

Caldwell & Orkin Market Opportunity Fund

Performance in Review:

June 30, 2007

The Caldwell & Orkin Market Opportunity Fund (COAGX) dipped -2.61% in the second quarter of 2007. The S&P 500 with Income index gained 6.24% during the same period, and the NASDAQ Composite index rose 7.50%. Since commencement of active management on August 24, 1992 to the present, the Fund generated an average annual total return of 10.08%, compared to 11.20% for the S&P 500 and 10.96% for the NASDAQ. We realized these long-term results with less risk than the S&P 500. In addition, the Fund's price movements have had very little correlation (2.65%) to the price movements of the S&P 500. An S&P 500 index fund has a 100% correlation with the market. (Computations by Ned Davis Research, Inc.) *The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data quoted. To obtain performance information current to the most recent month-end, please call (800) 237-7073.*

The Market Opportunity Fund entered Q2 fully invested (98.2%) and 25.8% net long. Cosmetics / personal care companies represented the largest long industry concentration (4.5%), and building-related stocks – construction products (-6.48%) and residential & commercial builders (-5.75%) – represented the largest industry concentrations on the short side. During the first quarter, the Fund benefited handsomely from the meltdown in the subprime mortgage sector. Moving into the second quarter, we believed the effects of the meltdown would bleed over into other areas of the credit industry and the greater economy, and we were positioned accordingly. During April, however, the subprime sector saw a bounce, adversely affecting our subprime and related shorts and put options. Several cash-strapped subprime lenders received life-prolonging cash infusions from their investors, who believed they had much more to lose if the lenders went belly-up. Other companies sold off their “good” loan portfolios to raise cash, keeping the poorer performing loans. Wall Street rewarded these last-ditch efforts, bidding up share prices. Additionally, there may have been another force at work – possible market manipulation. A June 7, 2007 *Wall Street Journal* report indicated that several hedge funds have accused Bear Stearns Cos., a prominent Wall Street firm, of attempting to manipulate securities backed by subprime loans by purchasing shaky mortgages. Bear Stearns has two subprime hedge funds that suffered significant losses during the recent meltdown. Bear is trying to bail one out, and is reportedly in discussions about what to do with the other. During April and May, the Fund declined -2.61% and -2.03%, respectively.

The Fund bounced back in June as the subprime contagion spread, and the credit industry bleeding intensified. On June 18, 2007, a hedge fund that invested in collateralized debt obligations (CDO's) blew up. CDO's are leveraged debt instruments created by the wizards of Wall Street that package loans backed by various asset classes – mortgages, credit cards, commercial real estate, etc. They are sliced into different risk tranches and sold to investors. When the fund tried to liquidate its assets, 90% of which were rated no lower than AA, it received a cool reception, with bids rumored to be only about \$0.50 on the dollar. So much for Wall Street wizardry.

Current Outlook:

The subprime pain is just starting to be felt. In June 2007, \$25 billion of subprime mortgages were due to reset from their low introductory rates. That figure will swell to \$40 billion per month through the second half of 2008. Foreclosures are on the rise. Mortgage equity withdrawal is drying up. We remain short residential & commercial builders, lenders, and businesses that will suffer as consumers are forced to tighten their wallets. We are long companies that are undergoing restructuring or have exciting product stories.

Portfolio Snapshot as of June 30, 2007:

<u>FIVE LARGEST LONG HOLDINGS</u>		<u>FIVE LARGEST LONG INDUSTRIES</u>		<u>ASSET ALLOCATION</u>	
1 Arris Group Inc (ARRS)	3.0%	Telecom - Equipment	5.5%	Long Equities	56.8%
2 Corning Inc (GLW)	2.4%	Elec – Semiconductor Mfg	3.0%	Short Equities	36.5%
3 PMC – Sierra Inc (PMCS)	2.0%	Media - Diversified	2.8%	Call Options	1.9%
4 PepsiCo Inc (PEP)	2.0%	Food – Misc Preparation	2.6%	Put Options	2.1%
5 Adobe Systems Inc (ADBE)	1.9%	Elec – Misc Products	2.4%	Cash	2.7%
				Total	100.0%
				Net	20.3%

This quarterly review is submitted for the general information of the Caldwell & Orkin Market Opportunity Fund's shareholders. It is not authorized for distribution to prospective investors unless preceded or accompanied by a current prospectus. The Fund's objective is to provide long-term capital growth with a short-term focus on capital preservation through investment selection and asset allocation. Assets may be allocated among long and short stocks, options, bonds and cash equivalents. Both the share price and a prospectus are available on the Fund's website, www.CaldwellOrkin.com, or by calling the office number below (after hours there is a recorded message). The share price is also listed in select daily newspapers.

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Portfolio Performance for the period ended June 30, 2007

	Total Return	Average Annual Total Return
1-Year	14.42%	14.42%
3-Year	12.09%	3.88%
5-Year	8.32%	1.61%
10-Year	81.56%	6.15%
15-Year	317.15%	9.99%
Since 8/24/92 (a)	316.78%	10.08%

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data quoted. To obtain performance information current to the most recent month-end, please call (800) 237-7073 or visit the Fund's website, www.CaldwellOrkin.com. The commentary reflects the views of the Caldwell & Orkin Market Opportunity Fund's portfolio manager through the date of this report. Of course, these views are subject to change as market and other conditions warrant. Fund holdings, industry and asset allocations are subject to change without notice. The Fund's performance assumes the reinvestment of income, dividend and capital gain distributions, if any.

There are certain risks inherent in investing in the Fund, including market risk, short sale risk, interest rate risk, business risk, small company risk, market valuation risk, political risk, and portfolio turnover risk. For a complete discussion of these risks, you may request a copy of the Fund's prospectus by calling (800) 237-7073. The Fund uses aggressive investment strategies (including short positions and options) that have the potential for yielding high returns; however, these strategies may also result in losses. Theoretically, stocks sold short have unlimited risk. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost.

Investors should expect that the Market Opportunity Fund's performance may fluctuate independently of stock market indices, such as the S&P 500 with Income and the NASDAQ Composite. The S&P 500 with Income is a widely recognized unmanaged index of common stock prices, adjusted to reflect the reinvestment of dividends and distributions. The NASDAQ Composite Index is an unmanaged index of common stocks of companies traded over-the-counter and offered through the National Association of Securities Dealers Automated Quotations system.

This information must accompany or be preceded by a currently effective prospectus. For more complete information, including charges and expenses, you may obtain a prospectus by calling (800) 237-7073. You should read the prospectus carefully before investing or sending money.

(a) *The Caldwell & Orkin Market Opportunity Fund commenced active management on August 24, 1992. A prior fund passively managed and indexed to the largest 100 OTC stocks began operations on March 11, 1991.*

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