Caldwell & Orkin Market Opportunity Fund

Performance in Review: **December 31, 2008**

The Caldwell & Orkin Market Opportunity Fund (COAGX) rose 1.96% during the fourth quarter of 2008. The S&P 500 with Income index dropped -21.85% during the same period, and the NASDAQ Composite index plummeted -24.27%. For the 12-months ended December 31, 2008, the Fund dipped -4.66%, compared to losses of -37.03% and -40.54% for the S&P and NASDAQ, respectively. Since commencement of active management on August 24, 1992 to the present, the Fund has generated an average annual total return of 10.33%, compared to 6.96% for the S&P 500 and 6.58% for the NASDAQ. We realized these long-term results with less risk than the S&P 500. The Fund's price movements have had very little correlation (0.85%) 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 73.7% invested and 4.1% net long. The longs were defensively positioned with food manufacturers as the top sector allocation, while the short's top allocations were to retail-oriented firms and regional banks. The bear continued roaring into October, and on October 8 the Federal Reserve, acting in concert with central banks around the world, cut the Fed funds rate by 0.50% to 1.50%. That same day Britain announced a plan to inject public funds into banks, and the U.S. echoed that plan the following day. On October 29 the Fed again dropped rates by 0.50%, and on December 16 the Fed cut the Fed funds rate to a new low range of 0.00% to 0.25%, and vowed to keep rates "exceptionally low" for as long as needed. Washington was digging deep in search of the right medicine, but there was no universal antidote. There was, however, a common denominator – money, and lots of it. Monetary policy and economic liquidity factor importantly into our investment discipline. Liquidity has a tendency of being absorbed by the market before washing through the economy. Given the historic size and scope of the liquefaction, the huge stock market sell-off, and extreme pessimism, we increased the mutual Fund's net invested position during the quarter, while moderating the total invested position. Finally, we currently have an 8.2% position in high-grade corporate bonds given what we believe is an attractive risk / return profile.

Current Outlook:

We had three setbacks this year…two of which resulted from short squeezes brought on by the SEC's efforts to regulate short selling. Ironically, "[SEC Chairman Christopher] Cox said the biggest mistake of his tenure was agreeing in September to an extraordinary three-week ban on short selling of financial company stocks," read a December 24, 2008 *Washington Post* article entitled, SEC Chief Defends his Restraint. "But in publicly acknowledging for the first time that this ban was not productive, Cox said he had been under intense pressure from Treasury Secretary Henry M. Paulson, Jr. and Fed Chairman Ben S. Bernanke to take this action and did so reluctantly. They 'were of the view that if we did not act and act at that instant, these financial institutions could fail as a result and there would be nothing left to save,' Cox said." A weak mea culpa, but a mea culpa nonetheless. We believe that a short-term, yet significant, rally will occur within the context of an ongoing secular bear market.

Portfolio Snapshot as of December 31, 2008:

FIVE LARGEST LONG HOLDINGS		FIVE LARGEST LONG INDUSTRIES		ASSET ALLOCATION	
1 StreetTRACKS Gold Trust (GLD)	3.0%	Metal Ores – Gold / Silver	3.5%	Long Equities	40.3%
2 AT&T Inc (T)	2.0%	Internet – Content	3.4%	Short Equities	9.2%
3 Wal-Mart Stores (WMT)	1.8%	Telecom – Services	2.9%	Call Options	0.3%
4 Goldman Sachs Group Inc (GS)	1.5%	Retail/Wholesale Bldg Products	1.9%	Put Options	0.0%
5 Bankrate (RATE)	1.2%	Retail – Major Disc Chains	1.8%	Corp Bonds	8.2%
				Cash	42.0%
				Total	100.0%
				Net long	31.1%

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<u>Portfolio Performance for the period ended December 31, 2008</u>

	Total Return	Average Annual Total Return
1-Year	-4.66%	-4.66%
3-Year	36.29%	10.87%
5-Year	34.69%	6.14%
10-Year	51.67%	4.25%
15-Year	252.80%	8.77%
Since 8/24/92 (a)	399.67%	10.33%

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.

Total annualized Fund operating expenses for the semi-annual period ending October 31, 2008 were 1.95%. Additional information about the Fund's fees and expenses is available in the Fund's prospectus.

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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