

Open End Mutual Fund

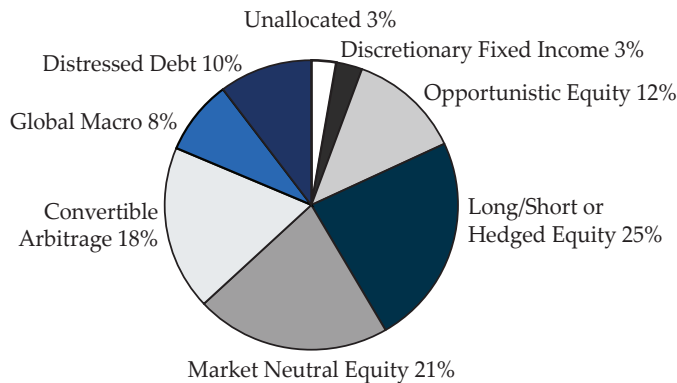
Investment Objective: The Fund seeks to achieve long-term capital appreciation with an emphasis on absolute (positive) returns and low correlation to traditional financial market indices such as the S&P 500. There can be no assurance the fund will achieve its objective.

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 09.30.08]

Breakdown by Sub-Adviser Strategy:



Cumulative Total Returns	3rd Quarter '08 at NAV	Inception to Date at NAV	Year to Date at NAV
I-Share (ASFIX)	(2.45%)	8.02%	(4.37%)
R-Share (ASFAX)	(2.54%)	6.75%	(4.72%)
C-Share (CASFX)	(2.75%)	4.67%	(5.26%)

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

Quarter-End Performance: As of 09/30/08, the 1-year and since inception annualized performance for I-Share was (3.99%) and 2.46%, respectively. The 1-year and since inception annualized performance for R-Share was (4.39%) and 2.08%, respectively. The 1-year and since inception performance for C-Shares was (5.08%) and 1.45%.

Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. For performance current to the most recent month-end, visit our website at www.absoluteadvisers.com. As stated in the current prospectus, the Fund's annual operating expense ratios (gross) for Class I, Class R and Class C Shares are 2.37, 2.72% and 3.45% respectively. Excluding the effect of expenses attributable to dividends on short sales, the Fund's total annual operating expense ratio was 1.88%, 2.23% and 2.96% for Institutional Shares, R-Shares and C-Shares respectively for the fiscal year ended March 31, 2008.

Effective August 1, 2008, the Class A Share no longer carry a sales load and are re-named Class R-Share. R-Share performance shown does not reflect the maximum 4.50% front end sales charge applicable to former A-Share. Had this sales charge been included, returns would have been lower.

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 sensitivity 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 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 09.30.08]

Number of Sub-Adviser Strategies: 14	Industry Groups: Over 50
Assets Under Management: \$950 million	Holdings: approx. 1500
Largest Strategy Allocation: 12.9%	Beta* to the S&P 500: 0.24
Long Securities: \$842 million	Standard Deviation*: 3.1%
Short Securities¹: (\$366 million)	¹ exposures include notional value of options & future hedges

Portfolio Commentary:

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 strategies. However, 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.

We are often asked, "How will you do if the S&P 500 is down 'x%'?" My usual response refers to our 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, 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 additional factors/events that have occurred:

1. Many respected hedge funds that have never had down years are down 10-20% YTD. ("September proves tough month for hedge funds," The Financial Times, October 3, 2008)
2. Fannie, Freddie, Bear Stearns, Merrill Lynch, Lehman, AIG, Washington Mutual, and Wachovia all had to be rescued or were bankrupt, resulting in negative ramifications across all investments.
3. GE, Goldman Sachs and Morgan Stanley required significant capital infusions.
4. Credit markets seized up to the point where T-bills yielded 0.05% during September.
5. All equity asset classes and most others collapsed by 15-35%, including; investment grade corp bonds fell 7% as of September 30th.
6. The Government had to provide a guarantee for money market funds and propose an increase to FDIC insurance on bank deposits.
7. 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 and has even been a bit lower during this period. 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,...

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(PORTFOLIO COMMENTARY CONTINUED)

...momentum strategies we warned about last quarter 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 environment, once leverage is unwound it cannot be added back. We did not use leverage, and thus, are not in a permanent loss position that may not 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 areas Warren Buffett has recently invested in or wished he could invest in.

While strong rallies are quite possible, the markets are unlikely to have any sustained advance for the foreseeable future. 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 are unavailable in certain manager strategies. Like everybody, I do not like losing money, but I also recognize when risk/reward trade-offs become highly attractive. 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 do not have the same level of confidence in most other investments.

We also view the current unwinding in the financial system as a major secular shift in investment management that will potentially 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 may level the playing field and may 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 may not be a sensible 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.

Absolute Advisers Philosophy & Strategy:

Our philosophy centers on a belief that long-term risk-adjusted performance is best achieved by utilizing independent money managers that focus on preservation of capital and asymmetric return opportunities. We provide access to several highly-skilled managers that offer diverse return profiles and can be managed and monitored in a transparent, daily-valued structure. We believe combining a limited number of idiosyncratic strategies will provide lower volatility and lower sensitivity to traditional market risks and will improve diversification for disciplined investors. Our investment team has an extensive understanding of the capital markets as well as direct experience managing hedge fund strategies. A thorough appreciation of how our investment team thinks about risks and manager selection is essential when making a decision to invest with us.

Fund Sub Advisers / Year Founded / Strategy

- Aronson+Johnson+Ortiz (1984):** Dollar-Neutral Long/Short Equity
- Bernzott Capital Advisers (1994):** Concentrated Small Cap Equity
- Contravisory Research & Management (1972):** Quantitative/Technical Long/Short
- GMB Capital Management (2005):** Global Macro
- Horizon Asset Management (1995):** Distressed Debt & Synthetic Short Sale
- Kinetics Asset Management (1996):** Global Long/Short Equity
- Kovitz Investment Group (2003):** Fundamental Long/Short Equity
- Metropolitan West (1996):** Opportunistic/Distressed Debt & Fixed Income
- Mohican Financial Management (2003):** Small/Mid-Cap Convertible Arbitrage
- SSI Investment Management (1973):** Convertible Arbitrage & Market Neutral Equity
- TWIN Capital Management (1990):** Momentum Long/Short Market Neutral
- Yacktman Asset Management Co. (1992):** Focused Equity

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

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. 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.

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.



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