

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.

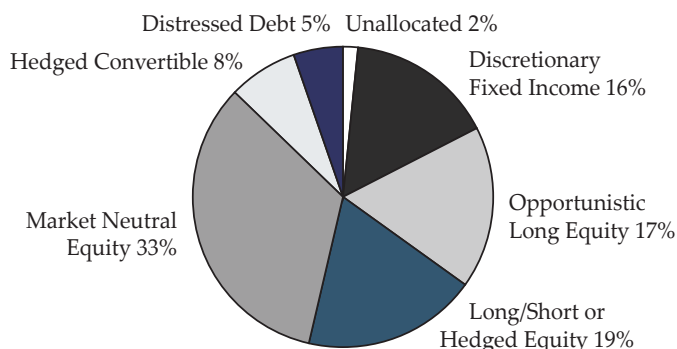
Investment Parameters: There is no fixed or minimum allocation to any sub-adviser, however, the Adviser will limit allocations to any one sub-adviser strategy to between 0% and 20% of total Fund assets.

Shareholder Servicing, Custodian & Fund Administration:
Citigroup Global Transaction Services

Total Fund Assets (as of 9.30.06): \$ 162 million

Sub-Adviser Allocations [As of 9.30.06]

Breakdown by Sub-Adviser strategy



Cumulative Total Returns	3rd Quarter '06 at NAV	Inception to Date at NAV	Inception to Date with Sales Charge	Year to Date at NAV
I-Share (ASFIX)	0.88%	4.84%	n/a	4.23%
A-Share (ASFAX)	0.78%	4.43%	(0.27%)	3.98%
C-Share (CASFX)	0.68%	3.92%	n/a	3.48%

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

Quarter-End Annualized Performance: As of 09/30/06, the 1- year and since inception performance for I- Share was 4.02% and 4.10%, respectively. The 1- year and since inception performance for A- Share was 3.67% and 3.75%, respectively. The 1-year and since inception performance for A- Share with sales charge was (.99%) and (.08%), respectively.

Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and 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. Class A performance results with sales charge 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. Shares redeemed or exchanged within 60 days of purchase will be subject to a 1.50% redemption fee subject to limited exceptions. 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.

TICKER	CUSIP	HIGHLIGHTS
"I" Share ASFIX	34984T600	\$1 million minimum. Minimum investment amount waived for fee-based accounts.
"A" Share ASFAX	34984T709	*\$10,000 minimum, \$1,000 minimum for IRAs. Maximum 4.5% front-end sales charge.
"C" Share CASFX	34984T808	\$10,000 minimum. No up-front sales charge. No CDSC. 1% annual trail paid quarterly.

See Prospectus for Share Class details.

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 9.30.06]

Number of Sub-Adviser Strategies: 12	Industry Groups: Over 50
Largest Strategy Allocation: 15.0%	Positive Months*: 86%
Holdings: 1333	Beta* to the S&P 500: .25
Long Equity: \$89 million	Standard Deviation*: 3.3%
Short/Hedged Equity: (\$78.4 million) <i>includes notional value of options & future hedges</i>	

Portfolio Commentary:

The equity markets had a very exciting 3rd quarter with the Dow Jones Industrial Average (DJIA) nearing "all-time" highs. The Absolute Strategies Fund achieved an "all-time" total return high of its own, although in a far less exciting manner. During the third quarter of 2006, the Fund had a positive total return of 0.88%. Year to date, the Fund's Institutional, A and C shares have had NAV total returns of 4.23%, 3.98%, and 3.48% respectively. This compares to returns of 8.53% for the S&P 500 Index and 3.06% for the Lehman US Aggregate Bond Index. The HFRI Hedge Fund of Funds Index had a year-to-date return of 4.77% through September, including negative returns in May, June and July.

Our Fund performance continues to be achieved with low beta and low volatility. Much of the portfolio is currently hedged with low net exposure to any industry group or sector. The Fund's performance will likely continue to be independent of market indices as our strategy does not attempt to time market rallies, but instead emphasizes risk management and absolute returns. Many indices on the other hand tend to have short-term stretches of very strong gains that, though exciting, turn out to be only temporary or unsustainable.

Our strategy is to seek returns over a full market cycle by providing a risk/return profile that is "unexciting" (low volatility) and that can be utilized to help diversify a traditional/directional portfolio or to be used as an alternative to hedge funds. A traditional portfolio of equities and fixed income is essentially 2 one-way bets on an upward direction in those asset classes. Is that enough diversification? Put another way, if one believes there is a 75% chance of the market being up 12% in the next year, but a much smaller 25% chance of the market being down 15%, what is your expected return? $[0.75(12\%) + 0.25(-15\%)] = 5.25\%$. That's not very exciting and potentially damaging to an investor's wealth.

The portfolio allocations were re-optimized at the end of the quarter largely due to a portfolio manager change at one of our sub-advisors. David Bagby, who was the lead portfolio manager for Scout Investment Advisors, recently decided to leave their firm. While Scout had less than a 3% allocation in our portfolio, we decided to liquidate the account at this time and re-optimize the assets to our other sub-advisors. The rest of the Scout investment team remains in place and we will continue to track them. We are also actively looking at a few potential new sub-advisors for inclusion in the near future. (*See reverse under "Definitions")

NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE

The Adviser

Absolute Investment Advisers LLC. The Principals of Absolute Investment Advisers (the Adviser) have extensive experience in the mutual fund, hedge fund and financial services industries. Drawing on our combined expertise, we created the Absolute Strategies Fund for investors seeking an alternative to relative return investing and as an alternative to hedge funds. It is our belief that an absolute return objective is a common sense approach that investors and advisers will appreciate, especially when offered through an open-end mutual fund.

Consultant to the Adviser

Strategic portfolio analysis by Lipper. Lipper, Inc. serves as a consultant to the Adviser. Lipper provides proprietary portfolio analytics and methodologies to assist the Adviser in the selection and monitoring of the Fund's sub-advisers. The Adviser makes all sub-adviser selections and may use managers other than those identified in Lipper's analysis.



Fund Sub-Advisers

Sub Adviser	Primary Strategy for the Fund	Founded	Firm AUM
Aronson+Johnson+Ortiz, LP	Dollar-Neutral Long/Short Equity	1984	\$22.5 billion
Bernzott Capital Advisers	Concentrated Small Cap Equity	1994	\$406 million
Contravisory Research & Management Corp.	Quantitative/Technical Long/Short Equity	1972	\$315 million
Horizon Asset Management, Inc.	Synthetic Short Sale & Distressed Debt	1995	\$2.5 billion
Kinetics Asset Management, Inc.	Fundamental Long/Short Equity	1996	\$1.7 billion
Loomis, Sayles & Company, L.P.	Discretionary Fixed Income	1926	\$71 billion
Metropolitan West Asset Management, LLC	Discretionary Fixed Income	1996	\$13 billion
Moody Aldrich Partners, LLC	Value Equity	1988	\$700 million
* Scout Investment Advisors, Inc. (successor to UMBIA)	Fundamental & Technical Small Cap Equity	1928	\$7 billion
SSI Investment Management, Inc.	Hedged Convertible & Market Neutral Equity	1973	\$1.3 billion
* TT International Investment Management	Europe Long Equity (absolute return focus)	1988	\$10 billion
TWIN Capital Management, Inc.	Momentum Long/Short Market Neutral	1990	\$409 million
Yacktman Asset Management Co	Focused Equity	1992	\$1 billion

*The Adviser had not allocated assets to this Sub-Adviser at quarter-end. 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 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. The DJIA consists of 30 stocks that are considered to be major factors in their industries and that are widely held by individuals and institutional investors. The NASDAQ is an unmanaged index representing the market cap weighted performance of approximately 5,000 domestic common stocks traded on the NASDAQ exchange. The HFRI Indices are equally weighted performance indexes, utilized by numerous hedge fund managers as a benchmark for their own hedge funds. 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. Positive Months is the percentage of time (ITD) that the Fund had a positive monthly return.

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. Please Read the prospectus carefully before you invest.

ABSOLUTE Strategies
FUND

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