

Caldwell & Orkin Market Opportunity Fund

Performance in Review:

September 30, 2006

The Caldwell & Orkin Market Opportunity Fund (COAGX) rose 2.62% in the third quarter of 2006. The S&P 500 with Income index climbed 5.65% during the same period, and the NASDAQ Composite index gained 3.97%. Since commencement of active management on August 24, 1992 to the present, the Fund generated an average annual total return of 9.79%, compared to 10.79% for the S&P 500 and 10.45% 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 (2.94%) 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 the third quarter fully invested (99.2%) and 1.2% net long. The market started off on a positive note in July, coming on the heels of a Q2 quarter-end rally. We held S&P 500 Depository Receipts (SPY) and NASDAQ-100 Shares (QQQQ), both exchange-traded funds, which gave us broad market exposure to the rising market. Builders and mortgage & related financial services companies topped the short sector exposure. The rally fizzled a few days into July, and we went back to a net-short tack. The Fund, propelled by the shorts, rose 2.08% in July, compared to a 0.66% gain for the S&P 500 and a loss of -3.71% for the NASDAQ.

The markets turned back up in mid August after the Federal Reserve passed over an opportunity to raise the Fed Funds rate. We shifted from a net short to a net long positioning, and covered all the homebuilding shorts (for the time being). We stuck with the mortgage-centric lender shorts, shorted restaurants, and beefed-up our electric utility longs. The moves were advantageous, as the longs rose 2.57% and the shorts declined only -0.16%. The portfolio returned 1.22% in August, compared to a 2.30% rise for the S&P 500. We closed the month 98.5% invested and 6.2% net long. During September, declines in energy prices gave the market traction, and we reined in the shorts and added to long positions, including technology exposure due to improving fundamentals. The longs did well in September, rising 3.69%, but the shorts took a beating, declining -8.44%. Fortunately, they represented a smaller slice of the overall portfolio. For the month, the Fund dipped -0.69% compared to a 2.60% rise in the S&P 500. We closed the quarter 94.1% invested and 31.2% net long.

Current Outlook:

The Q3 rally was fueled, in part, from falling energy prices and a bond market rally that sent 10-year Treasury yields from a peak of 5.23% on June 26, 2006, to 4.655% at quarter-end. Recent weak economic data and signs of slowing inflation growth have financial market participants betting the Fed will soon lower the Fed Funds rate to stimulate economic growth. We think that expectation is premature. We're concerned about an economy that's over-leveraged, and while an argument can be made that lower rates are a key driver of expansion for a leveraged economy, in this environment, our concerns regarding the consumer's reliance on debt and housing market gains remain unchanged. We're net-long in anticipation that this rally may last through year-end, and we maintain our short exposure to mortgage-centric financial stocks.

We recently asked Ned Davis Research, Inc. how long it has been since the last 10% decline in the S&P 500. The answer: 3.5 years. Since 1928, the stock market has averaged a 10% correction every seven months. Over the last 10-years, a 10% correction has occurred every 12 months, still a far cry from the 3.5 year "safe zone." This does not mean we will have a 10% correction any time soon, but it does suggest that investors should be wary.

Portfolio Snapshot as of September 30, 2006:

<u>FIVE LARGEST LONG HOLDINGS</u>		<u>FIVE LARGEST LONG INDUSTRIES</u>		<u>ASSET ALLOCATION</u>	
1 TurboChef Technologies (OVEN)	3.3%	Utility - Electric Power	5.9%	Long Equities	57.9%
2 Republic Services Inc (RSG)	2.9%	Medical - Biomed / Biotech	4.9%	Short Equities	26.7%
3 Exelon Corp (EXC)	2.4%	Food - Misc Preparation	4.3%	U.S. Treasury Note	9.5%
4 PepsiCo Inc (PEP)	2.2%	Elec - Semiconductor Mfg	3.4%	Cash	5.9%
5 Genentech Inc (DNA)	2.1%	Retail - Clothing / Shoe	3.4%	Total	100.0%
				Net	31.2%

The Caldwell & Orkin Market Opportunity 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, bonds and cash equivalents. The share price is available on the Fund's website, www.CaldwellOrkin.com, or by calling the office number below (after hours there is a recorded message). It is also listed daily in *Investor's Business Daily* and several other newspapers. This quarterly review is submitted for the general information of the Fund's shareholders. It is not authorized for distribution to prospective investors unless preceded or accompanied by a current prospectus.

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Portfolio Performance for the period ended September 30, 2006

	Total <u>Return</u>	Average Annual Total <u>Return</u>
1-Year	-0.39%	-0.39%
3-Year	-1.52%	-0.51%
5-Year	-5.62%	-1.15%
10-Year	93.34%	6.82%
Since 8/24/92 (a)	273.78%	9.79%

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) 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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