

Caldwell & Orkin Market Opportunity Fund

Performance in Review:

December 31, 2005

The Caldwell & Orkin Market Opportunity Fund (COAGX) fell -2.30% in the fourth quarter of 2005. The S&P 500 with Income index gained 2.03% during the same period, and the NASDAQ Composite index was up 2.49%. For the full calendar year ended December 31, 2005, the Fund slipped -0.13%, while the S&P gained 4.88% and the NASDAQ inched up 1.37%. Since commencement of active management on August 24, 1992 to the present, the Fund generated an average annual total return of 10.21%, compared to 10.74% for the S&P 500 and 10.87% 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 (2.73%) 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 opened the fourth quarter fully invested and -6.7% net short. Electric utilities continued to be our largest sector exposure on the long side of the portfolio (16.0%), and mortgage & related financial services companies were the largest short sector exposure (4.8%). We maintained a net short positioning throughout the month of October, which proved beneficial as the markets trended lower. The S&P lost -1.62%, and the Fund was down only -0.68%. The markets came back in November (the S&P rose 3.67%), and we transitioned to a net long posture. By month-end the Fund was 22.5% net long. While our longs performed well during the month (rising 4.48%), the shorts (particularly financial stocks) took a hit, and the Fund lost -1.90%. December witnessed a lackluster market. During the month we pulled in the longs and moved to a market neutral exposure. The S&P inched up 0.05%, and the Fund gained 0.28%. We closed the quarter 90.1% invested, and 3.5% net long.

Current Outlook:

Due to significant headwinds, a slowdown in the U.S economy appears likely as we enter 2006. Both the combined effects of high energy prices (oil prices above \$55 since last June) and the Federal Reserve's substantial reduction in monetary accommodation (current Fed Funds rate of 4.25%) should slow economic growth. The rise in short-term rates has slowed mortgage originations which, in turn, will likely slow mortgage equity withdraw (MEW). At an \$800 billion annual rate in the third quarter, MEW has been a significant lift to the overleveraged consumer, who in 2005 accounted for a record 76% of GDP and spent more than he made for the first time since the Great Depression. Further, while headline inflation reports have shown price increases to be within the allowable range for Fed policy makers, consumers still face stealth pressures, including rising health care and education costs, increases in real estate taxes and higher energy prices. Yet perhaps the most worrying signal for the economy in 2006 is the flattening of the yield curve (the narrowing of the spread between the short term rates at which financial institutions borrow money and the long term rates at which they lend). It's true that a consistently inverted yield curve is an ominous recessionary signal, but a flat yield curve can cause problems as well considering it decreases the profitability of the financial sector and decreases liquidity available for lending. These headwinds may be offset, to some extent, by the global growth cycle. Indeed, Chinese economic growth remains impressive and is among the factors helping to pull the Japanese economy (the world's second largest) out of a decade-long slumber. Also, thanks to banking deregulation, a young and educated populace and an increase in consumer spending, India's economy continues its solid growth. However, many overseas economies are themselves reliant on U.S. consumer spending and it remains to be seen what effect a potential slowdown at home will have on our friends abroad.

Portfolio Snapshot as of December 31, 2005:

FIVE LARGEST LONG HOLDINGS

1 TurboChef Technologies (OVEN)	2.7%
2 Proctor & Gamble Co (PG)	2.2%
3 Sunrise Senior Living Inc (SRZ)	2.1%
4 Tommy Hilfiger Corp (TOM)	2.0%
5 Mitsubishi UFJ Fin Gp ADR (MTU)	1.9%

FIVE LARGEST LONG INDUSTRIES

Telecom – Wireless Equipment	4.4%
Medical – Nursing Homes	3.3%
Elec – Semiconductor Mfg	2.9%
Household – Appliances	2.7%
Internet – Content	2.5%

ASSET ALLOCATION

Long Equities	46.8%
Short Equities	43.3%
Corporate Bonds	0.0%
Cash	<u>9.9%</u>
Total	100.0%
Net	3.5%

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 December 31, 2005

	<u>Total</u> <u>Return</u>	<u>Average</u> <u>Annual Total</u> <u>Return</u>
1-Year	-0.13%	-0.13%
3-Year	-7.67%	-2.63%
5-Year	-8.59%	-1.78%
10-Year	124.39%	8.42%
Since 8/24/92 (a)	266.63%	10.21%

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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