

## Open End Mutual Fund

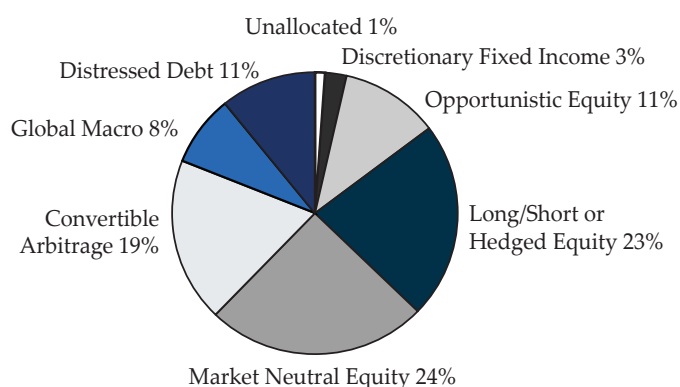
**Investment Objective:** The Fund seeks to achieve long-term capital appreciation with an emphasis on absolute (positive) returns and low correlation to traditional financial market indices such as the S&P 500. There can be no assurance the fund will achieve its objective.

**Investment Parameters:** There is no fixed or minimum allocation to any sub-adviser, however, the Adviser will limit allocations to any one sub-adviser strategy to between 0% and 20% of total Fund assets.

**Shareholder Servicing, Custodian & Fund Administration:**  
Atlantic Fund Administration

## Sub-Adviser Allocations [As of 06.30.08]

Breakdown by Sub-Adviser Strategy:



Cumulative Total Returns	2nd Quarter '08 at NAV	Inception to Date at NAV	Inception to Date with Sales Charge	Year to Date at NAV
I-Share (ASFIX)	1.02%	10.74%	n/a	(1.96%)
A-Share (ASFAX)	0.91%	9.53%	4.60%	(2.24%)
C-Share (CASFX)	0.76%	7.63%	n/a	(2.58%)

Inception Dates: A-Share & I-Share: 7.27.05, C-Share: 1.13.06

**Quarter-End Performance:** As of 06/30/08, the 1-year and since inception annualized performance for I-Share was (0.11%) and 3.55%, respectively. The 1-year and since inception annualized performance for A-Share was (0.53%) and 3.16%, respectively. The 1-year and since inception performance for A-Share with sales charge was (5.01%) and 1.55%, respectively. The 1-year and since inception performance for C-Shares was (1.22%) and 2.54%.

Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principle value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. For performance current to the most recent month-end, visit our website at [www.absoluteadvisers.com](http://www.absoluteadvisers.com). Class A performance results with sales charges reflects the deduction of the maximum 4.50% front-end sales charge. Performance presented at NAV, which does not include this sales charge, would be lower if this charge was reflected. As stated in the current prospectus, the Fund's annual operating expense ratios (gross) for Class I, Class A and Class C Shares are 2.57, 2.96% and 3.75% respectively. Excluding the effect of expenses attributable to dividends on short sales, the Fund's total annual operating expense ratio (net) was 1.88% for Institutional Shares for the fiscal year ended March 31, 2008. However, the Fund's adviser has agreed to contractually waive a portion of its fees and/or reimburse expenses such that total operating expenses do not exceed 1.95%, 2.25% and 3.00% for Class I, Class A and Class C Shares. Although subject to change, this waiver is renewed annually on July 31st.

Returns include the reinvestment of dividends and capital gains. Some of the Fund's fees were waived or expenses reimbursed; otherwise, returns would have been lower.

Share Class Information can be found in the [Prospectus](#) & on our [Website](#)

## Fund Highlights:

- **Focus on achieving absolute returns and low correlation and low volatility** relative to the broader markets. Absolute return strategies seek to provide positive returns that are largely independent of market moves.
- **Access to highly-skilled and established money managers** whose strategies pursue absolute or risk adjusted returns. Many of the strategies are unavailable to retail investors due to high minimums.
- **Convenient Mutual Fund Structure.** The Fund offers clients a unique investment solution, normally associated with hedge funds, with the benefits of daily pricing, daily liquidity, portfolio transparency and low minimums.

## Portfolio Information [As of 06.30.08]

<b>Number of Sub-Adviser Strategies:</b> 14	<b>Industry Groups:</b> Over 50
<b>Assets Under Management:</b> \$1.027 billion	<b>Holdings:</b> approx. 1500
<b>Largest Strategy Allocation:</b> 13.6%	<b>Beta* to the S&amp;P 500:</b> 0.24
<b>Long Securities:</b> \$826 million	<b>Standard Deviation*:</b> 2.9%
<b>Short Securities<sup>1</sup>:</b> (\$461 million)	<sup>1</sup> exposures include notional value of options & future hedges

## Portfolio Commentary:

The 2nd quarter was another highly volatile period for the markets with June being one of the worst months in history. The Fund continues to perform well through this very difficult environment with a 2nd quarter return of 1.02% versus losses of -2.73% for the S&P 500 Index and -1.02% for the Lehman Aggregate Bond Index. To illustrate the Fund's ability to preserve capital, the Fund's performance has been about flat net of fees with a return of -0.11% over the past 1-year through 6/30/08, versus losses of -13.1% for the S&P 500 and -18.3% for the S&P 500 Equal Weighted Index. The Fund's beta has been very consistent during the past year and in-line with historical expectations. According to Bloomberg, over the past 52 weeks the Fund's beta to the S&P 500 has been 0.19 and has had a standard deviation of 4.0% compared to 18.5% for the S&P 500.

We stated in our previous commentaries that market dislocations continue to be a threat due to the continuing unwinding of leverage. This still appears to be the case. However, the recent liquidations of holdings by levered market participants are beginning to open up pockets of long-term investment opportunities for certain manager strategies to exploit that have not existed since the inception of our Fund. We believe the market environment we are currently witnessing (and may continue to experience) is becoming highly favorable for opportunistic managers. It is precisely in this type of environment that we would expect certain of our managers to capture alpha.

Potential opportunities for our strategies are not an opinion concerning the financial markets as we expect volatility in both equities and debt to continue. The credit markets continue to struggle and banks will need to raise additional capital as opposed to adding risk to their balance sheets. Our Fund has avoided groups that have likely suffered permanent losses of capital and has not added exposure to these areas in any material way. The Fund's overall performance has also not been driven by concentrated momentum bets that many funds are utilizing. Being long materials/energy (the "inflation trade") and short financials is a highly crowded and concentrated position for many funds. An unwinding of certain highly cyclical positions could be costly.

While the Fund was well positioned for increased volatility, we also need to be able to take advantage of such volatility as prospects for risk-return tradeoffs improve. The Fund is not a "bear market" fund and we do seek to capture upside opportunities. As the Fund's exposures evolve, volatility may increase and minimal dips will be inescapable. However, as a patient long-term investor we are excited about the prospects for risk-adjusted returns.

See reverse for definitions

## Absolute Investment Advisers Investment Philosophy & Strategy:

At **Absolute Investment Advisers LLC**, we maintain that disciplined risk management is the essence of successful investment management. We believe that risk-adjusted performance is best sought by utilizing highly-skilled active managers who are managed and monitored in a structure that is transparent and frequently-valued. Accurately evaluating performance and risks is vital for successfully managing portfolios of active strategies. It also enables optimization of capital allocations by strategy based on performance, risk, correlation and diversification.

Our investment team has an extensive understanding of the capital markets as well as direct experience running hedge funds and managing and modeling sophisticated risks. As such, our team has a comprehensive understanding of hedge fund strategies, operations and associated risks. We believe a thorough appreciation of how our investment team thinks about risks and portfolio management is essential when making a decision to invest with us.

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INVESTMENT ADVISERS

Fund Sub Advisers	Primary Strategy for the Fund	Founded	Firm AUM
Aronson+Johnson+Ortiz, LP	Dollar-Neutral Long/Short Equity	1984	\$30.6 billion
Bernzott Capital Advisers	Concentrated Small Cap Equity	1994	\$948 million
Contravisory Research & Management Corp.	Quantitative/Technical Long/Short Equity	1972	\$736 million
GMB Capital Management, LLC	Global Macro	2005	\$235 million
Horizon Asset Management, Inc.	Distressed Debt & Synthetic Short Sale	1995	\$3 billion
Kinetics Asset Management, Inc.	Global Long/Short Equity	1996	\$10.5 billion
Kovitz Investment Group, LLC	Fundamental Long/Short Equity	1997	\$1 billion
Metropolitan West Asset Management, LLC	Opportunistic/Distressed Debt & Fixed Income	1996	\$21.3 billion
Mohican Financial Management, LLC	Small/Mid-Cap Convertible Arbitrage	2003	\$255 million
SSI Investment Management, Inc.	Convertible Arbitrage & Market Neutral Equity	1973	\$1.1 billion
TWIN Capital Management, Inc.	Momentum Long/Short Market Neutral	1990	\$747 million
Yacktman Asset Management Co	Focused Equity	1992	\$1.1 billion

For a description of the Fund's primary strategies, please refer to the Fund's prospectus.

**Portfolio Strategy:** We manage the overall portfolio strategy through a quantitative model that focuses on optimizing manager allocations based on performance, risk, correlation and diversification. The investment process monitors manager exposures and return attribution on an ongoing basis. The Fund's investment approach differs from more traditional investments that achieve returns from general market or beta exposures, so its performance and exposures differ accordingly. In addition, our Sub-Advisers are free to selectively take risk, hedge risk, or avoid risk in individual securities or industries without being constrained by focusing on a benchmark.

**Definitions:** Beta is the measure of a fund's relative volatility as compared to the S&P 500 Index which by definition is 1.00. Accordingly, a fund with a 1.10 beta is expected to perform 10% better than the Index in up markets and 10% worse in down markets. Alpha is the difference between a fund's actual returns and its expected performance, given its level of risk as measured by Beta. The S&P 500 Index is a broad-based, unmanaged measurement of changes in stock market conditions based on the average of 500 widely held common stocks. The S&P Equal Weight Index (S&P EWI) is the equal-weight version of the widely regarded S&P 500. The index has the same constituents as the capitalization weighted S&P 500, but each company in the S&P EWI is allocated a fixed weight. The Lehman Aggregate Bond Index comprises government securities, mortgage-backed securities, asset-backed securities and corporate securities to simulate the universe of bonds in the market. It is not possible to invest directly in an index or average. Standard Deviation indicates the volatility of a fund's total returns. In general, the higher the standard deviation, the greater the volatility of return. Correlation is a statistical measure of how two securities move in relation to each other.

## Additional Risks

Since the Fund utilizes a multi-manager strategy with multiple subadvisers, it may be exposed to varying forms of risk. The Fund's net asset value and investment return will fluctuate based upon changes in the value of its portfolio securities. There is no assurance that the Fund will achieve its investment objective, and an investment in the Fund is not by itself a complete or balanced investment program. For a complete description of the Fund's principal investment risks please refer to the prospectus.

The Fund is non-diversified and may focus its investments in the securities of a comparatively small number of issuers. Concentration in securities of a limited number of issuers exposes a fund to greater market risk and potential monetary losses than if its assets were diversified among the securities of a greater number of issuers.

The Fund may invest in small- and medium-sized companies which involve greater risk than investing in larger, more established companies, such as increased volatility of earnings and prospects, higher failure rates, and limited markets, product lines or financial resources.

The Fund may invest in foreign or emerging markets securities which involve special risks, including the volatility of currency exchange rates and, in some cases, limited geographic focus, political and economic instability, and relatively illiquid markets.

The Fund may invest in debt securities which are subject to interest rate risk. An increase in interest rates typically causes a fall in the value of the debt securities in which the Fund may invest. The Fund may also invest in high

yield, lower rated (junk) bonds which involve a greater degree of risk and price fluctuation than investment grade bonds in return for higher yield potential.

The Fund may purchase securities of companies in initial public offerings. Special risks associated with these securities may include a limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the company and limited operating history. The Fund may leverage transactions which include selling securities short as well as borrowing for other than temporary or emergency purposes. Leverage creates the risk of magnified capital losses.

The Fund may also invest in derivatives which can be volatile and involve various types and degrees of risks, depending upon the characteristics of a particular derivative. The Fund may invest in options and futures which are subject to special risks and may not fully protect the Fund against declines in the value of its stocks. In addition, an option writing strategy limits the upside profit potential normally associated with stocks. Futures trading is very speculative, largely due to the traditional volatility of futures prices.

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

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