

Caldwell & Orkin Market Opportunity Fund

Performance in Review:

September 30, 2007

The Caldwell & Orkin Market Opportunity Fund (COAGX) jumped 15.69% during the third quarter of 2007. The S&P 500 with Income index gained 2.02% during the same period, and the NASDAQ Composite index rose 3.77%. Since commencement of active management on August 24, 1992 to the present, the Fund generated an average annual total return of 10.97%, compared to 11.15% for the S&P 500 and 11.04% 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 (2.79%) 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 Q3 fully invested (97.3%) and 20.3% net long. Telecom equipment manufacturers represented the largest long industry concentration (5.5%), and residential & commercial builders made up the largest industry concentration on the short side (-6.8%). We also held short positions in credit-sensitive financial companies, including mortgage lenders. The subprime mortgage contagion carried into July, and credit industry bleeding intensified. The markets pulled back (the S&P declined -3.06%), but the Fund turned in a strong performance, rising 7.39%, thanks to a combination of asset allocation moves, shorts targeted at credit-sensitive financials and homebuilders, as well as individual security selection. During July we reduced the longs, increased cash, and added selected shorts, closing the month 5.5% net long and 13.2% in cash (86.8% invested). The short portfolio worked beautifully, returning 19.88% in July, and the put options also contributed to performance.

With talk turning dire on the slumping housing market and it's possible effect on the economy, leading to increased use of the R-word (recession), the Fed made a somewhat behind-the-scenes move in August by cutting the rate it charges member banks who borrow from the discount window, and loosening its borrowing terms. The Fed's bid to stabilize the credit markets by making liquidity more readily available stopped the slide on Wall Street, but it was really nothing more than a band-aid on a gaping wound. We added to both the long and short portfolios in August, closing the month 3.4% net long and 99% invested. The markets reversed in August, with the S&P rising 1.45%. The Fund gained 4.44%, again thanks again to strong performance by the shorts, which returned 8.55%.

On September 7, 2007 the jobs report came out reflecting that the U.S. economy actually lost jobs in August. Growing economies aren't supposed to do that. The Fed lowered the Fed funds rate at its mid-September meeting by 50 basis points (0.50%). Wall Street applauded the Fed's role as an ally in the containment of the credit crisis, and the S&P gained 3.74% in September. The Fund rose 3.15% that month, with the long portfolio returning 4.88%. Importantly, for the fourth month in a row, the shorts also had positive performance, returning 0.67%.

Current Outlook:

With the Fed apparently dressed out in full battle armor, quelling the fears of subprime debacle-shocked investors, it looks like the markets may have bottomed out for now. The risks are many, yet so are the opportunities. We will continue to focus on both long and short securities.

Portfolio Snapshot as of September 30, 2007:

<u>FIVE LARGEST LONG HOLDINGS</u>		<u>FIVE LARGEST LONG INDUSTRIES</u>		<u>ASSET ALLOCATION</u>	
1 Kraft Foods Inc CI A (KFT)	2.9%	Food – Misc Preparation	7.4%	Long Equities	49.4%
2 Corning Inc (GLW)	2.8%	Elec – Misc Products	4.8%	Short Equities	45.5%
3 Cisco Systems Inc (CSCO)	2.0%	Computer – Networking	2.8%	Call Options	1.9%
4 Hewlett-Packard Co (HPQ)	1.9%	Finance – Savings & Loans	2.0%	Put Options	1.3%
5 HJ Heintz Company (HNZ)	1.8%	Computer - Manufacturers	1.9%	Cash	1.9%
				Total	100.0%
				Net long	3.9%

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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Caldwell & Orkin Market Opportunity Fund

Portfolio Performance for the period ended September 30, 2007

	Total Return	Average Annual Total Return
1-Year	28.99%	28.99%
3-Year	28.41%	8.69%
5-Year	20.61%	3.82%
10-Year	89.42%	6.60%
15-Year	363.38%	10.76%
Since 8/24/92 (a)	382.15%	10.97%

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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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