
ABSOLUTE FUNDS

ANNUAL REPORT

MARCH 31, 2014

ABSOLUTE
INVESTMENT ADVISERS

The views in this report were those of Absolute Strategies Fund and Absolute Opportunities Fund's (each a "Fund" and collectively the "Funds") adviser as of March 31, 2014, and may not reflect their views on the date this report is first published or any time thereafter. These views are intended to assist shareholders in understanding their investment in the Funds 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 Funds utilize multi-manager strategies with multiple sub-advisers, they 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 rate 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 Funds' principal investment risks, please refer to each Fund's prospectus.

Beta is a 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 infers that about 50% of the fund's returns were explained by the performance of the index (the rest of the performance was independent of the index). 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 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.

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ABSOLUTE STRATEGIES FUND

A MESSAGE TO OUR SHAREHOLDERS

MARCH 31, 2014

Dear Shareholder,

We are pleased to present the annual report for the Absolute Strategies Fund (the "Fund") for the 12 month period ended March 31, 2014 (the "Period"). The Fund (Institutional Shares) returned -2.05% for the Period, versus 21.86% for the S&P 500 Index ("S&P 500") and 4.63% for the HFRX Global Hedge Fund Index.

Fund performance over the last year was a result of having defensive overall positioning. Fund assets were allocated to target very low net exposures. Fund beta to equity indices, bond indices, and hedge fund indices was purposely low and, at times, negative.

The Fund has been positioned defensively based on the belief that low economic growth globally and low cash flow/earnings growth for companies should result in an environment best suited for fundamental stock/bond pickers and those focused on avoiding risk. Instead, low economic growth, low earnings growth, valuation, and fundamentals as a whole seemed to have been mostly ignored during the year. Macro investing, speculation, and, ultimately, momentum seem to have dominated asset prices. The Fund was geared towards fundamentals in a year when fundamentals didn't seem to matter very much. We firmly believe that long-term equity market valuations are double historical averages and at levels that have only been met 3 other times in history: 1929, 2000, and 2007. Periods of highly correlated, short-term equity rallies in over-valued markets have not been kind to investors. As such, positioning the Fund to participate in such rallies would put it at risk of failing to achieve its objectives of avoiding large drawdowns and permanent loss of capital. These points are further analyzed in the philosophy and outlook section of this letter.

The Fund is designed with a high degree of flexibility to take a patient and conservative stance if we see the potential for significant losses in financial markets. The willingness and discipline to hedge and/or vary capital at risk to a substantial degree is just one thing that we believe separates the Fund from most mutual funds and many hedge funds. We believe investors, like the Fund, who are concerned about long-term diversification will ultimately be greatly rewarded for their patience.

We currently allocate the Fund's assets to eleven subadvisers (managers) that utilize twelve strategies. As of March 31, 2014, we allocated approximately 98% of the Fund's assets; the remaining 2% was held in cash for future allocations and rebalancing. Allocations to manager strategies were highly focused as of the Period end. The top five manager allocations made up almost 75% of Fund assets. The largest allocation to a single manager strategy was approximately 18% and the smallest was approximately 1%.

While conservative overall, the Fund has had significant long and short exposures. These exposures are achieved through a mix of equity, credit (or fixed income), and arbitrage strategies. It is important to note that we do not allocate to fill a strategy bucket. We view each manager strategy as unique and vary the Fund's allocations to achieve its objective of providing risk-adjusted performance. Equity, credit, and arbitrage strategies are currently the predominant Fund exposures; however, it is likely that the Fund will have different exposures over time as manager positions evolve.

Convertible arbitrage strategies made up approximately 20% of Fund assets as of March 31st. This included a mix of hedged income, credit, and volatility trading designed to generate moderate but consistent returns in the current environment. During the Period, these strategies generated single low digit returns on a net basis.

Credit strategies made up approximately 12% of Fund assets as of March 31st. This area is largely focused on asset-backed and non-agency residential mortgage backed securities. The Fund had very little corporate credit exposure given a lack of distressed securities and the fact that bond yields are near all-time lows. During the Period, these strategies generated returns in the high single digits.

Allocations to equity related strategies made up approximately 63% of Fund assets as of March 31st. This included long/short strategies, opportunistic equity strategies, special situations strategies, and a portfolio hedge. During the Period, these strategies produced a small aggregate loss in the low single digits. Over the past year, this group had a balance of both long and short positions. At times, the mix was even net short. The long equity

ABSOLUTE STRATEGIES FUND

A MESSAGE TO OUR SHAREHOLDERS

MARCH 31, 2014

portfolio is largely made up of large-cap companies within consumer staples, health care, and (legacy) technology companies. These are companies with strong brand names and competitive advantages. The short equity portfolio is largely made up of small-cap, cyclical, and financial companies (specifically those in Europe & Asia). These are companies that are trading at high valuations and/or are dependent on a high level of economic growth.

The biggest challenge to Fund performance has been on the short side. During the period, the Fund's long investments have performed consistent with our expectations, but below market levels due to the factors that have dominated asset prices noted above. The Fund has maintained a significant amount of short equity exposure, including short equity market futures, in large part because that is where we believe the largest mispricings to exist. This is similar to the approach we took leading up to 2008. However, back then roughly 30% of the Fund's assets were allocated to equity market neutral strategies with an additional 15% allocated to opportunistic long strategies that were hedged using an overlay strategy. Currently, we have removed all of our market neutral strategies and instead have increased our allocations to concentrated opportunistic long strategies (stock pickers) that we manage using an equity market futures overlay strategy. We believe the Fund's current positioning creates a similar overall net exposure to the concentrated opportunistic long strategies group as it had in 2008. The reason for this approach is that market neutral strategies are highly static and performance has not met our expectations due to crowded, quantitative positioning and low interest rates. Instead, we believe exposures that are more dynamic and fundamentally driven provide the Fund with a more asymmetric risk profile focused around valuation arbitrage and added liquidity.

With respect to the overlay strategy, during periods of excessive over-valuation or under-valuation in markets, we may utilize futures positions or other securities to provide added long exposure (under-valued markets) or short exposure (over-valued markets). This may result in the Fund having slightly more or less net exposure than usual, including the potential for certain areas of the Fund to have a slight net short bias which could have a negative or positive impact on performance when segments of the market are extremely overvalued or undervalued. Overall the Fund has a positive net exposure although it had a slight net short bias in equity sensitive investments as of March 31, 2014.

Additionally, the Fund has added allocations to several new managers that also have more flexibility to vary their net exposures between defensive (more short), or aggressive (more long). Those managers are also currently positioned defensively. The difference in the Fund's performance during the Period vs. prior periods of defensive positioning is the lack of divergence in prices of companies with positive vs. negative fundamentals. The recent share price appreciation of many of the companies in the Fund's short portfolio makes little sense to us given the multitude of data points that historically would have sent prices lower, e.g. missed revenue/earnings targets, negative guidance, and low or flat or negative earnings growth. However, we believe these divergences are likely to correct over the completion of the current market cycle and the Fund's performance will likely benefit.

Going forward, we could throw in the towel and cut the Fund's short exposure in hopes of generating slightly better short term results. Many hedge funds appear to have done just that. Yet doing so would run counter to our investment philosophy and everything that has allowed the Fund to achieve its objectives since its inception. Thus, we remain steadfast in our disciplined approach which we believe will produce solid risk-adjusted performance over a full market cycle.

The Fund's overall positioning *is not* meant to express a one-way directional bet on the markets. We believe it *is* designed to benefit from a convergence in price and valuation and between the long and short exposures. We believe this convergence will be driven by a renewed focus on asset-specific or company-specific fundamentals versus the focus on market momentum which seems to have driven market performance more recently.

It has been disappointing to watch the price and valuation gap between long and short positions widen over the last year. This is especially true considering many of the underlying fundamentals (low economic growth, low earnings growth and valuation) played out the way we thought they would. Given the foregoing, however, we are more excited about the portfolio. We believe that the potential for both absolute and relative performance is greater now than a year ago. We also expect the current lineup of managers to provide the Fund with added

ABSOLUTE STRATEGIES FUND

A MESSAGE TO OUR SHAREHOLDERS

MARCH 31, 2014

flexibility and a larger range of net exposures. This would include a much more aggressive profile and higher net exposure should equity and credit market volatility pick up and valuations move closer to historical averages.

Philosophy and Outlook

One of our Subadviser's portfolio managers, Robert Mark, recently wrote a quarterly letter highlighting how "groupthink" has caused many a seasoned professional to follow each other off a cliff toward bad decisions. Many studies have been done over the years illustrating how group pressure can alter opinion or even obvious facts. Robert highlights one study in particular by Solomon Asch, a social psychologist, who was well known for conformity experiments. In 1951, Asch brought together a group of students in a study and asked them to solve a set of problems. These were simple problems with obvious answers, such as whether or not two lines were the same length. However, several of the students were actors hired by Asch and their job was to purposely give the wrong answers in front of their peers to see if it would sway the students' opinions. Asch repeated the study with varying numbers of actor-students calling out the wrong answers. As a result, just one in four of the students consistently gave the right answer when their acting peers disagreed with them.

When everyone around gives an obviously wrong answer, many people tend to second-guess themselves for fear of embarrassment. Our natural desire to conform can undermine our rationality.

We believe a similar phenomenon is affecting the investment community, and it's as though the actor-peers that Solomon Asch used for this studies are influencing the community's view of the status quo. In support of our belief we have assembled a modest list of simple yet meaningful facts that are rarely discussed in public by the investing community. The following items may not be as obvious as whether or not two lines are the same length, but they should give pause to a reasonable person, who possesses a moderate understanding of finance and investing, as to whether the current market environment is divorced from fundamentals.

Corporate Earnings and Valuation:

Global equity operating earnings peaked in 2011, yet the MSCI World Equity Index rose almost 50% from 2011-2013 on no earnings growth.

S&P 500 operating earnings grew a cumulative total of 10% from 2011-2013 (expectations were for 36% growth), yet the index gained almost 55% over that time.

Russell 2000 operating earnings fell nearly 20% from 2011-2013 (expectations were for 100% growth), yet the index gained 60% over that time. The Russell 2000 operating P/E ratio is near 50 and the GAAP P/E is over 80. (Note: most published results of the Russell 2000 P/E ratio, such as iShares IWM ETF, now exclude companies with negative earnings and cap all other P/E ratios at 60 in an effort to make the index appear more reasonably valued).

The Shiller cyclically-adjusted P/E ratio of the S&P 500 recently reached 26, a level that has only been met 3 other times in over 130 years of data, 1929, 2000, and 2007; each peak preceded at least a 50% decline in the S&P 500.

Except for the 2000 peak, each of the Price/Sales ratio and Price/EBITDA ratio of the S&P 500 is the highest in history and double the historical average despite historically low growth for revenue and earnings.

Corporate profit margins have always been cyclical and have averaged 6% since 1950. If the S&P 500 profit margin reverted to 6% and maintained a Price to Earnings ratio of 15, the price of the S&P 500 based on current revenue would be around 1000; at a 7% margin it would be around 1150. The price of the S&P 500 as of March 31 was 1872.

ABSOLUTE STRATEGIES FUND

A MESSAGE TO OUR SHAREHOLDERS

MARCH 31, 2014

Economic and Macro Data:

China's banking assets total \$25 trillion and represent 33% of all Global GDP, higher than both Japan and the US at their respective bubble peaks. China credit growth has accounted for more than \$15 trillion of the \$30 trillion in worldwide credit growth since 2008. To put this in perspective, US subprime totaled \$1.2 trillion.

China and Emerging Markets have been the main drivers of economic growth since 2009. Growth has slowed dramatically since 2010 while debt levels have surged. The latest Markit PMI Index for Emerging Markets signaled near-stagnation conditions bordering on contraction.

45% of global imports flow through China and Emerging Markets compared to only 14% for U.S.

Real U.S. GDP growth was only 1.9% in 2013, which was actually lower than 2012's growth rate. The U.S. has been operating with \$1 trillion budget deficits augmented by \$1 trillion in Fed monetary liquidity to create about \$300 billion in annual economic growth.

Despite claims that the U.S. economy is going to reach sustained GDP growth of 3-4%, U.S. real GDP growth has only been 3% or higher in just 2 out of the past 13 years; both of which occurred during the housing bubble. The average growth rate of the U.S. economy since 1999 has been 1.9%, or right where we are now, even with tremendous stimulus. Q1 2014 GDP growth was near 0%.

Speculative and Miscellaneous concerns

NYSE margin debt is at historic highs and well beyond 2000 and 2007 peaks. U.S. Covenant Lite and PIK lending have surged well beyond 2006-2007 levels.

Many internet, biotech and technology stocks are trading at 1999 dot.com levels. Over the past 6 months, 74% of companies doing IPOs have no earnings, the highest level since March 2000.

The Federal Reserve ("Fed") has said Quantitative Easing helps to keep interest rates low, yet the yield on the U.S. 10-yr note doubled from July 2012 to December 2013. The Bankrate.com 30-yr mortgage rate rose from 3.4% to 4.5% in 2013.

According to Dallas Fed President Fisher, by the end of QE3 the Fed will hold more than 40% of the mortgage-backed securities ("MBS") market and almost 25% of outstanding Treasuries. With the decline in mortgage supply, the Fed's QE is absorbing 85% of fixed-rate MBS issuance; the fall in net MBS supply is outpacing the taper.

Greece, an economy on the verge of bankruptcy with debt to GDP of 175% and a 27% unemployment rate, recently issued 5-yr bonds with a coupon of 4.75%, and a yield of 4.95%. Spain's 5-yr yield has fallen to parity with both US and UK equivalents (Spanish GDP has not recovered and growth has been negative, unemployment is over 25%, house prices are down 30% and loan delinquencies are over 13%).

The correlation of the HFRI Equity Hedge Index to the Russell 2000 is 90%. The correlation of the HFRI Fund of Funds Index to the S&P 500 is over 80%. Both indices have become more sensitive to equity market beta as the market has become more expensive.

We believe the above facts are very important. There's no need to defend or object to them because they are basic facts (although we are sure readers will be surprised by many of them). Yet, despite these facts, investor sentiment appears to be uniformly bullish. Overall, however, we believe financial markets have spent the past couple of years discounting a future economic and earnings environment that remains unfulfilled and may now be well out of reach. As suggested above, in our view it's not a stretch to place fair value on the S&P 500 around 1000. That doesn't mean the market needs to drop there immediately, but we believe it does mean that the market has already priced in an incredible future scenario.

ABSOLUTE STRATEGIES FUND

A MESSAGE TO OUR SHAREHOLDERS

MARCH 31, 2014

We continue to be amazed by the counterintuitive desire to go long risk in overvalued markets, yet shun risk when markets are undervalued; for so-called “hedge” funds to be doing this is extraordinary. Not only do we see investor preference for risky assets, investors are choosing investments, including higher-beta hedge funds, which have been highly correlated with a market advance devoid of fundamental reasoning. In effect, investors are choosing the highest point in the market cycle to take on aggressive allocations after avoiding aggressive tactics near the low point of the market cycle. From our point of view, this can only be explained by the fear of non-conformity. We view this environment, in which markets are heavily influenced by central bank determinations and QE inspirations, as very fragile and ultimately unsustainable.

Along with other well respected investment managers, we believe in order to achieve investment success over time you must be able to take on non-consensus and sometimes uncomfortable ideas. Most money managers and asset allocators never need to worry about “looking” wrong because they are either passive or they hug a benchmark. Unfortunately for their investors, not looking wrong has absolutely nothing to do with investment risk or avoiding large losses. This ultimately defines our willingness to be uncomfortable and not take the same actions as everyone else. Understanding that the financial industry is currently built on conformity vs. rationality gives us tremendous optimism. The short term periods when are Fund zigs and the overall market zags is exactly what is required for diversification to work over a full market cycle. When the reverse is true, as it has been in the past, our Fund’s performance will likely provide returns that are equally impressive. Given the very high correlations of both traditional and alternative investments to equity markets, we believe the Fund may be one of a very few things in a portfolio that provide real and meaningful diversification.

Sincerely,



Jay Compson
Portfolio Manager
Absolute Investment Advisers LLC

Sources:

St. James Investment Company LLC, Bloomberg, Zero Hedge, Dallas Federal Reserve, yale.edu/shiller, Federal Reserve Bank of St. Louis, iShares.com, Longhorn Capital, U.S. Treasury, Wall Street Journal

Dear Shareholder,

We are pleased to present the annual report for the Absolute Opportunities Fund (the “Fund”) for the year ended March 31, 2014 (the “Period”). As a reminder, the Fund was created to access a concentrated number of market inefficiencies and securities mis-pricings and is designed to complement the Absolute Strategies Fund. Many of the Fund’s positions are catalyst or event driven and, at times, may include highly contrarian investments. As such, the Fund is not intended to perform in line with other asset classes. The Fund returned -5.16% over the Period versus 21.86% for the S&P 500 Index and 4.63% for the HFRX Global Hedge Fund Index.

Fund performance over the last year was a result of having significant short exposure during a time when equity and credit (or fixed income) markets went up despite a multitude of data points that historically would have sent prices lower, e.g. missed revenue/earnings targets, negative guidance, low or flat or negative earnings growth. The Fund’s short credit instruments experienced a negative carry, which was largely responsible for the Fund’s loss. We believe the Fund’s long investments performed quite well, however, due to the low beta nature of the Fund’s long portfolio, returns were less than market indices.

To best understand Fund performance and Fund exposures, we believe it is helpful to think of the Fund as having experienced two distinct periods over its history.

2008 (Inception) - 2011

We designed the Fund in early 2008 based on the premise that financial markets were likely to experience some kind of distressed credit environment. The Fund’s original investment manager (“Subadviser”) line-up was geared toward managers with particular expertise in distressed debt, special situations (re-capitalizations, re-organizations), and investing in highly leveraged companies based on in-depth analyses of their capital structures. The Fund also included Subadvisers whose strategies could take advantage of expected equity market volatility.

That distressed environment *did* materialize for a period of time and the Fund took advantage of a number of opportunities in both the equity and credit markets while many other managers of “alternative” strategies appeared to be sitting on the sidelines. Most of these opportunities occurred on the long side, resulting in strong performance from inception in October of 2008 through December of 2011 with the Fund returning 29.81% versus 11.47% and 1.21% for the S&P 500 Index and the HFRX Global Hedge Fund Index, respectively. The Fund’s beta to the S&P 500 during that period was just 0.15 highlighting the unique nature of the Fund’s returns.

2012 - Present

This period represents a much different market environment. By 2011, we believe it was clear that a combination of government stimulus (monetary & fiscal) and accounting rule changes effectively ended the distressed cycle much earlier than would have otherwise occurred. Many debts were refinanced, amended, and/or extended rather than being allowed to default. As a result, we were forced us to re-think the Fund’s roster of Subadvisers and shift Fund allocations to achieve what we believe to be a more balanced long and short positioning.

During 2012 – 2013, the Fund did not have a significant long bias and we found it difficult to generate meaningful performance for the Fund. In those years, high beta was rewarded and short exposures were punished. In fact, short exposures suffered despite deteriorating fundamentals for many companies.

Recently we have chosen to maintain that balance of long and short investments rather than throw in the towel on the short side. Indeed, we believe that the largest mis-pricings in the Fund at this point, and therefore the most attractive opportunities, are in the Fund’s short investments. Thus, we think the Fund’s collection of longs and shorts represents a highly unique portfolio that has the ability to generate solid risk-adjusted performance over the next few years without relying on market beta.

The Fund’s long investments are largely made up of a concentrated group of special situations equities (selected by Pine Cobble Capital & Sabal Capital). Special situations in which companies may find themselves include those

that are a result of a capital structure change (e.g. spin-off), a company operational change (e.g. MLP conversion). A misunderstood company with a unique business prospect (e.g. new product launch) may also be considered a special situations company. Such special situation companies tend to be lower beta investments that don't necessarily track the equity markets in up or down periods.

The Fund's short investment strategies are largely dominated by a short-biased investment grade credit strategy (implemented by LakeWater Capital). The Fund also achieves short exposure through an equity market futures overlay strategy. The short-biased investment grade credit strategy has been discussed at length in previous commentaries. As a reminder, it is focused on a highly concentrated group of positions where LakeWater Capital believes there is a mismatch between the credit spread and balance sheet risk of an issuer company. The Fund's allocation to this strategy has increased significantly over the past few years as credit spreads have narrowed despite balance sheet risk actually going up in some cases. Simply put, we've increased the allocation as these mismatches have grown. With respect to the overlay strategy, during periods of excessive over-valuation or under-valuation in markets, we may utilize futures positions or other securities to provide added long exposure (undervalued markets) or short exposure (over-valued markets). This may result in the Fund having slightly more or less net exposure than usual, including the potential for certain areas of the Fund to have a slight net short bias which could have a negative or positive impact on performance when segments of the market are extremely overvalued or undervalued. The Fund currently has a slight net short bias in equity sensitive investments. The Fund also utilizes a long/short strategy (managed by Harvest Capital) focused on agricultural related companies. We think this strategy is attractive because of longer-term secular tailwinds that we believe will propel the agriculture industry and because near-term supply chain dynamics create shorter-term dislocations. Again, this is a lower beta strategy that we believe will do well over time but not necessarily keep up with rising equity markets.

We continue to look for ways to improve Fund exposures and performance. As always, our analysis will be based on an investment approach of sourcing mis-priced securities, long and short. It won't be based on momentum or guessing on market direction or simply on what worked over the last 6 or 12 months.

As a result, our approach will likely lead the Fund to have performance that looks very different from many other investment funds. At times that may appear great. At times that may feel disappointing. Over a long period of time, however, we believe the Fund will generate solid risk-adjusted returns and help diversify investor portfolios.

Sincerely,



Jay Compson
Portfolio Manager
Absolute Investment Advisers LLC

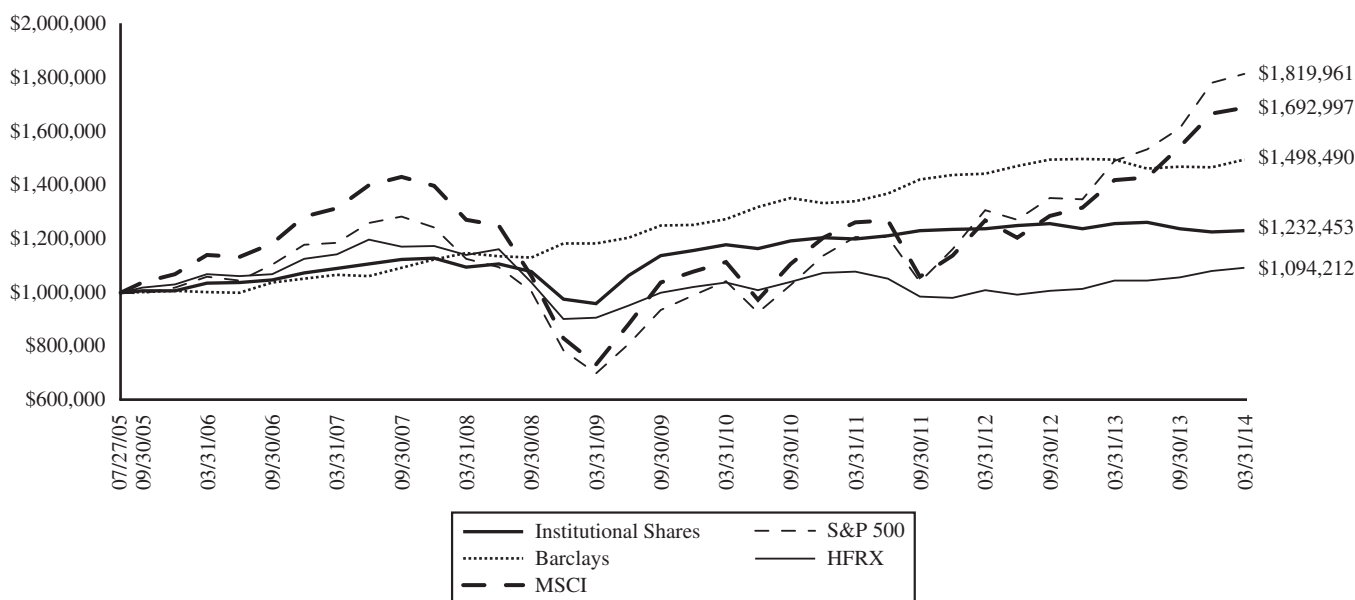
ABSOLUTE STRATEGIES FUND

PERFORMANCE CHART AND ANALYSIS

MARCH 31, 2014

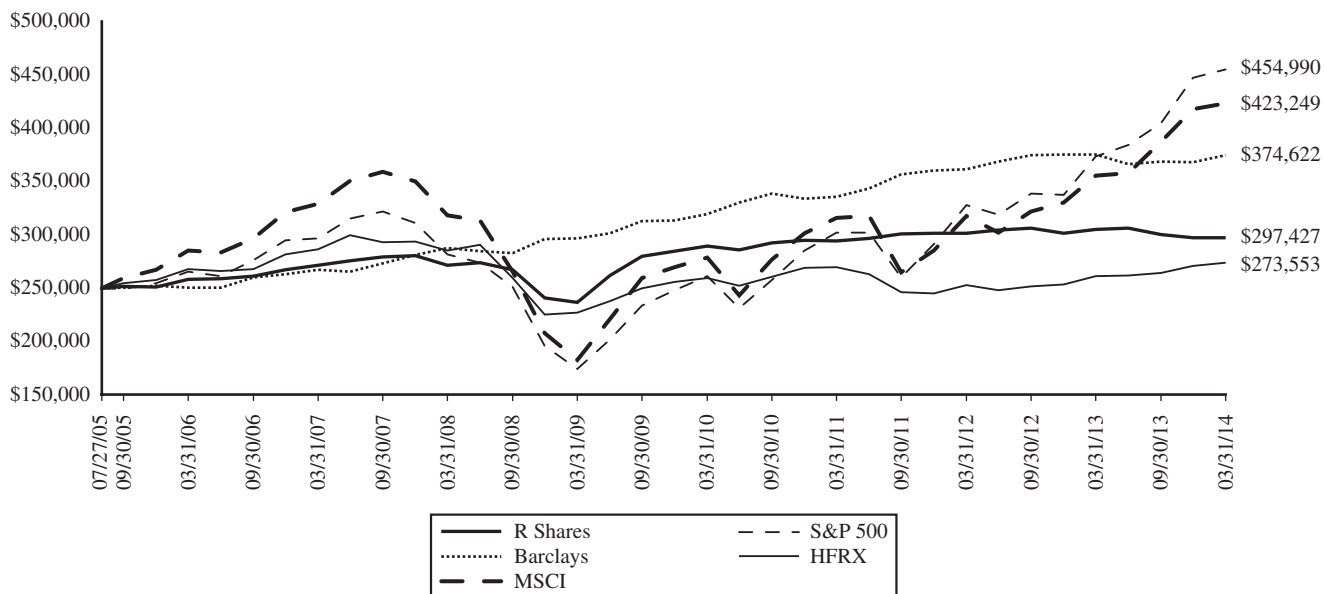
The following charts reflect the change in the value of a hypothetical \$1,000,000 investment in Institutional Shares and a \$250,000 investment in R Shares, including reinvested dividends and distributions, in the Absolute Strategies Fund (the “Fund”) compared with the performance of the benchmarks, the S&P 500 Index (“S&P 500”), Barclays Capital U.S. Aggregate Bond Index (“Barclays Index”), the HFRX Global Hedge Fund Index (“HFRX”) and the MSCI World Index (“MSCI World”) since inception. The S&P 500 is a broad-based, unmanaged measurement of changes in stock market conditions based on the average of 500 widely held common stocks. The Barclays Index covers the U.S. dollar-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities. The HFRX 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 MSCI World measures the performance of a diverse range of 24 developed countries’ stock markets including the United States, Canada, Europe, the Middle East and the Pacific. The total return of the indices include reinvestment of dividends and income. The total return of the Fund includes operating expenses that reduce returns, while the total return of the indices do not include expenses. The Fund is professionally managed while the indices are unmanaged and are not available for investment.

**Comparison of Change in Value of a \$1,000,000 Investment
Institutional Shares vs. S&P 500 Index, Barclays Capital U.S. Aggregate Bond Index,
HFRX Global Hedge Fund Index and MSCI World Index**



Average Annual Total Return as of 03/31/14	One Year	Five Years	Commencement of Investment Operations 07/27/05
Absolute Strategies Fund — Institutional Shares	-2.05%	5.12%	2.44%
S&P 500 Index	21.86%	21.16%	7.15%
Barclays Capital U.S. Aggregate Bond Index	-0.10%	4.80%	4.77%
HFRX Global Hedge Fund Index	4.63%	3.82%	1.04%
MSCI World Index	19.07%	18.28%	6.26%

**Comparison of Change in Value of a \$250,000 Investment
 R Shares vs. S&P 500 Index, Barclays Capital U.S. Aggregate Bond Index,
 HFRX Global Hedge Fund Index and MSCI World Index**



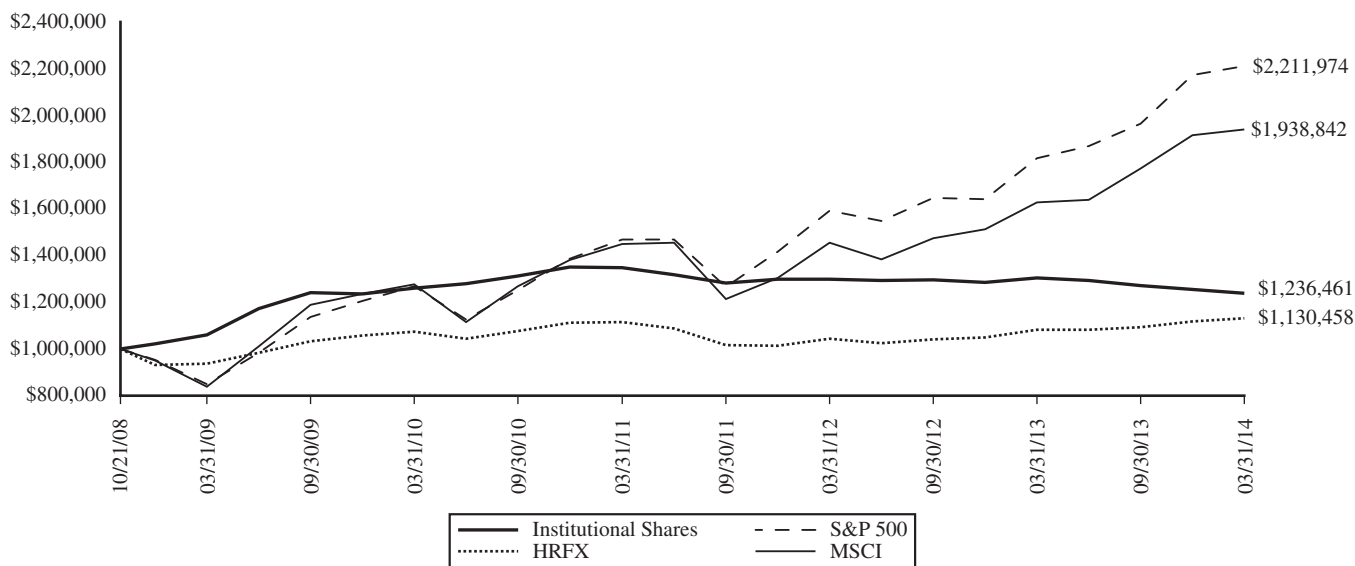
<u>Average Annual Total Return as of 03/31/14</u>	<u>One Year</u>	<u>Five Years</u>	<u>Commencement of Investment Operations 07/27/05</u>
Absolute Strategies Fund — R Shares	-2.50%	4.66%	2.02%
S&P 500 Index	21.86%	21.16%	7.15%
Barclays Capital U.S. Aggregate Bond Index	-0.10%	4.80%	4.77%
HFRX Global Hedge Fund Index	4.63%	3.82%	1.04%
MSCI World Index	19.07%	18.28%	6.26%

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 shares, when redeemed, may be worth more or less than original cost. For the most recent month-end performance please call (888) 992-2765. As stated in the Fund's prospectus, the annual operating expense ratios (gross) for Institutional Shares and R Shares are 2.47% and 2.87%, respectively. Excluding the effect of expenses attributable to dividends and interest on short sales, the Fund's total annual operating expense ratios would be 1.74% and 2.14% for Institutional Shares and R Shares, respectively. However, the Fund's adviser has agreed to contractually reduce its advisory fee to 1.55% on average net assets exceeding \$4.5 billion but less than \$5 billion and to 1.50% on the average net assets exceeding \$5 billion through July 31, 2014. 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. Returns greater than one year are annualized.

ABSOLUTE OPPORTUNITIES FUND
 PERFORMANCE CHART AND ANALYSIS
 MARCH 31, 2014

The following chart reflects the change in the value of a hypothetical \$1,000,000 investment in Institutional Shares, including reinvested dividends and distributions, in the Absolute Opportunities Fund (the “Fund”) compared with the performance of the benchmarks, the S&P 500 Index (“S&P 500”), HFRX Global Hedge Fund Index (“HFRX”), and the MSCI World Index (“MSCI World”), since inception. The S&P 500 is a broad-based, unmanaged measurement of changes in stock market conditions based on the average of 500 widely held common stocks. The HFRX 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 MSCI World measures the performance of a diverse range of 24 developed countries’ stock markets including the United States, Canada, Europe, the Middle East and the Pacific. The total return of the indices include reinvestment of dividends and income. The total return of the Fund includes operating expenses that reduce returns, while the total return of the indices do not include expenses. The Fund is professionally managed while the indices are unmanaged and are not available for investment.

**Comparison of Change in Value of a \$1,000,000 Investment
 Absolute Opportunities Fund vs. S&P 500 Index,
 HFRX Global Hedge Fund Index and MSCI World Index**



Average Annual Total Return as of 03/31/14	One Year	Five Years	Commencement of Investment Operations 10/21/08
Absolute Opportunities Fund — Institutional Shares	-5.16%	3.14%	3.98%
S&P 500 Index	21.86%	21.16%	15.71%
HFRX Global Hedge Fund Index	4.63%	3.82%	2.28%
MSCI World Index	19.07%	18.28%	12.94%

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 shares, when redeemed, may be worth more or less than original cost. For the most recent month-end performance please call (888) 992-2765. As stated in the Fund’s prospectus, the annual operating expense ratio (gross) is 4.00%. Excluding the effect of expenses attributable to dividends and interest on short sales, the Fund’s total annual operating expense ratio would be 3.01%. However, the Fund’s adviser has agreed to contractually waive a portion of its fees and to reimburse expenses to limit total annual operating expenses to 1.95% (excluding all interest, taxes, portfolio transaction expenses, dividends and interest expense on short sales, acquired fund fees and expenses, proxy expenses, and extraordinary expenses), for the period January 1, 2014 to August 1, 2015. 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. Returns greater than one year are annualized.

ABSOLUTE STRATEGIES FUND

PORTFOLIO HOLDINGS SUMMARY (Unaudited)

MARCH 31, 2014

Portfolio Breakdown (% of Net Assets)	
Long Positions	
Equity Securities	37.6%
Asset Backed Obligations	6.5%
Corporate Convertible Bonds	17.7%
Corporate Non-Convertible Bonds	2.6%
Exchange Traded Notes	0.0%
Foreign Government Bonds	0.0%
Interest Only Bonds	0.1%
Municipal Bonds	0.5%
Municipal Demand Notes	0.1%
Syndicated Loans	0.1%
U.S. Government & Agency Obligations	1.0%
Rights	0.0%
Investment Companies	9.1%
Short-Term Investments	0.3%
Purchased Options	1.6%
Short Positions	
Equity Securities	-27.6%
Investment Companies	-1.5%
Written Options	-1.1%
Other Assets less Liabilities*	53.0%
	100.0%

* Consists of deposits with the custodian and/or brokers for securities sold short, cash, foreign currency, prepaid expenses, receivables, payables and accrued liabilities. Deposits with the custodian and/or brokers for securities sold short represents 40.1% of net assets. See Note 2.

Sector Breakdown	(% of Equity Holdings)	
	Long	Short
Consumer Discretionary	17.1%	20.8%
Consumer Staples	22.1%	5.1%
Energy	9.1%	2.2%
Financial	16.7%	30.3%
Healthcare	7.7%	2.9%
Industrial	5.4%	20.6%
Information Technology	11.1%	9.8%
Materials	3.7%	4.3%
Telecommunication Services	6.9%	4.0%
Utilities	0.2%	0.0%
	100.0%	100.0%

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2014

Shares	Security Description	Value	Shares	Security Description	Value
Long Positions - 77.2%			Energy - 3.1%		
Equity Securities - 37.6%			225,000	Apache Corp.	\$ 18,663,750
Common Stock - 36.6%			60,000	ConocoPhillips	4,221,000
Consumer Discretionary - 6.4%			8,692	Continental Resources, Inc. (a)	1,080,155
40,000	Apollo Education Group, Inc. (a)	\$ 1,369,600	406,200	Enbridge, Inc.	18,486,162
186,700	Bed Bath & Beyond, Inc. (a)(b)(c)(d)	12,844,960	168,000	EnSCO PLC, Class A	8,867,040
158,300	CarMax, Inc. (a)(b)(c)(d)	7,408,440	120,000	Exxon Mobil Corp.	11,721,600
147,500	Coach, Inc. (b)(c)(d)	7,324,850	106,000	National Oilwell Varco, Inc.	8,254,220
309,500	CVS Caremark Corp. (b)(c)(d)	23,169,170	61,519	Ocean Rig UDW, Inc. (a)(b)	1,094,423
152,600	DIRECTV (a)(b)(c)(d)	11,661,692	400,000	Spectra Energy Corp.	14,776,000
4,346	Dunkin' Brands Group, Inc.	218,082			<u>87,164,350</u>
100,000	eBay, Inc. (a)	5,524,000	Financial - 5.9%		
78,212	General Motors Co. (c)(d)	2,692,057	1,135	Affiliated Managers Group, Inc. (a)(b)	227,057
7,704	Google, Inc., Class A (a)(b)(c)(d)	8,586,185	80,000	American Express Co. (b)(c)(d)	7,202,400
16,974	Hanesbrands, Inc. (b)	1,298,172	266,900	American International Group, Inc. (b)(c)(d)	13,347,669
581,400	Hertz Global Holdings, Inc. (a)(b)(c)(d)	15,488,496	52,100	Aon PLC (b)	4,390,988
242,800	Kohl's Corp. (b)(c)(d)	13,791,040	83,400	Bancorp, Inc. (a)	1,568,754
4,346	Las Vegas Sands Corp.	351,070	601,300	Bank of America Corp. (b)(c)(d)	10,342,360
38,000	McDonald's Corp. (b)	3,725,140	50	Berkshire Hathaway, Inc., Class A (a)(b)	9,367,505
8,692	MGM Resorts International (a)	224,775	171,700	Berkshire Hathaway, Inc., Class B (a)(b)(c)(d)	21,457,349
633,588	Office Depot, Inc. (a)(b)	2,616,718	13,037	Blackstone Group LP	433,480
184,200	Target Corp. (b)(c)(d)	11,145,942	276,352	DFC Global Corp. (a)(b)	2,440,188
5,215	Tesla Motors, Inc. (a)	1,087,067	470	Fairfax Financial Holdings, Ltd.	203,557
21,730	The Goodyear Tire & Rubber Co.	567,805	214,600	JPMorgan Chase & Co. (b)(c)(d)	13,028,366
72,300	The Walt Disney Co. (b)(c)(d)	5,789,061	354,700	Leucadia National Corp. (b)	9,931,600
100,000	Viacom, Inc., Class B	8,499,000	189,700	Ocwen Financial Corp. (a)	7,432,446
239,800	Walgreen Co. (b)(c)(d)	15,833,994	34,856	Rayonier, Inc. REIT (b)	1,600,239
202,200	Wal-Mart Stores, Inc. (b)(c)(d)	15,454,146	150,000	Resource America, Inc., Class A	1,285,500
60,500	Weight Watchers International, Inc. (b)(c)(d)	1,242,670	30,421	Square 1 Financial, Inc. (a)	611,462
1,738	Wynn Resorts, Ltd.	386,097	588,100	The Bank of New York Mellon Corp. (b)(c)(d)	20,754,049
		<u>178,300,229</u>	72,500	The Travelers Cos., Inc. (b)	6,169,750
Consumer Staples - 8.2%			266,750	Wells Fargo & Co. (b)(c)(d)	13,268,145
102,000	Aggreko PLC	2,578,560	420,000	WR Berkley Corp.	17,480,400
317,500	Avon Products, Inc.	4,648,200			<u>162,543,264</u>
70,000	Campbell Soup Co. (b)	3,141,600	Healthcare - 2.8%		
200,000	Express Scripts Holding Co. (a)	15,018,000	82,600	Abbott Laboratories (b)(c)(d)	3,180,926
399,780	Great Lakes Dredge & Dock Corp. (a)(b)	3,649,992	32,655	Alere, Inc. (a)	1,121,699
88,000	Hengan International Group Co., Ltd.	915,200	63,000	Becton Dickinson and Co.	7,376,040
265,000	Molson Coors Brewing Co., Class B	15,597,900	77,300	CR Bard, Inc.	11,438,854
180,000	Nestle SA, ADR	13,539,600	120,000	Johnson & Johnson (c)(d)	11,787,600
510,000	PepsiCo, Inc. (b)	42,585,000	175,000	Medtronic, Inc.	10,769,500
211,010	Philip Morris International, Inc.	17,275,389	180,000	Novartis AG, ADR	15,303,600
960,000	Sysco Corp.	34,684,800	150,000	Stryker Corp.	12,220,500
76,400	The Clorox Co.	6,723,964	40,000	WeillPoint, Inc.	3,982,000
811,400	The Coca-Cola Co. (c)(d)	31,368,724			<u>77,180,719</u>
370,000	The Procter & Gamble Co.	29,822,000	Industrial - 2.0%		
638,385	TherapeuticsMD, Inc. (a)(b)	4,028,209	95,000	CH Robinson Worldwide, Inc.	4,977,050
		<u>225,577,138</u>	10,215	EnPro Industries, Inc. (a)(b)	742,324

ABSOLUTE STRATEGIES FUND
SCHEDULE OF INVESTMENTS
MARCH 31, 2014

Shares	Security Description	Value
460,400	Expeditors International of Washington, Inc. (b)(c)(d)	\$ 18,245,652
151,704	Global Brass & Copper Holdings, Inc. (b)	2,392,372
44,943	ITT Corp. (b)	1,921,763
62,252	KBR, Inc.	1,660,883
173,747	Quality Distribution, Inc. (a)(b)	2,256,973
35,768	Rock-Tenn Co., Class A (b)	3,776,028
87,500	The Boeing Co. (b)(c)(d)	10,980,375
152,365	Tutor Perini Corp. (a)(b)	4,368,305
41,100	United Parcel Service, Inc., Class B (b)(c)(d)	4,002,318
		<u>55,324,043</u>
Information Technology - 4.2%		
130,800	Accenture PLC, Class A (b)(c)(d)	10,427,376
29,750	Apple, Inc. (b)(d)	15,968,015
109,486	CareView Communications, Inc. (a)	72,261
107,500	Check Point Software Technologies, Ltd. (a)	7,270,225
502,500	Corning, Inc. (b)(c)(d)	10,462,050
102,400	Electronic Arts, Inc. (a)(b)	2,970,624
244,584	FormFactor, Inc. (a)(b)	1,562,892
20,100	Hewlett-Packard Co.	650,436
75	International Business Machines Corp.	14,437
29,000	Intuit, Inc. (b)	2,254,170
21,730	Micron Technology, Inc. (a)	514,132
860,000	Microsoft Corp. (d)	35,251,400
64,597	NCR Corp. (a)(b)	2,361,020
440,000	Oracle Corp.	18,000,400
32,000	QUALCOMM, Inc. (b)(d)	2,523,520
10,864	Salesforce.com, Inc. (a)	620,226
40,241	Silicon Graphics International Corp. (a)	494,159
63,369	Skyworks Solutions, Inc. (a)(b)	2,377,605
4,346	Tableau Software, Inc., Class A (a)	330,643
27,549	Verint Systems, Inc. (a)(b)	1,291,910
19,387	Vocera Communications, Inc. (a)	316,590
		<u>115,734,091</u>
Materials - 1.4%		
19,210	Century Aluminum Co. (a)	253,764
111,002	Constellium NV, Class A (a)(b)	3,257,909
230,000	Franco-Nevada Corp.	10,547,800
149,242	Noranda Aluminum Holding Corp.	613,384
68,000	Praxair, Inc.	8,905,960
165,000	Royal Gold, Inc.	10,332,300
43,600	Sigma-Aldrich Corp.	4,071,368
		<u>37,982,485</u>
Telecommunication Services - 2.6%		
800,000	Cisco Systems, Inc.	17,928,000
127,628	CommScope Holding Co., Inc. (a)(b)	3,149,859
45,017	Comverse, Inc. (a)(b)	1,556,688
26,075	Facebook, Inc., Class A (a)	1,570,758

Shares	Security Description	Value	
42,246	FTD Cos., Inc. (a)	\$ 1,343,845	
120,089	Lee Enterprises, Inc. (a)(b)	536,798	
159,014	News Corp., Class A (a)(b)	2,738,221	
300,000	Orange SA, ADR	4,407,000	
8,692	Palo Alto Networks, Inc. (a)	596,271	
15,210	Pandora Media, Inc. (a)	461,167	
477,984	Parkervision, Inc. (a)(b)	2,294,323	
2,173	Qihoo 360 Technology Co., Ltd., ADR (a)	216,388	
364,000	Spark Networks, Inc. (a)	1,903,720	
6,519	Splunk, Inc. (a)	466,043	
89,538	Telephone & Data Systems, Inc. (b)	2,346,791	
700,000	Twenty-First Century Fox, Inc., Class B	21,784,000	
52,363	Verizon Communications, Inc. (b)	2,490,908	
113,578	Vitacost.com, Inc. (a)(b)	805,268	
108,600	Vodafone Group PLC, ADR (b)	3,997,566	
		<u>70,593,614</u>	
Utilities - 0.0%			
49,903	Dynegy, Inc. (a)(b)	1,244,581	
Total Common Stock (Cost \$756,844,277)			
		<u>1,011,644,514</u>	
Shares	Security Description	Rate	Value
Preferred Stock - 1.0%			
Consumer Staples - 0.2%			
18,089	Bunge, Ltd. (b)	4.88%	1,912,912
6,472	Post Holdings, Inc. (b)(e)	3.75	824,274
1,252	Universal Corp. (b)	6.75	1,591,135
			<u>4,328,321</u>
Energy - 0.3%			
1,299	Chesapeake Energy Corp. (b)(e)	5.75	1,458,940
4,349	Energy XXI Bermuda, Ltd. (b)	5.63	1,181,025
12,844	Goodrich Petroleum Corp., Series B (b)	5.38	543,301
4,710	Penn Virginia Corp., Series A (b)	6.00	1,418,087
20,954	Sanchez Energy Corp. (b)	4.88	1,568,931
6,620	Sanchez Energy Corp., Series B (e)	6.50	505,503
6,236	SandRidge Energy, Inc. (b)	7.00	629,446
			<u>7,305,233</u>
Financial - 0.4%			
56,652	Alexandria Real Estate Equities, Inc. REIT, Series D (b)	7.00	1,522,239
20,316	AMG Capital Trust II (b)	5.15	1,306,573
368	Bank of America Corp., Series L (b)	7.25	422,142
20,298	Health Care REIT, Inc., Series I (b)	6.50	1,127,148
16,503	iStar Financial, Inc. REIT, Series J (b)	4.50	1,064,443
5,148	KeyCorp, Series A (b)	7.75	669,137

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2014

Shares	Security Description	Rate	Value	Principal	Security Description	Rate	Maturity	Value	
15,413	Lexington Realty Trust REIT, Series C	6.50%	\$ 722,870	\$ 124,382	Adjustable Rate Mortgage Trust, Series 2005-3 8A32 (b)(h)	0.47%	07/25/35	\$ 120,248	
528	OFG Bancorp, Series C (b)	8.75	844,932						
1,375	Wells Fargo & Co., Series L	7.50	1,612,875						
1,141	Wintrust Financial Corp., Series C (b)	5.00	1,475,741	1,227,225	Adjustable Rate Mortgage Trust, Series 2006-1 2A1 (h)	2.99	03/25/36	944,585	
			<u>10,768,100</u>						
Healthcare - 0.1%									
3,639	Alere, Inc., Series B (b)	3.00	1,049,542	65,657	Adjustable Rate Mortgage Trust, Series 2006-1 3A3 (h)	2.75	03/25/36	50,047	
70	HealthSouth Corp. (b)(e)	6.50	91,280						
591	HealthSouth Corp., Series A (b)	6.50	770,664	400,000	Alm Loan Funding, Series 2012-7A A1 (e)(h)	1.66	10/19/24	399,380	
10,378	Omnicare Capital Trust II, Series B (b)	4.00	763,432	850,885	Alta Wind Holdings, LLC (e)	7.00	06/30/35	936,675	
			<u>2,674,918</u>						
Industrial - 0.0%									
18,041	Continental Airlines Finance Trust II (b)	6.00	911,071	1,940,801	American Airlines Pass Through Trust, Series 2013-2 Class A (b)(e)	4.95	01/15/23	2,091,213	
Materials - 0.0%									
32,397	ArcelorMittal, Series MTUS (b)	6.00	776,880	195,316	American Home Mortgage Assets Trust, Series 2007-4 A2 (h)	0.34	08/25/37	181,631	
Telecommunication Services - 0.0%									
6,790	Iridium Communications, Inc. (b)(e)	7.00	700,219	903,629	ARES XII CLO, Ltd., Series 2007-12A A (e)(h)	0.86	11/25/20	899,487	
Utilities - 0.0%									
20,534	CenterPoint Energy, Inc. (b)(g)	3.72	1,085,735	1,125,148	Asset Backed Funding Certificates, Series 2007-NC1 M2 (e)(h)	1.40	05/25/37	7,216	
	Total Preferred Stock (Cost \$20,764,526)		<u>28,550,477</u>						
	Total Equity Securities (Cost \$777,608,803)		<u>1,040,194,991</u>						
				1,285,000	Astoria Depositor Corp. (e)	8.14	05/01/21	1,349,250	
Fixed Income Securities - 28.6%									
Asset Backed Obligations - 6.5%									
\$ 480,884	ACE Securities Corp. Home Equity Loan Trust, Series 2007-HE1 A2A (h)	0.24	01/25/37	283,399	500,000	Axis Equipment Finance Receivables, LLC, Series 2012-1I D (b)(f)	5.50	11/20/15	502,150
873,283	ACS Pass Through Trust, Series 2007-1A G1 (b)(e)(h)	0.46	06/14/37	830,754	500,000	Axis Equipment Finance Receivables, LLC, Series 2012-1I E1 (b)(f)	6.25	04/20/16	503,160
1,387,668	Adjustable Rate Mortgage Trust, Series 2005-11 2A41 (h)	2.63	02/25/36	1,340,734	550,000	Axis Equipment Finance Receivables, LLC, Series 2012-1I E2 (b)(f)	7.00	03/20/17	529,594
98,426	Adjustable Rate Mortgage Trust, Series 2005-12 2A1 (h)	2.79	03/25/36	76,784					

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2014

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 1,067,031	Banc of America Alternative Loan Trust, Series 2005-2 4A1	5.50%	03/25/20	\$ 1,117,435	\$ 193,705	Bear Stearns Adjustable Rate Mortgage Trust, Series 2007-5 1A1 (h)	2.68%	08/25/47	\$ 144,517
215,732	Banc of America Alternative Loan Trust, Series 2005-8 2CB1	6.00	09/25/35	198,867	205,739	Bear Stearns ALT-A Trust, Series 2005-4 1A1 (h)	0.59	04/25/35	191,428
52,319	Banc of America Funding Corp., Series 2006-E 2A1 (h)	2.81	06/20/36	43,891	191,479	Bear Stearns ALT-A Trust, Series 2005-8 11A1 (h)	0.69	10/25/35	169,164
221,420	Banc of America Funding Corp., Series 2006-F 1A1 (h)	2.61	07/20/36	219,570	409,123	Bear Stearns ALT-A Trust, Series 2006-1 22A1 (h)	2.41	02/25/36	305,833
44,443	Banc of America Funding Corp., Series 2006-G 2A3 (b)(h)	0.33	07/20/36	44,408	1,881,887	Bear Stearns ALT-A Trust, Series 2006-2 21A1 (h)	2.58	03/25/36	1,282,026
181,792	Banc of America Funding Corp., Series 2006-H 6A1 (h)	0.35	10/20/36	130,664	181,825	Bear Stearns ALT-A Trust, Series 2006-2 23A1 (h)	2.61	03/25/36	129,143
114,634	Banc of America Funding Corp., Series 2007-E 4A1 (h)	2.67	07/20/47	91,461	1,172,687	Bear Stearns ALT-A Trust, Series 2006-3 1A1 (h)	0.53	05/25/36	778,278
1,488,207	Bayview Commercial Asset Trust, Series 2004-3 A1 (e)(h)	0.52	01/25/35	1,386,365	1,288,974	Bear Stearns ALT-A Trust, Series 2006-4 11A1 (h)	0.47	08/25/36	884,235
1,225,000	Bayview Commercial Mortgage Pass-Through Trust, Series 2006-SP1 M1 (b)(e)(h)	0.60	04/25/36	1,049,462	75,972	Bear Stearns Asset Backed Securities Trust, Series 2005-TC2 A3 (b)(h)	0.52	08/25/35	75,273
54,920	Bayview Financial Mortgage Pass-Through Trust, Series 2005-D AF3 (b)(h)	5.50	12/28/35	56,069	191,729	Bear Stearns Commercial Mortgage Securities Trust, Series 2005-T20 AAB (b)(h)	5.12	10/12/42	193,706
2,314,104	BCAP, LLC, Series 2013-RR2 6A1 (e)(h)	3.00	06/26/37	2,319,271	1,200,000	BlueMountain CLO, Ltd., Series 2013-1A A1 (e)(h)	1.44	05/15/25	1,187,171
85,261	Beacon Container Finance, LLC, Series 2012-1A A (b)(e)	3.72	09/20/27	85,563	55,867	BNC Mortgage Loan Trust, Series 2007-1 A2 (b)(h)	0.21	03/25/37	55,013
					1,500,000	BNC Mortgage Loan Trust, Series 2007-3 A3 (h)	0.28	07/25/37	1,362,594
					63,125	BNC Mortgage Loan Trust, Series 2007-4 A3A (h)	0.40	11/25/37	62,931

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2014

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 200,106	Centex Home Equity Loan Trust, Series 2005-C AF6 (g)	4.64%	06/25/35	\$ 197,948	\$ 832,136	Conseco Finance Home Equity Loan Trust, Series 2002-C BF1 (h)	8.00%	06/15/32	\$ 912,905
853,276	Chase Mortgage Finance Trust, Series 2007-A1 8A1 (h)	2.65	02/25/37	870,506	787,107	Conseco Finance Securitizations Corp., Series 2001-4 A4 (b)	7.36	08/01/32	861,546
313,088	ChaseFlex Trust, Series 2007-1 2A9	6.00	02/25/37	277,177	461,778	Continental Airlines Pass Through Trust, Series 2007-1 B (b)	6.90	04/19/22	500,151
100,000	CIFC Funding Ltd., Series 2012-2A A1L (b)(e)(h)	1.64	12/05/24	99,816	658,730	Continental Airlines Pass Through Trust, Series 2009-1 (b)	9.00	07/08/16	754,246
630,000	CIFC Funding, Ltd., Series 2012-2A A3L (e)(h)	3.24	12/05/24	624,240	697,738	Coso Geothermal Power Holdings, LLC (e)	7.00	07/15/26	404,688
675,000	CIFC Funding, Ltd., Series 2013-3A B (e)(h)	2.91	10/24/25	663,325	59,366	Countrywide Alternative Loan Trust, Series 2004-J10 4CB1	6.50	10/25/34	63,922
1,514,879	CIT Education Loan Trust, Series 2007-1 A (e)(h)	0.32	03/25/42	1,417,672	64,688	Countrywide Alternative Loan Trust, Series 2005-50CB 1A1	5.50	11/25/35	58,969
1,200,000	Citicorp Residential Mortgage Trust, Series 2006-2 A5 (g)	6.04	09/25/36	1,155,853	225,124	Countrywide Alternative Loan Trust, Series 2005-73CB 1A8	5.50	01/25/36	210,863
1,200,000	Citicorp Residential Mortgage Trust, Series 2007-1 A5 (g)	6.05	03/25/37	1,107,184	669,057	Countrywide Alternative Loan Trust, Series 2005-J10 1A16	5.50	10/25/35	615,733
317,712	Citigroup Mortgage Loan Trust, Inc., Series 2006-WF1 A2D (g)	5.62	03/25/36	215,835	483,333	Countrywide Alternative Loan Trust, Series 2005-J12 2A1 (h)	0.42	08/25/35	292,039
499,787	Citigroup Mortgage Loan Trust, Inc., Series 2007-AR8 2A1A (h)	2.76	07/25/37	423,229	262,920	Countrywide Alternative Loan Trust, Series 2006-36T2 1A1 (h)	0.47	12/25/36	167,914
285,000	Citigroup Mortgage Loan Trust, Inc., Series 2007-WFH4 A2C (h)	1.45	07/25/37	227,289	29,205	Countrywide Alternative Loan Trust, Series 2006-7CB 3A1	5.25	05/25/21	25,405
130,514	CitiMortgage Alternative Loan Trust, Series 2006-A7 1A12	6.00	12/25/36	114,223	290,874	Countrywide Alternative Loan Trust, Series 2007-16CB 4A7	6.00	08/25/37	263,250
50,716	CitiMortgage Alternative Loan Trust, Series 2007-A4 1A6	5.75	04/25/37	44,145					

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2014

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 223,657	Countrywide Alternative Loan Trust, Series 2007-19 1A34	6.00%	08/25/37	\$ 186,697	\$ 1,359,067	Credit-Based Asset Servicing and Securitization, LLC, Series 2006-CB8 A2B (h)	0.26%	10/25/36	\$ 1,280,411
123,581	Countrywide Asset-Backed Certificates, Series 2004-7 MV3 (b)(h)	1.20	12/25/34	123,026	2,643,525	Credit-Based Asset Servicing and Securitization, LLC, Series 2007-CB2 A2E (b)(g)	4.82	02/25/37	1,944,958
1,414,415	Countrywide Asset-Backed Certificates, Series 2007-13 2A1 (h)	1.05	10/25/47	1,233,276	1,351,859	Credit-Based Asset Servicing and Securitization, LLC, Series 2007-CB5 A3 (h)	0.40	04/25/37	909,909
1,279,942	Countrywide Home Loan Mortgage Pass Through Trust, Series 2004-HYB5 3A1 (h)	2.62	04/20/35	1,138,707	490,000	Cronos Containers Program, Ltd., Series 2012-1A A (e)	4.21	05/18/27	491,384
237,048	Countrywide Home Loan Mortgage Pass Through Trust, Series 2007-HY3 4A1 (h)	5.24	06/25/47	221,484	425,000	Cronos Containers Program, Ltd., Series 2012-2A A (e)	3.81	09/18/27	428,680
81,304	Countrywide Home Loan Mortgage Pass Through Trust, Series 2007-HY5 1A1 (h)	2.86	09/25/47	71,395	881,008	CSAB Mortgage Backed Trust, Series 2007-1 1A1A (h)	5.90	05/25/37	492,386
17,543	Credit Suisse First Boston Mortgage Securities Corp., Series 2003-AR24 2A4 (h)	2.58	10/25/33	17,087	1,513,483	CSMC Trust, Series 2013-3R 5A1 (e)(h)	2.50	10/27/36	1,519,603
389,563	Credit Suisse First Boston Mortgage Securities Corp., Series 2005-11 8A9	5.25	12/25/35	395,439	75,000	DBRR Trust, Series 2011-LC2 A4A (b)(e)(h)	4.54	07/12/44	81,420
77,996	Credit Suisse First Boston Mortgage Securities Corp., Series 2005-6 8A1 (b)	4.50	07/25/20	79,366	158,431	Delta Air Lines Pass Through Trust, Series 2002-1 G-1 (b)	6.72	01/02/23	186,354
84,419	Credit Suisse Mortgage Capital Mortgage-Backed Trust, Series 2006-8 3A1	6.00	10/25/21	80,919	656,294	Deutsche Alt-A Securities, Inc. Mortgage Loan Trust, Series 2007-AR1 A4 (h)	0.31	01/25/47	472,138
1,372,601	Credit-Based Asset Servicing and Securitization, LLC, Series 2006-CB7 A5 (h)	0.39	10/25/36	900,425	241,303	Deutsche Alt-B Securities, Inc. Mortgage Loan Trust, Series 2006-AB2 A5B (g)	6.09	06/25/36	195,700
					600,000	Dryden XXII Senior Loan Fund, Series 2013-30A C (e)(h)	3.09	11/15/25	599,863

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2014

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 1,000,000	Dryden XXVI Senior Loan Fund, Series 2013-26A C (e)(h)	2.74%	07/15/25	\$ 967,470	\$ 577,593	GE Business Loan Trust, Series 2004-1 A (b)(e)(h)	0.45%	05/15/32	\$ 552,335
2,015,000	Education Loan Asset-Backed Trust I, Series 2013-1 A2 (e)(h)	0.95	04/26/32	1,989,621	887,513	GE Business Loan Trust, Series 2005-1A A3 (b)(e)(h)	0.41	06/15/33	833,956
2,920,000	Equifirst Loan Securitization Trust, Series 2007-1 A2B (h)	0.34	04/25/37	2,158,966	127,856	GE Business Loan Trust, Series 2005-2A A (b)(e)(h)	0.40	11/15/33	118,818
61,248	Equity One Mortgage Pass-Through Trust, Series 2002-4 M1 (h)	5.22	02/25/33	58,598	49,175	GE Business Loan Trust, Series 2005-2A B (b)(e)(h)	0.66	11/15/33	45,139
2,851,797	First Franklin Mortgage Loan Trust, Series 2006-FF18 A2B (h)	0.26	12/25/37	1,696,748	103,895	Goal Capital Funding Trust, Series 2006-1 A3 (b)(h)	0.35	11/25/26	102,958
1,190,529	First Horizon Alternative Mortgage Securities Trust, Series 2005-AA3 2A1 (h)	2.25	05/25/35	964,433	1,300,000	GoldenTree Loan Opportunities VII, Ltd., Series 2013-7A A (e)(h)	1.39	04/25/25	1,283,275
402,476	First Horizon Alternative Mortgage Securities Trust, Series 2006-FA8 1A1	6.25	02/25/37	349,549	274,399	Green Tree Financial Corp., Series 1997-1 A6 (b)	7.29	03/15/28	279,215
474,261	First Horizon Alternative Mortgage Securities Trust, Series 2006-FA8 1A8 (h)	0.52	02/25/37	309,702	769,577	Green Tree, Series 2008-MH1 A2 (b)(e)(h)	8.97	04/25/38	832,310
216,457	FNMA, Series 2012-M15, Class A (b)(h)	2.66	10/25/22	211,431	747,286	Green Tree, Series 2008-MH1 A3 (b)(e)(h)	8.97	04/25/38	808,202
148,447	FPL Energy National Wind Portfolio, LLC (e)	6.13	03/25/19	146,247	250,000	GS Mortgage Securities Trust, Series 2011-GC5 A4	3.71	08/10/44	261,270
1,860,005	GCO Education Loan Funding Master Trust-II, Series 2006-2AR A1RN (b)(e)(h)	0.80	08/27/46	1,794,832	270,080	GSAA Home Equity Trust, Series 2005-12 AF3 (h)	5.07	09/25/35	255,026
968,871	GE Business Loan Trust, Series 2003-2A A (e)(h)	0.53	11/15/31	929,142	1,372,438	GSAA Home Equity Trust, Series 2006-20 1A1 (h)	0.22	12/25/46	773,024
					1,222,499	GSAA Home Equity Trust, Series 2007-5 2A3A (h)	0.47	04/25/47	710,623
					2,503,163	GSAA Trust, Series 2007-3 1A1B (h)	0.25	03/25/47	371,655
					354,800	GSR Mortgage Loan Trust, Series 2004-14 3A2 (h)	2.76	12/25/34	319,943

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2014

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 1,525,000	GSR Mortgage Loan Trust, Series 2004-9 5A7 (h)	2.62%	08/25/34	\$ 1,476,604	\$ 304,965	Indymac Index Mortgage Loan Trust, Series 2005-AR5 1A1 (h)	2.52%	05/25/35	\$ 222,777
199,454	GSR Mortgage Loan Trust, Series 2005-AR5 1A1 (h)	2.72	10/25/35	177,280	1,613,313	Indymac Index Mortgage Loan Trust, Series 2006-AR19 1A2 (b)(h)	2.77	08/25/36	1,142,587
860,000	Halcyon Loan Advisors Funding, Ltd., Series 2012-2A C (e)(h)	3.08	12/20/24	855,028	79,174	Indymac Index Mortgage Loan Trust, Series 2006-AR25 3A1 (h)	2.71	09/25/36	58,016
15,476	HarborView Mortgage Loan Trust, Series 2004-8 2A4A (b)(h)	0.56	11/19/34	12,916	151,096	Indymac Index Mortgage Loan Trust, Series 2006-AR29 A1 (h)	0.32	11/25/36	112,079
68,000	Hewett's Island Clo V, Ltd., Series 2006-5A D (e)(h)	1.69	12/05/18	65,934	201,599	Indymac Index Mortgage Loan Trust, Series 2006-AR33 3A1 (h)	2.95	01/25/37	175,314
243,019	HomeBanc Mortgage Trust, Series 2004-1 2A (h)	1.01	08/25/29	229,974	2,516,643	Indymac Index Mortgage Loan Trust, Series 2006-AR41 A3 (h)	0.33	02/25/37	1,825,215
900,000	HSBC Home Equity Loan Trust, Series 2006-3 A4 (h)	0.40	03/20/36	878,917	749,978	Indymac Index Mortgage Loan Trust, Series 2006-AR7 1A1 (h)	2.88	05/25/36	556,934
83,283	HSBC Home Equity Loan Trust, Series 2006-4 A3V (h)	0.31	03/20/36	83,033	1,520,341	Indymac Index Mortgage Loan Trust, Series 2006-AR7 3A1 (h)	2.70	05/25/36	1,185,632
153,996	HSBC Home Equity Loan Trust, Series 2007-3 APT (b)(h)	1.36	11/20/36	153,257	391,476	Indymac Index Mortgage Loan Trust, Series 2006-AR7 4A1 (h)	2.89	05/25/36	268,779
209,923	HSI Asset Loan Obligation Trust, Series 2007-AR2 2A1 (h)	2.78	09/25/37	163,149	450,000	Indymac Index Mortgage Loan Trust, Series 2006-R1 A3 (h)	4.69	12/25/35	364,109
1,065,930	Indiantown Cogeneration LP, Series A-10 (b)	9.77	12/15/20	1,202,485	367,119	Indymac Index Mortgage Loan Trust, Series 2007-FLX2 A1C (h)	0.34	04/25/37	263,753
208,965	Indymac INDA Mortgage Loan Trust, Series 2007-AR7 1A1 (h)	2.82	11/25/37	199,574	699,669	Indymac Manufactured Housing Contract Pass Through Certificates, Series 1998-2 A4 (b)(h)	6.64	08/25/29	697,723
1,087,233	Indymac Index Mortgage Loan Trust, Series 2004-AR12 A1 (h)	0.93	12/25/34	920,607					
554,573	Indymac Index Mortgage Loan Trust, Series 2004-AR7 A2 (h)	1.01	09/25/34	483,245					

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2014

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 250,000	ING Investment Management Co., Series 2012-4A A1 (e)(h)	1.63%	10/15/23	\$ 249,536	\$ 2,373,353	JP Morgan Mortgage Trust, Series 2006-S2 2A2	5.88%	06/25/21	\$ 2,376,212
1,000,000	ING Investment Management Co., Series 2013-3A B (e)(h)	2.94	01/18/26	993,742	955,098	JP Morgan Mortgage Trust, Series 2007-A1 5A2 (b)(h)	2.66	07/25/35	959,728
677,330	JetBlue Airways Pass Through Trust, Series 2004-2 G1 (h)	0.61	08/15/16	668,863	45,112	JP Morgan Mortgage Trust, Series 2007-A2 4A1M (h)	4.86	04/25/37	41,394
2,000,000	JetBlue Airways Pass Through Trust, Series 2004-2 G-2 (h)	0.69	11/15/16	1,965,000	1,500,000	KKR Financial CLO, Ltd., Series 2005-1A B (e)(h)	0.69	04/26/17	1,491,428
2,705,946	JP Morgan Alternative Loan Trust, Series 2006-A2 3A1 (h)	2.94	05/25/36	2,131,260	909,063	Lehman ABS Manufactured Housing Contract Trust, Series 2001-B A6 (b)(h)	6.47	04/15/40	979,281
2,930,588	JP Morgan Mortgage Acquisition Trust, Series 2006-WMC3 A4 (h)	0.30	08/25/36	1,548,054	8,959	Lehman Mortgage Trust, Series 2006-1 3A3	5.50	02/25/36	8,959
400,000	JP Morgan Mortgage Acquisition Trust, Series 2007-CH3 A4 (h)	0.36	03/25/37	341,928	196,924	Lehman XS Trust, Series 2005-6 1A1 (h)	0.41	11/25/35	133,176
1,110,000	JP Morgan Mortgage Acquisition Trust, Series 2007-CH4 A5 (h)	0.39	05/25/37	640,412	1,605,962	Lehman XS Trust, Series 2006-13 1A2 (h)	0.32	09/25/36	1,326,630
2,590,000	JP Morgan Mortgage Acquisition Trust, Series 2007-HE1 AF2 (g)	4.55	03/25/47	1,979,760	833,982	Lehman XS Trust, Series 2006-14N 3A2 (h)	0.27	08/25/36	613,636
2,938,000	JP Morgan Mortgage Acquisition Trust, Series 2007-HE1 AV4 (h)	0.43	03/25/47	1,639,137	1,535,840	Lehman XS Trust, Series 2006-19 A2 (h)	0.32	12/25/36	1,244,379
163,897	JP Morgan Mortgage Trust, Series 2005-A5 TA1 (h)	5.25	08/25/35	163,932	1,733,952	Lehman XS Trust, Series 2006-9 A1B (h)	0.31	05/25/46	1,406,265
1,600,293	JP Morgan Mortgage Trust, Series 2006-A3 2A1 (h)	2.75	05/25/36	1,334,571	1,270,000	Limerock CLO, Series 2014-2A A (e)(h)	1.73	04/18/26	1,271,267
					289,197	MASTR Adjustable Rate Mortgages Trust, Series 2007-R5 A1 (e)(h)	2.52	11/25/35	214,135
					885,000	MASTR Asset Backed Securities Trust, Series 2007-HE1 A3 (h)	0.36	05/25/37	600,646
					13,442	MASTR Seasoned Securitization Trust, Series 2004-1 4A1 (b)(h)	2.58	10/25/32	13,462

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2014

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 1,068,693	Merrill Lynch First Franklin Mortgage Loan Trust, Series 2007-1 A2C (h)	0.40%	04/25/37	\$ 590,237	\$ 1,655,152	Morgan Stanley Mortgage Loan Trust, Series 2006-11 1A3 (g)	6.42%	08/25/36	\$ 850,007
61,655	Merrill Lynch First Franklin Mortgage Loan Trust, Series 2007-1 A2D (h)	0.49	04/25/37	34,487	2,381,410	Morgan Stanley Mortgage Loan Trust, Series 2006-7 5A2 (h)	5.96	06/25/36	1,423,781
1,347,163	Merrill Lynch First Franklin Mortgage Loan Trust, Series 2007-3 A2B (h)	0.28	06/25/37	873,863	215,040	Morgan Stanley Mortgage Loan Trust, Series 2007-13 6A1	6.00	10/25/37	176,052
2,241,000	Merrill Lynch First Franklin Mortgage Loan Trust, Series 2007-3 A2C (h)	0.33	06/25/37	1,463,900	2,509,364	Morgan Stanley Reremic Trust, Series 2013-R3 12A (e)(h)	2.71	01/26/47	2,522,632
2,869,681	Merrill Lynch First Franklin Mortgage Loan Trust, Series 2007-4 2A4 (h)	0.40	07/25/37	1,751,472	985,113	Nelnet Student Loan Trust, Series 2012-5A A (e)(h)	0.75	10/27/36	989,222
774,826	Mid-State Capital Corp. Trust, Series 2006-1A (e)	5.79	10/15/40	821,673	1,270,000	Neuberger Berman CLO, Ltd. (e)(h)	1.74	04/15/26	1,269,211
200,000	Morgan Stanley ABS Capital I, Inc. Trust, Series 2004- NC7 M2 (b)(h)	1.08	07/25/34	190,763	1,270,000	Nomad CLO, Ltd., Series 2013-1A A1 (e)(h)	1.44	01/15/25	1,255,869
1,843,713	Morgan Stanley ABS Capital I, Inc. Trust, Series 2007- HE1 A2C (h)	0.30	11/25/36	1,139,756	352,210	Nomura Asset Acceptance Corp. Alternative Loan Trust, Series 2007-1 1A1A (g)	6.00	03/25/47	269,769
1,651,264	Morgan Stanley Capital I Trust, Series 2005- T19 A4A	4.89	06/12/47	1,718,522	1,470,873	Nomura Home Equity Loan, Inc. Home Equity Loan Trust, Series 2005-HE1 M3 (h)	0.63	09/25/35	1,376,736
200,000	Morgan Stanley Capital I Trust, Series 2006- T21 A4 (h)	5.16	10/12/52	211,807	1,261,467	NovaStar Mortgage Funding Trust, Series 2006-2 A2C (h)	0.30	06/25/36	714,278
165,000	Morgan Stanley Capital I Trust, Series 2007- T27 A4 (b)(h)	5.65	06/11/42	184,834	910,710	Oakwood Mortgage Investors, Inc., Series 1999-B A4	6.99	12/15/26	975,061
150,000	Morgan Stanley Capital I Trust, Series 2011-C3 A4 (b)	4.12	07/15/49	158,615	77,599	Opteum Mortgage Acceptance Corp. Asset Backed Pass- Through Certificates, Series 2005-5 2A1B (h)	5.64	12/25/35	79,094
120,140	Morgan Stanley Dean Witter Capital I Trust, Series 2001- TOP3 C (b)	6.79	07/15/33	122,098					

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2014

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 606,489	Origen Manufactured Housing Contract Trust, Series 2004-A M2 (b)(h)	6.64%	01/15/35	\$ 667,682	\$ 1,165,668	Residential Asset Securitization Trust, Series 2007-A5 1A2 (h)	0.55%	05/25/37	\$ 450,048
4,872,285	Ownit Mortgage Loan Trust, Series 2006-6 A2C (h)	0.31	09/25/37	2,530,801	100,000	Ruby Pipeline, LLC (b)(e)	6.00	04/01/22	107,627
220,000	Popular ABS Mortgage Pass- Through Trust, Series 2007-A A3 (h)	0.46	06/25/47	137,363	1,234,894	Saxon Asset Securities Trust, Series 2005-4 A1B (h)	0.53	11/25/37	1,148,673
985,857	Prudential Holdings, LLC (e)	8.70	12/18/23	1,243,446	1,365,000	Saxon Asset Securities Trust, Series 2007-1 A2C (h)	0.30	01/25/47	998,036
517,188	Residential Accredit Loans, Inc., Series 2005-Q03 A1 (h)	0.55	10/25/45	379,637	2,263,074	Securitized Asset Backed Receivables, LLC Trust, Series 2007- BR5 A2C (h)	0.50	05/25/37	1,525,187
648,847	Residential Accredit Loans, Inc., Series 2005-Q05 A1 (b)(h)	1.13	01/25/46	470,501	221,703	Securitized Asset Backed Receivables, LLC Trust, Series 2007- NC1 A2B (h)	0.30	12/25/36	119,230
443,655	Residential Accredit Loans, Inc., Series 2006-QS10 A1	6.00	08/25/36	371,771	2,258,870	Securitized Asset Backed Receivables, LLC Trust, Series 2007- NC2 A2B (h)	0.29	01/25/37	1,379,578
228,989	Residential Accredit Loans, Inc., Series 2006-QS17 A4	6.00	12/25/36	180,092	1,175,691	SLC Student Loan Trust, Series 2004-1 B (h)	0.53	08/15/31	1,058,560
349,555	Residential Accredit Loans, Inc., Series 2007-QS1 1A1	6.00	01/25/37	284,263	952,354	SLC Student Loan Trust, Series 2005-2 B (h)	0.51	03/15/40	856,193
173,282	Residential Accredit Loans, Inc., Series 2007-QS5 A1	5.50	03/25/37	136,071	1,100,000	SLC Student Loan Trust, Series 2006-2 A5 (h)	0.33	09/15/26	1,078,950
712,851	Residential Accredit Loans, Inc., Series 2007-QS8 A6	6.00	06/25/37	583,918	36,767	SLM Student Loan Trust, Series 2004-8 B (b)(h)	0.70	01/25/40	33,183
413,167	Residential Asset Mortgage Products Trust, Series 2004- SL3 A4	8.50	12/25/31	393,784	1,300,000	SLM Student Loan Trust, Series 2006-2 A6 (h)	0.41	01/25/41	1,189,265
3,044	Residential Asset Mortgage Products, Inc., Series 2004- RZ1 A17 (b)(h)	4.03	01/25/33	3,235	1,300,000	SLM Student Loan Trust, Series 2006-8 A6 (h)	0.40	01/25/41	1,165,835
411,509	Residential Asset Securitization Trust, Series 2006-A10 A5	6.50	09/25/36	313,861	722,925	SLM Student Loan Trust, Series 2007-6 B (b)(h)	1.09	04/27/43	647,181

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2014

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 735,000	SLM Student Loan Trust, Series 2008-2 B (b)(h)	1.44%	01/25/29	\$ 668,514	\$ 180,876	Structured Asset Securities Corp. Mortgage Loan Trust, Series 2005-4XS 2A1A (b)(h)	1.90%	03/25/35	\$ 181,836
735,000	SLM Student Loan Trust, Series 2008-3 B (b)(h)	1.44	04/25/29	681,840	1,028,051	Structured Asset Securities Corp. Mortgage Pass-Through Certificates, Series 2003-26A 3A5 (b)(h)	2.44	09/25/33	1,026,614
735,000	SLM Student Loan Trust, Series 2008-4 B (b)(h)	2.09	04/25/29	726,903	1,683,188	Structured Receivables Finance, LLC, Series 2010-A B (e)(f)	7.61	01/16/46	1,998,093
735,000	SLM Student Loan Trust, Series 2008-5 B (b)(h)	2.09	07/25/29	745,650	900,000	Structured Receivables Finance, LLC, Series 2010-B B (e)(f)	7.97	08/15/36	1,103,777
735,000	SLM Student Loan Trust, Series 2008-6 B (b)(h)	2.09	07/25/29	727,173	1,275,000	Symphony CLO IX, LP, Series 2012-9A C (e)(h)	3.49	04/16/22	1,275,278
735,000	SLM Student Loan Trust, Series 2008-7 B (b)(h)	2.09	07/25/29	720,607	187,500	TAL Advantage, LLC, Series 2006-1A (b)(e)(h)	0.35	04/20/21	185,383
735,000	SLM Student Loan Trust, Series 2008-8 B (b)(h)	2.49	10/25/29	757,937	110,833	Textainer Marine Containers, Ltd., Series 2005-1A A (b)(e)(h)	0.41	05/15/20	110,621
735,000	SLM Student Loan Trust, Series 2008-9 B (b)(h)	2.49	10/25/29	769,722	526,887	Trinity Rail Leasing LP, Series 2006-1A A1 (b)(e)	5.90	05/14/36	576,564
921,455	Soundview Home Loan Trust, Series 2006-EQ2 A4 (h)	0.39	01/25/37	592,992	728,995	Trip Rail Master Funding, LLC, Series 2011-1A A1A (b)(e)	4.37	07/15/41	773,088
3,349,000	Soundview Home Loan Trust, Series 2007-OPT2 2A4 (h)	0.40	07/25/37	2,110,128	154,688	Triton Container Finance, LLC, Series 2007-1A (b)(e)(h)	0.29	02/26/19	154,089
816,579	Spirit Master Funding, LLC, Series 2005-1 A1 (b)(e)	5.05	07/20/23	836,259	653,333	Triton Container Finance, LLC, Series 2012-1A A (e)	4.21	05/14/27	655,333
70,344	Structured Adjustable Rate Mortgage Loan Trust, Series 2006-1 7A3 (h)	5.08	02/25/36	69,930	416,289	UAL Pass Through Trust, Series 2009-1	10.40	11/01/16	474,570
775,386	Structured Adjustable Rate Mortgage Loan Trust, Series 2006-1 7A4 (h)	5.08	02/25/36	635,172	179,382	US Airways Pass Through Trust, Series 2012-2A	4.63	06/03/25	188,800
65,558	Structured Adjustable Rate Mortgage Loan Trust, Series 2007-3 3A1 (h)	3.98	04/25/47	52,804					

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2014

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 162,657	Wachovia Bank Commercial Mortgage Trust, Series 2005-C20 A7 (b)(h)	5.12%	07/15/42	\$ 170,022	\$ 1,998,680	Washington Mutual Mortgage Pass-Through Certificates, Series 2006-AR7 A1A (h)	1.05%	09/25/46	\$ 1,277,173
11,986	WaMu Mortgage Pass-Through Certificates, Series 2002-AR18 A (b)(h)	2.50	01/25/33	12,213	2,282,952	Washington Mutual Mortgage Pass-Through Certificates, Series 2007-OA2 2A (h)	0.83	01/25/47	1,634,317
919,649	WaMu Mortgage Pass-Through Certificates, Series 2005-AR7 A2 (h)	2.41	08/25/35	919,954	2,038,904	Washington Mutual Mortgage Pass-Through Certificates, Series 2007-OA3 2A (h)	0.88	02/25/47	1,434,771
277,121	WaMu Mortgage Pass-Through Certificates, Series 2006-AR12 2A3 (h)	1.83	10/25/36	225,703	28,397	Wells Fargo Alternative Loan Trust, Series 2005-2 A4 (b)(h)	0.49	10/25/35	28,464
166,783	WaMu Mortgage Pass-Through Certificates, Series 2006-AR16 1A1 (h)	2.05	12/25/36	144,802	223,172	Wells Fargo Home Equity Asset-Backed Securities Trust, Series 2006-3 A2 (h)	0.30	01/25/37	204,505
308,432	WaMu Mortgage Pass-Through Certificates, Series 2007-HY3 4A1 (h)	2.47	03/25/37	290,699	115,000	WF-RBS Commercial Mortgage Trust, Series 2011-C5 A4 (b)	3.67	11/15/44	118,562
523,384	Washington Mutual Mortgage Pass-Through Certificates, Series 2005-3 2A3 (h)	0.70	05/25/35	355,922	850,000	Yandex NV (b)(e)	1.13	12/15/18	791,031
376,628	Washington Mutual Mortgage Pass-Through Certificates, Series 2005-4 CB13 (h)	0.65	06/25/35	285,684	Total Asset Backed Obligations (Cost \$156,036,525)				
1,253,091	Washington Mutual Mortgage Pass-Through Certificates, Series 2006-1 4CB	6.50	02/25/36	830,311	178,682,655				
470,020	Washington Mutual Mortgage Pass-Through Certificates, Series 2006-7 A1A (g)	4.91	09/25/36	292,382	Corporate Convertible Bonds - 17.7%				
					Consumer Discretionary - 1.9%				
					349,000	Callaway Golf Co. (b)	3.75	08/15/19	498,416
					2,676,000	Equinix, Inc. (b)	3.00	10/15/14	4,415,400
					1,000,000	Exide Technologies (b)(f)(h)(i)	0.00	09/18/13	200,000
					5,432,000	Home Inns & Hotels Management, Inc. (b)	2.00	12/15/15	5,279,225
					780,000	Iconix Brand Group, Inc. (b)	2.50	06/01/16	1,063,238
					5,000,000	JAKKS Pacific, Inc. (b)(e)	4.25	08/01/18	5,171,875
					266,000	Jarden Corp. (b)(e)	1.13	03/15/34	265,501
					572,000	KB Home (b)	1.38	02/01/19	590,590
					461,000	Lennar Corp. (b)(e)	2.75	12/15/20	843,630

ABSOLUTE STRATEGIES FUND
SCHEDULE OF INVESTMENTS
MARCH 31, 2014

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 2,083,000	Live Nation Entertainment, Inc.	2.88%	07/15/27	\$ 2,122,056	\$ 8,000,000	Healthways, Inc. (b)	1.50%	07/01/18	\$ 8,635,000
4,750,000	M/I Homes, Inc. (b)	3.25	09/15/17	5,774,219	1,500,000	Protalix BioTherapeutics, Inc. (b)(e)	4.50	09/15/18	1,593,750
746,000	Meritage Homes Corp. (b)	1.88	09/15/32	793,091	453,000	ServiceSource International, Inc. (b)(e)	1.50	08/01/18	427,802
896,000	Meritor, Inc. (b)	7.88	03/01/26	1,372,000	3,630,000	Spectrum Pharmaceuticals, Inc. (b)(e)	2.75	12/15/18	3,620,925
486,000	Navistar International Corp. (b)(e)	4.50	10/15/18	477,495					<u>50,121,944</u>
3,407,000	Navistar International Corp. (b)(e)	4.75	04/15/19	3,417,647	Energy - 0.9%				
3,000,000	Regis Corp. (b)	5.00	07/15/14	3,063,750	415,000	Alon USA Energy, Inc. (b)(e)	3.00	09/15/18	500,853
356,000	Standard Pacific Corp. (b)	1.25	08/01/32	443,220	475,000	BPZ Resources, Inc. (b)	8.50	10/01/17	548,031
400,000	Steinhoff Finance Holding GmbH (e)	6.38	05/26/17	699,846	920,000	Chesapeake Energy Corp.	2.50	05/15/37	940,700
1,701,000	Tesla Motors, Inc. (b)	1.25	03/01/21	1,547,910	3,000,000	Clean Energy Fuels Corp. (b)(e)	5.25	10/01/18	2,737,500
742,000	The Ryland Group, Inc. (b)	1.63	05/15/18	1,059,205	575,000	Cobalt International Energy, Inc. (b)	2.63	12/01/19	542,297
4,100,000	Titan Machinery, Inc. (b)	3.75	05/01/19	3,497,812	532,000	Emerald Oil, Inc. (b)(e)	2.00	04/01/19	551,950
440,000	Vector Group, Ltd. (b)(h)	2.50	01/15/19	605,013	6,733,000	Green Plains Renewable Energy, Inc. (b)(e)	3.25	10/01/18	10,520,313
500,000	Vector Group, Ltd. (b)	1.75	04/15/20	524,063	3,414,000	JinkoSolar Holding Co., Ltd. (b)(e)	4.00	02/01/19	3,098,205
5,150,000	Wabash National Corp. (b)	3.38	05/01/18	7,177,812	800,000	Newpark Resources, Inc. (b)	4.00	10/01/17	1,026,000
470,000	WESCO International, Inc. (b)	6.00	09/15/29	1,397,075	461,000	Peabody Energy Corp.	4.75	12/15/41	375,139
				<u>52,300,089</u>	695,000	Pengrowth Energy Corp.	6.25	03/31/17	655,393
Consumer Staples - 1.8%					1,066,000	SolarCity Corp. (b)	2.75	11/01/18	1,379,138
6,488,000	Albany Molecular Research, Inc. (b)(e)	2.25	11/15/18	8,815,570	750,000	Solazyme, Inc.	5.00	10/01/19	804,375
4,730,000	Array BioPharma, Inc. (b)	3.00	06/01/20	4,892,594	1,378,000	Vantage Drilling Co. (b)(e)	5.50	07/15/43	1,447,761
2,468,000	Ascent Capital Group, Inc. (b)	4.00	07/15/20	2,471,085					<u>25,127,655</u>
2,000,000	Carriage Services, Inc. (b)(e)	2.75	03/15/21	2,105,010	Financial - 2.0%				
401,000	Chiquita Brands International, Inc. (b)	4.25	08/15/16	410,022	668,000	American Residential Properties OP LP (b)(e)	3.25	11/15/18	711,837
5,817,000	Ctrip.com International, Ltd. (b)(e)	1.25	10/15/18	5,795,186	406,000	AmTrust Financial Services, Inc. (b)	5.50	12/15/21	595,805
7,000,000	Emergent Biosolutions, Inc. (b)(e)	2.88	01/15/21	7,542,500	9,930,000	CBIZ, Inc. (b)(e)	4.88	10/01/15	13,256,550
4,000,000	Endologix, Inc. (b)	2.25	12/15/18	3,812,500	120,000	DFC Global Corp. (b)	3.25	04/15/17	102,900
					3,500,000	Encore Capital Group, Inc. (b)	3.00	11/27/17	5,438,125

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2014

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 6,885,000	Encore Capital Group, Inc. (b)(e)	3.00%	07/01/20	\$ 8,008,116	\$ 3,550,000	Volcano Corp. (b)	1.75%	12/01/17	\$ 3,530,031
124,000	Encore Capital Group, Inc. (b)(e)	2.88	03/15/21	122,605	959,000	Wright Medical Group, Inc. (b)	2.00	08/15/17	1,308,436
891,000	Forest City Enterprises, Inc. (b)	4.25	08/15/18	999,034					<u>36,563,344</u>
7,405,000	Forestar Group, Inc. (b)	3.75	03/01/20	7,937,234	Industrial - 2.7%				
4,000,000	FXCM, Inc. (b)(e)	2.25	06/15/18	4,150,000	3,655,000	AAR Corp., Series B (b)	2.25	03/01/16	3,762,366
6,000,000	Gain Capital Holdings, Inc. (b)(e)	4.13	12/01/18	6,787,500	416,000	Aecon Group, Inc.	5.50	12/31/18	420,516
246,000	Jefferies Group, LLC (b)	3.88	11/01/29	262,759	488,000	Aegean Marine Petroleum Network, Inc. (b)	4.00	11/01/18	491,355
3,772,000	Meadowbrook Insurance Group, Inc. (b)	5.00	03/15/20	3,518,333	5,307,000	AirTran Holdings, Inc. (b)	5.25	11/01/16	10,328,749
776,000	MGIC Investment Corp. (b)(e)	9.00	04/01/63	948,175	7,500,000	Altra Industrial Motion Corp. (b)	2.75	03/01/31	10,701,562
706,000	Portfolio Recovery Associates, Inc. (b)(e)	3.00	08/01/20	841,022	1,800,000	Bristow Group, Inc. (b)	3.00	06/15/38	2,237,625
537,000	Radian Group, Inc. (b)	2.25	03/01/19	823,288	1,500,000	Canadian Solar, Inc. (b)(e)	4.25	02/15/19	1,514,062
1,153,000	Walter Investment Management Corp. (b)	4.50	11/01/19	1,093,909	1,020,000	Cemex SAB de CV (b)	3.75	03/15/18	1,461,788
				<u>55,597,192</u>	340,000	Fluidigm Corp. (b)	2.75	02/01/34	388,663
					910,000	Genco Shipping & Trading, Ltd. (b)	5.00	08/15/15	750,750
Healthcare - 1.3%					1,668,000	General Cable Corp. (b)(g)	4.50	11/15/29	1,680,510
5,500,000	Accuray, Inc. (b)	3.75	08/01/16	6,603,438	7,595,000	Griffon Corp. (b)(e)	4.00	01/15/17	8,610,831
498,000	Allscripts Healthcare Solutions, Inc. (b)(e)	1.25	07/01/20	616,898	10,729,000	Kaman Corp. (b)(e)	3.25	11/15/17	14,034,873
5,368,000	AMAG Pharmaceuticals, Inc. (b)	2.50	02/15/19	5,438,455	3,481,000	Layne Christensen Co. (b)(e)	4.25	11/15/18	3,637,645
382,000	Cubist Pharmaceuticals, Inc. (b)	2.50	11/01/17	976,965	399,000	PHH Corp. (b)	6.00	06/15/17	863,336
201,000	llumina, Inc. (b)(e)	0.25	03/15/16	365,695	3,750,000	RTI International Metals, Inc. (b)	1.63	10/15/19	3,705,469
259,000	Incyte Corp., Ltd. (b)	4.75	10/01/15	1,575,853	2,741,000	TTM Technologies, Inc. (b)	1.75	12/15/20	3,049,362
548,000	Incyte Corp., Ltd. (b)(e)	1.25	11/15/20	704,865	3,025,000	UTi Worldwide, Inc. (b)(e)	4.50	03/01/19	3,236,750
4,800,000	Molina Healthcare, Inc. (b)	3.75	10/01/14	5,946,000	3,472,000	Vishay Intertechnology, Inc. (b)(e)	2.25	06/01/42	4,643,800
190,000	Omnicare, Inc. (b)	3.75	12/15/25	431,775					<u>75,520,012</u>
541,000	The Medicines Co. (b)	1.38	06/01/17	661,034	Information Technology - 3.3%				
3,243,000	Theravance, Inc. (b)	2.13	01/15/23	4,195,631	434,000	Bottomline Technologies (de), Inc. (b)	1.50	12/01/17	569,354
1,500,000	Vivus, Inc. (b)(e)	4.50	05/01/20	1,140,938	1,707,000	Cadence Design Systems, Inc. (b)	2.63	06/01/15	3,534,557
3,022,000	Volcano Corp. (b)	2.88	09/01/15	3,067,330	5,450,000	Ciena Corp. (b)(e)	4.00	03/15/15	6,907,875
					696,000	Ciena Corp. (b)(e)	4.00	12/15/20	988,320

ABSOLUTE STRATEGIES FUND
SCHEDULE OF INVESTMENTS
MARCH 31, 2014

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 6,166,000	Cornerstone OnDemand, Inc. (b)(e)	1.50%	07/01/18	\$ 7,060,070	\$ 8,500,000	Silver Standard Resources, Inc. (b)(e)	2.88%	02/01/33	\$ 7,501,250
4,455,000	GT Advanced Technologies, Inc. (b)	3.00	10/01/17	10,263,206	2,000,000	Steel Dynamics, Inc. (b)	5.13	06/15/14	2,167,500
3,598,000	GT Advanced Technologies, Inc. (b)	3.00	12/15/20	5,831,009	768,000	Sterlite Industries India, Ltd. (b)	4.00	10/30/14	772,800
563,000	Medidata Solutions, Inc. (b)(e)	1.00	08/01/18	689,323	802,000	Stillwater Mining Co. (b)	1.75	10/15/32	1,049,618
7,000,000	Mentor Graphics Corp. (b)	4.00	04/01/31	8,741,250					<u>23,998,526</u>
301,000	Microchip Technology, Inc. (b)	2.13	12/15/37	559,860	Telecommunication Services - 2.9%				
358,000	Novellus Systems, Inc. (b)	2.63	05/15/41	612,851	9,000,000	Alaska Communications Systems Group, Inc. (b)(e)	6.25	05/01/18	7,548,750
3,200,000	Photronics, Inc. (b)	5.50	10/01/14	5,624,000	253,458	Alcatel-Lucent, Series ALU (e)	4.25	07/01/18	659,280
9,708,000	Photronics, Inc. (b)	3.25	04/01/16	10,703,070	11,012,000	Blucora, Inc. (b)(e)	4.25	04/01/19	12,471,090
359,000	Proofpoint, Inc. (b)(e)	1.25	12/15/18	422,722	5,200,000	Comtech Telecommunications Corp. (b)	3.00	05/01/29	5,346,250
5,600,000	Quantum Corp. (b)	4.50	11/15/17	5,736,500	7,650,000	Dealertrack Technologies, Inc. (b)	1.50	03/15/17	10,891,687
5,000,000	Radisys Corp. (b)(f)	4.50	02/15/15	4,701,000	1,476,000	HomeAway, Inc. (b)(e)	0.13	04/01/19	1,503,675
5,000,000	Rudolph Technologies, Inc. (b)(e)	3.75	07/15/16	5,725,000	3,750,000	Infinera Corp. (b)(e)	1.75	06/01/18	3,909,375
387,000	SanDisk Corp. (b)	1.50	08/15/17	638,308	4,078,000	InterDigital, Inc. (b)	2.50	03/15/16	4,243,669
370,000	ServiceNow, Inc. (b)(e)(j)	0.00	11/01/18	398,213	2,250,000	Leap Wireless International, Inc.	4.50	07/15/14	2,278,125
601,000	Spansion, LLC (b)(e)	2.00	09/01/20	844,781	2,000,000	ModusLink Global Solutions, Inc. (b)(e)(f)	5.25	03/01/19	2,026,200
799,000	SunEdison, Inc. (b)(e)	2.75	01/01/21	1,188,013	6,500,000	Move, Inc. (b)(e)	2.75	09/01/18	6,386,250
385,000	Take-Two Interactive Software, Inc. (b)	1.75	12/01/16	507,478	895,000	Qihoo 360 Technology Co., Ltd. (b)(e)	2.50	09/15/18	1,058,897
6,000,000	Take-Two Interactive Software, Inc. (b)	1.00	07/01/18	7,380,000	538,000	SINA Corp. (b)(e)	1.00	12/01/18	514,126
1,500,000	TeleCommunication Systems, Inc. (e)	4.50	11/01/14	1,507,500	537,000	SouFun Holdings, Ltd. (b)(e)	2.00	12/15/18	523,575
648,000	VeriSign, Inc. (b)	3.25	08/15/37	1,071,630	779,000	Vipshop Holdings, Ltd. (b)	1.50	03/15/19	794,580
				<u>92,205,890</u>	7,150,000	Web.com Group, Inc. (b)	1.00	08/15/18	8,450,406
Materials - 0.9%					6,175,000	WebMD Health Corp. (b)	2.25	03/31/16	6,263,766
590,000	B2Gold Corp. (b)(e)	3.25	10/01/18	619,872	1,510,000	WebMD Health Corp.	2.50	01/31/18	1,529,819
7,540,000	Horsehead Holding Corp. (b)	3.80	07/01/17	9,834,987	1,984,000	WebMD Health Corp. (b)(e)	1.50	12/01/20	2,021,200
2,017,000	Primero Mining Corp.	6.50	03/31/16	2,052,499					

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2014

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 468,000	Yahoo!, Inc. (b)(e)(j)	0.00%	12/01/18	\$ 477,945	\$ 80,000	Bank of America Corp., MTN (h)	8.68%	05/02/17	\$ 88,104
				<u>78,898,665</u>	80,000	Bank of America Corp., MTN (h)	8.95	05/18/17	88,704
Total Corporate Convertible Bonds (Cost \$427,537,978)				<u>490,333,317</u>	80,000	Bank of America Corp., MTN (h)	9.57	06/06/17	90,400
Corporate Non-Convertible Bonds - 2.6%					20,000	Bank of America Corp., MTN, Series L	5.65	05/01/18	22,630
Consumer Discretionary - 0.1%					1,500,000	Bank of America NA BKNT (b)	6.10	06/15/17	1,697,952
1,416,000	Jarden Corp.	7.50	05/01/17	1,637,250	750,000	Bank of America NA BKNT (h)	0.53	06/15/17	738,386
2,000,000	K Hovnanian Enterprises, Inc.	8.63	01/15/17	2,222,500	1,540,000	Chase Capital III, Series C (b)(h)	0.79	03/01/27	1,301,300
				<u>3,859,750</u>	925,000	Chase Capital VI (h)	0.86	08/01/28	781,625
Consumer Staples - 0.2%					500,000	CIT Group, Inc. (e)	4.75	02/15/15	515,000
2,750,000	Monitronics International, Inc. (b)	9.13	04/01/20	2,956,250	40,000	CIT Group, Inc. (b)(e)	6.63	04/01/18	44,950
1,500,000	North Shore-Long Island Jewish Health Care, Inc.	6.15	11/01/43	1,728,727	150,000	Citigroup, Inc.	5.85	08/02/16	165,669
60,000	NYU Hospitals Center (b)	5.75	07/01/43	67,163	90,000	Citigroup, Inc.	6.13	05/15/18	103,535
				<u>4,752,140</u>	3,750,000	Citigroup, Inc. (b)(h)	0.78	08/25/36	2,958,679
Energy - 0.4%					1,300,000	Credit Suisse, Series YCD (b)(h)	0.56	08/24/15	1,300,084
2,297,000	Alon Refining Krotz Springs, Inc.	13.50	10/15/14	2,309,921	965,000	Discover Financial Services	3.85	11/21/22	948,991
750,000	Arch Coal, Inc. (e)	8.00	01/15/19	751,875	150,000	Duke Realty LP REIT	7.38	02/15/15	158,546
607,000	Berry Petroleum Co., LLC	10.25	06/01/14	615,346	1,180,000	Farmers Exchange Capital II (b)(e)(h)	6.15	11/01/53	1,292,852
500,000	Chesapeake Energy Corp.	9.50	02/15/15	535,625	200,000	Ford Motor Credit Co., LLC (b)	1.70	05/09/16	202,337
2,075,000	El Paso, LLC	6.88	06/15/14	2,094,453	150,000	General Electric Capital Corp., MTN	5.38	10/20/16	166,724
1,496,000	Energy Transfer Partners LP (b)(h)	3.26	11/01/66	1,376,320	150,000	General Electric Capital Corp., MTN	3.10	01/09/23	147,062
910,000	Newfield Exploration Co.	5.63	07/01/24	948,675	900,000	General Electric Capital Corp., MTN (b)(h)	0.62	05/05/26	825,390
55,000	Petrobras Global Finance BV (b)(h)	1.85	05/20/16	54,519	2,200,000	General Electric Capital Corp., MTN (h)	0.72	08/15/36	1,834,598
130,000	Plains Exploration & Production Co. (b)	6.88	02/15/23	145,275	150,000	HBOS PLC, MTN (e)	6.75	05/21/18	170,252
122,000	The Williams Cos., Inc.	7.88	09/01/21	145,161	100,000	HCP, Inc.	2.63	02/01/20	97,815
500,000	Walter Energy, Inc. (e)	9.50	10/15/19	510,625	232,000	HCP, Inc. REIT	5.63	05/01/17	260,126
				<u>9,487,795</u>					
Financial - 1.5%									
2,500,000	Ally Financial, Inc. (j)	0.00	06/15/15	2,428,125					
185,000	Bank of America Corp.	5.63	10/14/16	204,536					
15,000	Bank of America Corp., MTN	7.38	05/15/14	15,121					

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2014

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 1,380,000	Health Care REIT, Inc. (b)	4.95%	01/15/21	\$ 1,501,617	\$ 86,000	The Goldman Sachs Group, Inc., MTN	7.50%	02/15/19	\$ 104,151
60,000	Health Care REIT, Inc.	5.25	01/15/22	66,196	100,000	The Goldman Sachs Group, Inc., MTN, Series B (h)	0.64	07/22/15	99,983
35,000	Health Care REIT, Inc.	6.50	03/15/41	42,778	1,500,000	The Goldman Sachs Group, Inc., Series D (b)	6.00	06/15/20	1,724,728
1,409,000	Healthcare Realty Trust, Inc. REIT	6.50	01/17/17	1,591,015	477,000	Thornburg Mortgage, Inc. (i)	8.00	05/15/13	81,391
540,000	Healthcare Realty Trust, Inc. REIT	5.75	01/15/21	599,025	15,000	WEA Finance, LLC / WT Finance Aust Pty, Ltd. (e)	6.75	09/02/19	18,052
175,000	International Lease Finance Corp. (e)	6.75	09/01/16	195,563	100,000	ZFS Finance USA Trust II (b)(e)(h)	6.45	12/15/65	108,500
500,000	iStar Financial, Inc.	6.05	04/15/15	523,750					<u>40,304,815</u>
150,000	JPMorgan Chase & Co.	4.50	01/24/22	161,980	Industrial - 0.1%				
725,000	JPMorgan Chase Capital XIII, Series M (h)	1.18	09/30/34	607,187	1,000,000	Sydney Airport Finance Co Pty, Ltd. (e)	5.13	02/22/21	1,084,028
3,340,000	JPMorgan Chase Capital XXI, Series U (h)	1.19	02/02/37	2,647,317	125,000	Sydney Airport Finance Co. Pty, Ltd. (e)	3.90	03/22/23	122,500
450,000	JPMorgan Chase Capital XXIII (h)	1.24	05/15/47	346,500					<u>1,206,528</u>
700,000	Macquarie Bank, Ltd. (e)	6.63	04/07/21	793,112	Information Technology - 0.0%				
90,000	Morgan Stanley	4.20	11/20/14	92,056	1,000,000	EarthLink Holdings Corp.	7.38	06/01/20	1,045,000
100,000	Morgan Stanley, MTN	6.00	05/13/14	100,619	Materials - 0.0%				
250,000	Morgan Stanley, MTN (b)(h)	0.69	10/18/16	249,533	1,000,000	ArcelorMittal	4.25	02/25/15	1,023,750
2,575,000	Nationwide Mutual Insurance Co. (b)(e)(h)	5.81	12/15/24	2,610,406	65,000	Barrick Gold Corp. (b)	4.10	05/01/23	61,776
2,282,000	Nuveen Investments, Inc.	5.50	09/15/15	2,327,640					<u>1,085,526</u>
770,000	Raymond James Financial, Inc.	8.60	08/15/19	975,334	Telecommunication Services - 0.2%				
1,000,000	Realogy Group, LLC / The Sunshine Group Florida, Ltd. (e)	3.38	05/01/16	1,010,000	2,250,000	Clear Channel Communications, Inc.	5.50	09/15/14	2,266,875
900,000	Royal Bank of Scotland Group PLC	6.10	06/10/23	935,858	2,100,000	DISH DBS Corp.	6.63	10/01/14	2,157,750
1,600,000	SL Green Realty Corp. / SL Green Operating Partnership / Reckson Operating Partnership	5.00	08/15/18	1,734,834	500,000	FairPoint Communications, Inc. (e)	8.75	08/15/19	537,500
355,000	The Goldman Sachs Group, Inc.	6.15	04/01/18	406,197	1,000,000	Windstream Corp.	7.88	11/01/17	1,152,500
									<u>6,114,625</u>
					Utilities - 0.1%				
					840,000	FirstEnergy Corp., Series A	2.75	03/15/18	838,229
					675,000	GenOn Americas Generation, LLC	8.50	10/01/21	648,000
					1,000,000	IPALCO Enterprises, Inc.	5.00	05/01/18	1,062,500
					150,000	Metropolitan Edison Co. (e)	3.50	03/15/23	144,409
					145,000	Oncor Electric Delivery Co., LLC	6.80	09/01/18	171,173

ABSOLUTE STRATEGIES FUND
SCHEDULE OF INVESTMENTS
MARCH 31, 2014

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 115,000	PNM Resources, Inc.	9.25%	05/15/15	\$ 125,926	\$ 750,000	State of California	7.95%	03/01/36	\$ 883,373
80,000	Public Service Co. of New Mexico	7.95	05/15/18	95,476					<u>3,452,012</u>
600,000	Sabine Pass LNG LP (e)	7.50	11/30/16	645,000	Illinois - 0.2%				
				<u>3,730,713</u>	1,625,000	City of Chicago IL	6.05	01/01/29	1,647,409
Total Corporate Non-Convertible Bonds (Cost \$65,946,817)				71,586,892	85,000	State of Illinois (b)	4.35	06/01/18	90,074
Exchange Traded Notes - 0.0%					1,000,000	State of Illinois	6.20	07/01/21	1,125,730
20,500	iPATH S&P 500 VIX Mid-Term Futures ETN (a)(b) (Cost \$948,087)		N/A	\$ 310,370	2,105,000	State of Illinois (b)	4.95	06/01/23	2,200,251
					100,000	State of Illinois (b)	5.10	06/01/33	98,793
Foreign Government Bonds - 0.0%									<u>5,162,257</u>
220,000	Kommunalbanken AS (b)(e)(h)	0.23%	08/28/14	220,032	New York - 0.1%				
230,000	Kommuninvest I Sverige AB (b)(e)(h)	0.23	09/12/14	230,057	1,050,000	City of New York NY (b)	6.65	12/01/31	1,209,379
Total Foreign Government Bonds (Cost \$450,000)				450,089	1,025,000	New York City Water & Sewer System	6.49	06/15/42	1,136,008
Interest Only Bonds - 0.1%									<u>2,345,387</u>
23,343,761	Lehman ABS Manufactured Housing Contract Trust, Series 2001-B AIOC (h)	0.55	04/15/40	518,696	North Carolina - 0.1%				
54,368,447	Residential Accredit Loans, Inc., Series 2006-QS11 AV (h)	0.33	08/25/36	745,038	1,800,000	North Carolina State Education Assistance Authority, Series 2011-1 A3 (h)	1.14	10/25/41	1,816,254
26,373,723	Residential Accredit Loans, Inc., Series 2006-QS6 1AV (h)	0.74	06/25/36	835,678	Texas - 0.0%				
59,529,580	Residential Accredit Loans, Inc., Series 2007-QS2 AV (h)	0.31	01/25/37	694,442	100,000	City of Houston TX (b)	6.29	03/01/32	120,400
59,773,396	Residential Accredit Loans, Inc., Series 2007-QS3 AV (h)	0.32	02/25/37	828,340	Total Municipal Bonds (Cost \$12,740,899)				12,896,310
Total Interest Only Bonds (Cost \$2,084,452)				3,622,194	Municipal Demand Notes - 0.1%				
Municipal Bonds - 0.5%					Arizona - 0.1%				
California - 0.1%					1,500,000	Arizona Health Facilities Authority (h)	0.98	01/01/37	1,203,960
60,000	State of California	6.20	03/01/19	70,562	Total Municipal Demand Notes (Cost \$1,133,653)				1,203,960
2,065,000	State of California	5.70	11/01/21	2,413,820	Syndicated Loans - 0.1%				
70,000	State of California (b)	6.65	03/01/22	84,257	1,000,000	Arch Coal, Inc. (h)	6.25	05/16/18	985,625
					877,352	HCA, Inc. (h)	3.00	05/01/18	878,381
					1,000,000	Southern Pacific (h)	11.00	03/31/19	1,015,000
					1,000,000	Travelport, LLC (h)	9.50	01/31/16	1,037,916
					Total Syndicated Loans (Cost \$3,845,141)				3,916,922
					U.S. Government & Agency Obligations - 1.0%				
					Agency - 0.0%				
					170,000	FFCB (b)(h)	0.18	09/14/16	170,092
					170,000	FFCB (b)(h)	0.21	02/27/17	170,169
					220,000	FHLB (b)(g)	0.75	05/26/28	213,710
									<u>553,971</u>

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2014

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
Discount Note - 0.1%					Mortgage Securities - 0.4%				
\$ 185,000	FHLB (b)(j)	0.06%	04/21/14	\$ 184,998	\$ 2,823,947	GNMA, Series 2010-4, Class SL (h)	6.25%	01/16/40	\$ 426,512
715,000	FHLB (b)(j)	0.07	04/25/14	714,991					7,175,316
380,000	FHLB (b)(j)	0.07	05/16/14	379,991					
1,030,000	FHLB (b)(j)	0.07	05/21/14	1,029,971					
745,000	FHLB (b)(j)	0.06	05/30/14	744,975					
355,000	FHLMC (b)(j)	0.06	04/07/14	354,999					
				<u>3,409,925</u>					
Interest Only Bonds - 0.2%									
4,288,261	FHLMC, Series 3262, Class KS (h)	6.26	01/15/37	514,080	182,097	FHLMC Gold Pool #A96411	4.00	01/01/41	189,798
6,566,044	FHLMC, Series 3271, Class SB (h)	5.90	02/15/37	799,776	60,693	FHLMC Gold Pool #G01864 (b)	5.00	01/01/34	66,305
3,698,710	FHLMC, Series 3404, Class AS (h)	5.74	01/15/38	522,344	124,475	FHLMC Gold Pool #G05866	4.50	02/01/40	134,112
4,961,556	FHLMC, Series 4030, Class HS (h)	6.46	04/15/42	753,875	156,312	FHLMC Gold Pool #G06361	4.00	03/01/41	163,051
3,216,643	FNMA, Series 2005-92, Class US (h)	5.95	10/25/25	387,290	54,499	FHLMC Gold Pool #G13475 (b)	6.00	01/01/24	59,846
4,514,038	FNMA, Series 2006-125, Class SM (h)	7.05	01/25/37	826,974	8,303	FHLMC Gold Pool #H03161 (b)	6.50	08/01/37	9,007
327,981	FNMA, Series 2006-27, Class SH (b)(h)	6.55	04/25/36	49,710	205,292	FHLMC Gold Pool #Q20178	3.50	07/01/43	206,950
5,300,930	FNMA, Series 2007-52, Class LS (h)	5.90	06/25/37	691,298	323,820	FHLMC Gold Pool #U90791	4.00	01/01/43	334,195
1,279,142	FNMA, Series 2007-68, Class SC (h)	6.55	07/25/37	201,370	155,000	FHLMC Multifamily Structured Pass Through Certificates, Series K009 A2	3.81	08/25/20	166,089
473,062	FNMA, Series 2007-77, Class SK (b)(h)	5.72	08/25/37	59,396	175,000	FHLMC Multifamily Structured Pass Through Certificates, Series K010, Class A2 (b)	4.33	10/25/20	192,801
5,366,808	FNMA, Series 2009-115, Class SB (h)	6.10	01/25/40	731,821	215,000	FHLMC Multifamily Structured Pass Through Certificates, Series K020, Class A2 (b)	2.37	05/25/22	205,768
1,259,997	FNMA, Series 2010-35, Class IA	5.00	07/25/38	51,858	12,494	FHLMC, Series 2433, Class SA (b)(h)	20.53	02/15/32	18,860
2,507,513	GNMA, Series 2007-78, Class SG (h)	6.38	12/20/37	385,195	1,978	FHLMC, Series 2929, Class PE (b)	5.00	05/15/33	1,977
3,673,641	GNMA, Series 2008-51, Class GS (h)	6.08	06/16/38	617,633	383,223	FHLMC, Series 3442, Class MT (h)	0.16	07/15/34	356,857
300,335	GNMA, Series 2009-106, Class KS (b)(h)	6.24	11/20/39	45,457	215,000	FNCI25 - FNMA TBA	2.50	04/15/29	214,899
591,007	GNMA, Series 2010-158, Class EI (b)	4.00	12/16/25	75,598	270,000	FNCI3 - FNMA TBA	3.00	04/15/29	277,425
215,754	GNMA, Series 2010-4, Class NS (h)	6.24	01/16/40	35,129	35,000	FNCI3 - FNMA TBA	3.00	04/15/29	35,963
					235,000	FNCI35 - FNMA TBA	3.50	04/15/29	246,456

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2014

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value
\$ 575,000	FNCL3 - FNMA TBA	3.00%	04/15/44	\$ 555,145	\$ 160,327	FNMA Pool #AJ0764	4.50%	09/01/41	\$ 171,405
5,000	FNCL3 - FNMA TBA	3.00	04/15/44	4,827	237,887	FNMA Pool #AL0149	4.00	02/01/41	247,921
290,000	FNCL3 - FNMA TBA	3.00	04/15/44	279,986	129,857	FNMA Pool #AL0851	6.00	10/01/40	144,785
235,000	FNCL35 - FNMA TBA	3.50	04/15/44	236,469	211,193	FNMA Pool #AL3306	2.46	04/01/23	203,244
275,000	FNCL35 - FNMA TBA	3.50	04/15/44	276,719	415,709	FNMA Pool #MA1527	3.00	08/01/33	415,141
15,000	FNCL4 - FNMA TBA	4.00	04/15/44	15,595	311,725	FNMA Pool #MA1608	3.50	10/01/33	320,934
315,000	FNCL4 - FNMA TBA	4.00	04/15/44	327,502	37,508	FNMA, Series 2001-52, Class YZ (b)	6.50	10/25/31	42,063
380,000	FNCL4 - FNMA TBA	4.00	04/15/44	395,081	17,507	FNMA, Series 2001-81, Class QG (b)	6.50	01/25/32	19,384
345,000	FNCL4 - FNMA TBA	4.00	04/15/44	358,692	603,123	FNMA, Series 2003-64, Class KS (h)	9.44	07/25/18	658,495
70,000	FNCL45 - FNMA TBA	4.50	04/15/44	74,692	142,929	FNMA, Series 2006-4, Class WE	4.50	02/25/36	152,933
230,000	FNCL45 - FNMA TBA	4.50	04/15/44	245,417	180,000	FNMA, Series 2013-M7, Class A2	2.28	12/27/22	179,867
65,709	FNMA Pool #545639 (b)	6.50	04/01/32	74,973	200,000	G2SF35 - GNMA TBA	3.50	04/15/44	204,156
2,772	FNMA Pool #673743 (b)(h)	2.63	11/01/32	2,819	245,000	G2SF45 - GNMA TBA	4.50	04/15/44	264,179
99,921	FNMA Pool #734922	4.50	09/01/33	106,973	7,100	GNMA II Pool #080610 (b)(h)	1.63	06/20/32	7,393
51,146	FNMA Pool #735646	4.50	07/01/20	54,316	20,899	GNMA II Pool #081136 (b)(h)	2.13	11/20/34	21,858
44,003	FNMA Pool #735861 (b)	6.50	09/01/33	50,192	21,804	GNMA II Pool #081432 (b)(h)	1.63	08/20/35	22,679
36,631	FNMA Pool #735881 (b)	6.00	11/01/34	41,353	19,314	GNMA II Pool #081435 (b)(h)	1.63	08/20/35	20,088
18,602	FNMA Pool #764388 (b)(h)	3.88	03/01/34	19,896					<u>10,698,079</u>
60,947	FNMA Pool #776708 (b)	5.00	05/01/34	67,383	U.S. Treasury Securities - 0.3%				
85,650	FNMA Pool #888219	5.50	03/01/37	94,657	62,000	U.S. Treasury Bill (k)	0.06	04/24/14	61,999
21,959	FNMA Pool #895606 (b)(h)	5.78	06/01/36	23,630	405,000	U.S. Treasury Bond (b)	3.75	11/15/43	419,365
105,823	FNMA Pool #897164	6.50	08/01/36	120,580	607,997	U.S. Treasury Inflation Indexed Bond (b)	2.00	07/15/14	618,279
156,371	FNMA Pool #962723	5.50	04/01/38	174,410	1,419,227	U.S. Treasury Inflation Indexed Bond (b)	0.50	04/15/15	1,449,117
224,600	FNMA Pool #963997	5.50	06/01/38	250,650	524,507	U.S. Treasury Inflation Indexed Bond (b)	0.13	04/15/16	539,099
35,819	FNMA Pool #974148	5.50	02/01/38	39,551	473,685	U.S. Treasury Inflation Indexed Bond (b)	0.13	04/15/17	482,708
153,184	FNMA Pool #AB1613	4.00	10/01/40	159,837	222,596	U.S. Treasury Inflation Indexed Bond (b)	0.13	04/15/18	227,875
161,438	FNMA Pool #AB3864	3.50	11/01/41	162,765					
139,023	FNMA Pool #AD0791 (b)	4.76	02/01/20	156,165					
161,662	FNMA Pool #AE0600 (b)	3.98	11/01/20	174,767					
157,900	FNMA Pool #AE0605 (b)	4.67	07/01/20	176,153					

ABSOLUTE STRATEGIES FUND
SCHEDULE OF INVESTMENTS
MARCH 31, 2014

Principal	Security Description	Rate	Maturity	Value	Principal	Security Description	Rate	Maturity	Value	
\$ 245,872	U.S. Treasury Inflation Indexed Bond (b)	1.38%	02/15/44	\$ 251,507	\$ 500,000	Mohawk Industries, Inc. (k)	0.50%	04/16/14	\$ 499,896	
115,000	U.S. Treasury Note (b)	1.63	03/31/19	114,421	320,000	National Rural Utilities (b)(k)	0.10	04/15/14	319,987	
665,000	U.S. Treasury Note (b)	2.13	01/31/21	658,557	2,000,000	PPL Energy Supply, Inc. (k)	0.45	04/01/14	2,000,000	
2,135,000	U.S. Treasury Note (b)	2.75	02/15/24	2,139,838	2,135,000	Textron, Inc. (k)	0.51	04/02/14	2,134,970	
				6,962,765						
Total U.S. Government & Agency Obligations (Cost \$25,959,998)				28,800,056	Total Commercial Paper (Cost \$6,954,828)				6,954,828	
Total Fixed Income Securities (Cost \$696,683,550)				791,802,765	Total Short-Term Investments (Cost \$6,954,828)				6,954,828	
Shares	Security Description			Value	Contracts	Security Description	Strike Price	Exp. Date	Value	
Rights - 0.0%										
150,000	Comdisco Holding Co., Inc. (a)(l)			10,500	Purchased Options - 1.6%					
Total Rights (Cost \$43,782)										10,500
Investment Companies - 9.1%										
37,632	BlackRock Credit Allocation Income Trust			508,785	Call Options Purchased - 0.7%					
61,990	BlackRock Floating Rate Income Trust			882,738	217	Facebook, Inc.	\$ 60.00	04/14	28,210	
71,620	DoubleLine Income Solutions Fund			1,519,776	2,985	General Motors Co.	20.00	01/15	4,358,100	
55,320	DoubleLine Opportunistic Credit Fund			1,280,658	516	Johnson & Johnson	55.00	01/15	2,229,120	
69,698	Eaton Vance Limited Duration Income Fund			1,062,895	3,476	Parkervision, Inc.	7.00	10/14	165,110	
125,350	Invesco Senior Income Trust			629,257	4,346	Powershares DB U.S. Dollar Index Bullish Fund	22.00	09/14	78,228	
21,000	iShares Barclays TIPS Bond ETF			2,354,100	8,480	SPDR S&P 500 ETF Trust	210.00	01/15	771,680	
41,200	Montgomery Street Income Securities, Inc.			662,908	9,772	SPDR S&P 500 ETF Trust	183.00	01/15	10,807,832	
70,200	Nuveen Credit Strategies Income Fund			667,602	Total Call Options Purchased (Premiums Paid \$15,721,712)					18,438,280
92,598	PCM Fund, Inc.			1,127,844	Put Options Purchased - 0.9%					
57,500	PIMCO Dynamic Credit Income Fund			1,299,500	152	Amedisys, Inc.	15.00	06/14	21,432	
45,200	PIMCO Dynamic Income Fund			1,370,464	108	Angie's List, Inc.	17.50	05/14	57,348	
38,380	PIMCO Income Opportunity Fund			1,083,467	283	BE Aerospace, Inc.	70.00	10/14	43,158	
98,012	PIMCO Income Strategy Fund II			1,019,325	868	Canadian Solar, Inc.	25.00	04/14	13,020	
5,000	ProShares UltraShort 20+ Year Treasury (a)(b)			337,750	74	Chipotle Mexican Grill	540.00	01/15	351,870	
1,257,062	SPDR S&P 500 ETF Trust (b)(c)(d)			235,120,876	1,520	Citigroup, Inc.	40.00	09/14	89,680	
27,400	Western Asset Mortgage Defined Opportunity Fund, Inc.			632,666	4,343	Citigroup, Inc.	30.00	09/14	34,744	
Total Investment Companies (Cost \$161,163,452)				251,560,611	869	Deutsche Bank AG	40.00	10/14	158,592	
Short-Term Investments - 0.3%										
Commercial Paper - 0.3%										
\$ 2,000,000	Mohawk Industries, Inc. (k)	0.45%	04/02/14	1,999,975	869	iShares FTSE China 25 Index Fund	32.50	06/14	38,671	
					3,694	iShares iBoxx High Yield Fund	90.00	09/14	543,018	
					651	iShares Russell 2000 ETF	110.00	06/14	140,942	
					4,292	iShares Russell 2000 ETF	90.00	12/14	802,604	
					273	SPDR S&P 500 ETF Trust	180.00	06/14	73,164	
					19,327	SPDR S&P 500 ETF Trust	183.00	01/15	17,790,503	
					9,663	SPDR S&P 500 ETF Trust	165.00	01/15	4,155,090	

ABSOLUTE STRATEGIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2014

Contracts	Security Description	Strike Price	Exp. Date	Value
12,329	SPDR S&P 500 ETF Trust	\$ 130.00	01/15	\$ 1,128,103
12,663	SPDR S&P 500 ETF Trust	90.00	01/15	151,956
633	Whole Foods Market, Inc.	45.25	01/15	170,277
217	Yum! Brands, Inc.	65.00	10/14	37,107
Total Put Options Purchased (Premiums Paid \$32,977,472)				<u>25,801,279</u>
Total Purchased Options (Premiums Paid \$48,699,184)				<u>44,239,559</u>
Total Long Positions - 77.2% (Cost \$1,691,153,599)*				<u>\$2,134,763,254</u>
Total Short Positions - (29.1)% (Cost \$(774,982,543))*				<u>(802,988,959)</u>
Total Written Options - (1.1)% (Premiums Received \$(34,736,623))*				<u>(30,154,358)</u>
Other Assets & Liabilities, Net - 53.0%				<u>1,462,643,206</u>
Net Assets - 100.0%				<u><u>\$2,764,263,143</u></u>

ABSOLUTE STRATEGIES FUND
SCHEDULE OF SECURITIES SOLD SHORT
MARCH 31, 2014

Shares	Security Description	Value	Shares	Security Description	Value
Short Positions - (29.1)%			(22,383)	Vector Group, Ltd.	\$ (482,130)
Common Stock - (27.6)%			(10,355)	Vera Bradley, Inc.	(279,481)
Consumer Discretionary - (5.7)%			(9,812)	Vitamin Shoppe, Inc.	(466,266)
(6,717)	Buffalo Wild Wings, Inc.	\$ (1,000,161)	(313,400)	Wabash National Corp.	(4,312,384)
(39,548)	Callaway Golf Co.	(404,181)	(15,790)	WESCO International, Inc.	(1,314,044)
(11,037)	Chico's FAS, Inc.	(176,923)	(104,200)	Yum! Brands, Inc.	(7,855,638)
(6,463)	Deckers Outdoor Corp.	(515,295)			<u>(158,301,152)</u>
(117,600)	Dick's Sporting Goods, Inc.	(6,422,136)	Consumer Staples - (1.4)%		
(11,098)	Dorman Products, Inc.	(655,448)	(323,332)	Albany Molecular Research, Inc.	(6,010,742)
(26,371)	Equinix, Inc.	(4,874,416)	(49,798)	Amedisys, Inc.	(741,492)
(20,000)	Exide Technologies	(4,600)	(431,500)	Array BioPharma, Inc.	(2,028,050)
(5,108)	FactSet Research Systems, Inc.	(550,694)	(16,562)	Ascent Capital Group, Inc., Class A	(1,251,259)
(7,828)	Family Dollar Stores, Inc.	(454,102)	(7,174)	Bunge, Ltd.	(570,405)
(170,500)	Fastenal Co.	(8,409,060)	(56,100)	Carriage Services, Inc.	(1,023,264)
(600,500)	Ford Motor Co.	(9,367,800)	(3,392)	Chiquita Brands International, Inc.	(42,230)
(68,500)	Fossil Group, Inc.	(7,987,785)	(33,802)	Ctrip.com International, Ltd., ADR	(1,704,297)
(48,430)	FTI Consulting, Inc.	(1,614,656)	(143,191)	Emergent Biosolutions, Inc.	(3,618,437)
(8,251)	Genesco, Inc.	(615,277)	(83,000)	Endologix, Inc.	(1,068,210)
(99,000)	Genuine Parts Co.	(8,598,150)	(297,516)	Healthways, Inc.	(5,099,424)
(147,650)	Harley-Davidson, Inc.	(9,834,967)	(29,300)	Keurig Green Mountain, Inc.	(3,093,787)
(31,715)	Home Inns & Hotels Management, Inc., ADR	(1,024,077)	(18,793)	LifeLock, Inc.	(321,548)
(20,294)	Iconix Brand Group, Inc.	(796,945)	(9,110)	On Assignment, Inc.	(351,555)
(7,592)	iRobot Corp.	(311,652)	(11,803)	Post Holdings, Inc.	(650,581)
(297,404)	JAKKS Pacific, Inc.	(2,147,257)	(90,848)	Protalix BioTherapeutics, Inc.	(416,084)
(2,595)	Jarden Corp.	(155,259)	(8,345)	Questcor Pharmaceuticals, Inc.	(541,841)
(180,750)	Johnson Controls, Inc.	(8,553,090)	(12,564)	ServiceSource International, Inc.	(106,040)
(11,287)	KB Home	(191,766)	(208,541)	Spectrum Pharmaceuticals, Inc.	(1,634,962)
(39,400)	L Brands, Inc.	(2,236,738)	(105,800)	The Estee Lauder Cos., Inc., Class A	(7,075,904)
(18,455)	Lennar Corp., Class A	(731,187)	(19,099)	Universal Corp.	(1,067,443)
(2,194)	Lululemon Athletica, Inc.	(115,383)			<u>(38,417,555)</u>
(135,000)	M/I Homes, Inc.	(3,026,700)	Energy - (0.6)%		
(7,095)	Meritage Homes Corp.	(297,139)	(21,268)	Alon USA Energy, Inc.	(317,744)
(51,492)	Meritor, Inc.	(630,777)	(70,967)	BPZ Resources, Inc.	(225,675)
(23,375)	Multimedia Games Holding Co., Inc.	(678,810)	(30,042)	Chesapeake Energy Corp.	(769,676)
(38,429)	Navistar International Corp.	(1,301,590)	(53,080)	Clean Energy Fuels Corp.	(474,535)
(2,173)	Netflix, Inc.	(764,961)	(8,866)	Cobalt International Energy, Inc.	(162,425)
(28,400)	Nordstrom, Inc.	(1,773,580)	(26,327)	Emerald Oil, Inc.	(176,917)
(24,100)	Nu Skin Enterprises, Inc., Class A	(1,996,685)	(26,463)	Energy XXI Bermuda, Ltd.	(623,733)
(4,643)	Panera Bread Co., Class A	(819,350)	(13,311)	Goodrich Petroleum Corp.	(210,580)
(11,805)	PetSmart, Inc.	(813,246)	(254,509)	Green Plains Renewable Energy, Inc.	(7,625,090)
(50,500)	Polaris Industries, Inc.	(7,055,355)	(34,449)	JinkoSolar Holding Co., Ltd., ADR	(962,850)
(31,724)	Popeyes Louisiana Kitchen, Inc.	(1,289,263)	(52,971)	Newpark Resources, Inc.	(606,518)
(3,600)	priceline.com, Inc.	(4,290,804)	(72,930)	Penn Virginia Corp.	(1,275,546)
(61,650)	PriceSmart, Inc.	(6,222,335)	(52,126)	Sanchez Energy Corp.	(1,544,493)
(48,650)	RackSpace Hosting, Inc.	(1,596,693)	(65,565)	SandRidge Energy, Inc.	(402,569)
(65,424)	Red Robin Gourmet Burgers, Inc.	(4,689,592)	(12,101)	SolarCity Corp.	(757,765)
(30,412)	Regis Corp.	(416,644)	(32,969)	Solazyme, Inc.	(382,770)
(7,088)	Sears Holdings Corp.	(338,523)	(302,748)	Vantage Drilling Co.	(517,699)
(4,342)	SeaWorld Entertainment, Inc.	(131,259)			<u>(17,036,585)</u>
(18,600)	Signet Jewelers, Ltd.	(1,968,996)	Financial - (8.4)%		
(271,500)	Southwest Airlines Co.	(6,410,115)	(2,884)	Affiliated Managers Group, Inc.	(576,944)
(28,414)	Standard Pacific Corp.	(236,120)	(10,574,000)	Agricultural Bank of China, Ltd., Class H	(4,607,764)
(80,976)	Steinhoff International Holdings, Ltd.	(397,141)	(3,818)	Alexandria Real Estate Equities, Inc. REIT	(277,034)
(2,708)	Tesla Motors, Inc.	(564,483)	(173,777)	Allianz SE, ADR	(2,928,142)
(16,166)	The Buckle, Inc.	(740,403)	(19,925)	American Residential Properties, Inc. REIT	(358,251)
(68,180)	The Home Depot, Inc.	(5,395,083)	(17,036)	AmTrust Financial Services, Inc.	(640,724)
(18,071)	The Ryland Group, Inc.	(721,575)	(1,356,679)	Banco Santander SA, ADR	(12,996,985)
(1,305)	Time Warner Cable, Inc.	(179,020)	(620,820)	Bank of America Corp.	(10,678,104)
(20,500)	Titan Machinery, Inc.	(321,235)			
(13,600)	Ulta Salon Cosmetics & Fragrance, Inc.	(1,325,728)			
(73,900)	Under Armour, Inc., Class A	(8,471,896)			
(7,489)	United Continental Holdings, Inc.	(334,234)			
(15,653)	United Stationers, Inc.	(642,869)			

ABSOLUTE STRATEGIES FUND
SCHEDULE OF SECURITIES SOLD SHORT
MARCH 31, 2014

Shares	Security Description	Value	Shares	Security Description	Value
(59,178)	LivePerson, Inc.	\$ (714,278)	Investment Companies - (1.5)%		
(6,593)	Medidata Solutions, Inc.	(358,264)	(187,494)	iShares Russell 2000 ETF	\$ (21,813,052)
(198,100)	Mentor Graphics Corp.	(4,362,162)	(108,649)	SPDR S&P 500 ETF Trust	(20,321,709)
(10,704)	Microchip Technology, Inc.	(511,223)	Total Investment Companies		
(1,025,445)	Photronics, Inc.	(8,747,046)	(Proceeds \$(42,264,057))		
(6,546)	Proofpoint, Inc.	(242,726)	Total Short Positions - (29.1)%		
(12,764)	Qlik Technologies, Inc.	(339,395)	(Proceeds \$(774,982,543))		
(1,995,512)	Quantum Corp.	(2,434,525)	\$ (802,988,959)		
(37,850)	Radisys Corp.	(135,881)			
(215,861)	Rudolph Technologies, Inc.	(2,462,974)			
(6,038)	SanDisk Corp.	(490,225)			
(116,300)	SAP AG, ADR	(9,456,353)			
(3,308)	ServiceNow, Inc.	(198,215)			
(34,212)	Spansion, Inc., Class A	(595,973)			
(45,304)	SunEdison, Inc.	(853,527)			
(207,529)	Take-Two Interactive Software, Inc.	(4,551,111)			
(3,739)	The Dun & Bradstreet Corp.	(371,470)			
(16,744)	VeriSign, Inc.	(902,669)			
		<u>(74,850,198)</u>			
Materials - (1.2)%					
(34,010)	ArcelorMittal, ADR	(549,262)			
(90,642)	B2Gold Corp.	(243,827)			
(87,625)	BHP Billiton, Ltd., ADR	(5,938,346)			
(362,021)	Horsehead Holding Corp.	(6,089,193)			
(1,997,621)	Mexichem SAB de CV	(7,038,456)			
(4,343)	Reliance Steel & Aluminum Co.	(306,876)			
(112,550)	Rio Tinto PLC, ADR	(6,283,667)			
(1,768)	Sesa Sterlite, Ltd., ADR	(21,959)			
(224,281)	Silver Standard Resources, Inc.	(2,227,110)			
(60,900)	Steel Dynamics, Inc.	(1,083,411)			
(50,922)	Stillwater Mining Co.	(754,155)			
(29,700)	The Dow Chemical Co.	(1,443,123)			
(12,931)	United States Steel Corp.	(357,025)			
(4,691)	US Silica Holdings, Inc.	(179,055)			
		<u>(32,515,465)</u>			
Telecommunication Services - (1.1)%					
(38,801)	Alaska Communications Systems Group, Inc.	(74,886)			
(134,374)	Alcatel-Lucent	(529,814)			
(326,546)	Blucora, Inc.	(6,429,691)			
(26,600)	Comtech Telecommunications Corp.	(847,476)			
(162,300)	Dealertrack Technologies, Inc.	(7,983,537)			
(11,043)	HomeAway, Inc.	(415,990)			
(155,131)	Infinera Corp.	(1,408,589)			
(7,500)	InterDigital, Inc.	(248,325)			
(57,819)	Iridium Communications, Inc.	(434,221)			
(207,489)	ModusLink Global Solutions, Inc.	(877,678)			
(185,693)	Move, Inc.	(2,146,611)			
(4,842)	Qihoo 360 Technology Co., Ltd., ADR	(482,166)			
(1,860)	SINA Corp.	(112,363)			
(3,019)	SouFun Holdings, Ltd., ADR	(206,560)			
(5,400)	Time Warner, Inc.	(352,782)			
(2,169)	Vipshop Holdings, Ltd., ADR	(323,832)			
(142,700)	Web.com Group, Inc.	(4,856,081)			
(50,296)	WebMD Health Corp.	(2,082,254)			
(4,119)	Yahoo!, Inc.	(147,872)			
(9,903)	Yandex NV, Class A	(298,972)			
		<u>(30,259,700)</u>			
Total Common Stock					
(Proceeds \$(732,718,486))		<u>(760,854,198)</u>			

ABSOLUTE STRATEGIES FUND

SCHEDULE OF CALL AND PUT OPTIONS WRITTEN

MARCH 31, 2014

Contracts	Security Description	Strike Price	Exp. Date	Value	Contracts	Security Description	Strike Price	Exp. Date	Value
Written Options - (1.1)%					Put Options Written - (0.5)%				
Call Options Written - (0.6)%									
(418)	Abbott Laboratories	\$ 42.00	01/15	\$ (44,726)	(418)	Abbott Laboratories	\$ 35.00	01/15	\$ (62,700)
(654)	Accenture PLC	87.50	01/15	(147,150)	(654)	Accenture PLC	72.50	01/15	(235,440)
(400)	American Express Co.	97.50	01/15	(133,200)	(400)	American Express Co.	80.00	01/15	(126,000)
(1,335)	American International Group, Inc.	60.00	01/15	(132,165)	(1,335)	American International Group, Inc.	45.00	01/15	(301,710)
(3,077)	Bank of America Corp.	20.00	01/15	(166,158)	(3,077)	Bank of America Corp.	15.00	01/15	(206,159)
(949)	Bed Bath & Beyond, Inc.	75.00	01/15	(322,660)	(949)	Bed Bath & Beyond, Inc.	60.00	01/15	(219,219)
(1,252)	Berkshire Hathaway, Inc., Class B	125.00	01/15	(845,100)	(1,252)	Berkshire Hathaway, Inc., Class B	105.00	01/15	(185,296)
(792)	CarMax, Inc.	50.00	01/15	(245,520)	(792)	CarMax, Inc.	40.00	01/15	(140,580)
(37)	Chipotle Mexican Grill	580.00	01/15	(209,050)	(74)	Chipotle Mexican Grill	490.00	01/15	(215,710)
(738)	Coach, Inc.	62.50	01/15	(53,505)	(738)	Coach, Inc.	45.00	01/15	(202,950)
(2,163)	Corning, Inc.	22.00	01/15	(263,886)	(2,163)	Corning, Inc.	15.00	01/15	(62,727)
(848)	CVS Caremark Corp.	75.00	01/15	(398,560)	(848)	CVS Caremark Corp.	62.50	01/15	(114,904)
(763)	DIRECTV	77.50	01/15	(511,210)	(688)	Darden Restaurants, Inc.	42.00	04/14	(688)
(772)	Expeditors International of Washington, Inc.	47.50	01/15	(55,970)	(463)	Deere & Co.	80.00	01/15	(118,528)
(1,752)	General Motors Co.	45.00	01/15	(98,112)	(763)	DIRECTV	62.50	01/15	(178,161)
(32)	Google, Inc., Class A	1,230.00	01/15	(177,280)	(772)	Expeditors International of Washington, Inc.	37.50	01/15	(189,140)
(2,907)	Hertz Global Holdings, Inc.	30.00	01/15	(558,144)	(1,752)	General Motors Co.	35.00	01/15	(692,040)
(13,546)	iShares Russell 2000 ETF	130.00	01/15	(2,736,292)	(32)	Google, Inc., Class A	1,010.00	01/15	(162,880)
(259)	Johnson & Johnson	100.00	01/15	(93,240)	(2,907)	Hertz Global Holdings, Inc.	22.00	01/15	(392,445)
(1,073)	JPMorgan Chase & Co.	65.00	01/15	(229,622)	(3,477)	iShares iBoxx High Yield Fund	85.00	09/14	(198,189)
(1,214)	Kohl's Corp.	62.50	01/15	(264,045)	(259)	Johnson & Johnson	82.50	01/15	(34,577)
(9,772)	SPDR S&P 500 ETF Trust	192.00	01/15	(5,902,288)	(1,073)	JPMorgan Chase & Co.	52.50	01/15	(207,625)
(921)	Target Corp.	67.50	01/15	(108,678)	(293)	Keurig Green Mountain, Inc.	100.00	01/15	(514,215)
(1,591)	The Bank of New York Mellon Corp.	40.00	01/15	(130,462)	(293)	Keurig Green Mountain, Inc.	55.00	01/15	(61,530)
(438)	The Boeing Co.	150.00	01/15	(97,236)	(1,214)	Kohl's Corp.	45.00	01/15	(151,750)
(710)	The Coca-Cola Co.	45.00	01/15	(16,330)	(2,535)	Microsoft Corp.	28.00	01/15	(68,445)
(367)	The Walt Disney Co.	85.00	01/15	(159,645)	(330)	QUALCOMM, Inc.	65.00	01/15	(51,480)
(206)	United Parcel Service, Inc., Class B	110.00	01/15	(19,364)	(28,302)	Sirius XM Holdings, Inc.	3.50	01/15	(1,669,818)
(1,213)	Walgreen Co.	65.00	01/15	(721,735)	(28,990)	SPDR S&P 500 ETF Trust	146.00	01/15	(5,464,615)
(781)	Wal-Mart Stores, Inc.	85.00	01/15	(62,480)	(282)	Stanley Black & Decker, Inc.	70.00	01/15	(91,650)
(605)	Weight Watchers International, Inc.	45.00	01/15	(605)	(921)	Target Corp.	55.00	01/15	(207,225)
(1,054)	Wells Fargo & Co.	50.00	01/15	(270,878)	(1,591)	The Bank of New York Mellon Corp.	30.00	01/15	(152,736)
(633)	Whole Foods Market, Inc.	60.00	01/15	(110,775)	(438)	The Boeing Co.	125.00	01/15	(469,755)
	Total Call Options Written				(710)	The Coca-Cola Co.	35.00	01/15	(70,290)
	(Premiums Received \$(16,192,614))			(15,286,071)	(367)	The Walt Disney Co.	65.00	01/15	(71,565)

ABSOLUTE STRATEGIES FUND

SCHEDULE OF CALL AND PUT OPTIONS WRITTEN

MARCH 31, 2014

Contracts	Security Description	Strike Price	Exp. Date	Value
(206)	United Parcel Service, Inc., Class B	\$ 90.00	01/15	\$ (63,860)
(1,213)	Walgreen Co.	52.50	01/15	(163,755)
(781)	Wal-Mart Stores, Inc.	70.00	01/15	(149,952)
(605)	Weight Watchers International, Inc.	30.00	01/15	(756,250)
(1,054)	Wells Fargo & Co.	40.00	01/15	(75,888)
Total Put Options Written				
(Premiums Received \$(18,544,009))				<u>(14,868,287)</u>
Total Written Options - (1.1)%				
(Premiums Received \$(34,736,623))				<u>\$ (30,154,358)</u>

ABSOLUTE STRATEGIES FUND

NOTES TO SCHEDULES OF INVESTMENTS, SECURITIES SOLD SHORT AND CALL AND PUT OPTIONS WRITTEN

MARCH 31, 2014

ADR	American Depositary Receipt	(f)	Security fair valued in accordance with procedures adopted by the Board of Trustees. At the period end, the value of these securities amounted to \$11,563,974 or 0.4% of net assets.
BKNT	Bank Note		
ETF	Exchange Traded Fund		
ETN	Exchange Traded Note		
FHLB	Federal Home Loan Bank	(g)	Debt obligation initially issued at one coupon rate which converts to higher coupon rate at a specified date. Rate presented is as of March 31, 2014.
FHLMC	Federal Home Loan Mortgage Corporation		
FNMA	Federal National Mortgage Association	(h)	Variable rate security. Rate presented is as of March 31, 2014.
GNMA	Government National Mortgage Association		
LLC	Limited Liability Company		
LP	Limited Partnership	(i)	Security is currently in default and is on scheduled interest or principal payment.
MTN	Medium Term Note	(j)	Zero coupon bond. Interest rate presented is yield to maturity.
PLC	Public Limited Company		
REIT	Real Estate Investment Trust		
(a)	Non-income producing security.	(k)	Rate presented is yield to maturity.
(b)	All or a portion of this security is held as collateral for securities sold short.	(l)	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.
(c)	Subject to call option written by the Fund.		
(d)	Subject to put option written by the Fund.		
(e)	Security exempt from registration under Rule 144A under the Securities Act of 1933. At the period end, the value of these securities amounted to \$272,269,029 or 9.8% of net assets.		

At March 31, 2014, the Fund held the following credit default swap agreement:

Credit Default Swap – Sell Protection

Counterparty	Reference Entity / Obligation	Receive Rate	Termination Date	Credit Spread as of 03/31/14 ⁽¹⁾		Net Unrealized Appreciation
				Notional Amount		
Barclays Capital, Inc.	INDEX CDX HY CDS	5.00%	06/20/17	2.28%	\$ (990,000)	\$ 133,659

⁽¹⁾ Credit spreads are an indication of the seller's performance risk, related to the likelihood of a credit event occurring that would require a seller to make payment to a buyer. Credit spreads are used to determine the value of swap contracts and reflect the cost of buying/selling protection, which may include upfront payments made to enter into the contract.

The notional amounts are equal to the potential payment that the Fund could be required to make as a seller of credit protection.

The Fund enters contracts to sell protection to create a long credit position. Credit events that could require payment are bankruptcy, failure to pay, restructuring, obligation acceleration, obligation default, or repudiation/moratorium.

At March 31, 2014, the Fund held the following futures contracts:

Contracts	Type	Expiration Date	Notional Contract Value	Net Unrealized Appreciation (Depreciation)
3	U.S. 10-year Note Future	06/19/14	\$ 372,194	\$ (1,694)
7	U.S. 5-year Note Future	06/30/14	836,445	(3,773)
6	U.S. Ultra Bond Future	06/19/14	844,762	22,051
(800)	Euro FX Currency Future	06/16/14	(139,016,800)	1,276,800
(6,500)	Russell 2000 Mini Future	06/20/14	(769,778,750)	8,953,750
(2,250)	S&P 500 Emini Future	06/20/14	(206,966,250)	(2,790,000)
(30)	U.S. 10-year Note Future	06/19/14	(3,709,686)	4,686
(415)	U.S. 5-year Note Future	06/30/14	(49,511,451)	145,904
(40)	U.S. 2-year Note Future	06/30/14	(8,786,248)	3,748
(20)	U.S. Long Bond Future	06/19/14	(2,624,376)	(39,999)
			<u>\$ (1,178,340,160)</u>	<u>\$ 7,571,473</u>

ABSOLUTE STRATEGIES FUND

NOTES TO SCHEDULES OF INVESTMENTS, SECURITIES SOLD SHORT AND CALL AND PUT OPTIONS WRITTEN
MARCH 31, 2014

The values of each individual forward currency contract outstanding in the Absolute Strategies Fund as of March 31, 2014, are disclosed in the table below.

Contracts to Sell		Settlement Date	Settlement Value	Net Unrealized Appreciation (Depreciation)
(280,000)	Canadian Dollars	06/18/14	\$ 252,766	\$ (32)
(549,925)	European Union Euro	04/02/14	755,927	(1,677)
(222,725)	European Union Euro	06/18/14	310,174	3,372
(92,400)	European Union Euro	06/18/14	128,674	1,394
(169,198,536)	Hungarian Forint	04/02/14	750,804	(7,714)
(4,852,449)	Swedish Krona	04/02/14	745,527	(4,199)
(4,943,179)	Swedish Krona	04/02/14	759,466	(4,278)
(4,947,576)	Swedish Krona	04/02/14	760,142	(4,280)
				<u>\$ (17,414)</u>

* Cost for federal income tax purposes is \$1,027,841,126 and net unrealized appreciation consists of:

Gross Unrealized Appreciation	\$	456,370,390
Gross Unrealized Depreciation		(182,591,579)
Net Unrealized Appreciation	<u>\$</u>	<u>273,778,811</u>

The following is a summary of the inputs used to value the Fund's investments and other financial instruments and liabilities as of March 31, 2014.

The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the table below, please refer to the Security Valuation section in Note 2 of the accompanying Notes to Financial Statements.

ABSOLUTE STRATEGIES FUNDNOTES TO SCHEDULES OF INVESTMENTS, SECURITIES SOLD SHORT AND CALL AND PUT OPTIONS WRITTEN
MARCH 31, 2014

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Investments At Value				
Common Stock				
Consumer Discretionary	\$ 178,300,229	\$ -	\$ -	\$ 178,300,229
Consumer Staples	225,577,138	-	-	225,577,138
Energy	87,164,350	-	-	87,164,350
Financial	162,543,264	-	-	162,543,264
Healthcare	77,180,719	-	-	77,180,719
Industrial	55,324,043	-	-	55,324,043
Information Technology	115,734,091	-	-	115,734,091
Materials	37,982,485	-	-	37,982,485
Telecommunication Services	70,593,614	-	-	70,593,614
Utilities	1,244,581	-	-	1,244,581
Preferred Stock				
Consumer Staples	1,591,135	2,737,186	-	4,328,321
Energy	1,961,388	5,343,845	-	7,305,233
Financial	1,064,443	9,703,657	-	10,768,100
Healthcare	-	2,674,918	-	2,674,918
Industrial	-	911,071	-	911,071
Materials	-	776,880	-	776,880
Telecommunication Services	-	700,219	-	700,219
Utilities	-	1,085,735	-	1,085,735
Asset Backed Obligations	-	174,045,881	4,636,774	178,682,655
Corporate Convertible Bonds	-	483,406,117	6,927,200	490,333,317
Corporate Non-Convertible Bonds	-	71,586,892	-	71,586,892
Exchange Traded Notes	310,370	-	-	310,370
Foreign Government Bonds	-	450,089	-	450,089
Interest Only Bonds	-	3,622,194	-	3,622,194
Municipal Bonds	-	12,896,310	-	12,896,310
Municipal Demand Notes	-	1,203,960	-	1,203,960
Syndicated Loans	-	3,916,922	-	3,916,922
U.S. Government & Agency Obligations	-	28,800,056	-	28,800,056
Rights	10,500	-	-	10,500
Investment Companies	251,560,611	-	-	251,560,611
Commercial Paper	-	6,954,828	-	6,954,828
Purchased Options	44,239,559	-	-	44,239,559
Total Investments At Value	\$ 1,312,382,520	\$ 810,816,760	\$ 11,563,974	\$ 2,134,763,254
Other Financial Instruments**				
Credit Default Swaps	-	133,659	-	133,659
Forward Currency Contracts	-	4,766	-	4,766
Futures	10,406,939	-	-	10,406,939
Total Other Financial Instruments	\$ 10,406,939	\$ 138,425	\$ -	\$ 10,545,364
Total Assets	\$ 1,336,487,430	\$ 797,257,214	\$ 11,563,974	\$ 2,145,308,618
Liabilities				
Securities Sold Short				
Common Stock	\$ (760,854,198)	\$ -	\$ -	\$ (760,854,198)
Investment Companies	(42,134,761)	-	-	(42,134,761)
Total Securities Sold Short	\$ (802,988,959)	\$ -	\$ -	\$ (802,988,959)
Other Financial Instruments**				
Written Options	(30,153,065)	(1,293)	-	(30,154,358)
Forward Currency Contracts	-	(22,180)	-	(22,180)
Futures	(2,835,466)	-	-	(2,835,466)
Total Other Financial Instruments	\$ (32,988,531)	\$ (23,473)	\$ -	\$ (33,012,004)
Total Liabilities	\$ (835,977,490)	\$ (23,473)	\$ -	\$ (836,000,963)

** Other Financial Instruments are derivative instruments not reflected in the Schedule of Investments and Schedule of Securities Sold Short, such as credit default swaps, forward currency contracts and futures, which are valued at the unrealized appreciation (depreciation) of the instrument. Written options are reported at their market value at year end.

ABSOLUTE STRATEGIES FUND

NOTES TO SCHEDULES OF INVESTMENTS, SECURITIES SOLD SHORT AND CALL AND PUT OPTIONS WRITTEN
MARCH 31, 2014

The following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value.

	<u>Asset Backed Obligations</u>	<u>Corporate Convertible Bonds</u>	<u>Corporate Non- Convertible Bonds</u>	<u>U.S. Government & Agency Obligations</u>
Balance as of 03/31/13	\$ 1,953,489	\$ 4,796,000	\$ 38,160	\$ 216,839
Accrued Accretion / (Amortization)	55,549	23,986	-	(33)
Change in Unrealized Appreciation / (Depreciation)	171,160	(142,786)	43,231	(9,750)
Purchases	3,084,503	2,050,000	-	-
Sales	(581,401)	-	-	-
Paydowns	(46,526)	-	-	(3,812)
Transfers In / (Out)	-	200,000	(81,391)	(203,244)
Balance as of 03/31/14	\$ 4,636,774	\$ 6,927,200	\$ -	\$ -
Net change in unrealized appreciation / (depreciation) from investments held as of 03/31/14***	<u>\$ 180,326</u>	<u>\$ (904,860)</u>	<u>\$ 43,231</u>	<u>\$ (9,750)</u>

*** The change in unrealized appreciation/(depreciation) is included in net changes in unrealized appreciation/(depreciation) of investments in the accompanying Statements of Operations.

The Fund utilizes the end of period methodology when determining transfers in or out of the Level 3 category.

There were no transfers among Level 1 and Level 2 for the year ended March 31, 2014.

ABSOLUTE OPPORTUNITIES FUND

PORTFOLIO HOLDINGS SUMMARY (Unaudited)

MARCH 31, 2014

Portfolio Breakdown (% of Net Assets)	
Long Positions	
Equity Securities	44.4%
Corporate Non-Convertible Bonds	0.9%
Syndicated Loans	0.1%
Warrants	1.1%
Short-Term Investments	13.0%
Purchased Options	0.2%
Short Positions	
Equity Securities	-13.1%
Investment Companies	-6.9%
Other Assets less Liabilities*	60.3%
	100.0%

* Consists of deposits with the custodian and/or brokers for securities sold short, cash, foreign currency, prepaid expenses, receivables, payables, and accrued liabilities. Deposits with the custodian and/or brokers for securities sold short represents 22.6% of net assets. See Note 2.

Sector Breakdown	(% of Equity Holdings)	
	Long	Short
Consumer Discretionary	18.7%	27.1%
Consumer Staples	7.5%	42.3%
Energy	25.9%	2.1%
Financial	9.0%	1.2%
Industrial	13.9%	13.5%
Information Technology	3.1%	5.8%
Materials	13.0%	7.4%
Telecommunication Services	6.9%	0.6%
Utilities	2.0%	0.0%
	100.0%	100.0%

ABSOLUTE OPPORTUNITIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2014

Shares	Security Description	Value	Shares	Security Description	Value
Long Positions - 59.7%					
Equity Securities - 44.4%					
Common Stock - 44.4%					
Consumer Discretionary - 8.3%					
8,171	Buffalo Wild Wings, Inc. (a)(b)	\$ 1,216,662	65,369	Great Lakes Dredge & Dock Corp. (a)(b)	\$ 596,819
12,380	Bunge, Ltd.	984,334	7,336	ITT Corp. (b)	313,687
27,131	Gaming and Leisure Properties, Inc. REIT	989,196	10,266	KBR, Inc.	273,897
5,497	General Motors Co.	189,207	3,839	Masonite International Corp. (a)	216,980
2,779	Hanesbrands, Inc. (b)	212,538	28,140	Quality Distribution, Inc. (a)(b)	365,539
33,660	Isle of Capri Casinos, Inc. (a)	258,172	43,329	Trimble Navigation, Ltd. (a)(b)	1,684,198
14,595	Jack in the Box, Inc. (a)	860,229	24,959	Tutor Perini Corp. (a)(b)	715,575
12,380	Lithia Motors, Inc., Class A (b)	822,775			<u>7,135,341</u>
97,522	Luby's, Inc. (a)	600,735	Information Technology - 1.4%		
6,061	Mattress Firm Holding Corp. (a)	289,898	433	Apple, Inc. (b)	232,408
103,855	Office Depot, Inc. (a)(b)	428,921	40,336	FormFactor, Inc. (a)(b)	257,747
7,158	Tempur Sealy International, Inc. (a)	362,696	10,676	NCR Corp. (a)(b)	390,208
15,846	Tractor Supply Co. (b)	1,119,203	6,589	Silicon Graphics International Corp. (a)	80,913
25,997	Vitamin Shoppe, Inc. (a)(b)	1,235,377	10,443	Skyworks Solutions, Inc. (a)(b)	391,821
		<u>9,569,943</u>	4,537	Verint Systems, Inc. (a)(b)	212,763
			3,197	Vocera Communications, Inc. (a)	52,207
					<u>1,618,067</u>
Consumer Staples - 3.3%			Materials - 5.8%		
5,384	Alere, Inc. (a)	184,941	7,295	Agrium, Inc.	711,408
24,759	Calavo Growers, Inc.	880,925	4,704	CF Industries Holdings, Inc. (b)	1,226,051
15,124	Diamond Foods, Inc. (a)	528,281	18,128	Constellation NV, Class A (a)(b)	532,057
22,283	Tyson Foods, Inc., Class A (b)	980,675	13,440	E.I. du Pont de Nemours & Co.	901,824
43,782	Zoetis, Inc. (b)	1,267,051	12,157	FMC Corp.	930,740
		<u>3,841,873</u>	9,904	Monsanto Co. (b)	1,126,778
			33,425	Potash Corp. of Saskatchewan, Inc.	1,210,653
					<u>6,639,511</u>
Energy - 11.5%			Telecommunication Services - 3.0%		
68,486	Crestwood Equity Partners LP (b)	947,846	21,067	CommScope Holding Co., Inc. (a)(b)	519,933
28,837	Crestwood Midstream Partners LP	649,986	7,359	Comverse, Inc. (a)(b)	254,474
55,739	Kodiak Oil & Gas Corp. (a)	676,672	6,968	FTD Cos., Inc. (a)	221,652
11,721	NuStar Energy LP	644,069	19,545	Lee Enterprises, Inc. (a)(b)	87,366
25,500	NuStar GP Holdings, LLC	868,020	26,037	News Corp., Class A (a)(b)	448,357
10,061	Ocean Rig UDW, Inc. (a)(b)	178,985	9,904	OpenTable, Inc. (a)(b)	761,915
12,267	Phillips 66 Partners LP	595,808	14,780	Telephone & Data Systems, Inc. (b)	387,384
52,971	QEP Midstream Partners LP (b)	1,238,462	8,826	Tribune Co. (a)(b)	702,991
49,293	QEP Resources, Inc. (b)	1,451,186	18,762	Vitacost.com, Inc. (a)(b)	133,023
25,775	Rose Rock Midstream LP (b)	1,069,405			<u>3,517,095</u>
23,376	SemGroup Corp., Class A (b)	1,535,336	Utilities - 0.9%		
24,145	Summit Midstream Partners LP	1,038,959	21,047	Western Gas Equity Partners LP	1,033,618
14,647	Susser Petroleum Partners LP	514,842	Total Common Stock		
29,276	Tallgrass Energy Partners LP	1,065,939	(Cost \$42,156,796)		
19,420	Valero Energy Partners LP	768,838	51,189,038		
		<u>13,244,353</u>	Total Equity Securities		
			(Cost \$42,156,796)		
			51,189,038		
Financial - 4.0%			Fixed Income Securities - 1.0%		
163,445	Coventree, Inc. (a)(c)	36,962	Corporate Non-Convertible Bonds - 0.9%		
45,519	DFC Global Corp. (a)(b)	401,933	Energy - 0.9%		
489,865	Gramercy Property Trust, Inc. REIT	2,527,703	\$ 987,000	Alon Refining Krotz Springs, Inc.	13.50% 10/15/14
29,005	NorthStar Realty Finance Corp. REIT	468,141			992,552
5,707	Rayonier, Inc. REIT (b)	262,008	Total Corporate Non-Convertible Bonds		
31,000	Starwood Waypoint Residential Trust REIT (a)	892,490	(Cost \$991,673)		
		<u>4,589,237</u>	992,552		
Industrial - 6.2%			Syndicated Loans - 0.1%		
41,338	Briggs & Stratton Corp.	919,771	2,450,401	Cinram International, Inc. (d)	10.25 12/31/49
25,518	Builders FirstSource, Inc. (a)	232,469			134,772
65,068	Darling International, Inc. (a)(b)	1,302,661	Total Syndicated Loans (Cost \$1,597,803)		
1,645	EnPro Industries, Inc. (a)(b)	119,542	134,772		
24,997	Global Brass & Copper Holdings, Inc. (b)	394,203	Total Fixed Income Securities (Cost \$2,589,476)		
			1,127,324		

ABSOLUTE OPPORTUNITIES FUND

SCHEDULE OF INVESTMENTS

MARCH 31, 2014

Shares	Security Description	Strike Price	Exp. Date	Value
Warrants - 1.1%				
705,519	Kinder Morgan, Inc. (a)(b)	\$100.00	05/17	\$ 1,248,769
Total Warrants				1,248,769
(Cost \$1,051,139)				
Principal	Security Description	Rate	Maturity	Value
Short-Term Investments - 13.0%				
Commercial Paper (e) - 13.0%				
\$ 1,500,000	Akzo Nobel NV	0.31%	04/28/14	1,499,651
1,500,000	Cabot Corp.	0.28	04/25/14	1,499,720
1,500,000	Commonwealth Edison Co.	0.26	04/24/14	1,499,751
1,500,000	Edison International	0.45	04/07/14	1,499,888
1,500,000	Enbridge US, Inc.	0.26	04/25/14	1,499,740
1,500,000	Mohawk Industries, Inc.	0.55	04/16/14	1,499,656
1,500,000	Molson Coors Brewing Co.	0.35	04/14/14	1,499,810
1,500,000	Textron, Inc.	0.63	04/01/14	1,500,000
1,500,000	Time Warner Cable, Inc.	0.26	05/02/14	1,499,664
1,500,000	Wyndham Worldwide Corp.	0.50	04/11/14	1,499,792
Total Commercial Paper (Cost \$14,997,672)				14,997,672
Total Short-Term Investments				14,997,672
(Cost \$14,997,672)				
Contracts	Security Description	Strike Price	Exp. Date	Value
Purchased Options - 0.2%				
Call Options Purchased - 0.2%				
278	Hertz Global Holdings, Inc.	\$26.00	06/14	56,990
130	NuStar Energy LP	55.00	06/14	26,650
475	NuStar GP Holdings, LLC	35.00	06/14	73,625
Total Call Options Purchased (Premiums Paid \$155,920)				157,265
Put Options Purchased - 0.0%				
36	Amedisys, Inc.	15.00	06/14	5,076
25	Angie's List, Inc.	17.50	05/14	13,275
45	SPDR S&P 500 ETF Trust	180.00	06/14	12,060
Total Put Options Purchased (Premiums Paid \$31,755)				30,411
Total Purchased Options				187,676
(Premiums Paid \$187,675)				
Total Long Positions - 59.7%				
(Cost \$60,982,758)*				\$ 68,750,479
Total Short Positions - (20.0)%				
(Proceeds \$(22,812,033))*				(23,007,156)
Other Assets & Liabilities, Net - 60.3%				69,465,094
Net Assets - 100.0%				\$ 115,208,417

ABSOLUTE OPPORTUNITIES FUND
SCHEDULE OF SECURITIES SOLD SHORT
MARCH 31, 2014

Shares	Security Description	Value	Shares	Security Description	Value
Short Positions - (20.0)%			(1,840)	Haynes International, Inc.	\$ (99,360)
Common Stock - (13.1)%			(1,016)	Lindsay Corp.	(89,591)
Consumer Discretionary - (3.5)%			(8,416)	Raven Industries, Inc.	(275,624)
(7,923)	Bob Evans Farms, Inc.	\$ (396,388)	(4,141)	Smith & Wesson Holding Corp.	(60,541)
(391)	Buffalo Wild Wings, Inc.	(58,220)	(3,219)	Valmont Industries, Inc.	(479,116)
(1,822)	Chico's FAS, Inc.	(29,207)			<u>(2,026,277)</u>
(1,065)	Deckers Outdoor Corp.	(84,912)	Information Technology - (0.8)%		
(49,519)	Denny's Corp.	(318,407)	(2,076)	ACI Worldwide, Inc.	(122,878)
(1,819)	Dorman Products, Inc.	(107,430)	(3,459)	Castlight Health, Inc., Class B	(73,400)
(836)	FactSet Research Systems, Inc.	(90,129)	(4,109)	CGI Group, Inc., Class A	(127,050)
(1,287)	Family Dollar Stores, Inc.	(74,659)	(1,668)	Diebold, Inc.	(66,536)
(26,683)	Fox Factory Holding Corp.	(504,309)	(6,709)	Digital River, Inc.	(116,938)
(2,958)	FTI Consulting, Inc.	(98,620)	(2,596)	Lexmark International, Inc., Class A	(120,169)
(1,362)	Genesco, Inc.	(101,564)	(10,509)	LivePerson, Inc.	(126,844)
(1,252)	iRobot Corp.	(51,395)	(2,106)	Qlik Technologies, Inc.	(55,999)
(362)	Lululemon Athletica, Inc.	(19,037)	(608)	The Dun & Bradstreet Corp.	(60,405)
(3,854)	Multimedia Games Holding Co., Inc.	(111,920)			<u>(870,219)</u>
(12,380)	Noodles & Co.	(488,639)	Materials - (1.0)%		
(3,438)	Panera Bread Co., Class A	(606,704)	(21,045)	American Vanguard Corp.	(455,624)
(1,946)	PetSmart, Inc.	(134,060)	(6,082)	Compass Minerals International, Inc.	(501,887)
(1,168)	Sears Holdings Corp.	(55,784)	(3,909)	Rentech Nitrogen Partners LP	(72,747)
(2,654)	The Buckle, Inc.	(121,553)	(2,138)	United States Steel Corp.	(59,030)
(44,567)	The Wendy's Co.	(406,451)	(777)	US Silica Holdings, Inc.	(29,658)
(2,582)	United Stationers, Inc.	(106,043)			<u>(1,118,946)</u>
(1,693)	Vera Bradley, Inc.	(45,694)	Telecommunication Services - (0.1)%		
(1,618)	Vitamin Shoppe, Inc.	(76,887)	(2,282)	WebMD Health Corp.	(94,475)
		<u>(4,088,012)</u>	Total Common Stock		
Consumer Staples - (5.5)%					<u>(15,066,680)</u>
(8,178)	Amedisys, Inc.	(121,770)	Investment Companies - (6.9)%		
(26,864)	Amira Nature Foods, Ltd.	(457,762)	(8,310)	Consumer Staples Select Sector SPDR Fund	(357,829)
(9,904)	Annie's, Inc.	(398,042)	(10,180)	iShares 20+ Year Treasury Bond ETF	(1,110,638)
(7,428)	Campbell Soup Co.	(333,369)	(26,317)	iShares Russell 2000 ETF	(3,061,720)
(9,161)	Dr. Pepper Snapple Group, Inc.	(498,908)	(10,793)	iShares U.S. Real Estate ETF	(730,362)
(24,325)	Fairway Group Holdings Corp.	(185,843)	(7,770)	SPDR Barclays High Yield Bond ETF	(320,979)
(5,812)	Healthways, Inc.	(99,618)	(12,612)	SPDR S&P 500 ETF Trust	(2,358,948)
(8,418)	Hormel Foods Corp.	(414,755)	Total Investment Companies		
(3,101)	LifeLock, Inc.	(53,058)			<u>(7,940,476)</u>
(1,501)	On Assignment, Inc.	(57,924)	Total Short Positions - (20.0)%		
(5,942)	PepsiCo, Inc.	(496,157)			<u>\$ (23,007,156)</u>
(17,022)	Pilgrim's Pride Corp.	(356,100)	(Proceeds \$(22,812,033))		
(1,376)	Questcor Pharmaceuticals, Inc.	(89,344)			
(6,685)	Sanderson Farms, Inc.	(524,706)			
(12,693)	SodaStream International, Ltd.	(559,761)			
(22,519)	The Chefs' Warehouse, Inc.	(481,907)			
(9,409)	The Fresh Market, Inc.	(316,142)			
(7,923)	The Scotts Miracle-Gro Co., Class A	(485,521)			
(6,190)	TreeHouse Foods, Inc.	(445,618)			
		<u>(6,376,305)</u>			
Energy - (0.3)%					
(26,740)	Renewable Energy Group, Inc.	(320,345)			
Financial - (0.1)%					
(2,500)	Altisource Residential Corp. REIT	(78,900)			
(1,175)	Moody's Corp.	(93,201)			
		<u>(172,101)</u>			
Industrial - (1.8)%					
(5,855)	Briggs & Stratton Corp.	(130,274)			
(1,026)	Caterpillar, Inc.	(101,953)			
(7,281)	Deere & Co.	(661,115)			
(11,786)	GrafTech International, Ltd.	(128,703)			

ABSOLUTE OPPORTUNITIES FUND

NOTES TO SCHEDULES OF INVESTMENTS AND SECURITIES SOLD SHORT

MARCH 31, 2014

ETF	Exchange Traded Fund	(d)	Security is currently in default and is on scheduled interest or principal payment.
LLC	Limited Liability Company		
LP	Limited Partnership	(e)	Rate presented is yield to maturity.
REIT	Real Estate Investment Trust		
(a)	Non-income producing security.		
(b)	All or a portion of this security is held as collateral for securities sold short.		
(c)	Security fair valued in accordance with procedures adopted by the Board of Trustees. At the period end, the value of these securities amounted to \$36,962 or 0.0% of net assets.		

At March 31, 2014, the Fund held the following credit default swap agreements:

Credit Default Swaps – Buy Protection

<u>Counterparty</u>	<u>Reference Entity / Obligation</u>	<u>Pay Rate</u>	<u>Termination Date</u>	<u>Credit Spread as of 03/31/14 ⁽¹⁾</u>	<u>Notional Amount</u>	<u>Net Unrealized Depreciation</u>
Deutsche Bank Alex Brown, Inc.	Carnival Corp. 6.65%, 01/15/28	1.00%	06/20/19	0.73%	\$ 10,000,000	\$ (10,257)
Deutsche Bank Alex Brown, Inc.	Dow Chemical Co., 7.38%, 11/01/29	1.00%	06/20/19	0.70	5,000,000	(21,518)
Barclays	Dow Chemical Co., 7.38%, 11/01/29	1.00%	12/20/18	0.61	5,000,000	(70,159)
Barclays	Kimco Realty Corp., 6.88%, 10/01/19	1.00%	12/20/18	0.68	5,000,000	(82,697)
Barclays	Kimco Realty Corp., 6.88%, 10/01/19	1.00%	06/20/19	0.74	5,000,000	(17,493)
Deutsche Bank Alex Brown, Inc.	Macy's Retail Holdings, Inc., 7.45%, 07/15/17	1.00%	06/20/19	0.66	10,000,000	(34,551)
Deutsche Bank Alex Brown, Inc.	Nordstrom, Inc., 6.95%, 03/15/28	1.00%	06/20/19	0.64	5,000,000	(14,637)
Barclays	Nordstrom, Inc., 6.95%, 03/15/28	1.00%	06/20/19	0.64	5,000,000	(7,119)
Deutsche Bank Alex Brown, Inc.	Ryder System, Inc., 6.95%, 12/01/25	1.00%	06/20/19	0.69	10,000,000	(42,933)
Goldman Sachs & Co.	Ryder System, Inc., 6.95%, 12/01/25	1.00%	06/20/19	0.69	5,000,000	(6,637)
BNP Paribas	Ryder System, Inc., 6.95%, 12/01/25	1.00%	06/20/19	0.69	5,000,000	(16,565)
Goldman Sachs & Co.	Southwest Airlines Co., 5.13%, 03/01/17	1.00%	06/20/19	0.70	15,000,000	(20,027)
						<u>\$ (344,593)</u>

⁽¹⁾ Credit spreads are an indication of the seller's performance risk, related to the likelihood of a credit event occurring that would require a seller to make payment to a buyer. Credit spreads are used to determine the value of swap contracts and reflect the cost of buying/selling protection, which may include upfront payments made to enter into the contact.

At March 31, 2014, the Fund sold the following futures contracts:

<u>Contracts</u>	<u>Type</u>	<u>Expiration Date</u>	<u>Notional Contract Value</u>	<u>Net Unrealized Appreciation</u>
(325)	Russell 2000 Mini Future	06/20/14	\$ (38,489,253)	\$ 448,003

* Cost for federal income tax purposes is \$40,147,550 and net unrealized appreciation consists of:

Gross Unrealized Appreciation	\$	10,299,507
Gross Unrealized Depreciation		(4,703,734)
Net Unrealized Appreciation	\$	<u>5,595,773</u>

ABSOLUTE OPPORTUNITIES FUND

NOTES TO SCHEDULES OF INVESTMENTS AND SECURITIES SOLD SHORT

MARCH 31, 2014

The following is a summary of the inputs used to value the Fund's investments and other financial instruments and liabilities as of March 31, 2014.

The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels used in the table below, please refer to the Security Valuation section in Note 2 of the accompanying Notes to Financial Statements.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Investments At Value				
Common Stock				
Consumer Discretionary	\$ 9,569,943	\$ -	\$ -	\$ 9,569,943
Consumer Staples	3,841,873	-	-	3,841,873
Energy	13,244,353	-	-	13,244,353
Financial	4,552,275	-	36,962	4,589,237
Industrial	7,135,341	-	-	7,135,341
Information Technology	1,618,067	-	-	1,618,067
Materials	6,639,511	-	-	6,639,511
Telecommunication Services	3,517,095	-	-	3,517,095
Utilities	1,033,618	-	-	1,033,618
Corporate Non-Convertible Bonds	-	992,552	-	992,552
Syndicated Loans	-	134,772	-	134,772
Warrants	1,248,769	-	-	1,248,769
Commercial Paper	-	14,997,672	-	14,997,672
Purchased Options	187,676	-	-	187,676
Total Investments At Value	\$ 52,588,521	\$ 16,124,996	\$ 36,962	\$ 68,750,479
Other Financial Instruments**				
Futures	448,003	-	-	448,003
Total Assets	\$ 53,036,524	\$ 16,124,996	\$ 36,962	\$ 69,198,482
Liabilities				
Securities Sold Short				
Common Stock	(15,066,680)	-	-	(15,066,680)
Investment Companies	(7,940,476)	-	-	(7,940,476)
Total Securities Sold Short	\$ (23,007,156)	\$ -	\$ -	\$ (23,007,156)
Other Financial Instruments**				
Credit Default Swaps	-	(344,593)	-	(344,593)
Total Liabilities	\$ (23,007,156)	\$ (344,593)	\$ -	\$ (23,351,749)

** Other Financial Instruments are derivative instruments not reflected in the Schedule of Investments and Schedule of Securities Sold Short, such as futures and credit default swaps, which are valued at the unrealized appreciation (depreciation) of the instrument.

ABSOLUTE OPPORTUNITIES FUND

NOTES TO SCHEDULES OF INVESTMENTS AND SECURITIES SOLD SHORT

MARCH 31, 2014

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value.

	<u>Common Stock</u>	<u>Corporate Non-Convertible Bonds</u>	<u>Warrants</u>
Balance as of 03/31/13	\$ 40,224	\$ 1,693,497	\$ 3,358
Accrued Accretion / (Amortization)	-	92,762	-
Realized Gain / (Loss)	-	925,615	509
Change in Unrealized Appreciation / (Depreciation)	(3,262)	(1,045,715)	(3,358)
Sales	-	(1,666,159)	(509)
	<hr/>	<hr/>	<hr/>
Balance as of 03/31/14	\$ 36,962	\$ -	\$ -
Net change in unrealized appreciation / (depreciation) from investments held as of 03/31/14***	\$ (3,262)	\$ -	\$ -

*** The change in unrealized appreciation/(depreciation) is included in net changes in unrealized appreciation/(depreciation) of investments in the accompanying Statements of Operations.

There were no transfers among Level 1, Level 2 and Level 3 for the year ended March 31, 2014.

ABSOLUTE FUNDS
STATEMENTS OF ASSETS AND LIABILITIES
MARCH 31, 2014

	ABSOLUTE STRATEGIES FUND	ABSOLUTE OPPORTUNITIES FUND
ASSETS		
Total investments, at value (Cost \$1,691,153,599 and \$60,982,758, respectively)	\$ 2,134,763,254	\$ 68,750,479
Deposits with brokers	1,109,093,430	26,033,094
Cash	387,509,037	45,211,219
Foreign currency (Cost \$0 and \$1,795, respectively)	-	1,945
Receivables:		
Fund shares sold	6,117,935	87,139
Investment securities sold	52,421,203	2,360,416
Dividends and interest	8,482,905	86,709
From administrator	-	46,581
Variation margin	8,563	-
Swap premiums paid	-	6,630
Unrealized appreciation on swap agreements	133,659	-
Unrealized appreciation on forward currency contracts	4,766	-
Prepaid expenses	31,947	12,027
Total Assets	3,698,566,699	142,596,239
LIABILITIES		
Swap premiums received	49,710	1,035,633
Unrealized depreciation on swap agreements	-	344,593
Unrealized depreciation on forward currency contracts	22,180	-
Securities sold short, at value (Proceeds \$774,982,543 and \$22,812,033, respectively)	802,988,959	23,007,156
Call options written, at value (Premiums received \$16,192,614 and \$0, respectively)	15,286,071	-
Put options written, at value (Premiums received \$18,544,009 and \$0, respectively)	14,868,287	-
Payables:		
Investment securities purchased	49,036,503	1,810,193
Fund shares redeemed	10,642,885	161,647
Dividends and interest on securities sold short	1,391,592	20,277
Variation margin	17,135,814	763,750
Due to broker	18,274,179	-
Other	29,267	-
Accrued Liabilities:		
Investment adviser fees	4,042,397	152,399
Trustees' fees and expenses	1,900	80
Fund services fees	118,901	10,658
Other expenses	414,911	81,436
Total Liabilities	934,303,556	27,387,822
NET ASSETS	\$ 2,764,263,143	\$ 115,208,417

ABSOLUTE FUNDS
STATEMENTS OF ASSETS AND LIABILITIES
MARCH 31, 2014

	ABSOLUTE STRATEGIES FUND	ABSOLUTE OPPORTUNITIES FUND
COMPONENTS OF NET ASSETS		
Paid-in capital	\$ 2,612,274,110	\$ 112,260,287
Accumulated net investment income (loss)	10,781	(1,922,673)
Accumulated net realized loss	(275,960,958)	(2,805,355)
Net unrealized appreciation	427,939,210	7,676,158
NET ASSETS	\$ 2,764,263,143	\$ 115,208,417
SHARES OF BENEFICIAL INTEREST AT NO PAR VALUE (UNLIMITED SHARES AUTHORIZED)		
Institutional Shares	245,081,286	10,443,640
R Shares	6,109,479	-
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE		
Institutional Shares (based on net assets of \$2,697,674,615 and \$115,208,417, respectively)	\$ 11.01	\$ 11.03
R Shares (based on net assets of \$66,588,528 and \$0, respectively)	\$ 10.90	-

ABSOLUTE FUNDS
STATEMENTS OF OPERATIONS
YEAR ENDED MARCH 31, 2014

	ABSOLUTE STRATEGIES FUND	ABSOLUTE OPPORTUNITIES FUND
INVESTMENT INCOME		
Dividend income (Net of foreign withholding taxes of \$267,365 and \$9,581, respectively)	\$ 36,151,696	\$ 2,279,775
Interest income (Net of foreign withholding taxes of \$2,572 and \$0, respectively)	19,863,900	1,168,235
Total Investment Income	<u>56,015,596</u>	<u>3,448,010</u>
EXPENSES		
Investment adviser fees	56,195,212	7,608,470
Fund services fees	1,240,977	157,455
Transfer agent fees:		
Institutional Shares	157,997	21,738
R Shares	114,914	-
Distribution fees:		
R Shares	200,801	-
Custodian fees	551,874	150,042
Registration fees:		
Institutional Shares	68,277	34,324
R Shares	25,153	-
Professional fees	217,692	89,647
Trustees' fees and expenses	134,289	18,125
Dividend expense on securities sold short	18,737,677	722,489
Interest expense	6,437,704	360,526
Miscellaneous expenses	2,883,571	366,421
Total Expenses	<u>86,966,138</u>	<u>9,529,237</u>
Fees waived	(646,931)	(686,328)
Net Expenses	<u>86,319,207</u>	<u>8,842,909</u>
NET INVESTMENT LOSS	<u>(30,303,611)</u>	<u>(5,394,899)</u>
NET REALIZED AND UNREALIZED GAIN (LOSS)		
Net realized gain (loss) on:		
Investments	577,118,695	55,138,971
Foreign currency transactions	(508,436)	206,732
Futures	(237,201,954)	(15,051,013)
Securities sold short	(327,289,845)	(12,266,991)
Written options	10,075,830	82,342
Swaps	65,617	(9,240,959)
Net realized gain	<u>22,259,907</u>	<u>18,869,082</u>

ABSOLUTE FUNDS
 STATEMENTS OF OPERATIONS
 YEAR ENDED MARCH 31, 2014

	ABSOLUTE STRATEGIES FUND	ABSOLUTE OPPORTUNITIES FUND
Net change in unrealized appreciation (depreciation) on:		
Investments	\$ (163,514,708)	\$ (33,310,582)
Foreign currency translations	(67,085)	5,663
Futures	29,696,672	1,589,441
Securities sold short	64,976,398	2,742,860
Written options	2,201,034	30,014
Swaps	16,083	666,780
Net change in unrealized appreciation (depreciation)	<u>(66,691,606)</u>	<u>(28,275,824)</u>
NET REALIZED AND UNREALIZED LOSS	<u>(44,431,699)</u>	<u>(9,406,742)</u>
DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ (74,735,310)</u>	<u>\$ (14,801,641)</u>

ABSOLUTE FUNDS
STATEMENTS OF CHANGES IN NET ASSETS

	ABSOLUTE STRATEGIES FUND		ABSOLUTE OPPORTUNITIES FUND	
		<u>Shares</u>		<u>Shares</u>
NET ASSETS MARCH 31, 2012	<u>\$ 3,983,432,430</u>		<u>\$ 510,920,929</u>	
OPERATIONS				
Net investment loss	(36,537,064)		(9,761,973)	
Net realized loss	(30,715,024)		(7,899,950)	
Net change in unrealized appreciation (depreciation)	<u>116,634,001</u>		<u>18,701,069</u>	
Increase in Net Assets Resulting from Operations	<u>49,381,913</u>		<u>1,039,146</u>	
CAPITAL SHARE TRANSACTIONS				
Sale of shares:				
Institutional Shares	1,275,564,625	114,078,621	126,849,777	10,997,972
R Shares	36,451,388	3,273,000	-	-
Redemption of shares:				
Institutional Shares	(1,413,621,327)	(126,745,214)	(256,362,656)	(22,218,799)
R Shares	<u>(42,962,020)</u>	<u>(3,864,023)</u>	<u>-</u>	<u>-</u>
Decrease in Net Assets from Capital Share Transactions	<u>(144,567,334)</u>	<u>(13,257,616)</u>	<u>(129,512,879)</u>	<u>(11,220,827)</u>
Decrease in Net Assets	<u>(95,185,421)</u>		<u>(128,473,733)</u>	
NET ASSETS MARCH 31, 2013 (Including line (a))	<u>\$ 3,888,247,009</u>		<u>\$ 382,447,196</u>	
OPERATIONS				
Net investment loss	(30,303,611)		(5,394,899)	
Net realized gain	22,259,907		18,869,082	
Net change in unrealized appreciation (depreciation)	<u>(66,691,606)</u>		<u>(28,275,824)</u>	
Decrease in Net Assets Resulting from Operations	<u>(74,735,310)</u>		<u>(14,801,641)</u>	
CAPITAL SHARE TRANSACTIONS				
Sale of shares:				
Institutional Shares	840,977,946	75,443,988	61,461,658	5,391,862
R Shares	24,205,043	2,185,483	-	-
Redemption of shares:				
Institutional Shares	(1,870,531,696)	(168,395,529)	(313,898,796)	(27,820,270)
R Shares	<u>(43,899,849)</u>	<u>(3,980,271)</u>	<u>-</u>	<u>-</u>
Decrease in Net Assets from Capital Share Transactions	<u>(1,049,248,556)</u>	<u>(94,746,329)</u>	<u>(252,437,138)</u>	<u>(22,428,408)</u>
Decrease in Net Assets	<u>(1,123,983,866)</u>		<u>(267,238,779)</u>	
NET ASSETS MARCH 31, 2014 (Including line (b))	<u>\$ 2,764,263,143</u>		<u>\$ 115,208,417</u>	
(a) Accumulated net investment income (loss) March 31, 2013	<u>\$ (4,777,213)</u>		<u>\$ (4,401,844)</u>	
(b) Accumulated net investment income (loss) March 31, 2014	<u>\$ 10,781</u>		<u>\$ (1,922,673)</u>	

ABSOLUTE STRATEGIES FUND
FINANCIAL HIGHLIGHTS

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

	For the Years Ended March 31,				
	2014	2013	2012	2011	2010
INSTITUTIONAL SHARES					
NET ASSET VALUE, Beginning of Year	\$ 11.24	\$ 11.09	\$ 10.80	\$ 10.66	\$ 8.79
INVESTMENT OPERATIONS					
Net investment income (loss) (a)	(0.10)	(0.10)	(0.09)	(0.02)	0.10
Net realized and unrealized gain (loss)	(0.13)	0.25	0.45	0.20	1.91
Total from Investment Operations	(0.23)	0.15	0.36	0.18	2.01
DISTRIBUTIONS TO SHAREHOLDERS FROM					
Net investment income	—	—	(0.02)	(0.04)	(0.14)
Net realized gain	—	—	(0.05)	—	— ^(b)
Total Distributions to Shareholders	—	—	(0.07)	(0.04)	(0.14)
NET ASSET VALUE, End of Year	\$ 11.01	\$ 11.24	\$ 11.09	\$ 10.80	\$ 10.66
TOTAL RETURN	(2.05)%	1.35%	3.36%	1.73%	22.95%
RATIOS/SUPPLEMENTARY DATA					
Net Assets at End of Year (000's omitted)	\$2,697,675	\$3,799,857	\$3,899,319	\$3,300,120	\$2,116,412
Ratios to Average Net Assets:					
Net investment income (loss)	(0.85)%	(0.87)%	(0.80)%	(0.20)%	0.98%
Net expense (c)	1.73%	1.73%	1.73%	1.73%	1.78%
Dividend and interest expense	0.72%	0.84%	0.85%	0.53%	0.34%
Gross expense	2.47%(d)	2.57%	2.58%	2.26%(d)	2.12%(d)
PORTFOLIO TURNOVER RATE	75%	68%	112%	192%	114%

(a) Calculated based on average shares outstanding during each year.

(b) Less than \$0.01 per share.

(c) Excludes dividend and interest expense.

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

ABSOLUTE STRATEGIES FUND
FINANCIAL HIGHLIGHTS

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

	For the Years Ended March 31,				
	2014	2013	2012	2011	2010
R SHARES					
NET ASSET VALUE, Beginning of Year	\$ 11.18	\$ 11.08	\$ 10.82	\$ 10.67	\$ 8.82
INVESTMENT OPERATIONS					
Net investment income (loss) (a)	(0.14)	(0.15)	(0.16)	(0.10)	0.05
Net realized and unrealized gain (loss)	(0.14)	0.25	0.47	0.26	1.91
Total from Investment Operations	(0.28)	0.10	0.31	0.16	1.96
DISTRIBUTIONS TO SHAREHOLDERS FROM					
Net investment income	—	—	—	(0.01)	(0.11)
Net realized gain	—	—	(0.05)	—	— ^(b)
Total Distributions to Shareholders	—	—	(0.05)	(0.01)	(0.11)
NET ASSET VALUE, End of Year	\$ 10.90	\$ 11.18	\$ 11.08	\$ 10.82	\$ 10.67
TOTAL RETURN	(2.50)%	0.90%	2.87%	1.49%	22.28%
RATIOS/SUPPLEMENTARY DATA					
Net Assets at End of Year (000's omitted)	\$66,589	\$88,390	\$94,113	\$101,868	\$93,696
Ratios to Average Net Assets:					
Net investment income (loss)	(1.23)%	(1.34)%	(1.43)%	(0.95)%	0.52%
Net expense (c)	2.19%	2.14%	2.14%	2.11%	2.22%
Dividend and interest expense	0.73%	0.84%	0.81%	0.53%	0.34%
Gross expense	2.93%(d)	2.98%	2.95%	2.64%(d)	2.56%(d)
PORTFOLIO TURNOVER RATE	75%	68%	112%	192%	114%

(a) Calculated based on average shares outstanding during each year.

(b) Less than \$0.01 per share.

(c) Excludes dividend and interest expense.

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

ABSOLUTE OPPORTUNITIES FUND
FINANCIAL HIGHLIGHTS

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

	For the Years Ended March 31,				
	2014	2013	2012	2011	2010
INSTITUTIONAL SHARES					
NET ASSET VALUE, Beginning of Year	\$ 11.63	\$ 11.59	\$ 12.41	\$ 11.77	\$ 10.57
INVESTMENT OPERATIONS					
Net investment loss (a)	(0.22)	(0.26)	(0.25)	(0.13)	(0.11)
Net realized and unrealized gain (loss)	(0.38)	0.30	(0.21)	0.95	2.11
Total from Investment Operations	(0.60)	0.04	(0.46)	0.82	2.00
DISTRIBUTIONS TO SHAREHOLDERS FROM					
Net investment income	—	—	—	—	(0.01)
Net realized gain	—	—	(0.36)	(0.18)	(0.75)
Return of capital	—	—	—	—	(0.04)
Total Distributions to Shareholders	—	—	(0.36)	(0.18)	(0.80)
NET ASSET VALUE, End of Year	<u>\$ 11.03</u>	<u>\$ 11.63</u>	<u>\$ 11.59</u>	<u>\$ 12.41</u>	<u>\$ 11.77</u>
TOTAL RETURN	(5.16)%	0.34%	(3.68)%	6.98%	19.00%
RATIOS/SUPPLEMENTARY DATA					
Net Assets at End of Year (000's omitted)	\$115,208	\$382,447	\$510,921	\$593,127	\$285,639
Ratios to Average Net Assets:					
Net investment loss	(1.95)%	(2.25)%	(2.12)%	(1.05)%	(0.90)%
Net expense (b)	2.80%	2.95%	2.95%	2.95%	2.95%
Dividend and interest expense	0.39%	0.99%	0.61%	0.42%	0.46%
Gross expense (c)	3.44%	4.00%	3.58%	3.42%	3.66%
PORTFOLIO TURNOVER RATE	157%	205%	430%	630%	597%

(a) Calculated based on average shares outstanding during each year.

(b) Excludes dividend and interest expense.

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

Note 1. Organization

Absolute Strategies Fund and Absolute Opportunities Fund (individually, a "Fund" and, collectively the "Funds") are non-diversified portfolios 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. Under its Trust Instrument, the Trust is authorized to issue an unlimited number of each Fund's shares of beneficial interest without par value. Absolute Strategies Fund currently offers two classes of shares: Institutional Shares and R Shares. Institutional and R Shares commenced operations on July 11, 2005. Absolute Strategies Fund seeks to achieve long-term capital appreciation with an emphasis on absolute (positive) returns and low sensitivity to traditional financial market indices, such as the S&P 500 Index. Absolute Opportunities Fund currently offers Institutional Shares. Absolute Opportunities Fund commenced operations on October 21, 2008. Absolute Opportunities Fund seeks to achieve long-term capital appreciation with an emphasis on risk-adjusted returns and lower volatility than traditional equity market indices, such as the S&P 500 Index.

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 ("GAAP"), 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 increases and decreases in net assets from operations during the fiscal year. Actual amounts could differ from those estimates. The following summarizes the significant accounting policies of each Fund:

Security Valuation – Exchange-traded securities and over-the-counter securities are valued using the last quoted trade 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 ask price provided by independent pricing services. 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 ask 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 the last quoted sale price is outside the closing bid and ask price, will be valued at the mean of the closing bid and ask price. Shares of open-end mutual funds are valued at net asset value ("NAV"). 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 60 days or less may be valued at amortized cost.

Each Fund values its investments and other financial instruments 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. The Trust's Valuation Committee, as defined in each Fund's registration statement, performs certain functions as they relate to the administration and oversight of each Fund's valuation procedures. Under these procedures, the Valuation Committee convenes on a regular and ad-hoc basis to review such securities and considers a number of factors, including valuation methodologies and significant unobservable inputs, when arriving at fair value.

The Valuation Committee may work with an adviser to provide valuation inputs. In determining fair valuations, inputs may include market-based analytics which may consider related or comparable assets or liabilities, recent transactions, market multiples, book values and other relevant investment information. Adviser inputs may include an income-based approach in which the anticipated future cash flows of the investment are discounted in determining fair value. Discounts may also be applied based on the nature or duration of any restrictions on the disposition of the investments. The Valuation Committee performs regular reviews of valuation methodologies, key inputs and assumptions, disposition analysis and market activity.

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 NAV than a NAV determined by using market quotes.

Each Fund has a three-tier fair value hierarchy. The basis of the tiers is dependent upon the various "inputs" used to determine the value of each 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 of similar securities, interest rates, prepayment speeds, credit risk, etc.)

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

The aggregate value by input level, as of March 31, 2014, for each Fund's investments is included in the Notes to Schedules of Investments, Securities Sold Short and Call and Put Options Written.

Security Transactions, Investment Income and Realized Gain and Loss – Investment transactions are accounted for on the trade date. Dividend income and expense are recorded on the ex-dividend date. Foreign dividend income and expense are recorded on the ex-dividend date or as soon as possible after each 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 is amortized and discount is accreted using the effective interest method. Identified cost of investments sold is used to determine the gain and loss for both financial statement and federal income tax purposes. Each Fund estimates components of distributions 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 Translations – Foreign currency amounts are translated into U.S. dollars as follows: (1) assets and liabilities at the rate of exchange at the end of the respective period; and (2) 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.

Futures Contracts – Each 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, a 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.

Notional amounts of each individual futures contract outstanding as of March 31, 2014, for each Fund, are disclosed in the Notes to Schedule of Investments, Securities Sold Short and Call and Put Options Written.

Securities Sold Short – Each Fund may sell a security short to increase investment returns. Each 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 a 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; the 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 Brokers as shown on the Statements of Assets and Liabilities and the securities held long as shown on the Schedules of Investments. Dividends and interest paid on securities sold short are recorded as an expense on each Fund's Statement of Operations.

Purchased Options – When a 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. Purchased options are non-income producing securities.

The values of each individual purchased option outstanding as of March 31, 2014, are disclosed in each Fund's Schedule of Investments.

Written Options – When a 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 written options. 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 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. Written options are non-income producing securities.

The values of each individual written option outstanding as of March 31, 2014, if any, are disclosed in each Fund's Schedule of Call and Put Options Written. There were no written options outstanding at March 31, 2014, for the Absolute Opportunities Fund.

Transactions in written options during the year ended March 31, 2014, were as follows:

Absolute Strategies Fund

	Calls		Puts	
	Number of Contracts	Premiums Received	Number of Contracts	Premiums Received
<i>Options Outstanding, March 31, 2013</i>	(112,745)	\$ (17,248,328)	(143,309)	\$ (23,640,990)
Options written	(112,523)	(43,077,312)	(135,686)	(24,146,549)
Options terminated in closing transactions	64,401	15,022,871	120,168	17,805,552
Options exercised	85,445	27,063,652	1,863	528,246
Options expired	22,150	2,046,503	61,817	10,909,732
<i>Options Outstanding, March 31, 2014</i>	<u>(53,272)</u>	<u>\$ (16,192,614)</u>	<u>(95,147)</u>	<u>\$ (18,544,009)</u>

Absolute Opportunities Fund

	Calls		Puts	
	Number of Contracts	Premiums Received	Number of Contracts	Premiums Received
<i>Options Outstanding, March 31, 2013</i>	-	\$ -	(1,400)	\$ (48,386)
Options written	(593)	(21,438)	(399)	(19,247)
Options terminated in closing transactions	593	21,438	-	-
Options exercised	-	-	-	-
Options expired	-	-	1,799	67,633
<i>Options Outstanding, March 31, 2014</i>	-	\$ -	-	\$ -

Credit Default Swaps – Each Fund may invest in credit default swaps. A credit default swap gives one party (the buyer) the right to recoup the economic value of a decline in the value of debt securities of the reference issuer (including sovereign debt obligations) if a credit event (a downgrade or default) occurs. This value is obtained by delivering a debt security of the reference issuer to the party in return for a previously agreed payment from the other party (frequently, the par value of the debt security). Credit default swaps may require initial premium (discount) payments as well as periodic payments (receipts) related to the interest leg of the swap or to the default of a reference obligation.

If a fund is a seller of a credit default swap contract, the fund would be required to pay the par (or other agreed upon) value of a referenced debt obligation to the counterparty in the event of a default or other credit event by the reference issuer, such as a U.S. or foreign corporate issuer, with respect to such debt obligations. In return, the fund would receive from the counterparty a periodic stream of payments over the term of the contract provided that no event of default has occurred. If no default occurs, the fund would keep the stream of payments and would have no payment obligations. As the seller, the fund would be subject to investment exposure on the notional amount of the swap.

If a fund is the buyer of a credit default swap contract, the fund would have the right to deliver a referenced debt obligation and receive the par (or other agreed-upon) value of such debt obligation from the counterparty in the event of a default or other credit event (such as a credit downgrade) by the reference issuer, such as a U.S. or foreign corporation, with respect to its debt obligations. In return, the fund would pay the counterparty a periodic stream of payments over the term of the contract provided that no event of default has occurred. If no default occurs, the counterparty would keep the stream of payments and would have no further obligations to the fund.

Notional amounts of each individual credit default swap agreement outstanding as of March 31, 2014, for each Fund, are disclosed in the Notes to Schedule of Investments, Securities Sold Short and Call and Put Options Written.

Interest Rate Swaps – Each Fund may enter into interest rate swaps for investment purposes to manage exposure to fluctuations in interest rates or to add leverage.

Interest rate swaps represent an agreement between two counterparties to exchange cash flows based on the difference in two interest rates, applied to the notional principal amount for a specified period. The payment flows are usually netted against each other, with the difference being paid by one party to the other. The Fund settles accrued net receivables or payables under the swap contracts on a periodic basis.

The primary risk associated with interest rate swaps is that unfavorable changes in interest rates could adversely impact the Funds.

Notional amounts of each individual interest rate swap agreement outstanding as of March 31, 2014, if any, are

disclosed in each Fund's Notes to Schedule of Investments, Securities Sold Short and Call and Put Options Written. The Funds did not enter into any interest rate swaps during the year ended March 31, 2014.

Restricted Securities – Each 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 each Fund is included in their Schedule of Investments, if applicable.

When-Issued Transactions – Each Fund may purchase securities on a forward commitment or ‘when-issued’ basis. A 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 net capital gains, if any, are declared and paid annually. Distributions to shareholders are recorded on the ex-dividend date. Distributions are based on amounts calculated in accordance with applicable federal income tax regulations, which may differ from GAAP. These differences are due primarily to differing treatments of income and gain on various investment securities held by each Fund, timing differences and differing characterizations of distributions made by each Fund.

Federal Taxes – Each Fund intends to continue to qualify each year as a regulated investment company under Subchapter M of the Internal Revenue Code and to distribute all of their taxable income to shareholders. In addition, by distributing in each calendar year substantially all of their net investment income and capital gains, if any, the Funds will not be subject to a federal excise tax. Therefore, no federal income or excise tax provision is required. Each Fund files a U.S. federal income and excise tax return as required. A fund's federal income tax returns are subject to examination by the Internal Revenue Service for a period of three fiscal years after they are filed. As of March 31, 2014, there are no uncertain tax positions that would require financial statement recognition, de-recognition, or disclosure.

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.

Absolute Strategies 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.

Commitments and Contingencies – In the normal course of business, each Fund enters into contracts that provide general indemnifications by each Fund to the counterparty to the contract. Each Fund's maximum exposure under these arrangements is dependent on future claims that may be made against each Fund and, therefore, cannot be estimated; however, based on experience, the risk of loss from such claims is considered remote.

Note 3. Fees and Expenses

Investment Adviser – Absolute Investment Advisers LLC (the “Adviser”) is the investment adviser to the Funds. Pursuant to an Investment Advisory Agreement, the Adviser receives an advisory fee at an annual rate of 1.60% and 2.75% of the average daily net assets of Absolute Strategies Fund and Absolute Opportunities Fund, respectively.

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

Distribution – Foreside Fund Services, LLC serves as each Fund's distributor (the "Distributor"). The Distributor is not affiliated with the Adviser or Atlantic Fund Administration, LLC (d/b/a Atlantic Fund Services) ("Atlantic") or their affiliates. Absolute Strategies Fund has adopted a Distribution Plan (the "Plan") for R Shares of the Fund in accordance with Rule 12b-1 of the Act. Under the Plan, the Fund pays the Distributor and/or any other entity as authorized by the Board a fee of up to 0.25% of the average daily net assets of R Shares.

Other Service Providers – Atlantic provides fund accounting, fund administration, compliance and transfer agency services to each Fund. Atlantic also provides certain shareholder report production, and EDGAR conversion and filing services. Pursuant to an Atlantic services agreement, each Fund pays Atlantic customary fees for its services. Atlantic provides a Principal Executive Officer, a Principal Financial Officer, a Chief Compliance Officer, and an Anti-Money Laundering Officer to each Fund, as well as certain additional compliance support functions.

Trustees and Officers – The Trust pays each independent Trustee an annual retainer fee of \$45,000 for service to the Trust (\$66,000 for the Chairman). The Trustees and Chairman may receive additional fees for special Board meetings. Each Trustee is also reimbursed for all reasonable out-of-pocket expenses incurred in connection with his duties as a Trustee, including travel and related expenses incurred in attending Board meetings. The amount of Trustees' fees attributable to each Fund is disclosed in the Statement of Operations. Certain officers of the Trust are also officers or employees of the above named service providers, and during their terms of office received no compensation from each Fund.

Note 4. Expense Reimbursements and Fees Waived

The Adviser has contractually agreed to waive its fees and/or reimburse expenses to limit total annual operating expenses (excluding all taxes, interest, portfolio transaction expenses, dividend and interest expenses on short sales, acquired fund fees, proxy expenses and extraordinary expenses) of Institutional Shares of Absolute Opportunities Fund to 1.95% for the period January 1, 2014 to August 1, 2015. Prior to January 1, 2014, the Adviser waived fees and reimbursed expenses to limit total annual operating expenses to 2.95%. The Adviser has also contractually agreed to reduce its advisory fee through July 31, 2014 for Absolute Strategies Fund, to 1.55% on average net assets exceeding \$4.5 billion but less than \$5 billion, and to 1.50% on the average net assets exceeding \$5 billion. The Adviser waived fees of \$646,931 and \$686,328, for Absolute Strategies Fund and Absolute Opportunities Fund, respectively, for the year ended March 31, 2014.

Note 5. Security Transactions

The cost of purchases and proceeds from sales of investment securities (including maturities), other than short-term investments during the year ended March 31, 2014, were as follows:

Absolute Strategies Fund

Non-U.S. Government Obligations		U.S. Government Obligations	
Purchases	Sales	Purchases	Sales
\$ 2,002,823,982	\$ 3,524,117,527	\$ 93,343,026	\$ 159,474,445

Absolute Strategies Fund placed a portion of its portfolio transactions with a brokerage firm affiliated with a sub-adviser. The commissions paid to this affiliated firm were \$48,397 for the period.

Absolute Opportunities Fund

Non-U.S. Government Obligations	
Purchases	Sales
\$ 200,846,990	\$ 345,320,711

Note 6. Summary of Derivative Activity

The volume of open derivative positions may vary on a daily basis as each Fund transacts derivative contracts in order to achieve the exposure desired by the Adviser. The notional value of activity for the year ended March 31, 2014 for any derivative type during the period is as follows:

	<u>Absolute Strategies</u>	<u>Absolute Opportunities</u>
Forward Currency Contracts	\$ 201,368,715	\$ 3,832,294
Futures	5,092,544,855	256,237,810
Purchased Options	100,812,945	1,564,028
Written Options	(67,223,861)	(40,685)
Credit Default Swaps	-	255,000,000

Each Fund's use of derivatives during the year ended March 31, 2014, was limited to credit default swaps, options, forward currency contracts and futures contracts.

Following is a summary of the effect of derivatives on the Statements of Assets and Liabilities as of March 31, 2014:

Absolute Strategies Fund

<u>Location:</u>	<u>Credit Contracts</u>	<u>Currency Contracts</u>	<u>Equity Contracts</u>	<u>Forward Currency Contracts</u>	<u>Interest Contracts</u>
Asset derivatives:					
Unrealized gain on swap agreements	\$ 133,659	\$ -	\$ -	\$ -	\$ -
Unrealized gain on forward currency contracts	-	-	-	4,766	-
Receivable – variation margin	-	-	-	-	8,563
Total investments, at value	-	-	44,239,559	-	-
Total asset derivatives	\$ 133,659	\$ -	\$ 44,239,559	\$ 4,766	\$ 8,563
Liability derivatives:					
Swap premiums received	(49,710)	-	-	-	-
Payable – variation margin	-	(240,000)	(16,863,689)	-	(32,125)
Call options written, at value	-	-	(15,286,071)	-	-
Put options written, at value	-	-	(14,868,287)	-	-
Unrealized loss on forward currency contracts	-	-	-	(22,180)	-
Total liability derivatives	\$ (49,710)	\$ (240,000)	\$ (47,018,047)	\$ (22,180)	\$ (32,125)

Absolute Opportunities Fund

<u>Location:</u>	<u>Credit Contracts</u>	<u>Equity Contracts</u>
Asset derivatives:		
Swap premiums paid	\$ 6,630	\$ -
Total investments, at value	-	187,676
Total asset derivatives	\$ 6,630	\$ 187,676
Liability derivatives:		
Swap premiums received	(1,035,633)	-
Unrealized loss on swap agreements	(344,593)	-
Payable – variation margin	-	(763,750)
Total liability derivatives	\$ (1,380,226)	\$ (763,750)

ABSOLUTE FUNDS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

Realized and unrealized gains and losses on derivatives contracts during the year ended March 31, 2014, by each Fund are recorded in the following locations on the Statements of Operations:

Absolute Strategies Fund

Location:	Credit Contracts	Currency Contracts	Equity Contracts	Forward Currency Contracts	Interest Contracts
Net realized gain (loss) on:					
Swaps	\$ 65,617	\$ -	\$ -	\$ -	\$ -
Futures	-	(9,293,000)	(232,265,980)	-	4,357,026
Investments	-	-	(41,330,741)	-	-
Written options	-	-	10,075,830	-	-
Foreign currency transactions	-	-	-	(254,090)	-
Total net realized gain (loss)	\$ 65,617	\$ (9,293,000)	\$ (263,520,891)	\$ (254,090)	\$ 4,357,026
Net change in unrealized appreciation (depreciation) on:					
Swaps	16,083	-	-	-	-
Futures	-	(162,400)	29,251,621	-	607,451
Investments	-	-	9,006,060	-	-
Written options	-	-	2,201,034	-	-
Foreign currency translations	-	-	-	(17,414)	-
Total net change in unrealized appreciation (depreciation)	\$ 16,083	\$ (162,400)	\$ 40,058,715	\$ (17,414)	\$ 607,451

Absolute Opportunities Fund

Location:	Credit Contracts	Currency Contracts	Equity Contracts	Forward Currency Contracts
Net realized gain (loss) on:				
Swaps	\$ (9,240,959)	\$ -	\$ -	\$ -
Futures	-	(960,225)	(14,090,788)	-
Investments	-	-	(922,521)	-
Written options	-	-	82,342	-
Foreign currency transactions	-	-	-	3,860
Total net realized gain (loss)	\$ (9,240,959)	\$ (960,225)	\$ (14,930,967)	\$ 3,860
Net change in unrealized appreciation (depreciation) on:				
Swaps	666,780	-	-	-
Futures	-	(179,900)	1,769,341	-
Investments	-	-	207,059	-
Written options	-	-	30,014	-
Foreign currency translations	-	-	-	216
Total net change in unrealized appreciation (depreciation)	\$ 666,780	\$ (179,900)	\$ 2,006,414	\$ 216

Asset (Liability) amounts shown in the table below represent amounts for derivative related investments at March 31, 2014. These amounts may be collateralized by cash or financial instruments.

	Gross Asset (Liability) as Presented in the Statement of Assets and Liabilities	Financial Instruments (Received) Pledged**	Cash Collateral (Received) Pledged**	Net Amount
<i>Absolute Strategies Fund</i>				
Assets:				
Over-the-counter derivatives*	\$ 44,386,547	\$ (4,766)	\$ (44,381,781)	\$ -
Liabilities:				
Over-the-counter derivatives*	(47,362,062)	30,154,358	17,207,704	-
<i>Absolute Opportunities Fund</i>				
Assets:				
Over-the-counter derivatives*	\$ 194,306	\$ -	\$ (194,306)	\$ -
Liabilities:				
Over-the-counter derivatives*	(2,143,976)	-	2,143,976	-

- * Over-the-counter derivatives may consist of forward currency contracts, options contracts, futures contracts and swap agreements. The amounts disclosed above represent the exposure to one or more counterparties. For further detail on individual derivative contracts and the corresponding unrealized appreciation (depreciation), see the Notes to Schedule of Investments.
- ** The actual financial instruments and cash collateral (received) pledged may be in excess of the amounts shown in the table. The table only reflects collateral amounts up to the amount of the financial instrument disclosed on the Statements of Assets and Liabilities.

Note 7. Federal Income Tax

As of March 31, 2014, distributable earnings (accumulated loss) on a tax basis were as follows:

	<u>Capital and Other Losses</u>	<u>Unrealized Appreciation</u>	<u>Total</u>
Absolute Strategies Fund	\$ (121,987,776)	\$ 273,976,809	\$ 151,989,033
Absolute Opportunities Fund	(2,329,172)	5,277,302	2,948,130

The difference between components of distributable earnings on a tax basis and the amounts reflected in the Statements of Assets and Liabilities are primarily due to wash sales, futures, passive foreign investment holdings, real estate investment trusts, constructive sales, straddles, convertible bond premium, contingent payment debt instruments, cover loss deferrals, short dividends, registered investment companies, partnerships, currency contracts and credit default swaps.

For tax purposes, the current deferred late year ordinary loss was \$1,001,160 (realized during the period January 1, 2014 through March 31, 2014) for Absolute Opportunities Fund. This loss will be recognized for tax purposes on the first business day of the Fund's current fiscal year, April 1, 2014.

Absolute Strategies Fund and Absolute Opportunities Fund had \$121,987,776 and \$1,328,012, respectively, of available short term capital loss carryforwards that have no expiration date.

On the Statements of Assets and Liabilities, as a result of permanent book to tax differences, certain amounts have been reclassified for the year ended March 31, 2014. The following reclassifications were the result of book to tax differences resulting from real estate investment trusts, partnerships, passive foreign investment holdings, grantor trusts, straddles, constructive sales, short dividend reclassifications, currency, paydowns, convertible bond premium adjustments, contingent payment debt instruments, credit default swap income, inflation indexed securities and net operating losses and has no impact on the net assets of each Fund.

	<u>Accumulated Net Investment Income (Loss)</u>	<u>Accumulated Net Realized Gain (Loss)</u>	<u>Paid-in-Capital</u>
Absolute Strategies Fund	\$ 35,091,605	\$ (32,806,590)	\$ (2,285,015)
Absolute Opportunities Fund	7,874,070	1,539,065	(9,413,135)

Note 8. Subsequent Events

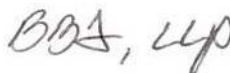
Subsequent events occurring after the date of this report through the date these financial statements were issued have been evaluated for potential impact and each Fund has had no such events.

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

We have audited the accompanying statements of assets and liabilities of the Absolute Strategies Fund and Absolute Opportunities Fund, each a series of shares of beneficial interest in the Forum Funds, including the schedules of investments, as of March 31, 2014, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended and the financial highlights for each of the years in the five-year period then ended. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of March 31, 2014 by correspondence with the custodian and brokers and by other appropriate auditing procedures where responses from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Absolute Strategies Fund and Absolute Opportunities Fund as of March 31, 2014, and the results of their operations for the year then ended, the changes in their net assets for each of the years in the two-year period then ended, and their financial highlights for each of the years in the five-year period then ended, in conformity with accounting principles generally accepted in the United States of America.



BBD, LLP

**Philadelphia, Pennsylvania
May 30, 2014**

ABSOLUTE FUNDS

ADDITIONAL INFORMATION (Unaudited)

MARCH 31, 2014

Investment Advisory Agreement Approval

At the March 21, 2014 Board meeting, the Board, including the Independent Trustees, considered the approval of the continuance of the investment advisory agreement between the Adviser and the Trust pertaining to the Absolute Funds (the "Advisory Agreement") and the subadvisory agreements between the Adviser and the following subadvisers to the Absolute Funds: Harvest Capital Strategies LLC; Horizon Asset Management LLC; Kovitz Investment Group, LLC; LakeWater Capital LLC; Longhorn Capital Partners, LLC; Madden Asset Management, LLC; MetWest Asset Management, LLC; Mohican Financial Management, LLC; Pine Cobble Capital, LLC; Sabal Capital Management, LLC; SSI Investment Management, Inc.; St. James Investment Company, LLC and Yacktman Asset Management LP. (the "Subadvisers") (the "Subadvisory Agreements"). In preparation for its deliberations, the Board requested and reviewed written responses from the Adviser and Subadvisers to due diligence questionnaires circulated on the Board's behalf. The Board also discussed the materials with Independent Trustee counsel and, with the Trust's administrator, Atlantic Fund Services. During its deliberations, the Board also received an oral presentation from the Adviser, and was assisted by the advice of Independent Trustee counsel.

In evaluating the Advisory Agreement and the Subadvisory Agreements for the Absolute Funds, the Board reviewed written materials furnished by the Adviser, Subadvisers and the administrator, including information regarding the Adviser's and Subadvisers' personnel, operations and financial condition. In addition, the Board considered that the evaluation process with respect to the Adviser and Subadvisers is an ongoing one that extends over multiple review periods and, in this regard, the Board considers information at each regularly scheduled meeting including, among other things, information concerning the Funds' performance and services provided by the Adviser and, under certain circumstances, by the Subadvisers.

At the meeting, the Board considered, among other matters: (1) the nature, extent and quality of the services to be provided to the Funds by the Adviser and Subadvisers, including information on the investment performance of the Funds and Subadvisers; (2) the costs of the services provided and profitability to the Adviser with respect to its relationship with each of the Funds; (3) the advisory fee and total expense ratio each Fund compared to a relevant peer group of funds; (4) the extent to which economies of scale may be realized as the Funds grow and whether the advisory fee enables each Fund's investors to share in the benefits of economies of scale; and (5) other benefits received by the Adviser and Subadvisers from their respective relationships with the Funds.

Nature, Extent and Quality of Services

Based on the written materials received and a presentation from senior representatives of the Adviser as well as a discussion with the Adviser about the personnel, operations and financial condition of itself and each Subadviser, and discussions with the Trust's CCO regarding the Adviser and the Subadvisers, the Board considered the nature, extent and quality of services provided by the Adviser under the Advisory Agreement and by each Subadviser under each Subadvisory Agreement. In this regard, the Board reviewed information regarding the experience, qualifications and professional background of the portfolio managers and other personnel at the Adviser and the Subadvisers with principal investment responsibility for the Absolute Funds' investments; the investment philosophy and decision-making processes of the Adviser's and Subadvisers' investment professionals; the capability and integrity of the Adviser's and each Subadviser's senior management and staff; the quality of the Adviser's and each Subadviser's services with respect to regulatory compliance; and the Adviser's and each Subadviser's representation that it is financially stable and able to provide investment advisory services to the applicable Absolute Fund. The Board also considered the Adviser's analysis and recommendations regarding each Subadviser. The Board concluded that, overall, it was satisfied with the nature, extent and quality of services to be provided to the Absolute Funds by the Adviser under the Advisory Agreement and each Subadviser under each of the respective Subadvisory Agreements.

Costs of Services and Profitability

The Board evaluated information provided by the Adviser regarding its costs of services and its profitability with respect to each Absolute Fund. In this regard, the Board reviewed the Adviser's resources devoted to the Absolute Funds as well as the Adviser's discussion of costs and profitability. The Board also considered the percentage and

ABSOLUTE FUNDS

ADDITIONAL INFORMATION (Unaudited)

MARCH 31, 2014

amount of the Adviser's fee that the Adviser retained and the percentage and amount of the fee that was paid to the Subadvisers. Based on these and other applicable considerations, the Board concluded that the Adviser's profits attributable to the management of the Absolute Funds were reasonable in the context of all factors considered.

The Board did not consider information regarding the costs of services provided or profits realized by each Subadviser from its relationship with the Absolute Funds, noting instead the arms-length nature of the relationship between the Adviser and the Subadvisers with respect to the negotiation of the subadvisory fee rate on behalf of each Absolute Fund and that the Adviser, and not the Fund, was responsible for paying the subadvisory fees due under each Subadvisory Agreement. The Board concluded that each Subadviser's profitability was not a material factor in determining whether or not to approve the Subadvisory Agreements.

Performance

The Board reviewed the performance of the Absolute Funds in light of each Fund's investment objective and strategy and the Adviser's discussion of the performance of each of the Subadvisers. The Board reviewed the Absolute Strategies Fund's performance over the 1-year, 3-year and 5-year periods ended January 31, 2014, compared to a peer group identified by Lipper Inc. The Board noted that the Absolute Strategies Fund underperformed its Lipper Inc. peer group during the 1-year and 3-year periods, though its performance for the 5-year period was near the median of the peer group. The Board reviewed the Absolute Opportunities Fund's performance over the 1-year, 3-year and 5-year periods ended January 31, 2014, also as compared to a peer group identified by Lipper Inc. The Board noted that the Absolute Opportunities Fund underperformed its Lipper Inc. peer group for all of the periods. Addressing the Funds' apparent underperformance relative to their Lipper Inc. peer groups, the Adviser asserted that it does not view the funds in the peer group identified by Lipper Inc. to be comparable to the Funds and, referencing the hedge-fund-like strategies of the Funds, explained the basis for this assertion.

The Board evaluated the Adviser's opinion that hedge funds and hedge funds of funds provide the most relevant performance comparisons for the Absolute Funds. In this regard, the Board considered the performance of the Absolute Funds relative to the HFRX Global Hedge Fund Index. The Board considered that, since the Absolute Strategies Fund's inception on July 27, 2005, the Fund had better cumulative returns than the HFRX Global Hedge Fund Index. The Board also considered that, since the Absolute Opportunities Fund's inception on October 21, 2008, it posted better cumulative returns than the HFRX Global Hedge Fund Index.

The Board reviewed each Absolute Fund's performance compared to another mutual fund that was not included in the Absolute Funds' Lipper Inc. peer groups but that the Adviser represented to the Board provided a meaningful comparison (a "Comparable Fund"). The Board considered the Adviser's explanation as to why the performance of the Comparable Fund should be taken into account in evaluating the performance of the Absolute Funds and considered the Funds' performance relative to the Comparable Fund and a statement by the Adviser that, since their respective inceptions, the cumulative returns of both the Absolute Funds compared favorably with those of the Comparable Fund over the same periods.

With respect to Subadviser performance, the Board evaluated the Adviser's assessment of each Subadviser's performance. The Board acknowledged the Adviser's representation that the different Subadvisers could be expected to achieve different performance results in light of the differences in their strategies. The Board also weighed the Adviser's explanation that, standing alone, no Subadviser should necessarily be expected to perform in line with the market or with the relevant Absolute Fund's benchmarks. In this regard, the Board noted that the Adviser emphasized its responsibility for allocating each Absolute Fund's assets among Subadvisers in order to achieve the applicable Absolute Fund's investment objective. Under the circumstances, and considering the level of each Absolute Fund's assets, the Board determined that it was appropriate to evaluate the contribution of each Subadviser to the performance of the Absolute Funds and the performance of each Absolute Fund as a whole. In addition, the Board concluded that the Absolute Funds and their shareholders could benefit from the renewal of the Advisory Agreement and of each applicable Subadvisory Agreement.

ABSOLUTE FUNDS

ADDITIONAL INFORMATION (Unaudited)

MARCH 31, 2014

Compensation

The Board evaluated the Adviser's compensation for providing advisory services to each Absolute Fund. The Board considered the Adviser's representation that the actual advisory fee rates and total expense ratios of hedge funds provide fairer points of comparison for the Absolute Funds than the fee rates and expense ratios of the funds in the Lipper Inc. peer groups. In this regard, the Board weighed the Adviser's explanation that the complex strategies of hedge funds are more similar to the strategy of each of the Absolute Funds than the mutual funds in the Lipper Inc. peer groups. In addition, with respect to advisory fee rates and total expenses, the Board noted the Adviser's representation that hedge funds' fees typically consist of a base advisory fee as high as 2% and performance fee as high as 20%. The Board recognized that the Adviser's fees do not include performance fees and that the Adviser pays all of the Subadvisers out of its advisory fee.

The Board took into consideration comparative information on each Absolute Fund's actual advisory fee rate and total expenses compared to its Lipper Inc. peer group. In this regard, among other things, the Board noted that the Adviser's actual advisory fee rate and the total expense ratio of each Absolute Fund was the highest of the funds in its Lipper Inc. peer group. The Board noted also that, with respect to the Absolute Strategies Fund, the Adviser had implemented breakpoints that would reduce the advisory fee rate charged to the Fund at certain asset levels. In addition, with respect to the Absolute Opportunities Fund, the Board recognized that the Adviser had recently contractually agreed to cap the Fund's total operating expenses (excluding all taxes, interest, portfolio transaction expenses, dividend and interest expense on short sales, acquired fund fees and expenses, proxy expenses and extraordinary expenses) at 1.95% until August 1, 2015 ("Expense Cap"), and that the Expense Cap was not fully reflected in that Fund's Lipper Inc. comparison. The Board further acknowledged the Adviser's representation that, although the Absolute Opportunities Fund maintained the highest total expense ratio of its Lipper Inc. peer group with the Expense Cap, the Adviser expected the Expense Cap to make the Fund more competitive.

Under these circumstances, the Board concluded that it is difficult to make meaningful comparisons between the Absolute Funds' actual advisory fee rates and total expense ratios and those of the Absolute Funds' Lipper Inc. peer groups due to, among other things, variations between the services provided by the Adviser to the Absolute Funds and those provided to the Lipper Inc. peer group funds by their advisers. Further, the Board concluded that the complex investment strategies provided to the Absolute Funds by the Adviser are comparable to the strategies provided to hedge funds by their advisers at much higher advisory fee rates. Based on the foregoing, and on all of the information presented, the Board concluded that the advisory fees paid to the Adviser by the Absolute Funds were reasonable.

Economies of Scale

The Board considered whether either of the Absolute Funds could benefit from economies of scale. The Board noted the Adviser's explanation that it is difficult for either Absolute Fund to achieve large economies of scale because the investment strategies of the Subadvisers, which are employed by the Funds, are not high-capacity strategies – meaning the Subadvisers generally cannot successfully manage ever-larger amounts of assets. The Board also noted the Adviser's explanation that, to the extent it was able to obtain fee breaks with certain Subadvisers, the Adviser's profitability may not increase commensurately given the potential need for the Adviser to hire additional Subadvisers at different, including higher, subadvisory fee rates. In this regard, the Board recognized the Adviser's representation that it expects to pay higher subadvisory fees in the future given that the Subadvisers' strategies are not high-capacity strategies and that the Funds face increased competition in identifying and retaining Subadvisers.

The Board noted that, with respect to the Absolute Strategies Fund, the Adviser had implemented fee breakpoints by contractually waiving its advisory fee to 1.55% on assets in excess of \$4.5 billion and to 1.50% on assets in excess of \$5 billion (the "Fee Break"). The Board recognized that, although the Absolute Strategies Fund's current asset level was below \$4.5 billion, the Adviser had recently lifted the "soft close" on the Fund and was actively seeking new investors for the Fund. In addition, the Board recognized that the Adviser had agreed to renew the Fee Break until August 1, 2015.

ABSOLUTE FUNDS

ADDITIONAL INFORMATION (Unaudited)

MARCH 31, 2014

With respect to the Absolute Opportunities Fund, the Board considered the Adviser's representation that the Absolute Opportunities Fund potentially could benefit from economies of scale as assets grow. The Board acknowledged, however, the Adviser's opinion that the Fund is not currently operating at an asset level that generates economies of scale and the fact that the Adviser currently forgoes approximately one half of its advisory fee pursuant to the Expense Cap. In this regard, the Board recognized that the Adviser currently is not proposing breakpoints or changes in fees for the Absolute Opportunities Fund at this time.

Based on the foregoing information, and other considerations, the Board concluded that shareholders of the Absolute Strategies Fund should have an opportunity to share in future economies of scale and that economies of scale were not yet a material factor to be considered with respect to the Absolute Opportunities Fund.

Other Benefits

The Board noted the Adviser's representation that, aside from its contractual advisory fees, it does not benefit in a material way from its relationship with the Funds. Based on the foregoing representation, the Board concluded that other benefits received by the Adviser from its relationship with the Funds were not a material factor to consider in approving the continuation of the Advisory Agreement.

Conclusion

The Board did not identify any single factor as being of paramount importance, and different Trustees may have given different weight to different factors. In light of the fact that each Fund is a multi-manager Fund, however, for which the Adviser identifies Subadvisers whose strategies it seeks to combine to achieve the Fund's investment objective, when considering the renewal of the Subadvisory Agreements, the Board gave significant weight to the Adviser's recommendation that each Subadvisory Agreement be renewed and to the Adviser's representation that the reappointment of the Subadvisers would positively contribute to the Adviser's successful execution of the Funds' overall strategies. The Board reviewed a memorandum from Trust counsel discussing the legal standards applicable to its consideration of the Advisory Agreement and Subadvisory Agreements. Based on its review, including consideration of each of the factors referenced above, the Board determined, in the exercise of its reasonable business judgment, that the advisory arrangement, as outlined in each Advisory Agreement and in each Subadvisory Agreement, was fair and reasonable in light of the services performed or to be performed, expenses incurred or to be incurred and such other matters as the Board considered relevant.

Proxy Voting Information

A description of the policies and procedures that each Fund uses to determine how to vote proxies relating to securities held in each Fund's portfolio is available, without charge and upon request, by calling (888) 992-2765 and on the U.S. Securities and Exchange Commission's (the "SEC") website at www.sec.gov. Each Fund's proxy voting record 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

Each 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. These filings 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 (800) SEC-0330.

Shareholder Expense Example

As a shareholder of the Funds, 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 Funds and to compare these costs with the ongoing costs of investing in other mutual funds.

ABSOLUTE FUNDS

ADDITIONAL INFORMATION (Unaudited)

MARCH 31, 2014

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from October 1, 2013, through March 31, 2014.

Actual Expenses – The first line under each share class of 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 of the table below provides information about hypothetical account values and hypothetical expenses based on each Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not each 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 costs of investing in each 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 the 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 October 1, 2013	Ending Account Value March 31, 2014	Expenses Paid During Period*	Annualized Expense Ratio*
Absolute Strategies Fund				
Institutional Shares				
Actual	\$ 1,000.00	\$ 994.58	\$ 11.39	2.29%
Hypothetical (5% return before taxes)	\$ 1,000.00	\$ 1,013.51	\$ 11.50	2.29%
R Shares				
Actual	\$ 1,000.00	\$ 991.81	\$ 13.71	2.76%
Hypothetical (5% return before taxes)	\$ 1,000.00	\$ 1,011.17	\$ 13.84	2.76%
Absolute Opportunities Fund				
Institutional Shares				
Actual	\$ 1,000.00	\$ 972.64	\$ 14.61	2.97%
Hypothetical (5% return before taxes)	\$ 1,000.00	\$ 1,010.12	\$ 14.88	2.97%

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

Trustees and Officers of the Trust

The Board is responsible for oversight of the management of the Trust’s business affairs and of the exercise of all the Trust’s powers except those reserved for the shareholders. The following table provides information about each Trustee and certain officers of the Trust. Each Trustee and officer holds office until the person resigns, is removed, or is replaced. Unless otherwise noted, the persons have held their principal occupations for more than five years. The address for all Trustees and officers is Three Canal Plaza, Suite 600, Portland, Maine 04101. Mr. Keffer is considered an Interested Trustee due to his affiliation with Atlantic. Each Fund’s Statement of Additional Information includes additional information about the Trustees and is available, without charge and upon request, by calling (888) 992-2765.

ABSOLUTE FUNDS

ADDITIONAL INFORMATION (Unaudited)

MARCH 31, 2014

Name and Year of Birth	Position with the Trust	Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Series of Fund Complex¹ Overseen by Trustee	Other Directorships Held by Trustee
Independent Trustees					
J. Michael Parish Born: 1943	Chairman of the Board; Trustee; Chairman, Nominating Committee and Qualified Legal Compliance Committee	Since 1989 (Chairman since 2004)	Retired since 2003.	24	0
Costas Azariadis Born: 1943	Trustee	Since 1989	Professor of Economics, Washington University since 2006.	24	0
James C. Cheng Born: 1942	Trustee; Chairman, Audit Committee	Since 1989	President, Technology Marketing Associates (marketing company for small- and medium-sized businesses in New England) since 1991.	24	0
David Tucker Born: 1958	Trustee	Since 2011	Director, Blue Sky Experience since 2008; Senior Vice President & General Counsel, American Century Companies 1998-2008.	28	Trustee, Forum Funds II and Forum ETF Trust
Interested Trustee					
John Y. Keffer ² Born: 1942	Trustee; Vice Chairman	Since 1989	Chairman, Atlantic since 2008; President, Forum Foundation (a charitable organization) since 2005; President, Forum Trust, LLC (a non-depository trust company chartered in the State of Maine) since 1997.	28	Director, Wintergreen Fund, Inc.; Trustee, Forum Funds II and Forum ETF Trust
Officers					
Stacey E. Hong Born: 1966	President; Principal Executive Officer	Since 2008	President, Atlantic since 2008.	N/A	N/A
Karen Shaw Born: 1972	Treasurer; Principal Financial Officer	Since 2008	Senior Vice President, Atlantic since 2008.	N/A	N/A
Zachary Tackett Born: 1988	Vice President; Secretary; Anti-Money Laundering Compliance Officer	Since 2014	Associate Counsel, Atlantic since 2014; Intern Associate, Coakley & Hyde, PLLC, 2010-2013.	N/A	N/A
Michael J. McKeen Born: 1971	Vice President	Since 2009	Senior Vice President, Atlantic since 2008.	N/A	N/A
Timothy Bowden Born: 1969	Vice President	Since 2009	Manager, Atlantic since 2008.	N/A	N/A
Geoffrey Ney Born: 1975	Vice President	Since 2013	Manager, Atlantic since 2013; Senior Fund Accountant, Atlantic, 2008-2013.	N/A	N/A
Todd Proulx Born: 1978	Vice President	Since 2013	Manager, Atlantic since 2013; Senior Fund Accountant, Atlantic, 2008-2013.	N/A	N/A

¹The Fund Complex includes the Trust, Forum Funds II and Forum ETF Trust and is overseen by different Boards of Trustees.²Atlantic is a subsidiary of Forum Holdings Corp. I, a Delaware corporation that is wholly owned by Mr. Keffer.

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