, Inc. (d)	0.00	06/20/16	20,165	Utilities - 0.2%				
171,000	Lehman Brothers Holdings, Inc. (d)	0.00	11/07/16	22,836	350,000	Aquila, Inc.	11.88	07/01/12	387,508
56,000	Lehman Brothers Holdings, Inc. (d)	8.92	02/16/17	7,478	500,000	Aquila, Inc.	7.63	11/15/09	507,205
325,000	Mack-Cali Realty LP	7.25	03/15/09	326,224	350,000	PNM Resources, Inc.	9.25	05/15/15	346,500
					80,000	Public Service Co. of New Mexico	7.95	05/15/18	75,636

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2008

Principal	Security Description	Rate	Maturity Date	Value	Principal	Security Description	Rate	Maturity Date	Value
\$ 675,000	Sabine Pass LNG LP	7.25	11/30/13	\$ 536,626	\$14,500,000	FHLB Discount Note (e)	2.53-2.56	01/07/09	\$14,389,278
140,000	Southern Union Co. (c)	7.20	11/01/66	103,517	50,000	FHLMC Discount Note (e)	2.41	11/03/08	49,887
55,000	SWEPCO Capital Trust I (c)	5.25	10/01/43	55,131	14,300,000	FHLMC Discount Note (e)	2.68	01/05/09	14,193,036
122,000	Union Electric Co.	6.70	02/01/19	118,022	29,500,000	FHLMC Discount Note (e)	2.63	01/07/09	29,274,738
				<u>2,130,145</u>	50,000	FNMA Discount Note (e)	2.30	10/20/08	49,936
Total Corporate Non-Convertible Bonds (Cost \$19,656,671)				16,483,775	4,680,000	FNMA Discount Note (e)	2.35-2.37	10/27/08	4,671,801
Municipal Bonds - 0.0%					29,000	FNMA Discount Note (e)	2.63	12/12/08	28,857
40,000	County of Galveston TX	5.00	02/01/28	42,471	2,000,000	FNMA Discount Note (e)	2.48	12/17/08	1,989,412
25,000	Greenville County School District	5.50	12/01/28	27,441	2,350,000	FNMA Discount Note (e)	2.46	12/24/08	2,336,429
54,000	County of Harris TX	5.25	10/01/20	58,553	12,750,000	FNMA Discount Note (e)	2.69	01/07/09	12,652,641
5,000	County of Harris TX	5.25	10/01/20	5,422	675,000	FHLMC Discount Note (c)	2.39	04/07/09	674,589
20,000	Commonwealth of Massachusetts	5.00	08/01/22	20,987					<u>83,013,834</u>
35,000	Commonwealth of Massachusetts	5.25	01/01/18	37,394	Mortgage Backed Securities - 1.1%				
50,000	Commonwealth of Massachusetts	5.50	03/01/18	53,072	643,416	FNMA POOL # 897164	6.50	08/01/36	660,586
Total Municipal Bonds (Cost \$248,506)				245,340	570,571	FNMA POOL # 962723	5.50	04/01/38	569,509
Syndicated Loans - 0.2%					592,759	FNMA POOL # 963997	5.50	06/01/38	591,656
500,000	HCA, Inc.	6.83	11/18/12	443,625	180,000	FNCI45- FNMA TBA SD 10/20	4.50	10/15/23	175,444
702,352	HCA, Inc.	7.20	11/18/12	623,162	1,590,000	FNCL55 FNMA TBA SD 10/14	5.50	10/15/38	1,585,777
494,949	Northwest Air, Inc.	4.75	05/21/12	436,793	205,000	FHLMC FHR 2929 PE	5.00	05/15/33	200,236
743,103	Tribune Co.	7.91	05/24/14	388,505	266,800	FHLMC PC Gold Comb	6.50	10/01/36	274,502
Total Syndicated Loans (Cost \$2,167,062)				1,892,085	329,444	FHLMC Pool # G03995	6.50	02/01/38	338,228
U.S. Government and Agency Obligations - 10.6%					358,761	FHLMC Pool # A72860	6.00	02/01/38	363,570
Agency - 0.2%					314,907	FHLMC Pool # G01864	5.00	01/01/34	307,784
735,000	Freddie Mac (c)	3.64	09/28/09	734,423	477,433	FHLMC Pool # G03436	6.00	11/01/37	483,832
635,000	Federal Home Loan Bank System (c)	2.69	02/18/09	633,919	311,944	FHLMC Pool # G03640	5.50	12/01/37	310,584
720,000	Federal Home Loan Bank System (c)	3.37	03/26/10	718,729	292,842	FHLMC Pool #1B3413 (c)	5.93	05/01/37	298,412
				<u>2,087,071</u>	325,665	FHLMC Pool # H03161	6.50	08/01/37	332,379
Discount Note - 8.8%									
640,000	FHLB Discount Note (e)	2.40	10/23/08	639,019					
1,530,000	FHLB Discount Note (e)	2.41	10/28/08	1,527,144					
540,000	FHLB Discount Note (e)	2.77	12/19/08	537,067					

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2008

Principal	Security Description	Rate	Maturity Date	Value	Principal	Security Description	Rate	Maturity Date	Value	
\$ 23,489	FHLMC Pool #1L0113 (c)	6.26	05/01/35	\$ 24,362	US Treasury Securities - 0.5%					
50,075	FHLMC Series 2433 SA (c)	14.46	02/15/32	52,069	\$ 255,000	U.S. Treasury Bond	8.13	08/15/19	\$ 342,318	
183,294	FNMA Benchmark REMIC 2006-B2 AB	5.50	05/25/14	186,070	103,000	U.S. Treasury Bond	6.13	11/15/27	125,419	
141,495	FNMA FNR 2001-52 YZ	6.50	10/25/31	143,628	187,000	U.S. Treasury Inflation Indexed Bond	2.38	01/15/27	197,324	
75,532	FNMA FNR 2001-81 QG	6.50	01/25/32	77,603	572,734	U.S. Treasury Inflation Indexed Bond	1.75	01/15/28	509,867	
225,000	FNMA FNR 2006-4 WE	4.50	02/25/36	188,633	470,000	U.S. Treasury Inflation Indexed Bond	2.00	01/15/16	514,738	
317,913	FNMA Pool # 888430	5.00	11/01/33	310,822	1,874,000	U.S. Treasury Note	4.88	08/15/16	2,029,045	
252,282	FNMA Pool # 776708	5.00	05/01/34	246,419	978,000	U.S. Treasury Note	3.38	07/31/13	996,109	
347,980	FNMA Pool # 254868	5.00	09/01/33	340,218					4,714,820	
200,683	FNMA Pool #545639	6.50	04/01/32	207,279						
332,352	FNMA Pool # 735646	4.50	07/01/20	326,530		Total U.S. Government and Agency Obligations (Cost \$100,373,977)			100,399,503	
47,430	FNMA Pool #555177 (c)	4.88	01/01/33	48,827		Total Fixed-Income Securities (Cost \$332,491,135)			309,572,829	
3,266	FNMA Pool #673743 (c)	6.38	11/01/32	3,336		Rights - 0.0%				
20,611	FNMA Pool #708856 (c)	4.78	06/01/33	20,661	150,000	Comdisco Holding Co., Inc. (a)(i)			13,125	
336,985	FNMA Pool # 725425	5.50	04/01/34	337,171	42,700	Fresenius Kabi Pharmaceuticals Holding, Inc. (a)			27,755	
336,473	FNMA Pool # 725027	5.00	11/01/33	328,968		Total Rights (Cost \$93,291)			40,880	
124,996	FNMA Pool #735861	6.50	09/01/33	129,327						
394,425	FNMA Pool #734922	4.50	09/01/33	374,789		Shares			Value	
90,997	FNMA Pool #735881	6.00	11/01/34	92,614	36,500	Investment Company - 0.4%				
191,991	FNMA Pool #764388 (c)	4.95	03/01/34	188,294		iShares Lehman Treasury Inflation Protected Securities Fund (Cost \$3,899,288)			3,697,450	
68,998	FNMA Pool #841741 (c)	5.05	09/01/35	69,697						
205,430	FNMA Pool #895606 (c)	5.74	06/01/36	207,241		Principal		Security Description	Maturity Date	Value
16,682	GNMA II Pool #80610 (c)	5.38	06/20/32	16,870	1,220,000	Short-Term Investments - 0.2%				
37,142	GNMA II Pool #81136 (c)	5.25	11/20/34	37,512		Commercial Paper - 0.2%				
64,005	GNMA II Pool #81432 (c)	5.63	08/20/35	64,799	230,000	1,220,000	BNP Paribas Finance, Inc.	10/09/08	1,218,925	
66,686	GNMA II Pool #81435 (c)	5.63	08/20/35	67,540	325,000	230,000	Merrill Lynch & Co.	10/23/08	324,543	
					450,000	450,000	Rabobank USA Finance Corp.	10/29/08	229,499	
							Rabobank USA Finance Corp.	10/09/08	449,651	
							Total Commercial Paper (Cost \$2,222,618)		2,222,618	
				<u>10,583,778</u>			Total Short-Term Investments (Cost \$2,222,618)		2,222,618	

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2008

Contracts	Security Description	Strike Price	Expiration Date	Value	Contracts	Security Description	Strike Price	Expiration Date	Value
Put Options Purchased - 0.2%					18	United Technologies Corp.	50.00	01/21/09	\$ 2,925
30	Advanced Micro Devices, Inc.	20.00	01/21/09	\$ 46,575	Total Put Options Purchased (Premiums Paid \$1,251,715)				
30	Amazon.com, Inc.	30.00	01/21/09	540	1,497,018				
18	Amgen, Inc.	60.00	01/21/09	10,080	Call Options Purchased - 1.4%				
18	Amgen, Inc.	70.00	01/21/09	21,600	221	Accenture, Ltd.	20.00	01/21/09	397,800
30	Anadarko Petroleum Corp.	40.00	01/21/09	8,250	530	American Eagle Outfitters, Inc.	10.00	01/17/09	294,150
18	Apache Corp.	60.00	01/21/09	2,970	707	Automatic Data Processing, Inc.	30.00	01/21/09	919,100
15	Apple, Inc.	50.00	01/21/09	825	202	Bed Bath & Beyond, Inc.	20.00	01/21/09	236,340
60	Applied Materials, Inc.	15.00	01/21/09	8,400	300	Bed Bath & Beyond, Inc.	20.00	01/20/10	408,000
18	Bank of America Corp.	40.00	01/21/09	17,640	421	Bed Bath & Beyond, Inc.	30.00	01/21/09	162,085
22	Bank of America Corp.	30.00	01/20/10	15,840	248	Boeing Co.	55.00	01/20/10	265,608
15	Bear Stearns Cos., Inc.	130.00	01/21/09	179,775	240	Cemex SAB de C.V., ADR	15.00	01/20/10	132,000
45	Bed Bath & Beyond, Inc.	30.00	01/21/09	10,125	318	Cintas Corp.	20.00	01/21/09	287,790
18	Caterpillar, Inc.	60.00	01/21/09	11,340	460	Comcast Corp.	10.00	01/20/10	448,500
18	Centex Corp.	40.00	01/21/09	43,110	185	ConocoPhillips	60.00	01/21/09	258,075
30	Circuit City Stores, Inc.	30.00	01/21/09	85,800	15	FedEx Corp.	90.00	01/21/09	4,800
60	Cisco Systems, Inc.	15.00	01/21/09	1,320	326	Home Depot, Inc.	30.00	01/21/09	32,274
140	Citigroup, Inc.	15.00	01/20/10	32,900	233	Johnson & Johnson	50.00	01/21/09	452,020
30	Comcast Corp.	20.00	01/21/09	8,550	140	Johnson & Johnson	50.00	01/20/10	275,800
30	Countrywide Financial Corp.	25.00	01/21/09	57,075	130	Kohl's Corp.	20.00	01/20/10	360,100
30	Countrywide Financial Corp.	30.00	01/21/09	72,450	345	Kraft Foods, Inc.	25.00	01/20/10	315,675
30	Halliburton Co.	30.00	01/21/09	7,050	610	Kraft Foods, Inc.	25.00	01/21/09	481,900
149	ITT Educational Services, Inc.	35.00	10/22/08	4,843	1,018	Lowe's Cos., Inc.	10.00	01/20/10	1,415,020
18	Kohl's Corp.	50.00	01/21/09	14,220	73	LVC US	30.00	01/20/10	136,510
36	Lowe's Cos., Inc.	30.00	01/21/09	24,660	350	Microsoft Corp.	30.00	01/20/10	262,500
45	Lowe's Cos., Inc.	25.00	01/21/09	15,750	247	Microsoft Corp.	20.00	01/21/09	156,845
18	Merrill Lynch & Co., Inc.	55.00	01/21/09	53,550	70	Procter & Gamble Co.	40.00	01/21/09	205,800
30	Microsoft Corp.	20.00	01/21/09	1,410	72	Procter & Gamble Co.	60.00	01/21/09	78,840
18	Morgan Stanley (g)	50.00	01/21/09	36,900	100	Procter & Gamble Co.	50.00	01/21/09	194,000
30	Nike, Inc.	40.00	01/21/09	600	295	Quest Diagno	30.00	01/20/10	662,275
18	Procter & Gamble Co.	50.00	01/21/09	630	190	Royal Caribbean Cruises, Ltd.	20.00	01/20/10	107,350
47	Pulte Homes, Inc.	25.00	01/21/09	53,110	270	Target Corp.	30.00	01/21/09	525,825
900	Retail Holders Trust	90.00	01/21/09	603,000	217	United Parcel Service, Inc.	50.00	01/20/10	351,540
14	Ryland Group, Inc.	30.00	01/21/09	10,220	110	UnitedHealth Group	25.00	01/20/10	64,350
18	Ryland Group, Inc.	40.00	01/21/09	26,460	1,120	UnitedHealth Group	30.00	01/20/10	380,800
15	Schlumberger, Ltd.	60.00	01/21/09	3,375	187	Wal-Mart Stores, Inc.	30.00	01/21/09	559,598
18	Target Corp.	40.00	01/21/09	3,150	350	Wal-Mart Stores, Inc.	30.00	01/20/10	1,062,250

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2008

Contracts	Security Description	Strike Price	Expiration Date	Value
442	Wal-Mart Stores, Inc.	35.00	01/21/09	\$ 1,106,105
25	Walt Disney Co.	30.00	01/21/09	6,500
150	Walt Disney Co.	20.00	01/21/09	163,500
176	Walt Disney Co.	30.00	01/21/09	49,720
177	Walt Disney Co.	20.00	01/20/10	200,010
228	Warner Music Group Corp.	25.00	01/21/09	1,710
Total Call Options Purchased (Premiums Paid \$15,872,451)				13,423,065
Total Long Positions - 87.2% (Cost \$913,050,097) *				\$ 826,086,369
Total Short Positions - (32.3)% (Cost \$(354,495,507))				(305,988,272)
Total Options Written - (0.2)% (Cost \$(2,975,852))				(2,159,989)
Other Assets & Liabilities, Net - 45.3%				429,360,607
Net Assets - 100.00%				\$ 947,298,715

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

SEPTEMBER 30, 2008

<u>Shares</u>	<u>Security Description</u>	<u>Value</u>	<u>Shares</u>	<u>Security Description</u>	<u>Value</u>
Securities Sold Short - (32.3)%			(36,200)	Pulte Homes, Inc.	\$ (505,714)
Common Stock - (26.2)%			(13,700)	Royal Caribbean Cruises, Ltd.	(284,275)
Consumer Discretionary - (3.6)%			(14,200)	Ryland Group, Inc.	(376,584)
(63,400)	Airtran Holdings, Inc.	\$ (154,062)	(22,244)	School Specialty, Inc.	(693,790)
(17,700)	Alaska Air Group, Inc.	(360,903)	(23,800)	Skechers U.S.A., Inc., Class A	(400,554)
(3,441)	Ambassadors International, Inc.	(6,848)	(55,500)	Southwest Airlines Co.	(805,305)
(21,000)	American Axle & Manufacturing Holdings, Inc.	(112,560)	(23)	Standard-Pacific Corp.	(113)
(10,400)	Arkansas Best Corp.	(350,376)	(67,000)	Starbucks Corp.	(996,290)
(50,900)	Asbury Automotive Group, Inc.	(586,368)	(36,100)	Starwood Hotels & Resorts Worldwide, Inc.	(1,015,854)
(19,500)	Best Buy Co., Inc.	(731,250)	(89,600)	Steak 'n Shake Co.	(777,728)
(49,446)	Blockbuster, Inc., Class A	(101,859)	(12,800)	Target Corp.	(627,840)
(54,300)	Brunswick Corp.	(694,497)	(9,200)	Team, Inc.	(332,304)
(10,100)	Carnival Corp.	(357,035)	(27,100)	Tim Hortons, Inc.	(802,973)
(35,900)	Casual Male Retail Group, Inc.	(141,087)	(26,000)	Toro Co.	(1,073,800)
(23,600)	Centex Corp.	(382,320)	(12,900)	Tupperware Brands Corp.	(356,427)
(40,500)	Choice Hotels International, Inc.	(1,097,550)	(17,000)	Urban Outfitters, Inc.	(541,790)
(16,300)	Churchill Downs, Inc.	(798,374)	(7,300)	Wal-Mart Stores, Inc.	(437,197)
(712)	Citadel Broadcasting Corp.	(555)	(1,400)	Washington Post Co., Class B	(779,464)
(38,500)	Coach, Inc.	(964,040)	(11,500)	WW Grainger, Inc.	(1,000,155)
(18,600)	Continental Airlines, Inc.	(310,248)	(38,600)	Wyndham Worldwide Corp.	(606,406)
(15,600)	Dick's Sporting Goods, Inc.	(305,448)			
(21,300)	DR Horton, Inc.	(277,326)			
(11,803)	Empire Resorts, Inc.	(29,744)	Consumer Staples - (3.9)%		
(108,200)	Ford Motor Co.	(562,640)	(19,500)	Alberto-Culver Co.	(531,180)
(5,600)	Gaylord Entertainment Co.	(164,472)	(35,500)	American Greetings Corp.	(542,795)
(18,700)	Gildan Activewear, Inc.	(425,986)	(17,600)	Apollo Group, Inc., Class A	(1,043,680)
(9,900)	Group 1 Automotive, Inc.	(215,127)	(12,033)	Archer-Daniels-Midland Co.	(263,643)
(29,300)	Harley-Davidson, Inc.	(1,092,890)	(5,207)	Bunge, Ltd.	(328,978)
(38,800)	Herman Miller, Inc.	(949,436)	(41,000)	Cardiome Pharma Corp.	(311,600)
(41,500)	International Game Technology	(712,970)	(171,227)	CBIZ, Inc.	(1,448,580)
(11,800)	JC Penney Co., Inc.	(393,412)	(8,100)	Central European Distribution Corp.	(367,821)
(27,700)	JetBlue Airways Corp.	(137,115)	(17,710)	Charles River Laboratories International, Inc.	(983,436)
(12,600)	Las Vegas Sands Corp.	(454,986)	(2,204)	Chemex Corp.	(90,496)
(29,200)	Lennar Corp., Class A	(443,548)	(18,500)	Clorox Co.	(1,159,765)
(103,400)	Lithia Motors, Inc., Class A	(445,654)	(17,800)	Corporate Executive Board Co.	(556,250)
(28,300)	Marcus Corp.	(455,064)	(9,400)	Corrections Corp. of America	(233,590)
(30,900)	Marriott International, Inc., Class A	(806,181)	(53,100)	Deluxe Corp.	(764,109)
(12,300)	MDC Holdings, Inc.	(450,057)	(23,900)	Equifax, Inc.	(823,355)
(2,876)	Mesa Air Group, Inc.	(949)	(25,766)	Euronet Worldwide, Inc.	(431,065)
(19,300)	MGM Mirage	(550,050)	(8,900)	Fortune Brands, Inc.	(510,504)
(14,196)	Morgans Hotel Group Co.	(154,878)	(20,900)	Fresh Del Monte Produce, Inc.	(463,980)
(24,700)	Newell Rubbermaid, Inc.	(426,322)	(5,800)	FTI Consulting, Inc.	(418,992)
(34,100)	Nordstrom, Inc.	(982,762)	(21,600)	Geo Group, Inc.	(436,536)
(5,900)	OfficeMax, Inc.	(52,451)	(5,900)	Henry Schein, Inc.	(317,656)
(26,400)	O'Reilly Automotive, Inc.	(706,728)	(26,500)	Hershey Co.	(1,047,810)
(30,100)	Orient-Express Hotels, Ltd.	(726,313)	(39,200)	Hill International, Inc.	(542,920)
(24,000)	PACCAR, Inc.	(916,560)	(8,000)	Huron Consulting Group, Inc.	(455,840)
(52,100)	Penske Auto Group, Inc.	(597,587)	(28,900)	Iron Mountain, Inc.	(705,449)
(27,600)	Perry Ellis International, Inc.	(411,516)	(37,000)	Kelly Services, Inc., Class A	(704,850)
(103,700)	Pier 1 Imports, Inc.	(428,281)	(16,500)	Kimberly-Clark Corp.	(1,069,860)
(40,000)	Pinnacle Entertainment, Inc.	(302,400)	(21,000)	Kraft Foods, Inc.	(687,750)
(5,200)	priceline.com, Inc.	(355,836)	(95,438)	Live Nation, Inc.	(1,552,776)

See Notes to Financial Statements.

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

SEPTEMBER 30, 2008

Shares	Security Description	Value	Shares	Security Description	Value
(7,100)	Reinsurance Group of America, Inc., Class A	\$ (383,400)	(34,000)	Sequenom, Inc.	\$ (905,080)
(65,278)	SLM Corp.	(805,531)	(76,136)	SonoSite, Inc.	(2,390,670)
(94,700)	South Financial Group, Inc.	(694,151)	(3,800)	Stryker Corp.	(236,740)
(9,400)	State Street Corp.	(534,672)	(12,000)	Tenet Healthcare Corp.	(66,600)
(6,389)	SVB Financial Group	(370,051)	(32,200)	Viropharma, Inc.	(422,464)
(9,538)	Wachovia Corp.	(33,383)	(13,586)	West Pharmaceutical Services, Inc.	(663,269)
(16,530)	Webster Financial Corp.	(417,383)	(80,357)	Wright Medical Group, Inc.	(2,446,067)
(11,918)	World Acceptance Corp.	(429,048)	(7,400)	XenoPort, Inc.	(358,826)
(26,003)	XL Capital, Ltd., Class A	(466,494)			
(13,900)	Zenith National Insurance Corp.	(509,296)			
		<u>(31,580,568)</u>			<u>(34,301,214)</u>
Health Care - (3.6)%			Industrials - (3.4)%		
(3,500)	Abbott Laboratories	(201,530)	(38,822)	AAR Corp.	(644,057)
(5,947)	Advanced Medical Optics, Inc.	(105,738)	(1,950)	Ametek, Inc.	(79,501)
(46,700)	Affymetrix, Inc.	(361,458)	(20,900)	Ball Corp.	(825,341)
(18,800)	Allergan, Inc.	(968,200)	(48,071)	Barnes Group, Inc.	(971,996)
(15,800)	AMAG Pharmaceuticals, Inc.	(611,934)	(3,800)	Boeing Co.	(217,930)
(38,020)	American Medical Systems Holdings, Inc.	(675,235)	(13,100)	Bristow Group, Inc.	(443,304)
(7,750)	AMERIGROUP Corp.	(195,687)	(39,600)	C&D Technologies, Inc.	(224,928)
(51,238)	Amylin Pharmaceuticals, Inc.	(1,036,031)	(8,600)	CIRCOR International, Inc.	(373,498)
(12,613)	ATS Medical, Inc.	(36,452)	(12,400)	Clarcor, Inc.	(470,580)
(2,500)	Baxter International, Inc.	(164,075)	(4,700)	Clean Harbors, Inc.	(317,485)
(36,300)	Brookdale Senior Living, Inc.	(798,237)	(14,900)	Cubic Corp.	(366,391)
(16,422)	Cubist Pharmaceuticals, Inc.	(365,061)	(7,200)	Curtiss-Wright Corp.	(327,240)
(12,218)	deCODE Genetics, Inc.	(4,765)	(14,200)	Danaher Corp.	(985,480)
(12,038)	EPIX Pharmaceuticals, Inc.	(12,399)	(8,800)	Dolby Laboratories, Inc., Class A	(309,672)
(20,100)	Gen-Probe, Inc.	(1,066,305)	(9,400)	Donaldson Co., Inc.	(393,954)
(15,799)	Health Management Associates, Inc., Class A	(65,724)	(27,200)	Eagle Materials, Inc.	(608,464)
(13,345)	Healthsouth Corp.	(245,948)	(16,200)	Engigizer Holdings, Inc.	(1,304,910)
(26,100)	Herbalife, Ltd.	(1,031,472)	(17,263)	Energy Conversion Devices, Inc.	(1,005,570)
(21,400)	Hospira, Inc.	(817,480)	(28,489)	EnerSys	(561,518)
(47,759)	Incyte Corp., Ltd.	(365,356)	(24,400)	Expeditors International of Washington, Inc.	(850,096)
(12,286)	Insulet Corp.	(171,021)	(19,500)	Exponent, Inc.	(645,255)
(20,400)	Inverness Medical Innovations, Inc.	(612,000)	(9,700)	FARO Technologies, Inc.	(197,589)
(215,243)	Isis Pharmaceuticals, Inc.	(3,635,454)	(7,200)	Flowserve Corp.	(639,144)
(34,927)	Kinetic Concepts, Inc.	(998,563)	(1,800)	General Cable Corp.	(64,134)
(12,914)	King Pharmaceuticals, Inc.	(123,716)	(34,500)	Golar LNG, Ltd.	(458,160)
(11,400)	Laboratory Corp. of America Holdings	(792,300)	(26,100)	Graco, Inc.	(929,421)
(10,040)	LifePoint Hospitals, Inc.	(322,686)	(10,500)	IDEX Corp.	(325,710)
(26,746)	Millipore Corp.	(1,840,125)	(34,594)	Itron, Inc.	(3,062,607)
(53,628)	Molina Healthcare, Inc.	(1,662,468)	(5,400)	Jacobs Engineering Group, Inc.	(293,274)
(168,759)	Mylan, Inc.	(1,927,228)	(18,063)	Kansas City Southern	(801,275)
(34,600)	Natus Medical, Inc.	(784,036)	(7,500)	Kaydon Corp.	(337,950)
(51,992)	NovaMed, Inc.	(246,442)	(22,500)	Kirby Corp.	(853,650)
(18,700)	NuVasive, Inc.	(922,471)	(71,824)	LeCroy Corp.	(552,327)
(33,700)	Patterson Cos., Inc.	(1,024,817)	(42,900)	Manitowoc Co., Inc.	(667,095)
(37,316)	PSS World Medical, Inc.	(727,662)	(35,200)	Mine Safety Appliances Co.	(1,341,824)
(22,100)	Psychiatric Solutions, Inc.	(838,695)	(17,000)	Moog, Inc., Class A	(728,960)
(3,400)	Quest Diagnostics, Inc.	(175,678)	(65,522)	Newport Corp.	(706,327)
(47,900)	Sepracor, Inc.	(877,049)	(46,300)	Packaging Corp. of America	(1,073,234)
			(13,600)	Precision Castparts Corp.	(1,071,408)
			(16,600)	Rockwell Automation, Inc.	(619,844)
			(16,600)	Rockwell Collins, Inc.	(798,294)
			(6,500)	Roper Industries, Inc.	(370,240)

See Notes to Financial Statements.

ABSOLUTE STRATEGIES FUNDSCHEDULE OF SECURITIES SOLD SHORT
SEPTEMBER 30, 2008

Shares	Security Description	Value	Shares	Security Description	Value
(18,200)	Shaw Group, Inc.	\$ (559,286)	(5,100)	Ameron International Corp.	\$ (365,415)
(3,800)	Stericycle, Inc.	(223,858)	(6,900)	Cameco Corp.	(153,939)
(13,200)	Tetra Tech, Inc.	(317,592)	(27,600)	Celanese Corp., Class A	(770,316)
(11,000)	TransDigm Group, Inc.	(376,530)	(4,500)	Century Aluminum Co.	(124,605)
(51,378)	Trinity Industries, Inc.	(1,321,956)	(34,600)	Ecolab, Inc.	(1,678,792)
(17,500)	Universal Display Corp.	(191,800)	(41,061)	Ferro Corp.	(825,326)
(27,200)	Waste Management, Inc.	(856,528)	(74,300)	General Moly, Inc.	(323,205)
		(31,667,187)	(22,000)	International Flavors & Fragrances, Inc.	(868,120)
			(40,300)	Ivanhoe Mines, Ltd.	(244,218)
			(3,500)	Mosaic Co.	(238,140)
			(13,900)	Newmont Mining Corp.	(538,764)
			(3,000)	POSCO, ADR	(280,110)
			(4,400)	Potash Corp. of Saskatchewan	(580,844)
			(14,700)	Sherwin-Williams Co.	(840,252)
			(10,000)	Sigma-Aldrich Corp.	(524,200)
			(99,400)	Taseko Mines, Ltd.	(188,860)
					(9,708,526)
Information Technology - (2.4)%				Telecommunication Services - (2.5)%	
(11,600)	Anadigics, Inc.	(32,596)	(7,707)	ADC Telecommunications, Inc.	(65,124)
(2,000)	Apple, Inc.	(227,320)	(26,600)	Akamai Technologies, Inc.	(463,904)
(29,100)	Autodesk, Inc.	(976,305)	(174,758)	Alaska Communications Systems Group, Inc.	(2,137,290)
(8,800)	Blackboard, Inc.	(354,552)	(13,188)	Central European Media Enterprises, Ltd.	(862,495)
(18,900)	CA, Inc.	(377,244)	(34,100)	DISH Network Corp., Class A	(716,100)
(52,838)	CACI International, Inc., Class A	(2,647,184)	(338,713)	Earthlink, Inc.	(2,879,061)
(116,900)	Cadence Design Systems, Inc.	(790,244)	(21,800)	Embarq Corp.	(883,990)
(1,200)	Cerner Corp.	(53,568)	(37,822)	Equinix, Inc.	(2,627,116)
(34,600)	Citrix Systems, Inc.	(873,996)	(20,600)	Gannett Co., Inc.	(348,346)
(38,200)	Cognizant Technology Solutions Corp., Class A	(872,106)	(16,400)	GeoEye, Inc.	(362,932)
(7,200)	Concur Technologies, Inc.	(275,472)	(29,700)	Hearst-Argyle Television, Inc.	(663,201)
(7,350)	Diodes, Inc.	(135,607)	(9,100)	Hughes Communications, Inc.	(333,970)
(33,500)	Electronic Arts, Inc.	(1,239,165)	(15,400)	Innophos Holdings, Inc.	(359,959)
(110,935)	Epicor Software Corp.	(875,277)	(89,157)	Interpublic Group of Cos., Inc.	(690,967)
(4,600)	IHS, Inc., Class A	(219,144)	(11,200)	inVentiv Health, Inc.	(197,792)
(44,000)	IMS Health, Inc.	(832,040)	(3,775)	Leap Wireless International, Inc.	(143,828)
(2,300)	International Business Machines Corp.	(269,008)	(415,945)	Level 3 Communications, Inc.	(1,123,052)
(12,633)	Magma Design Automation, Inc.	(50,785)	(14,700)	Meredith Corp.	(412,335)
(6,300)	Mantech International Corp., Class A	(373,527)	(62,500)	MetroPCS Communications, Inc.	(874,375)
(21,800)	Marvell Technology Group, Ltd.	(202,740)	(110,061)	Network Equipment Technologies, Inc.	(376,409)
(15,657)	Mentor Graphics Corp.	(177,707)	(46,000)	NeuStar, Inc., Class A	(914,940)
(28,100)	Microchip Technology, Inc.	(826,983)	(23,200)	Omnicom Group, Inc.	(894,592)
(6,800)	Microsemi Corp.	(173,264)	(311,976)	ON Semiconductor Corp.	(2,108,958)
(21,400)	MSC. Software Corp.	(228,980)	(41,100)	SAVVIS, Inc.	(552,384)
(36,100)	NetApp, Inc.	(658,103)	(1,991)	SBA Communications Corp., Class A	(51,507)
(22,930)	Nuance Communications, Inc.	(279,517)	(26,600)	Switch & Data Facilities Co., Inc.	(331,170)
(13,000)	Phase Forward, Inc.	(271,830)	(10,449)	Symmetricom, Inc.	(51,932)
(29,100)	Pitney Bowes, Inc.	(967,866)	(16,401)	VeriSign, Inc.	(427,738)
(13,005)	PMC-Sierra, Inc.	(96,497)	(29,217)	Virgin Media, Inc.	(230,814)
(16,300)	Power Integrations, Inc.	(392,830)	(22,800)	Vocus, Inc.	(774,288)
(9,800)	Salesforce.com, Inc.	(474,320)	(69,800)	Windstream Corp.	(763,612)
(102,822)	Seagate Technology	(1,246,203)			(23,624,181)
(37,800)	SEI Investments Co.	(839,160)			
(21,004)	Skyworks Solutions, Inc.	(175,593)			
(29,080)	SPSS, Inc.	(853,789)			
(68,491)	SYNNEX Corp.	(1,530,089)			
(117,600)	TriQuint Semiconductor, Inc.	(563,304)			
(18,200)	Ultimate Software Group, Inc.	(491,400)			
(16,533)	Veeco Instruments, Inc.	(244,854)			
		(22,170,169)			
Materials - (1.0)%					
(25,500)	Albemarle Corp.	(786,420)			
(25,000)	American Vanguard Corp.	(377,000)			

ABSOLUTE STRATEGIES FUNDSCHEDULE OF SECURITIES SOLD SHORT
SEPTEMBER 30, 2008

Shares	Security Description	Value
Utilities - (0.7)%		
(58,600)	AES Corp.	\$ (685,034)
(18,800)	Allegheny Energy, Inc.	(691,276)
(3,900)	Aqua America, Inc.	(69,342)
(29,900)	Hawaiian Electric Industries, Inc.	(867,399)
(10,700)	Laclede Group, Inc.	(518,843)
(24,500)	Otter Tail Corp.	(752,885)
(22,000)	Public Service Enterprise Group, Inc.	(721,380)
(19,500)	TECO Energy, Inc.	(306,735)
(22,700)	Vectren Corp.	(632,195)
(25,100)	WGL Holdings, Inc.	(814,495)
(23,700)	Xcel Energy, Inc.	(473,763)
		<u>(6,533,347)</u>
Total Common Stock (Cost \$(285,738,431))		<u>(247,747,385)</u>
Investment Companies - (6.1)%		
(24,000)	iShares Dow Jones US Basic Materials Sector Index Fund	(1,368,720)
(6,300)	iShares FTSE/Xinhua China 25 Index Fund	(217,161)
(118,700)	iShares MSCI Emerging Markets Index Fund	(4,098,711)
(145,300)	iShares Russell 2000 Index Fund	(9,937,067)
(75,150)	Midcap SPDR Trust Series 1	(9,938,587)
(123,025)	Powershares QQQ	(4,786,903)
(42,500)	SPDR KBW Regional Banking ETF	(1,529,150)
(18,500)	SPDR S&P Metals & Mining ETF	(866,170)
(111,075)	SPDR S&P Retail ETF	(3,378,901)
(183,185)	SPDR Trust Series 1	(21,253,124)
(26,175)	Utilities Select Sector SPDR Fund	(866,393)
Total Investment Companies (Cost \$(68,757,076))		<u>(58,240,887)</u>
Total Securities Sold Short - (32.3)% (Cost \$(354,495,507))		<u><u>\$(305,988,272)</u></u>

ABSOLUTE STRATEGIES FUND
**SCHEDULE OF CALL AND PUT OPTIONS WRITTEN
SEPTEMBER 30, 2008**

Number of Contacts	Security Description	Strike Price	Expiration Date	Value	Number of Contacts	Security Description	Strike Price	Expiration Date	Value
Options Written - (0.2)%					(12)	Procter & Gamble Co.	50.00	01/21/09	\$ (23,280)
Call Options Written - (0.2)%					(82)	Pulte Homes, Inc.	15.00	10/22/08	(6,970)
(20)	Advanced Micro Devices, Inc.	20.00	01/21/09	\$ (60)	(32)	Pulte Homes, Inc.	25.00	01/21/09	(1,120)
(20)	Amazon.com, Inc.	30.00	01/21/09	(85,850)	(288)	Pulte Homes, Inc.	15.00	01/21/09	(67,392)
(12)	Amgen, Inc.	60.00	01/21/09	(4,980)	(55)	Pulte Homes, Inc.	20.00	01/20/10	(17,050)
(12)	Amgen, Inc.	70.00	01/21/09	(1,728)	(300)	Retail Holders Trust	110.00	01/21/09	(21,750)
(20)	Anadarko Petroleum Corp.	40.00	01/21/09	(22,800)	(602)	Retail Holders Trust	105.00	01/21/09	(87,290)
(12)	Apache Corp.	60.00	01/21/09	(54,360)	(10)	Ryland Group, Inc.	30.00	01/21/09	(3,850)
(10)	Apple, Inc.	50.00	01/21/09	(64,850)	(12)	Ryland Group, Inc.	40.00	01/21/09	(1,530)
(40)	Applied Materials, Inc.	15.00	01/21/09	(5,800)	(203)	S&P 500 Index	1,380.00	10/18/08	(4,825)
(12)	Bank of America Corp.	40.00	01/21/09	(2,964)	(244)	S&P 500 Index	1,415.00	10/22/08	(4,880)
(10)	Bear Stearns Cos., LLC	130.00	01/21/09	(45)	(262)	S&P 500 Index	1,425.00	10/22/08	(2,620)
(30)	Bed Bath & Beyond, Inc.	30.00	01/21/09	(11,550)	(27)	S&P 500 Index	1,400.00	10/22/08	(810)
(12)	Caterpillar, Inc.	60.00	01/21/09	(7,200)	(3)	Schlumberger, Ltd.	60.00	01/21/09	(6,135)
(12)	Centex Corp.	40.00	01/21/09	(120)	(650)	SLM Corp.	15.00	10/22/08	(19,500)
(20)	Circuit City Stores, Inc.	30.00	01/21/09	(90)	(1,100)	Sprint Nextel Corp.	7.50	01/21/09	(60,500)
(40)	Cisco Systems, Inc.	15.00	01/21/09	(29,800)	(288)	Target Corp.	60.00	01/21/09	(43,200)
(9)	CME Group, Inc.	500.00	01/20/10	(40,590)	(12)	Target Corp.	40.00	01/21/09	(13,170)
(20)	Comcast Corp., Class A	20.00	01/21/09	(4,800)	(265)	Target Corp.	50.00	01/20/10	(257,050)
(20)	Countrywide Financial Corp.	25.00	01/21/09	(60)	(12)	United Technologies Corp.	50.00	01/21/09	(13,800)
(20)	Countrywide Financial Corp.	30.00	01/21/09	(50)	Total Call Options Written				
(15)	FedEx Corp.	110.00	01/21/09	(563)	(Premiums Received \$(2,245,368))				
(20)	Halliburton Co.	30.00	01/21/09	(8,400)	(1,593,849)				
(365)	iShares Lehman Treasury Inflation Protected Securities Fund	107.00	12/24/08	(9,125)	Put Options Written - (0.0)%				
(41)	ITT Educational Services, Inc.	90.00	01/21/09	(28,085)	(90)	iShares MSCI Index	80.00	01/21/09	(38,475)
(42)	ITT Educational Services, Inc.	80.00	01/21/09	(45,990)	(425)	KBW Regional Banking	30.00	12/24/08	(110,500)
(147)	ITT Educational Services, Inc.	70.00	01/20/10	(375,585)	(900)	Retail Holders Trust	90.00	01/21/09	(186,750)
(73)	Joy Global, Inc.	70.00	01/21/09	(5,110)	(265)	S&P 500 Index	1,000.00	10/22/08	(132,500)
(142)	Kohl's Corp.	50.00	01/21/09	(49,700)	(121)	S&P 500 Index	975.00	10/22/08	(36,300)
(30)	Lowe's Cos., Inc.	25.00	01/21/09	(6,480)	(203)	S&P 500 Index	950.00	10/22/08	(50,750)
(24)	Lowe's Cos., Inc.	30.00	01/21/09	(1,680)	(53)	S&P 500 Index	925.00	10/22/08	(10,865)
(12)	Merrill Lynch & Co., Inc.	55.00	01/21/09	(72)	Total Put Options Written				
(20)	Microsoft Corp.	20.00	01/21/09	(12,700)	(Premiums Received \$(730,484))				
(12)	Morgan Stanley	50.00	01/21/09	(1,140)	(566,140)				
(20)	Nike, Inc.	40.00	01/21/09	(54,800)	Total Options Written - (0.2)%				
					(Premiums Received \$(2,975,852))				
					<u>\$(2,159,989)</u>				

ABSOLUTE STRATEGIES FUND
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2008

ADR American Depositary Receipt
 ETF Exchange Traded Fund
 FHLMC Federal Home Loan Mortgage Corporation
 FNMA Federal National Mortgage Association
 PLC Public Limited Company

- (a) Non-income producing security.
- (b) Security exempt from registration under Rule 144A under the Securities Act of 1933. At the period end, the value of these securities amounted to \$27,850,093 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.
- (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.

At September 30, 2008, the Fund held the following futures contracts:

<u>Contract</u>	<u>Type</u>	<u>Expiration Date</u>	<u>Notional Contract Value</u>	<u>Net Appreciation (Depreciation)</u>
(700)	S&P 500 E-Mini Future	12/19/08	\$(40,859,000)	\$(117,250)
(40)	U.S. 5-year Note (CBT) Future	12/31/08	(4,489,375)	(8,751)
(10)	U.S. 2-year Note (CBT) Future	12/31/08	(2,134,375)	(12,031)
(30)	U.S. 10-year Note (CBT) Future	12/31/08	(3,438,750)	33,750
(20)	U.S. Long Bond (CBT) Future	12/31/08	(2,343,438)	16,875
			<u>\$(53,264,938)</u>	<u>\$ (87,407)</u>

* Cost for Federal income tax purposes is and net unrealized appreciation (depreciation) consists of:

Gross Unrealized Appreciation	\$ 83,966,781
Gross Unrealized Depreciation	<u>(121,607,411)</u>
Net Unrealized Appreciation (Depreciation)	<u>\$ (37,640,630)</u>

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("SFAS 157".) This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value, and requires additional disclosures about fair value measurements. SFAS 157 applies to fair value measurements already required or permitted by existing standards. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The changes to current GAAP from the application of this Statement relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements.

One key component of the implementation of SFAS 157 includes the development of a three-tier fair value hierarchy. The basis of the tiers is dependant upon the various "inputs" used to determine the value of the Fund's investments. These inputs are summarized in the three broad levels listed below:

Level 1 - quoted prices in active markets for identical assets

Level 2 - other significant observable inputs (including quoted prices for similar securities, interest rates, prepayments speeds, credit risk, etc.)

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

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used to value the Fund's net assets as of September 30, 2008:

<u>Valuation Inputs</u>	<u>Investments in Securities</u>	<u>Other Financial Instruments*</u>
Level 1 - Quoted Prices	\$209,991,207	\$(2,247,396)
Level 2 - Other Significant Observable Inputs	299,845,053	-
Level 3 - Significant Unobservable Inputs	<u>10,261,837</u>	-
Total Investments	<u>\$520,098,097</u>	<u>\$(2,247,396)</u>

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

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2008

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

	<u>Investments in Securities</u>	<u>Other Financial Instruments</u>
Balance as of 03/31/2008	\$10,687,686	\$ (4,457)
Accrued Accretion/ (Amortization)	25,548	-
Change in Unrealized Appreciation/(Depreciation)	(2,317,394)	(119,152)
Net Purchase/(Sales)	2,737,983	123,609
Transfers In/(Out)	(871,986)	-
Balance as of 09/30/08	<u>\$10,261,837</u>	<u>-</u>

ABSOLUTE STRATEGIES FUND

PORTFOLIO HOLDINGS SUMMARY

SEPTEMBER 30, 2008

Portfolio Breakdown (% of Net Assets)	
Long Positions	
Equity Securities	52.3%
Asset Backed Obligations	7.3%
Corporate Convertible Bonds	12.8%
Corporate Non-Convertible Bonds	1.8%
Municipal Bonds	0.0%
Syndicated Loans	0.2%
US Government and Agency Obligations	10.6%
Investment Companies	0.4%
Options	1.6%
Short-Term Investments	0.2%
Short Positions	
Equity Securities	(26.2%)
Investment Companies	(6.1%)
Options	(0.2%)
Other Assets less Liabilities*	45.3%*
	100.0%

* Consists of deposits with the custodian for securities sold short, cash, foreign currency, prepaid expenses, receivables, payables, and accrued liabilities. Deposits with the custodian for securities sold short represents 36.7% of net assets. See Note 2.

Sector Breakdown	(% of Equity Holdings)	
	Long	Short
Consumer Discretionary	16.9%	13.9%
Consumer Staples	16.9%	14.8%
Energy	6.2%	6.8%
Financials	24.9%	12.8%
Health Care	5.6%	13.9%
Industrials	10.9%	12.8%
Information Technology	5.3%	9.0%
Materials	3.5%	3.9%
Telecommunications	7.2%	9.5%
Utilities	2.6%	2.6%
	100.0%	100.0%

ABSOLUTE STRATEGIES FUND

STATEMENT OF ASSETS AND LIABILITIES

SEPTEMBER 30, 2008

ASSETS

Total investments, at value (Cost \$913,050,097)	\$ 826,086,369
Deposits with custodian for securities sold short	348,055,251
Cash	88,419,877
Foreign currency (Cost \$619,697)	610,887
Receivables:	
Fund shares sold	2,601,974
Investment securities sold	7,337,312
Interest and dividends	2,615,265
Variation margin	174,844
Prepaid expenses	49,785
	<hr/>
Total Assets	1,275,951,564

LIABILITIES

Payables:	
Securities sold short, at value (Cost \$354,495,507)	305,988,272
Call options written, at value (Premiums received \$2,245,368)	1,593,849
Put options written, at value (Premiums received \$730,484)	566,140
Investment securities purchased	13,206,899
Fund shares redeemed	3,789,440
Dividends on securities sold short	454,184
Variation margin	1,701,000
Accrued liabilities:	
Investment adviser fees	1,253,255
Compliance services fees	4,190
Other expenses	95,620
	<hr/>
Total Liabilities	328,652,849

NET ASSETS

\$ 947,298,715**COMPONENTS OF NET ASSETS**

Paid-in capital	\$ 977,699,508
Accumulated undistributed (distributions in excess of) net investment income	1,989,283
Accumulated net realized gain (loss)	5,347,807
Net unrealized appreciation (depreciation)	(37,737,883)
	<hr/>

NET ASSETS

\$ 947,298,715**SHARES OF BENEFICIAL INTEREST (UNLIMITED SHARES AUTHORIZED)**

Institutional Shares	86,552,511
R Shares	3,175,198
C Shares	1,867,039

NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE

Institutional Shares (based on net assets of \$895,192,467)	\$ 10.34
R Shares (based on net assets of \$32,930,208)	\$ 10.37
C Shares (based on net assets of \$19,176,040)	\$ 10.27

ABSOLUTE STRATEGIES FUND

STATEMENT OF OPERATIONS

SIX MONTHS ENDED SEPTEMBER 30, 2008

INVESTMENT INCOME

Interest income	\$ 8,893,487
Dividend income (net foreign withholding taxes of \$68,278)	4,991,343
Total Investment Income	<u>13,884,830</u>

EXPENSES

Investment adviser fees	7,992,974
Investment adviser expense reimbursements recouped	18,548
Administrator fees	266,043
Distribution fees:	
R Shares	41,392
C Shares	97,034
Transfer agency fees:	
Institutional Shares	124,650
R Shares	24,901
C Shares	9,219
Custodian fees	85,102
Accountant fees	75,573
Registration fees	28,277
Professional fees	61,785
Trustees' fees and expenses	12,988
Compliance services fees	49,438
Dividend expenses on securities sold short	2,735,999
Miscellaneous expenses	80,951
Total Expenses	<u>11,704,874</u>

NET INVESTMENT INCOME (LOSS)2,179,956**NET REALIZED AND UNREALIZED GAIN (LOSS)**

Net realized gain (loss) on:	
Investments	(14,059,306)
Foreign currency transactions	(18,800)
Futures	13,087,496
Securities sold short	23,160,345
Written options	625,916
Net realized gain (loss)	<u>22,795,651</u>
Net unrealized gain (loss) on:	
Investments	(47,993,076)
Foreign currency translations	(17,314)
Futures	1,121,624
Securities sold short	9,644,113
Written options	(3,742,900)
Net change in unrealized appreciation (depreciation)	<u>(40,987,553)</u>

NET REALIZED AND UNREALIZED GAIN (LOSS)(18,191,902)**INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS**\$ (16,011,946)

ABSOLUTE STRATEGIES FUND

STATEMENT OF CHANGES IN NET ASSETS

	Six Months Ended September 30, 2008	Year Ended March 31, 2008
OPERATIONS		
Net investment income (loss)	\$ 2,179,956	\$ 7,805,482
Net realized gain (loss)	22,795,651	(12,188,410)
Net change in unrealized appreciation (depreciation)	(40,987,553)	(9,161,733)
Increase (Decrease) in Net Assets from Operations	<u>(16,011,946)</u>	<u>(13,544,661)</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM		
Net investment income:		
Institutional Shares	(2,487,496)	(6,678,510)
R Shares	(19,706)	(269,904)
C Shares	-	(34,231)
Total Distributions to Shareholders	<u>(2,507,202)</u>	<u>(6,982,645)</u>
CAPITAL SHARE TRANSACTIONS		
Sale of shares:		
Institutional Shares	304,280,789	801,449,919
R Shares	8,223,675	11,684,161
C Shares	4,382,544	7,900,305
Reinvestment of distributions:		
Institutional Shares	1,633,226	4,851,757
R Shares	16,349	218,795
C Shares	-	33,139
Redemption of shares:		
Institutional Shares	(249,629,671)	(126,417,988)
R Shares	(6,844,029)	(16,171,593)
C Shares	(3,165,301)	(2,999,072)
Increase (Decrease) from Capital Share Transactions	<u>58,897,582</u>	<u>680,549,423</u>
Increase (Decrease) in Net Assets	40,378,434	660,022,117
NET ASSETS		
Beginning of period	906,920,281	246,898,164
End of period (a)	<u>\$ 947,298,715</u>	<u>\$ 906,920,281</u>
SHARE TRANSACTIONS		
Sale of shares:		
Institutional Shares	29,093,867	74,259,846
R Shares	772,854	1,084,973
C Shares	414,824	737,152
Reinvestment of distributions:		
Institutional Shares	154,078	449,364
R Shares	1,537	20,301
C Shares	-	3,100
Redemption of shares:		
Institutional Shares	(24,134,571)	(11,780,484)
R Shares	(642,379)	(1,506,233)
C Shares	(301,051)	(280,129)
Increase (Decrease) in Shares	<u>5,359,159</u>	<u>62,987,890</u>
(a) Amount includes accumulated undistributed (distributions in excess of) net investment income.	<u>\$ 1,989,283</u>	<u>\$ 2,316,529</u>

ABSOLUTE STRATEGIES FUNDFINANCIAL HIGHLIGHTS

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

	Six Months Ended September 30, 2008	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	<u>\$ 10.52</u>	<u>\$ 10.62</u>	<u>\$ 10.29</u>	<u>\$ 10.00</u>
INVESTMENT OPERATIONS				
Net investment income				
(loss) (b)	0.02	0.16	0.26	0.14
Net realized and unrealized gain (loss)	<u>(0.17)</u>	<u>(0.11)</u>	<u>0.29</u>	<u>0.22</u>
Total from Investment Operations	<u>(0.15)</u>	<u>0.05</u>	<u>0.55</u>	<u>0.36</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM				
Net investment income	(0.03)	(0.15)	(0.22)	(0.07)
Net realized investment gains	<u>-</u>	<u>-</u>	<u>- (c)</u>	<u>- (c)</u>
Total Distributions to Shareholders	<u>(0.03)</u>	<u>(0.15)</u>	<u>(0.22)</u>	<u>(0.07)</u>
REDEMPTION FEES (b)	<u>-</u>	<u>-</u>	<u>- (c)</u>	<u>- (c)</u>
NET ASSET VALUE, End of Period	<u>\$ 10.34</u>	<u>\$ 10.52</u>	<u>\$ 10.62</u>	<u>\$ 10.29</u>
TOTAL RETURN	(1.46%)(d)	0.41%	5.38%	3.60%(d)
RATIOS/SUPPLEMENTARY DATA				
Net Assets at End of Period (000's omitted)	\$895,192	\$856,441	\$196,602	\$66,888
Ratios to Average Net Assets:				
Net investment income (loss)	0.47%(f)	1.50%	2.46%	1.91%(f)
Net expense (i)	1.75%(f)	1.88%	1.95%	1.95%(f)
Dividend expense	0.55%(f)	0.50%	0.43%	0.38%(f)
Gross expense (g)	2.30%(f)	2.38%	2.44%	2.59%(f)
PORTFOLIO TURNOVER RATE	236%(d)	553%	424%	405%(d)(h)

ABSOLUTE STRATEGIES FUND

FINANCIAL HIGHLIGHTS

	Six Months Ended September 30, 2008	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	July 11, 2005 (a) through March 31, 2006
R SHARES				
NET ASSET VALUE, Beginning of Period	<u>\$ 10.55</u>	<u>\$ 10.63</u>	<u>\$ 10.28</u>	<u>\$ 10.00</u>
INVESTMENT OPERATIONS				
Net investment income (loss) (b)	0.01	0.13	0.22	0.10
Net realized and unrealized gain (loss)	<u>(0.18)</u>	<u>(0.13)</u>	<u>0.30</u>	<u>0.22</u>
Total from Investment Operations	<u>(0.17)</u>	<u>0.00</u>	<u>0.52</u>	<u>0.32</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM				
Net investment income	(0.01)	(0.08)	(0.17)	(0.04)
Net realized investment gains	<u>-</u>	<u>-</u>	<u>- (c)</u>	<u>- (c)</u>
Total Distributions to Shareholders	<u>(0.01)</u>	<u>(0.08)</u>	<u>(0.17)</u>	<u>(0.04)</u>
REDEMPTION FEES (b)	<u>-</u>	<u>-</u>	<u>- (c)</u>	<u>- (c)</u>
NET ASSET VALUE, End of Period	<u>\$ 10.37</u>	<u>\$ 10.55</u>	<u>\$ 10.63</u>	<u>\$ 10.28</u>
TOTAL RETURN	(1.65%)(d)	0.01%(e)	5.12%(e)	3.24%(d)(e)
RATIOS/SUPPLEMENTARY DATA				
Net Assets at End of Period (000's omitted)	\$32,930	\$32,106	\$36,613	\$42,755
Ratios to Average Net Assets:				
Net investment income (loss)	0.14%(f)	1.17%	2.07%	1.42%(f)
Net expense (i)	2.22%(f)	2.25%	2.25%	2.24%(f)
Dividend expense	0.55%(f)	0.48%	0.41%	0.35%(f)
Gross expense (g)	2.77%(f)	2.76%	2.78%	3.07%(f)
PORTFOLIO TURNOVER RATE	236%(d)	553%	424%	405%(d)(h)

ABSOLUTE STRATEGIES FUND

FINANCIAL HIGHLIGHTS

	Six Months Ended September 30, 2008	For the Year Ended March 31, 2008	For the Year Ended March 31, 2007	January 13, 2006 (a) through March 31, 2006
C SHARES				
NET ASSET VALUE, Beginning of Period	\$ 10.48	\$ 10.58	\$ 10.27	\$10.08
INVESTMENT OPERATIONS				
Net investment income (loss) (b)	(0.03)	0.05	0.15	0.02
Net realized and unrealized gain (loss)	(0.18)	(0.13)	0.29	0.17
Total from Investment Operations	(0.21)	(0.08)	0.44	0.19
DISTRIBUTIONS TO SHAREHOLDERS FROM				
Net investment income	-	(0.02)	(0.13)	-
Net realized investment gains	-	-	- (c)	-
Total Distributions to Shareholders	-	(0.02)	(0.13)	-
REDEMPTION FEES (b)	-	-	- (c)	- (c)
NET ASSET VALUE, End of Period	\$ 10.27	\$ 10.48	\$ 10.58	\$10.27
TOTAL RETURN	(2.00)%(d)	(0.72)%	4.31%	1.88%(d)
RATIOS/SUPPLEMENTARY DATA				
Net Assets at End of Period (000's omitted)	\$19,176	\$18,374	\$13,683	\$3,048
Ratios to Average Net Assets:				
Net investment income (loss)	(0.60)%(f)	0.43%	1.43%	0.90%(f)
Net expense (i)	2.94%(f)	3.00%	3.00%	3.00%(f)
Dividend expense	0.55%(f)	0.49%	0.42%	0.46%(f)
Gross expense (g)	3.49%(f)	3.50%	3.65%	5.86%(f)
PORTFOLIO TURNOVER RATE	236%(d)	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 periods 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

SEPTEMBER 30, 2008

Note 1. Organization

The Absolute Strategies Fund (the “Fund”), is a non-diversified portfolio of Forum Funds (the “Trust”). The Trust is a Delaware statutory trust that is registered as an open-end, management investment company under the Investment Company Act of 1940 (the “Act”), as amended. As of September 30, 2008, the Trust had twenty-seven investment portfolios. Under its Trust Instrument, the Trust is authorized to issue an unlimited number of the Fund’s shares of beneficial interest without par value. The Fund currently offers three classes of shares: Institutional Shares, R Shares and C Shares. Institutional and R 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.

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 futures contracts to gain exposure to market changes, which may be more efficient or cost effective than actually buying the securities. A futures contract is an agreement between parties to buy or sell a security at a set price on a future date. Upon entering into such a contract, 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

SEPTEMBER 30, 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

SEPTEMBER 30, 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.

The Fund adopted Financial Accounting Standards Board (“FASB”) Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* – an interpretation of FAS 109 (“FIN 48”) on April 1, 2007. FIN 48 prescribes a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return, and requires certain expanded disclosures. Management concluded that as of March 31, 2008, there are no uncertain tax positions that would require financial statement recognition, de-recognition, or disclosure. The Fund’s Federal tax returns filed in the three-year period ended March 31, 2008 remain subject to examination by the Internal Revenue Service.

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

The 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.

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

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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 or with Atlantic Fund Administration, LLC (“Atlantic”) or their affiliates. The Fund has adopted a distribution plan for R Shares and C Shares of the Fund in accordance with Rule 12b-1 of the Act. The Fund pays the Distributor and any other entity as authorized by the Board a fee of 0.25% and 1.00% of the average daily net assets of R Shares and C Shares, respectively.

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

Other Service Providers – As of June 2, 2008, as to fund accounting and fund administration, and on June 16, 2008, as to transfer agency, Atlantic provides those services to the Fund. Pursuant to an Atlantic services agreement, the Fund pays Atlantic a bundled fee for administration, fund accounting and transfer agency services at an annual rate of: 0.12% on the first \$150 million in Fund assets, 0.075% on the next \$150 million in Fund assets, 0.05% on the next \$300 million in Fund assets, 0.03% on the next \$400 million in Fund assets and 0.02% on Fund assets exceeding \$1 billion. The base fee is subject to an annual minimum of \$135,000. The fee is accrued daily by the Fund and is paid monthly based on the average net assets for the previous month. The Fund’s transfer agent and fund accountant also receive certain shareholder account fees, surcharges and out-of-pocket expenses.

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

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

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

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the Funds. Certain officers or employees of FCS were also officers of the Trust. The Principal Executive Officer was an affiliate of the Distributor due to his ownership interest in the Distributor.

Note 4. Expense Reimbursements and Fees Waived

The Adviser contractually agreed to waive its fees and/or reimburse expenses to limit total annual operating expenses (excluding all interest, taxes, portfolio transaction expenses, dividends on short sales and extraordinary expenses) of Institutional Shares, R Shares and C Shares to 1.95%, 2.25% and 3.00%, respectively, of each class' average daily net assets through July 31, 2008. For the six months ended September 30, 2008, there were no fees waived or expenses reimbursed.

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 R 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:

	Amount of Fees Waived and/or Expenses Reimbursed	Expiration Date to Recoup Fees Waived and/or Expenses Reimbursed	Fees Recouped
March 31, 2006	\$174,568	March 31, 2009	\$80,608
March 31, 2007	74,871	March 31, 2010	30,229

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 six months ended September 30, 2008, were as follows:

Non-U.S. Government Obligations		U.S. Government Obligations	
Purchases	Sales	Purchases	Sales
\$880,949,941	\$816,502,955	\$220,595,539	\$174,124,969

Note 6. Federal Income Tax and Investment Transactions

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	(2,905,946)
Total	<u><u>\$(7,997,940)</u></u>

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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 had 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 was recognized for tax purposes on the first business day of the Fund's next year.

Note 7. Written Option Transactions

Transactions in options written during the six months ended September 30, 2008 were as follows:

	Calls	
	Number of Contracts	Premiums
<i>Options Outstanding, March 31, 2008</i>	3,890	\$ 1,810,017
Options written	25,328	5,337,224
Options terminated in closing transactions	(8,286)	(2,053,631)
Options exercised	(8,592)	(2,454,741)
Options expired	(6,567)	(393,501)
<i>Options Outstanding, September 30, 2008</i>	<u>5,773</u>	<u>\$ 2,245,368</u>

	Puts	
	Number of Contracts	Premiums
<i>Options Outstanding, March 31, 2008</i>	1,218	\$ 430,281
Options written	16,092	4,291,845
Options terminated in closing transactions	(12,578)	(3,338,552)
Options exercised	(789)	(226,060)
Options expired	(1,886)	(427,030)
<i>Options Outstanding, September 30, 2008</i>	<u>2,057</u>	<u>\$ 730,484</u>

Note 8. Other Information

On September 30, 2008, three shareholders held approximately 56% of the outstanding Institutional Shares of the Fund. These shareholders are omnibus accounts, which are held on behalf of several thousand underlying shareholders.

Investment Advisory Agreement Approval

At the April 18, 2008 Board meeting, the Board, including the Independent Trustees, considered the approval of the continuance of the investment advisory agreement pertaining to the Fund (the “Advisory Agreement”) and, as applicable, the sub-advisory agreements pertaining to the Fund for Aronson+Johnson+Ortiz, LP; Bernzott Capital Advisors; Contravisory Research & Management Corp.; GMB Capital Management, LLC; Horizon Asset Management, Inc.; Kinetics Asset Management, Inc.; Kovitz Investment Group, LLC; Metropolitan West Asset Management, LLC; Mohican Financial Management, LLC; SSI Investment Management, Inc.; TWIN Capital Management, Inc.; and Yacktman Asset Management Co. (the “Sub-Advisory Agreements”). In evaluating the Advisory and Sub-Advisory Agreements for the Fund, the Board reviewed materials furnished by the Adviser and the Sub-Advisors (collectively, the “Advisers”) and the administrator, including information regarding the Advisers’ personnel, operations and financial condition. Specifically, the Board considered, among other matters: (1) the nature, extent and quality of the services to be provided to the Fund by the Advisers, including information on the investment performance of the Advisers; (2) the costs of the services to be provided and profitability to the Advisers with respect to their relationship with the Fund; (3) the advisory fee and total expense ratio of the Fund compared to relevant peer groups of funds; (4) the extent to which economies of scale would be realized as the Fund grows and whether the advisory fees would enable the Fund’s investors to share in the benefits of economies of scale; and (5) other benefits received by the Advisers from their relationship with the Fund. In their deliberations, the Board did not identify any particular information that was all-important or controlling and attributed different weights to the various factors. In particular, the Board focused on the factors discussed below.

Nature, Extent and Quality of the Services

In connection with a presentation by the Adviser, the Board considered the Advisers’ personnel, operations and financial condition. The Board also considered the scope and quality of services provided by the Adviser and Sub-Advisors under the Advisory and Sub-Advisory Agreements.

The Board noted that, under the Sub-Advisory Agreements, the Sub-Advisors manage the investment of the Fund assets allocated by the Adviser to the respective Sub-Adviser, including making purchases and sales of portfolio securities consistent with the Fund’s investment objective and policies, subject to the Adviser’s oversight. The Board considered the quality of the investment research capabilities of the Advisers, including the resources dedicated to performing services for the Fund and the experience and professional background of the portfolio managers and other personnel at the Advisers who would have principal responsibility for the Fund’s investments. Among other things, the Board considered information regarding the investment philosophy and decision-making processes of those professionals; the capability and integrity of the Advisers’ senior management and staff; and the quality of the Advisers’ services with respect to regulatory compliance and compliance with client investment policies and restrictions. In addition, the Board considered the Advisers’ balance sheets as of December 31, 2007 and noted the Advisers’ representations that they were financially stable and able to provide investment advisory services to the Fund.

The Board concluded that, overall, it was satisfied with the nature, extent and quality of services provided to the Fund under the Advisory and Sub-Advisory Agreements, that the Adviser and Sub-Advisors could provide

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high quality services to the Fund and that the investment expertise of the Adviser's and Sub-Advisers' professionals could benefit the Fund.

Costs of Services and Profitability

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

Compensation

The Board considered the Adviser's compensation for providing advisory services to the Fund and analyzed comparative information on fees, expenses, and performance of similar mutual funds. In this regard, the Board noted that while the Adviser's contractual advisory fee was higher than the median and mean advisory fee for its Lipper Inc. peer group, the Fund's A Shares gross expenses were lower than the mean gross expenses for its peer group and, for Institutional Shares, gross expenses were lower than the median and mean gross expenses for its peer group. The Board also recognized that it was difficult to compare expense ratios because of variations between the services provided by the Advisers and those included in the fees paid by other funds. Based on the foregoing, in the context of all factors considered, the Board concluded that the Adviser's advisory fee charged to the Fund was reasonable.

Performance

In connection with a presentation by the Advisers as to their approach to managing the Fund and the Fund's performance, the Board considered the Fund's performance over one-, three-, six-, nine-month and one-year periods ended December 31, 2007. The Board noted the Fund outperformed its benchmark over the one-, three- and six-month periods and that the Fund outperformed its Lipper Inc. peer group for all periods reviewed. The Board noted the Advisers' representation that the Advisers' investment approach remains consistent and that this approach led the Fund to perform as intended, with both low sensitivity (beta) to the overall market and low volatility. Based on this review, the Board concluded that the Fund's performance was acceptable and that the Advisers' management of the Fund could benefit the Fund and its shareholders.

Economies of Scale

The Board considered whether the Fund would benefit from any economies of scale, noting that the advisory fee for the Fund does not contain breakpoints. The Board noted the Adviser's representation that the Fund experienced growth of assets consistent with performance in the past and expects to do so in the future. The Board also considered the Adviser's representation that, due to asset growth in the Fund, economies of scale were being realized with respect to administrative, fund accounting and transfer agency fees. Based on the foregoing, the Board concluded that it would not be necessary to implement fee breakpoints at this time.

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Other Benefits

The Board considered the Advisers' representations that they do not receive significant ancillary benefits as a result of their relationship with the Fund, other than the benefit of research received from the brokers executing transactions on behalf of the Fund and the ability to refer to its advisory relationship with the Fund. Based on the foregoing, the Board concluded that other benefits received by the Advisers from their relationship with the Fund were not a material factor to be considered in approving the continuation of the Advisory and Sub-Advisory Agreement.

Conclusion

Prior to voting, the Board reviewed a memorandum from Fund Counsel discussing the legal standards applicable to its consideration of the Advisory Agreement. The Board also discussed the proposed approval of the continuance of the Advisory and Sub-Advisory Agreements. Based upon its review, including consideration of each of the factors referred to above, the Board (including all of the Independent Trustees) determined, in the exercise of its business judgment, that renewing the Advisory and Sub-Advisory Agreements was in the best interest of the Fund's shareholders.

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 most recent twelve-month period ended June 30, is available, without charge and upon request, by calling (888) 992-2765 and on the SEC's website at www.sec.gov.

Availability of Quarterly Portfolio Schedules

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

The following example is based on \$1,000 invested at the beginning of the period and held for the entire period from April 1, 2008 through September 30, 2008.

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

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

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

	Beginning Account Value April 1, 2008	Ending Account Value September 30, 2008	Expenses Paid During Period *	Annualized Expense Ratio
Institutional Shares				
Actual	\$1,000.00	\$ 985.39	\$11.45	2.30%
Hypothetical (5% return before expenses)	\$1,000.00	\$1,013.54	\$11.61	2.30%
R Shares				
Actual	\$1,000.00	\$ 983.53	\$13.77	2.77%
Hypothetical (5% return before expenses)	\$1,000.00	\$1,011.18	\$13.97	2.77%
C Shares				
Actual	\$1,000.00	\$ 979.96	\$17.32	3.49%
Hypothetical (5% return before expenses)	\$1,000.00	\$1,007.57	\$17.56	3.49%

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

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