

INDUSTRY LEADERS® FUND

INVESTOR SHARES ticker ILFIX

INSTITUTIONAL SHARES ticker ILFLX

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STATEMENT OF ADDITIONAL INFORMATION

November 1, 2010

This Statement of Additional Information (“SAI”), which should be kept for future reference, is not a Prospectus and should be read in conjunction with the applicable Industry Leaders® Fund Prospectus, dated for your Class of Shares (the “Prospectus”). A Prospectus can be obtained without cost by contacting your financial adviser or by calling the Fund toll-free at (866) 280-1952, or by writing to the Fund at the address referenced above. This SAI is related to and incorporated by reference in its entirety into the Prospectus dated November 1, 2010. This SAI is intended to provide you with further information about the Fund.

The Fund’s audited financial statements and the reports thereon of Cohen Fund Audit Services, Ltd., the Fund’s independent registered public accounting firm, included in the Fund’s Annual Report dated June 30, 2010 are incorporated by reference into this SAI. No other parts of the Fund’s 2010 Annual Report are incorporated herein.

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OVERVIEW OF THE STATEMENT OF ADDITIONAL INFORMATION

The Industry Leaders® Fund (the “Trust” or the “Fund”) is a diversified, open-end management investment company. The Trust is a Delaware business trust and was formed on December 13, 1995. The Trust issues units of beneficial interest (“Shares” and the holders thereof, “Shareholders”). The Fund presently has three classes of Shares outstanding, however only two classes are currently being offered for sale. The outstanding Shares of all classes represent interests in the Fund investment portfolio. This SAI relates to the Investor Shares and Institutional Shares of the Fund. Some of the information contained in this SAI explains in further detail subjects that are discussed in the Prospectus. Capitalized terms not otherwise defined herein are used as defined in the Prospectus. You should carefully read the applicable Prospectus before investing in the Fund.

If you have any questions or comments prior to investing in the Fund, please do not hesitate to call the Fund toll-free at (866) 280-1952.

INVESTMENT OBJECTIVE AND POLICIES

The Fund seeks to obtain long-term capital appreciation. The Fund’s investment objective is fundamental and may not be changed without shareholder approval. There can be no assurance that the Fund will achieve its investment objective. The Fund’s investment policies and permitted investments are described in each Prospectus under the headings “Overview of Industry Leaders® Fund,” “Principal Investment Objectives,” “Investment Strategy,” “Investment Policies” and “Important Risk Considerations.” Set forth below is additional information with respect to the Fund’s investment policies.

Instruments In Which The Fund Can Invest

Domestic Common Stocks. The Fund may invest in the common equity securities of companies that are domestically traded in the United States. The risks of investing in equity securities are discussed in detail in the Prospectus under the caption, “Overview of Industry Leaders® Fund, Risk Return Summary - Principal Risks” and also under the caption, “Important Risk Considerations.”

Foreign Company Stocks. As a Non-Fundamental Policy of the Fund, a stock must be domestically traded in the United States to be eligible for inclusion in the Fund portfolio. This requirement eliminates foreign companies whose equity is only traded abroad or traded in the U.S. only as an American Depositary Receipt (commonly referred to as an “ADR”). Other foreign companies, typically through a U.S. subsidiary, have registered their stock with the Securities and Exchange Commission (the “SEC”) and listed such stock for trading on U.S. exchanges. Therefore, some foreign companies may be included in the Fund portfolio if they are selected by the Industry Leaders® Portfolio Strategy (the “Portfolio Strategy”). The Prospectus contains a complete discussion of the operation of the Portfolio Strategy under the captions, “Overview of Industry Leaders® Fund, Risk Return Summary” and “Investment Strategy.”

Although the Adviser believes it unlikely that the Fund portfolio will at any time be comprised of a statistically significant percentage of foreign stocks, there are risks inherent in investments in foreign companies that are different from, and additional to, those related to investments in obligations of U.S. domestic issuers. For example, the value of dividends from such securities,

which may be denominated in or indexed to foreign currencies, can change significantly when foreign currencies strengthen or weaken relative to the U.S. dollar. Foreign companies with substantial operations abroad may also be affected by actions of foreign governments adverse to the interests of U.S. investors, including the possibility of expropriation or nationalization of assets, confiscatory taxation, restrictions on U.S. investment or on the ability to repatriate assets or convert currency into U.S. dollars, or other government intervention. Investments in foreign countries also involve a risk of local political, economic, or social instability, military action or unrest, or adverse diplomatic developments. There is no assurance that the Adviser will be able to anticipate these potential events or counter their effects. The considerations noted above are generally intensified for investments in developing countries.

Principal Risks of Investing in the Fund

Investing in the Fund involves risks common to the risks of investing in any equity mutual fund:

- The Fund invests in common stocks that may decrease in value. Therefore, the value of your investment in the Fund may also decrease.
- Declines in the market as a whole may cause you to lose some or all of your investment.
- The Fund could lose money if the stocks selected for the Fund's portfolio are experiencing financial difficulty, or are out of favor in the market because of weak performance, poor earnings forecasts, negative publicity, or industry specific market cycles.
- It can take many months or possibly years to recover a loss, if recovered at all. Historically, some stock market declines have ended quickly while others have continued for sustained periods of time. It is impossible to predict either the timing or severity of a downward-trend market.

In addition to risks common to all equity mutual funds, the following risks are particular to investing in the Fund:

- There can be no assurance that the Portfolio Strategy will perform as expected or that the Fund would have been successful in replicating the results indicated.

Each prospective investor must assess all of the risks of investing in a stock-based mutual fund in general, and the risks of investing in the Fund in particular. It is important that you understand your level of financial-risk tolerance. The impact of a downward-trend market also depends not only upon the extent of a decline, but also upon your individual time horizon. For example, a downward-trend market may be harder to tolerate if you are retired or nearing retirement. Ask yourself these questions:

- What can I tolerate losing?
- If my investment incurs a loss, how long can I wait for a market rebound?
- What are my other financial resources?

Investors should remember that an investment in the Fund is not a deposit in a bank and is not insured or guaranteed by the FDIC or any other private organization or government agency. As a result, investment losses are not covered by any kind of insurance.

FUNDAMENTAL INVESTMENT RESTRICTIONS

Except for the fundamental investment restrictions set forth below, the policies of the Fund may be changed without Shareholder approval.

The phrases “Shareholder approval” and “vote of a majority of the outstanding voting securities”, as used in the Prospectus or in this Statement of Additional Information means the affirmative vote of the lesser of (i) 67% or more of the Fund’s voting securities present at a meeting of Shareholders provided that the holders of more than 50% of the Fund’s outstanding voting securities are present in person or by proxy, or (ii) more than 50% of the Fund’s outstanding voting securities. Shares of the Fund have voting power based on dollar value and are thus allocated in proportion to the value of each Shareholder’s investment on the record date.

Fundamental Investment Restrictions:

1. The Fund may not:
 - (a) With respect to 50% of its assets, invest more than 5% of its total assets, at market value, in the securities of one issuer (except the securities of the United States Government or any of its agencies or instrumentalities) and may not purchase more than 10% of the outstanding voting securities of a single issuer.
 - (b) With respect to the other 50% of its assets, invest more than 25% of the market value of its total assets in a single issuer.
2. The Fund may not purchase the securities of any issuer (other than the securities issued or guaranteed by the United States Government or any of its agencies or instrumentalities, repurchase agreements secured thereby, or tax-exempt securities issued by governments or political subdivisions of governments except tax-exempt securities backed only by the assets or revenues of non-governmental issuers) if, as a result, 25% or more of the Fund’s total assets would be invested in the securities of companies whose principal business activities are in the same industry.
3. The Fund may borrow money to the extent permitted under the Investment Company Act of 1940 as amended (the “1940 Act”). Borrowings representing more than 33 1/3% of the Fund’s total assets must be repaid before the Fund may make additional investments.
4. The Fund may not issue any senior security (as defined in the 1940 Act), except that the Fund may (a) engage in transactions that may result in the issuance of senior securities to the extent permitted under applicable regulations and interpretations of the 1940 Act, an exemptive order or interpretation of the staff of the U.S. Securities and Exchange Commission (the “SEC”); (b) acquire other securities, the acquisition of which may result in the issuance of a senior security, to the extent permitted under applicable regulations or interpretations of the 1940 Act; (c) subject to the restrictions described in the Statement of Additional Information, borrow money as authorized by the 1940 Act; and (d) issue multiple classes of shares in accordance with regulations of the SEC.
5. The Fund may not underwrite securities issued by others, except to the extent that the Fund may be considered an underwriter within the meaning of the Securities Act of 1933, as amended (the “Securities Act”), when reselling securities held in its own portfolio.

6. The Fund may not purchase or sell real estate unless acquired as a result of direct ownership of securities or other instruments. This restriction shall not prevent the Fund from investing in securities or other instruments backed by real estate or securities of companies engaged in the real estate business, including real estate investment trusts. This restriction does not preclude the Fund from buying securities backed by mortgages on real estate or securities of companies engaged in such activities. This restriction shall not prevent the Fund from investing in real estate operating companies and shares of companies engaged in other real estate related businesses.
7. The Fund may not purchase or sell commodities, including commodities futures contracts, futures stock index contracts or options thereon.
8. The Fund may not make loans, except the Fund, consistent with its investment program, may lend portfolio securities, provided that the value of loaned securities does not exceed 33 1/3% of the Fund's total assets and the Fund may loan securities as required in connection with permitted borrowings.

These fundamental restrictions cannot be changed without approval by a majority of the outstanding voting securities of the Fund. Changes in the market value of securities in the Fund's portfolio generally will not cause the Fund to violate these investment restrictions unless any failure to satisfy these restrictions exists immediately after the acquisition of any security or other property and is wholly or partly the result of such acquisition. At times, it may become necessary for the Fund to take a temporary defensive position inconsistent with its principal investment strategies. At such times, the Fund may invest up to 100% of its assets in cash, cash equivalents or high-quality short-term money market instruments. Unless otherwise noted, whenever an investment policy or limitation states a maximum percentage of the Fund's assets that may be invested in any security or other asset, or sets forth a policy regarding quality standards, such standard or percentage limitation will be determined immediately before the Fund's acquisition of such security or other asset in the case of borrowing (or other activities that may be deemed to result in the issuance of a "senior security" under the 1940 Act).

For purposes of calculating concentration of investments in the utility and finance categories, neither finance companies as a group nor utility companies as a group are considered a single industry for purposes of the Fund's concentration policy (i.e., finance companies that are associated with particular industries will be considered a part of the industry they finance and utilities will be divided according to the types of services they provide).

NON-FUNDAMENTAL INVESTMENT RESTRICTIONS

The following investment restrictions and policies are non-fundamental and can be changed by the Board of Trustees without Shareholder approval.

The Fund will not:

1. Purchase the securities of any one issuer if, immediately after such purchase, more than 2.75% of the value of the Fund's total assets would be invested in such issuer.
2. Purchase any securities if, immediately after such purchase, more than 15% of the value of the Fund's total assets would be invested in securities of one or more issuers conducting their principal business activities in the same industry.
3. Lend portfolio securities for the purpose of generating income.
4. Borrow money for leverage purposes.
5. Invest in companies whose stock is not domestically traded in the United States.
6. Invest in open-end or closed-end mutual funds.
7. Invest in bonds or other long-term debt securities, convertible securities, detached convertible security warrants, options on debt securities or repurchase agreements (except as a temporary defensive measure).
8. Maintain a short position or sell securities short.
9. Purchase securities that are not readily marketable, such as securities subject to legal or contractual restrictions on resale or securities that are otherwise illiquid.
10. Pledge its assets in an amount greater than 15% of the value of its total assets, and then only to secure borrowings permitted by Restriction 3.
11. Purchase securities on margin.
12. Participate on a joint or a joint and several basis in any trading account in securities (the bunching of orders for the sale or purchase of portfolio securities of two or more accounts managed by the Adviser or its affiliates, shall not be considered participation in a joint securities trading account).

PORTFOLIO HOLDINGS INFORMATION

The Fund maintains policies governing the timing and circumstances in which the portfolio investments held by the Fund may be disclosed by the Fund. Under these policies, disclosure of portfolio holdings is not permitted except: (1) to provide information to the Fund's officers and service providers as necessary for the performance of their duties to the Fund; (2) to the extent that such information has previously been publicly disclosed in filings made with the SEC (e.g. annual and semi-annual shareholder reports on Form N-CSR and quarterly holdings reports on Form N-Q or otherwise made publicly available (e.g., posted on the Fund's Internet web site); (3) as otherwise necessary for the purpose of complying with federal law; or (4) with the approval of the Fund's Chief Compliance officer, as noted below. These disclosure restrictions apply equally to individual and institutional investors, as well as intermediaries that distribute shares of the Fund.

Specifically, officers of the Fund, the portfolio manager, the Adviser and those of its employees who are responsible for supervision of those organizations that provide transfer agency services to the Fund, as well as employees of such organizations will be afforded access to information relating to portfolio holdings as appropriate to their duties to the Fund. As noted elsewhere in the SAI, such persons are required to act in accordance with various Codes of Ethics which, among other things, require that such information be kept confidential and prohibit its use with respect to personal investment decisions. The Code of Ethics also requires all such persons to periodically report all of their personal securities holdings and transactions for verification of compliance with the Code of Ethics. The Fund's Custodian, which is responsible for the safekeeping of the assets of the Fund and related services, and its employees, will also have access to the portfolio holdings, as will employees of the Fund's registered independent public accountant in connection with the performance of their duties to the Fund. Additionally, attorneys engaged by the Fund to provide legal services to the Fund will generally be afforded access to portfolio holdings information in connection with the review of regulatory filings and, with the approval of the Chief Compliance Officer, as appropriate. No person is permitted to receive any compensation or consideration for the disclosure of portfolio holdings, although usual and customary compensation may be paid in connection with a service delivered, such as securities lending.

The Fund's Chief Compliance Officer may grant exceptions from the disclosure policies noted above under circumstances that will ensure that the information disclosed remains confidential and will be not be used for any investment related purpose. To the extent that rating and ranking organizations such as Standard & Poor's, Lipper, Bloomberg and/or Morningstar, Inc. request portfolio holdings information, the Fund will provide only such information as is already publicly available on the Fund's website or in public filings made with the SEC.

The Board of Trustees will periodically review the Fund's procedures in connection with its overall review of the Fund's compliance procedures in order to ensure that any disclosure of portfolio holdings is made in the best interests of the Fund's shareholders.

NET ASSET VALUATION

The net asset value per share of each class of Shares of the Fund is determined as of the close of regular trading on the NYSE, on each day that the NYSE is open. The closed days are set forth below in this SAI under the caption, "Additional Purchase and Redemption Information."

The Fund subtracts the non-class specific liabilities of the Fund from the Fund's assets to determine its total net assets. The Fund then determines each class's proportionate interest in the Fund's net assets. The liabilities attributable to that class, including its Fund management and Distribution Plan fees, are then deducted and the resulting amount is divided by the number of Shares of that class outstanding to produce its net asset value per share.

Stocks are valued at the closing prices reported on recognized securities exchanges or if no sale was reported, and for unlisted securities, at the mean between the last-reported bid and asked prices. Although the Fund does not anticipate holding securities for which market quotations are not readily available, such securities will be valued at fair value as determined in good faith by the Adviser, in conformity with guidelines adopted by, and subject to the review of, the Board of Trustees.

PERFORMANCE INFORMATION

The Fund will include performance data for each Class of the Fund in its advertisements, sales literature and other information distributed to the public that includes performance data of the Fund. Such performance information will be based on investment “average annual total return” or “cumulative total return” of the Fund. An explanation of how such yields and total returns are calculated for each class and the components of those calculations are set forth below.

Total return information may be useful to investors in reviewing a Fund’s performance. A Fund’s advertisement of its performance must, under applicable SEC rules, include the average annual total returns for each class of shares of a Fund for the 1, 5, and 10-year period (or the life of the class, if less) as of the most recently ended calendar quarter. This enables an investor to compare a Fund’s performance to the performance of other funds for the same periods. However, a number of factors should be considered before using such information as a basis for comparison with other investments. Investments in a Fund are not insured; its total return is not guaranteed and normally will fluctuate on a daily basis. When redeemed, an investor’s shares may be worth more or less than their original cost. Total return for any given period is not a prediction or representation by a Fund of future rates of return on its shares. The total return of the shares of a Fund is affected by portfolio quality, portfolio maturity, the type of investments a Fund holds, and operating expenses.

Average Annual Total Return. The Fund computes its "average annual total return (before taxes)" by determining the average annual compounded rate of return during specified periods that would equate the initial amount invested to the ending redeemable value of such investment by dividing the ending redeemable value of a hypothetical \$1,000 initial payment by \$1,000 and raising the quotient to a power equal to one divided by the number of years (or fractional portion thereof) covered by the computation and subtracting one from the result. This calculation can be expressed as follows:

$$T = [(ERV / P)^{1/n} - 1]$$

Where: T = average annual total return

ERV = ending redeemable value at the end of the period covered by the computation of a hypothetical \$1,000 payment made at the beginning of the period

P = hypothetical initial payment of \$1,000

n = period covered by the computation, expressed in terms of years

Each Fund computes its aggregate total returns (before taxes)

Cumulative Total Return. The cumulative “total return before taxes” calculation measures the change in value of a hypothetical investment of \$1,000 over an entire period greater than one year. Its calculation uses some of the same factors as average annual total return, but it does not average the rate of return on an annual basis. Total return is determined as follows:

$$\frac{\text{ERV} - \text{P}}{\text{P}} = \text{Total Return Before Taxes}$$

The Average Annual Compounded Rates of Total Return as of December 31, 2009 were as follows:

	One Year	Three Years	Five Years	Ten Years	Since Inception
Investor Shares	25.02%	-4.18%	1.83%	2.24%	2.46%*
Institutional Shares	25.22%	-3.96%	2.14%	n/a	4.10%**

* Since inception, March 17, 1999

** Since inception, November 30, 2001

Average Annual Total Returns After Taxes on Distributions. The “average annual total return after taxes on distributions” of a Fund is an average annual compounded rate of return for each year in a specified number of years after taxes on distributions in each year. It is the rate of return (“T”) based on the change in value of a hypothetical investment of \$1,000 (“P”) held for a number of years (“n”) to achieve an ending value after taxes on distributions (“ATV_D”), according to the following formula.

$$P(1 + T)^n = \text{ATV}_D$$

Cumulative Total Return After Taxes on Distributions. The cumulative “total return after taxes on distributions” calculation measures the change in value of a hypothetical investment of \$1,000 over an entire period greater than one year. Its calculation uses some of the same factors as average annual total return after taxes on distributions, but it does not average the rate of return on an annual basis. Total return after taxes on distributions is determined as follows:

$$\frac{\text{ATV}_D - \text{P}}{\text{P}} = \text{Total Return After Taxes on Distributions}$$

The Average Annual Compounded Rates of Total Return After Taxes on Distributions as of December 31, 2008 were as follows:

	One Year	Three Years	Five Years	Ten Years	Since Inception
Investor Shares	23.24%	-5.26%	0.92%	1.50%	1.72%*
Institutional Shares	22.96%	-5.18%	1.12%	n/a	3.26%**

* Since inception, March 17, 1999

** Since inception, November 30, 2001

Average Annual Total Returns After Taxes on Distributions and Redemptions. The “average annual total return after taxes on distributions and redemptions” of a Fund is an average annual compounded rate of return after taxes on distributions and redemption for each year in a specified number of years. It is the rate of return based on the change in value of a hypothetical investment of \$1,000 (“P”) held for a number of years (“n”) to achieve an ending value at the end of the periods shown (“ATV_{DR}”), according to the following formula:

$$P(1 + T)^n = ATV_{DR}$$

Cumulative Total Return After Taxes on Distributions and Redemptions. The cumulative “total return after taxes on distributions and redemptions” calculation measures the change in value of a hypothetical investment of \$1,000 over an entire period greater than one year. Its calculation uses some of the same factors as average annual total return after taxes on distributions and redemptions, but it does not average the rate of return on an annual basis. Total return after taxes on distributions is determined as follows:

$$\frac{ATV_{DR} - P}{P} = \text{Total Return After Taxes on Distributions and Redemptions}$$

The Average Annual Compound Rates of Total Return After Taxes on Distributions and Redemptions as of December 31, 2008 were as follows:

	One Year	Three Years	Five Years	Ten Years	Since Inception
Investor Shares	16.07%	-3.95%	1.27%	1.65%	1.84%*
Institutional Shares	16.09%	-3.85%	1.48%	n/a	3.26%**

* Since inception, March 17, 1999

** Since inception, November 30, 2001

Comparative Performance Information. The total return on an investment made in the Fund may be compared with the performance of the Standard & Poor's 500® Index and the Lipper Large Core Equity Index. Other indices may be used from time to time. The S&P 500® Index is a market capitalization weighted index of the largest 500 companies in the United States as determined by Standard & Poor's. The Lipper Large Core Equity Index represents a basket of mutual funds that Lipper believes represents the "Large Core Equity" category. Lipper currently categorizes the Fund as "Large Core." The S&P 500 index is an unmanaged index of securities that does not reflect reinvestment of capital gains or take investment costs into consideration, as these items are not applicable to indices generally. The Lipper Large Core Equity Index reflects the net of fees results of a basket of mutual funds.

The Fund may also be quoted in and compared to other mutual funds with similar investment objectives in advertisements, Shareholder reports or other communications to Shareholders. The Fund may include in these communications calculations that describe back-testing of the Industry Leaders® Portfolio Strategy and hypothetical past investment results. These performance examples are based on an express set of assumptions and are not indicative of future performance of the Fund. These calculations may include discussions or illustrations of the effects of compounding. "Compounding" means that, if dividends or other distributions on the Fund's investment are reinvested by being paid in additional Fund Shares, any future income or capital appreciation of the Fund would increase the value, not only of the original Fund investment, but also of the additional Fund Shares received through reinvestment. As a result, the value of the Fund investment would increase more quickly than if dividends or other distributions had been paid in cash. The Fund may also include discussions or illustrations of the potential investment goals of a hypothetical investor. These may include, but are not limited to, tax and/or retirement planning, investment management techniques, policies or investment suitability of the Fund. The Fund may discuss such factors as general economic conditions, legislative developments (including pending legislation), the effects of inflation and historical performance of various types of investments, including, but not limited to, stocks, bonds and U.S. Government Treasury Bills.

Fund advertisements or other communications to Shareholders may also summarize certain information contained in Shareholder reports (including portfolio composition), as well as the Adviser's views as to current economic indicators, such as overall market performance, economic, trade and interest rate trends, legislative, regulatory and monetary developments, investment strategies and related matters believed to be of relevance to Fund investors.

The Fund may also include in advertisements, charts, graphs or drawings which illustrate the potential risks and rewards of investment in comparative investment vehicles, including but not limited to stock, bonds, and Treasury bills, against an investment in Shares of the Fund. The Fund may also include charts or graphs that illustrate strategies such as dollar cost averaging. Advertisements or Shareholder communications may also include discussions of certain beneficial characteristics of an investment in the Fund. Advertisements and other communications may contain symbols, headlines or other material which highlight or summarize information which is included in such communication. The Fund may reprint (in whole or in part) articles reporting on the Fund and, after obtaining permission from the respective publisher, provide these articles to current and/or prospective Shareholders. Performance information with respect to the Fund is generally available by calling toll free (866) 280-1952.

Advertisements and sales literature may include discussions of the Industry Leaders® Portfolio Strategy, including, but not limited to, descriptions of security selection and analysis. Advertisements may also include descriptive information about the Adviser, including, but not limited to, its status within the industry, other services and products it makes available, total assets under management, and its investment philosophy.

When comparing total return and investment risk of an investment in Shares of the Fund with other investments, investors should keep in mind that certain other investments have very different risk characteristics than an investment in Shares of the Fund. For example, CDs may have fixed rates of return and may be insured for both principal and interest by the FDIC, while the Fund's returns will fluctuate and its share values and returns are not guaranteed. U.S. Treasury securities are guaranteed as to principal and interest by the full faith and credit of the U.S. Government.

The Fund also may include in its advertisements data from the American Association of Retired Persons, American Banker, Barron's, Business Week, Forbes, Fortune, Institutional Investor, Lipper Analytical Services, Inc., Money, Morningstar Mutual Funds, The New York Times, Smart Money, USA Today, U.S. News & World Report, The Wall Street Journal and other publications. In addition to performance information, general information about the Fund that appears in a publication, such as those mentioned above, may also be quoted or reproduced in advertisements or in reports to current or prospective Shareholders.

The performance of the fund may be compared in publications to the performance of various indices and investments for which reliable performance data is available as well as to averages, performance rankings, or other information prepared by recognized mutual fund statistical services. The annual report contains additional performance information and will be made available to investors upon request and without charge.

ADDITIONAL PURCHASE AND REDEMPTION INFORMATION

The Fund does not issue share certificates. Instead, an account is established for each investor and all Shares purchased or received, including those obtained through reinvestment of distributions, are credited to such account on the books of the Fund.

Reference is made to the materials in the Prospectus under the captions, "Overview of Industry Leaders® Fund Risk Return Summary: Who May Want to Invest in the Fund", "How You Can Invest With The Industry Leaders® Fund" and "How to Redeem Your Fund Shares", which describe the methods of purchase and redemption of the Fund's Shares. If you invest through an investment firm, financial adviser or agent, they may have their own service features, transaction charges and fees. This SAI and the accompanying Prospectus should be read in conjunction with such firms' material regarding their fees and services

The NYSE is currently scheduled to be closed on New Year's Day, Dr. Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, or, when one of these holidays fall on a Saturday or Sunday, the preceding Friday or subsequent Monday. The closing schedule is subject to change.

When the NYSE is closed, or when trading is restricted for any reason other than its customary weekend or holiday closings, or under emergency circumstances as determined by the SEC to warrant such action, the Fund will determine its net asset value as of the daily NAV valuation time.

The Fund has elected to honor all redemption requests in cash.

Dealer Reallowances. The Fund does not pay dealer reallowances in connection with the distribution of Shares.

TRUSTEES AND OFFICERS OF THE FUND

Overall responsibility for management of the Trust rests with the Board of Trustees, which is elected by the Shareholders of the Fund. The Fund is managed by the Trustees in accordance with the laws of the State of Delaware. There are currently 5 Trustees who are not “interested persons” of the Trust within the meaning of that term under the 1940 Act. The Trustees, in turn, elect the officers of the Trust to supervise actively its day-to-day operations. The officers and Trustees of the Trust, addresses, and their business affiliations for the past five years are as follows. Because there are no Trustees who are “interested persons” of the Trust, the Board has not considered the appointment of an interested Trustee to be Chairman.

Independent Trustees

Name, Address, and Age	Position(s) Held with Trust	Term of Office Term Served in Office	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen	Other Directorships Held by Trustee*
Richard Wellbrock** PO Box 80 Summit, NJ 07902-0080 Born: 6/24/1937	Chairman of the Board of Trustees and Trustee	Indefinite; Since April 12, 2004	Chairman of the Hilltop Community Bank in Summit, NJ; Chairman of the Raritan Valley Community College; Chairman of the New Jersey Council of Community Colleges; Private Real Estate Investor.	N/A – Only one portfolio in “Fund Complex”	None
Chris Landsberg PO Box 80 Summit, NJ 07902-0080 Born: 12/9/1960	Trustee,	Indefinite; Since May 20, 2004	Broker, BGC Partners, Vice President, GFI Group, Inc. (inter-bank broker)	N/A – Only one portfolio in “Fund Complex”	None
Brendan Sachtjen PO Box 80 Summit, NJ 07902-0080 Born: 12/28/1959	Trustee	Indefinite; Since April 12, 2004	Senior Vice President, Webster Bank; Senior Vice President,	N/A – Only one portfolio in “Fund Complex”	None
Peter P. Schaffer PO Box 80 Summit, NJ 07902-0080 Born: 5/15/1962	Trustee	Indefinite; Since May 20, 2004	Vice President, Finance, AT&T Finance	N/A – Only one portfolio in “Fund Complex”	None
Robert Wellbrock** PO Box 80 Summit, NJ 07902-0080 Born: 10/28/1946	Trustee	Indefinite; Since May 20, 2004	Private Real Estate Investor; Member of the Graduate School Tax Faculty, Fairleigh Dickenson University	N/A – Only one portfolio in “Fund Complex”	None

* The information in this column only relates to directorships in companies required to file certain reports with the SEC under the various federal securities laws.

** Richard Wellbrock and Robert Wellbrock are brothers.

Officers of the Fund

Name, Address, and Age	Position(s) Held with Trust	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen
Gerald P. Sullivan, PO Box 80 Summit, NJ 07902-0080 Born: 9/12/60	President, Treasurer and Chief Compliance Officer	President, Chief Investment Officer, Chief Compliance Officer, Claremont® Investment Partners, LLC, Partner Roadhouse Group, LLC	N/A – Only one portfolio in “Fund Complex”
Laura M. Sullivan PO Box 80 Summit, NJ 07902-0080 Born: 1/14/63	Secretary	Managing Member, Claremont® Investment Partners, LLC, Managing Partner Roadhouse Group, LLC	N/A – Only one portfolio in “Fund Complex”
John M. Gregory PO Box 80 Summit, NJ 07902-0080 Born: 1/14/59	Assistant Secretary	CFP®, Summit Financial (Parsippany NJ)	N/A – Only one portfolio in “Fund Complex”
Margaret M. Sullivan PO Box 80 Summit, NJ 07902-0080 Born: 7/23/89	Assistant Secretary	Administrator, Claremont® Investment Partners, LLC	N/A – Only one portfolio in “Fund Complex”

* The information in this column only relates to directorships in companies required to file certain reports with the SEC under the various federal securities laws.

The Trustees identified in the tables above have served together on the Trust’s Board for 6 years. The Trustees collectively bring to the Fund’s Board a broad range of experience derived from their service in various aspects of the financial services industry, ranging from executive leadership to asset management. In determining whether an individual is qualified to serve as a Trustee of the Fund, the board considers a wide variety of information about the individual, and multiple factors contribute to the Board's decision. Each Trustee has been determined to have the experience, skills, and attributes necessary to serve the Fund and its shareholders because each Trustee has demonstrated an exceptional ability to consider complex business and financial matters, evaluate the relative importance and priority of issues, make decisions, and contribute effectively to the deliberations of the Board. The Board also considers the individual experience of each individual and has determined that each Trustee’s professional experience, education, and background contribute to the diversity of perspectives on the Board. The business acumen, experience, and objective thinking of the Trustees are considered invaluable assets for Fund management and, ultimately, the Fund’s shareholders. The specific experiences of each Board member that factor into this determination are presented below.

Mr. Richard Wellbrock, who has a BA and an MBA from Fairleigh Dickenson University and a PhD from Walden University, has extensive experience as a consultant with respect to small business management, new business start up, public and private offerings, organizational

development, mergers and acquisitions, real estate syndication, contract employment and employee leasing. He also serves as the Chairman of the Hilltop Community Bank in Summit, NJ and has served as Chairman of the New Jersey Council of County Colleges and Taritan Valley Community College.

Mr. Landsberg, who holds a BA from the University of Pennsylvania and an MBA from the Amos Tuck School at Dartmouth College, has more than 20 years of experience in the inter-bank foreign exchange options market.

Mr. Sachtjen, who graduated magna cum laude from Williams College with a B.A. in Economics, and received his M.B.A. from Columbia University, has 28 years of experience in commercial banking. He is currently a Senior Vice President at Webster Bank where he runs a middle market lending unit and an equity sponsor lending team.

Mr. Schaffer holds a BA from The Catholic University of America and an MA from University of Maryland. Mr. Schaffer has more than 20 years experience with AT&T where he has held multiple positions in the Finance Organization.

Mr. Robert Wellbrock has more than 30 years of experience as a financial executive and accountant. A Certified Public Accountant, he earned BBA and MBA degrees in finance and accounting as well as a post-MBA graduate certification in taxation, all at Pace University. He is also a member of the graduate school faculty at Fairleigh Dickenson University.

Share Ownership

The following table reflects the Trustees' beneficial ownership of equity securities in the Fund as of December 31, 2009.

Name	Dollar Range of Equity Securities in the Fund as of December 31, 2008	Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Director in Family of Investment Companies
Independent Trustees		
Chris Landsberg	greater than \$100,000	greater than \$100,000
Brendan Sachtjen	\$1 to \$10,000	\$1 to \$10,000
Peter Schaffer	\$50,001 to \$100,000	\$50,001 to \$100,000
Richard Wellbrock	\$50,001 to \$100,000	\$50,001 to \$100,000
Robert Wellbrock	\$50,001 to \$100,000	\$50,001 to \$100,000

As of December 31, 2008 the Adviser pays each of its Trustees who are not interested persons of the Fund a fee of \$1,250 for attendance at each meeting (including phone meetings) and reimburses Trustees for expenses incurred for attendance at meetings. As noted below, all compensation paid to Trustees is paid by the Adviser and not from Trust assets.

The Trust does not provide pension or retirement benefits to Trustees or Trust officers.

The following table indicates the compensation each Trustee received from the Adviser on behalf of the Trust, in their capacity as a Trustee, for the fiscal year ending June 30, 2010.

Name, Position	Aggregate Compensation From Fund	Pension or Retirement Benefits Accrued as Part of Funds Expenses	Estimated Annual Benefits Upon Retirement	Total Compensation From Fund and Fund Complex Paid to Trustees*
Richard Wellbrock Chairman of the Board		\$0	\$0	\$3,750
Chris Landsberg Trustee		\$0	\$0	\$3,750
Peter P. Schaffer Trustee		\$0	\$0	\$3,750
Brendan Sachtjen Trustee		\$0	\$0	\$3,750
Robert Wellbrock, Trustee		\$0	\$0	\$5,000

*All compensation paid to Trustees is paid by the Adviser and not from Trust assets. For further information concerning payments of Trust expenses, see the applicable Prospectus under the caption, "Management of the Fund", and this Statement of Additional Information under the caption "Investment Management and Other Services."

Trustees may be removed from office at any meeting of Shareholders by a vote of two-thirds of the outstanding Shares of the Trust. Except as set forth above, the Trustees shall continue to hold office and may appoint their successors.

In addition to the foregoing compensation provided to Fund Trustees, the Trust provides elimination of Fund fees and minimum purchase thresholds for Trustees as a form of additional benefit to the Trustees. In addition to the foregoing waivers, third party dealers, brokers and/or financial Advisers, may, at their sole discretion, waive all or a portion of their fees derived from the Fund with respect to purchases of Fund Shares by persons affiliated and/or unaffiliated with the Fund.

Committees of the Board of Trustees.

The Board has established several committees to assist the Trustees in fulfilling their oversight responsibilities.

The Nominating Committee is responsible for the nomination of individuals to serve as Independent Trustees. The Nominating Committee, whose members consist of Richard Wellbrock, Chris Landsberg and Brendan Sachtjen, did not meet during the fiscal year ended June 30, 2010. The Nominating Committee will consider persons submitted by security holders for nomination to the Board. Recommendations for consideration by the Nominating Committee should be sent to the Secretary of the Trust in writing, together with appropriate biographical information concerning each such proposed nominee, at the principal executive office of the Trust. When evaluating individuals for recommendation for Board membership, the Nominating Committee considers the candidate's knowledge of the mutual fund industry, educational background and experience and the

extent to which such experience and background would enable the Board to maintain a diverse mix of skills and qualifications.

The Audit Committee is responsible for overseeing the audit process and the selection of independent accountants for the Trust, as well as providing assistance to the full Board in fulfilling its responsibilities as they relate to fund accounting, tax compliance and the quality and integrity of the Trust's financial reports. The Audit Committee, whose members consist of Chris Landsberg, Peter Schaffer and Robert Wellbrock, held two meetings during the fiscal year ended June 30, 2010.

Compliance and Risk Oversight Process.

The Trustees' overall responsibility for identifying and overseeing the operational, business and investment risks inherent in the operation of the Fund is handled by the Board as a whole and by the Board's Audit Committee, particularly with respect to valuation and accounting matters. To assist it in carrying out its oversight responsibilities, the Board receives, in connection with each of the Board's regular quarterly meetings, regular reports from the Fund's Adviser with respect to portfolio compliance, fund accounting matters and matters relating to the computation of the Fund's net asset value per share. The Trustees also receive reports, from the Trust's Chief Compliance Officer or "CCO." These reports are designed to keep the Board informed with respect to the effectiveness of the Fund's overall compliance program including compliance with stated investment strategies, and to help ensure that the occurrence of any event or circumstance that may have a material adverse affect on the Fund are brought promptly to the attention of the Board and that appropriate action is taken to mitigate any such adverse effect. Additionally, the Board annually receives a report from the Fund's CCO and the Board meets with the CCO for the purpose of discussing the extent to which the Fund's overall compliance program is reasonably designed to detect and prevent violations of the federal securities laws and assessing the effectiveness of the overall compliance program. Additionally, the Audit Committee meets at least annually with the Fund's independent public accounting firm. As indicated above, the Board is comprised solely of Independent Trustees.

CODE OF ETHICS

The Fund and the Adviser have each adopted a Code of Ethics (the "Codes of Ethics") to comply with Rule 17j-1 under the Investment Company Act of 1940, as amended. These Codes of Ethics are designed to identify and prevent conflicts of interest and prevent fraud. The Codes of Ethics require initial, quarterly and annual reports by covered employees of all personal securities transactions and holdings. The Codes of Ethics also bar investments in private placements and initial public offerings by certain personnel of the Fund and the Adviser without pre-clearance. The Board of Trustees will review reports under the Codes of Ethics and receive certain certifications with respect to their administration. The procedures under the Adviser's Code of Ethics require pre-clearance of all non-exempt personal securities investments by persons who have access to certain sensitive investment information. Permission for any proposed transaction will be granted provided it is determined that such transaction would not negatively impact activity in client accounts. In the event that a client of Adviser's affiliates also owns such security, or it is proposed that such client purchase such security, available investments or opportunities for sales will be allocated in a manner deemed to be equitable by the Adviser. The Codes of Ethics are on file with and available from the SEC.

CONTROL PERSONS AND PRINCIPAL HOLDERS OF SECURITIES

The Fund’s Adviser, Claremont® Investment Partners, L.L.C. a Delaware limited liability company may be deemed to control the Fund. The Adviser is controlled by Roadhouse Group LLC (“Roadhouse”), a Delaware limited liability company, which is jointly controlled by Gerald P. Sullivan, President, Chief Compliance Officer and Treasurer of the Fund, and Laura M. Sullivan, Secretary of the Fund and President of the Fund’s Adviser.. Each of the Adviser and Roadhouse Group are located at 175 Oak Ridge Avenue - Box 80, Summit, New Jersey 07901.

As of October 22, 2010, the owners of 5% or more of Fund shares were as follows:

Class	Name and Address	Percentage Owned
Class D	National Financial Services Corp. 82 Devonshire Street Boston, MA 02109	100%
Investor Shares	Charles Schwab 211 Main Street San Francisco, CA 94105	20.78%
	National Financial Services Corp. 82 Devonshire Street Boston, MA 02109	74.93%
Institutional Shares	National Financial Services Corp. 82 Devonshire Street Boston, MA 02109	21.58%

As of December 31, 2009 the Officers and Trustees of the Fund as a group beneficially owned 4% of Fund shares.

INVESTMENT MANAGEMENT AND OTHER SERVICES

The Fund and the Adviser have entered into an investment management agreement, dated October 25, 2006 (the “Management Agreement”) pursuant to which the Adviser manages the Fund’s investments in accordance with the Fund’s investment objectives, strategies and policies, and advises and assists the Fund with respect to investment decisions. Previously the Adviser performed the same services for the Fund under an agreement originally dated January 20, 1999. In addition, the Adviser also makes recommendations with respect to other aspects and affairs of the Fund. The Adviser also furnishes the Fund with certain administrative services, office space and equipment, and permits the Fund’s officers and employees, including Trustees, to serve in the capacities to which they are elected without additional compensation from the Fund. All expenses incurred in the operation of the Fund are borne by the Adviser, except for the advisory fee, the Administration Fee, and certain brokerage commissions and SEC fees incurred in connection with the Fund’s trading. For further information concerning fees payable by the Fund, see the applicable Prospectus under the caption, “Fees and Expenses of the Fund.” For the fiscal years ended June 30, 2010, 2009 and, 2008 the Fund paid Advisory Fees of 64,793, \$63,882 and \$111,632 respectively.

The Management Agreement will continue for two years, after which it will continue in effect from year to year if specifically approved annually by a majority of the Board of Trustees who are not parties to such contract or “interested persons” of any such party. The Management Agreement was last approved by the shareholders of the Fund on October 25, 2006 and by the Board of Trustees at a meeting held on September 21, 2009. The Management Agreement may be terminated without penalty by either party on 60 days’ written notice and must terminate in the event of its assignment.

The Management Agreement provides that the Adviser is liable only for its acts or omissions caused by its willful misfeasance, bad faith or gross negligence in the performance of its duties or reckless disregard of its obligations under the Management Agreement. The Management Agreement permits the Adviser to render services to others and to engage in other activities.

As set forth above under the caption, “Control Persons and Principal Holders of Securities”, the Adviser is controlled by Gerald P. Sullivan, who serves as President, Treasurer and Chief Compliance Officer of the Fund and Chief Investment Officer and Chief Compliance Officer of the Adviser, and Laura M. Sullivan, who serves as Secretary of the Fund, and President and Managing Member of the Adviser. More detailed business information concerning the Adviser can be found in the applicable Prospectus under the caption, “Management of the Fund.”

PORTFOLIO MANAGER

The following information supplements the information included in the Prospectus regarding the individual portfolio manager for the Fund.

As stated in the Prospectus, Gerald P. Sullivan is the portfolio manager for the Fund (\$12.65 million in assets as of June 30, 2010). Mr. Sullivan is also responsible for managing one other account with an aggregate total of \$2.0 million in assets as of June 30, 2010. Mr. Sullivan is not responsible for any other pooled investments or registered investment companies. Mr. Sullivan receives an annual fixed salary established by the Advisor. Salary levels are based on the overall performance of the Adviser and not on the investment performance of any particular Portfolio or account. Mr. Sullivan is also eligible for a bonus annually. Such bonuses are also based on the performance of the Adviser as a whole and not on the investment performance of any particular account. Additionally, Mr. Sullivan and his family own a substantial portion of the Adviser and, accordingly, benefit from any profits earned by the Adviser.

Under certain circumstances side by side management of mutual funds, such as the Fund, and other investment accounts by the same portfolio manager could give rise to conflicts of interest between the interests of the private accounts and the Fund. Such conflicts could arise in connection with, for example, the allocation of investment opportunities, aggregation or sequencing of trading orders or cross-trading. Procedures designed to alleviate any potential conflict of interest have been adopted by the Fund to ensure that neither the Fund nor the investment accounts managed by Mr. Sullivan are disadvantaged as a result of any conflict of interest that may arise.

As of December 31, 2009, Mr. Gerald P. Sullivan owned over \$100,000 in equity securities in the Fund.

PORTFOLIO TRANSACTIONS AND BROKERAGE

Decisions regarding the purchase and sale of securities for the Fund, assignment of portfolio business and negotiation of commission rates, where applicable, are made by the Adviser. It is the Fund's policy to seek to obtain the best prices and execution of orders available, and, in doing so, the Fund will assign portfolio executions and negotiate transactions in accordance with the reliability and quality of a broker's services (including handling of execution of orders, research services the nature of which is the receipt of research reports, and related services) and the value of such services and expected contribution to the Fund's performance. Allocation of transactions, including their frequency, to various dealers is determined by the Adviser in its best judgment and in a manner deemed fair and reasonable to Shareholders. The primary consideration is prompt and efficient execution of orders in an effective manner at the most favorable price. No principal transactions are effected with any companies affiliated with the Adviser.

Where commissions paid reflect services furnished to the Fund in addition to execution of orders, the Fund will stand ready to demonstrate that such services were bona fide and rendered for the benefit of the Fund. It is possible that certain of such services may have the effect of reducing the Adviser's expenses.

The Fund pays brokerage commissions and SEC fees on all portfolio securities transactions. For the fiscal years ended June 30, 2010, 2009 and 2008, the Fund paid total brokerage commissions of \$8,606, \$27,931 and \$18,618 respectively.

PORTFOLIO TURNOVER

There are no fixed limitations on the Fund's portfolio turnover rate. Portfolio turnover is a measure of the Fund's average buying and selling activity. The turnover rate is calculated by dividing (A) the lesser of purchases or sales of securities in the Fund's long portfolio for the fiscal year by (B) the monthly average of the value of portfolio securities owned by the portfolio during the fiscal year. The Adviser expects that Fund portfolio turnover rates will be relatively low. In periods of unusual market conditions, the Fund's investment strategy may result in higher than anticipated portfolio turnover rates, which would result in greater brokerage expenses.

ADMINISTRATOR

The Fund has entered into an agreement with Claremont Investment Partners® L.L.C. (the "Administrator"), dated April 12, 2000 and amended September 17, 2001, June 30, 2004 and October 12, 2006 (the "Administration Agreement"). Under the Administration Agreement, the Administrator will assist in the Fund's administration and operation, including providing statistical and research data, clerical services, internal compliance and various other administrative and executive services, participating in the updating of the Prospectus, coordinating the preparation, filing, printing and dissemination of reports to Shareholders, coordinating the preparation of income tax returns, arranging for the maintenance of books and records and providing the office facilities necessary to carry out the duties thereunder. The Administrator assists in carrying out all operations of the Fund and coordinating with the Fund's other service providers, subject to the supervision of the Board (other than those performed by the Adviser under the Investment Adviser Agreement). Pursuant to the Administration Agreement, Class D Shares and the Investor Shares each pay the

Administrator a fee at the annual rate of 0.38% of the average daily net assets of the respective class calculated daily and payable monthly. The Institutional Shares pay the Administrator a fee at the annual rate of 0.13% of its average daily net assets calculated daily and payable monthly. Unless sooner terminated, the Administration Agreement continues in effect for a period of one year and may be renewed for one year periods thereafter, provided that such renewal is ratified by the Trustees or by vote of a majority of the outstanding Shares of the Fund, and in either case by a majority of Qualified Trustees who are not parties to the Administration Agreement or interested persons (as defined in the 1940 Act) of any party to the Administration Agreement, by votes cast in person at a meeting called for such purpose. For the fiscal years ended June 30, 2010, 2009 and 2008, the Fund paid Administration Fees of \$42,391, \$42,104 and \$69,916 respectively.

SUB-ADMINISTRATOR

The Fund has entered into an agreement with PNC Global Investment Services (U.S.) Inc. (“PNC”), a Massachusetts corporation, (“Sub-Administrator”), dated June 25, 2009 (the “Administrative and Accounting Services Agreement”). Under the Administration and Accounting Services Agreement, the Sub-Administrator will assist in the Fund’s administration and operation, including providing statistical and research data, clerical services, internal compliance and various other administrative and executive services, participating in the updating of the Prospectus, coordinating the preparation, filing, printing and dissemination of reports to Shareholders, coordinating the preparation of income tax returns, arranging for the maintenance of books and records and providing the office facilities necessary to carry out the duties thereunder. The fee for the services is paid by the Adviser.

TRANSFER AGENT

The Fund has entered into a Transfer Agency Agreement with Mutual Shareholders Services LLC (“MSS”) dated December 6, 2000, to provide the Fund with transfer agency services. MSS has agreed (1) to issue and redeem Shares of the Fund; (2) to address and mail such communications as instructed from time-to-time by the Trust to its Shareholders, including reports to Shareholders, dividend and distribution notices, and proxy material for its meetings of Shareholders; (3) to respond to correspondence or inquiries by Shareholders and others relating to its duties; (4) to maintain Shareholder accounts and certain sub-accounts; and (5) to serve as the Fund’s dividend disbursing agent and prepare and mail checks, place wire transfers of credit income and capital gain payments to Fund Shareholders. Under the agreement, the Adviser, on behalf of the Fund, pays to MSS a base fee of \$11.50 per Fund account with a minimum fee of \$9,300 per year. The Adviser, on behalf of the Fund, must also promptly pay out-of-pocket fees, as well as any additional fees and expenses for supplemental transactions and expenses incurred in connection with the agreement.

FUND ACCOUNTING SERVICES

The Fund has entered into a Fund Accounting Services Agreement with PNC, dated June 25, 2009, pursuant to which PNC provides certain fund accounting services to the Fund. Under the agreement, PNC will maintain all Fund books and records, perform daily accounting services and provide additional Fund reporting and record-keeping. The Administrative and Accounting Services agreement pays 0.05% of the Fund’s first \$250 million of average net assets; 0.03% of the Fund’s next \$250 million of average net assets; and, 0.02% of the Fund’s average net assets in excess of \$500 million. The fee for the services is paid out of the administration fee the Adviser receives.

FUND CUSTODIAN

PFPC Trust Company, 8800 Tinicum Boulevard, Philadelphia, Pennsylvania 19153, serves as the Fund's custodian pursuant to an agreement with the Fund dated June 25, 2009 (the "Custody Agreement"). Under the Custody Agreement, the Custodian (1) maintains a separate account or accounts in the name of the Fund; (2) makes receipts and disbursements of money on behalf of the Fund; (3) collects and receives all income and other payments and distributions on account of portfolio securities; and (4) responds to correspondence from security brokers and others relating to its duties. The Custodian may, with the approval of the Fund and at the Custodian's own expense, open and maintain a sub-custody account or accounts on behalf of the Fund, provided that the Custodian shall remain liable for the performance of all of its duties under the Custody Agreement. The initial Custody Agreement was approved by a majority of the Qualified Trustees and by the Board of Trustees as a whole, by vote cast in person at a meeting called for the purpose of considering the Custody Agreement. The Custody Agreement is subject to annual approval by the Board of Trustees as a whole and by a majority of the Qualified Trustees.

For custody services rendered to the Fund, the Adviser shall pay the Custodian an asset weighted fee of 1.00 basis point on the first \$250,000,000, plus 0.9 basis point on the next \$250,000,000, plus 0.8 basis points on the next \$500,000,000, plus 0.7 basis points in excess of \$1,000,000,000, provided, however, that such fees shall be subject to a \$500 per month minimum per Fund portfolio. The Adviser shall also promptly pay out-of-pocket fees, as well as any additional fees and expenses for supplemental transactions and expenses incurred in connection with the Custody Agreement.

DISTRIBUTOR

BNY Mellon Distributors Inc. (the "Distributor") acts as the Portfolios' principal underwriter in a continuous public offering of the Portfolios' shares. The Distribution Agreement between the Fund and the Distributor will continue in effect from year to year if approved at least annually by (i) the Board of Trustees or the vote of a majority of the outstanding shares of the Fund (as defined in the Investment Company Act) and (ii) a majority of the Trustees who are not interested persons of any such party, in each case cast in person at a meeting called for the purpose of voting on such approval. The Distribution Agreement may be terminated without penalty by the parties thereto upon sixty days' written notice, and is automatically terminated in the event of its assignment as defined in the Investment Company Act. The Distributor is located at 760 Moore Road, King of Prussia, Pennsylvania, 19406.

FUND EXPENSES

Except for Investment Advisory fees and Administration fees, which are payable by Fund Shareholders as set forth in the applicable Prospectus under the caption "Fees and Expenses of the Fund," and brokerage commission and SEC transaction fees as described herein, the Adviser has assumed responsibility for the following expenses relating to the operation of the Fund: interest, taxes, expenses of issue, repurchase or redemption of Fund Shares, state notification and qualification fees, other costs of registering or qualifying Shares for sale (including printing costs, legal fees and other expenses relating to the preparation and filing of the Fund's registration statement with the appropriate regulatory authorities and the production and filing of the Fund's Prospectus); costs of insurance; association membership dues; all charges of custodians, including fees as custodian, escrow agent, and fees for keeping books and performing portfolio valuations; all

charges of transfer agents, registrars, pricing services, fees and expenses of independent accountants and legal counsel; other advisory and administrative fees, expenses of preparing, printing and distributing Prospectus and all proxy materials, reports and notices to Shareholders; out-of-pocket expenses of Trustees and fees, costs and expenses related to meetings of the Trustees; fees of Trustees who are not officers of the Fund; costs of Shareholders' reports and meetings, other costs incident to the Fund's existence as a business trust and any extraordinary expenses incurred in the Fund's operation.

DESCRIPTION OF FUND SHARES

The Trust is a Delaware business trust that was formed on December 13, 1995. The Trust Instrument authorizes the Board to issue an unlimited number of Shares, which are units of beneficial interest, without par value. The Trust Instrument further authorizes the Board to divide or redivide any unissued Shares of the Trust into one or more additional series by setting or changing in any one or more aspects their respective preferences, conversion or other rights, voting power, restrictions, limitations as to dividends, qualifications, and terms and conditions of redemption. On January 20, 1999, the Board of Trustees adopted a multi-class share plan under Rule 18f-3 under the 1940 Act, permitting the issuance of Shares in multiple classes. The Trust presently has two classes of Shares publicly available and one Class closed to new investment, each of which represents interests in the Fund:

(1) Investor Shares, designed to be sold primarily to advised investors and self-directed investors investing at least \$5,000; and

(2) Institutional Shares, designed to be sold primarily to advised investors and institutions investing at least \$250,000.

The Fund may, in its discretion, sell Institutional Shares to non-institutional investors who meet the minimum investment provided, however, that the Fund's officers may waive the initial and subsequent investment minimums for certain purchases when they deem it appropriate, including, but not limited to, purchases by Trustees of the Fund and the Adviser's officers, directors, employees and agents.

Shares have no subscription or preemptive rights and only such conversion or exchange rights as the Board may grant in its discretion. When issued for payment as described in the Prospectus and this SAI the Trust's Shares will be fully paid and non-assessable. In the event of a liquidation or dissolution of the Trust, Shares of the Fund are entitled to receive the assets available for distribution belonging to the Fund.

Shares of the Trust are entitled to one vote per share (with proportional voting for fractional Shares) on such matters as Shareholders are entitled to vote. Shareholders vote as a single class on all matters except (1) when required by the 1940 Act, Shares shall be voted by individual class, and (2) when the Trustees have determined that the matter affects only the interests of one or more classes, then only Shareholders of such class shall be entitled to vote thereon. There will normally be no meetings of Shareholders for the purpose of electing Trustees unless and until such time as less than a majority of the Trustees have been elected by the Shareholders, at which time the Trustees then in office will call a Shareholders' meeting for the election of Trustees within 60 days. A meeting shall

be held for such purpose upon the written request of the holders of not less than 10% of the outstanding Shares. Upon written request by ten or more Shareholders meeting the qualifications of Section 16(c) of the 1940 Act (i.e., persons who have been Shareholders for at least six months, and who hold Shares having a net asset value of at least \$25,000 or constituting 1% of the outstanding Shares) stating that such Shareholders wish to communicate with the other Shareholders for the purpose of obtaining the signatures necessary to demand a meeting to consider removal of a Trustee, the Trust will provide a list of Shareholders or disseminate appropriate materials (at the expense of the requesting Shareholders). Except as set forth above, the Trustees shall continue to hold office and may appoint their successors.

Rule 18f-2 under the 1940 Act provides that any matter required to be submitted to the holders of the outstanding voting securities of an investment company such as the Trust shall not be deemed to have been effectively acted upon unless approved by the holders of a majority of the outstanding Shares of each class affected by the matter. For purposes of determining whether the approval of a majority of the outstanding Shares of a class will be required in connection with a matter, the class will be deemed to be affected by a matter unless it is clear that the interests of each class in the matter are identical, or that the matter does not affect any interest of the class. Under Rule 18f-2, the approval of an investment advisory agreement or any change in investment policy would be effectively acted upon with respect to a class only if approved by a majority of the outstanding Shares of such class. Rule 18f-2 also provides that the ratification of independent accountants, approval of principal underwriting contracts and election of Trustees may be effectively acted upon by Shareholders of the Trust voting without regard to class.

SHAREHOLDER AND TRUSTEE LIABILITY

The Trust is organized as a Delaware business trust. The Delaware Business Trust Act provides that a Shareholder of a Delaware business trust shall be entitled to the same limitation of personal liability extended to Shareholders of Delaware corporations, and the Trust Instrument provides that Shareholders of the Trust shall not be liable for the obligations of the Trust. The Trust Instrument also provides for indemnification out of Trust property of any Shareholder held personally liable solely by reason of his or her being or having been a Shareholder. The Trust Instrument also provides that the Trust shall, upon request, assume the defense of any claim made against any Shareholder for any act or obligation of the Trust, and shall satisfy any judgment thereon. Therefore, it is unlikely that a Shareholder bears any significant risk of financial loss with respect to Shareholder liability. The Trust Instrument states further that no Trustee, officer, or agent of the Trust shall be personally liable in connection with the administration or preservation of the assets of the Fund or the conduct of the Trust's business; nor shall any Trustee, officer, or agent be personally liable to any person for any action or failure to act except for his or her own bad faith, willful misfeasance, gross negligence, or reckless disregard of his or her duties. The Trust Instrument also provides that all persons having any claim against the Trustees or the Trust shall look solely to the assets of the Trust for payment.

ADDITIONAL DIVIDEND AND DISTRIBUTION INFORMATION

To the extent necessary for the Fund to obtain favorable federal tax treatment, the Fund distributes net investment income and net capital gains, if any, to Shareholders within each calendar year as

well as on a fiscal year basis. The Fund intends to distribute any net investment income and any net realized capital gains at least annually.

The amount of the Fund's distributions may vary from time to time depending on the composition of the Fund's portfolio, dispositions of portfolio assets and expenses borne by the Fund.

The net income of the Fund, from the period of the immediately preceding determination thereof, shall consist primarily of dividend income, if any, and realized capital gains and losses on Fund's assets, less all expenses and liabilities of the Fund chargeable against income. To a lesser extent, net income will include any incidental interest income accrued on the portfolio assets during periods in which the Adviser has held cash for purposes of, but not limited to, anticipated redemptions and/or for reasons of minimizing brokers' commissions by grouping portfolio purchase orders and sales.

Expenses, including the compensation payable to the Adviser, are accrued each day. The expenses and liabilities of the Fund include those appropriately allocable to the Fund, as well as general expenses and liabilities of the Trust.

TAXES

The following is only a summary of certain additional federal income tax considerations generally affecting the Fund and its Shareholders which are not described in the Prospectus. This summary does not attempt to provide a detailed explanation of the tax treatment of the Fund or its Shareholders, and the discussions here and in the Prospectus are not intended as substitutes for legal and/or professional accounting advice with respect to tax planning. Prospective Shareholders are urged to consult their own tax professional prior to investing in the Fund.

Subchapter M. The Fund has elected to be taxed as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). As a regulated investment company, the Fund will not be subject to federal income tax on the portion of its investment income (i.e., taxable interest, dividends, and other taxable ordinary income) and capital gain income (i.e., the excess of capital gains over capital losses) that it distributes to Shareholders, provided that it distributes at least 90% of its investment company taxable income (i.e., net investment income and the excess of net short-term capital gain over net long-term capital loss) for the taxable year plus 90% of its net income from tax-exempt obligations (the "Distribution Requirement"), and satisfies certain other requirements of the Code that are described below. Distributions by the Fund made during the taxable year or, under specified circumstances, within twelve months after the close of the taxable year, will be considered distributions of income and gains of the taxable year and will therefore count towards the satisfaction of the Distribution Requirement. Since the Fund intends to distribute substantially all of its investment company taxable income and its net capital gain income in compliance with the Distribution Requirement, the Fund does not expect to be subject to income or excise taxes otherwise applicable to undistributed income of a regulated investment company.

Diversification. In addition to satisfying the requirements described above, the Fund must satisfy an asset diversification test in order to qualify as a regulated investment company. Under this test, at the close of each quarter of the Fund's taxable year, at least 50% of the value of the Fund's assets must consist of securities (as to which the Fund has not invested more than 5% of the value of the

Fund's total assets and which do not represent more than 10% of the outstanding voting securities of any issuer), cash and cash items, U.S. Government securities, and securities of other regulated investment companies. In addition, no more than 25% of the value of its total assets may be invested in the securities of any one issuer (other than U.S. Government securities and securities of other regulated investment companies), or in two or more issuers which the Fund controls (i.e., owns 20% or more of the total combined voting power of all classes of voting stock in the corporation) and which are engaged in the same or similar trades or businesses.

If for any taxable year the Fund does not qualify as a regulated investment company, all of its taxable income (including its net capital gain) will be subject to tax at regular corporate rates without any deduction for distributions to Shareholders, and such distributions will be taxable to the Shareholders as ordinary dividends to the extent of the Fund's current and accumulated earnings and profits. Such distributions generally will be eligible for the dividends-received deduction in the case of corporate Shareholders.

Excise Tax. A 4% non-deductible excise tax is imposed on a regulated investment company that fails to distribute in each calendar year an amount equal to 98% of its ordinary income for such calendar year and 98% of capital gain net income for the one-year period ended on October 31 of such calendar year. (For purposes of the excise tax, the Fund would be obligated to reduce its capital gain net income (but not below its net capital gain) by the amount of any net ordinary loss for the calendar year.) The balance of such income must be distributed during the next calendar year. A regulated investment company is treated as having distributed any amount on which it is subject to income tax for any taxable year ending in such calendar year. For the foregoing purposes, the Fund intends to make sufficient distributions of its ordinary taxable income and capital gain net income prior to the end of each calendar year to avoid liability for the excise tax. However, investors should keep in mind that the Fund may, in certain circumstances, be required to liquidate portfolio investments to make sufficient distributions to avoid excise tax liability. A regulated investment company, in determining its investment company taxable income and net capital gain for any taxable year, may elect to carry over its capital losses for a period of eight taxable years succeeding the loss year.

Treatment of Capital Gains. The Fund is taxable on the amount of its net capital gain over the amount of its deduction for dividends paid, determined with reference to capital gains dividends only. The Fund must pay tax on its undistributed net capital gain at the maximum corporate income tax rate, currently 35%.

Fund Distributions. Dividends from net investment income and distributions from short-term capital gains are taxable to Shareholders as ordinary income. The Fund anticipates distributing substantially all of its investment company taxable income for each taxable year. Dividend distributions represent dividends on stocks that the Fund receives. Such distributions are treated as dividends for federal income tax purposes. For calendar year 2010, subject to certain holding period requirements, a portion of the dividends paid by the Fund reflective of qualified dividend income received by the Fund may qualify for a preferential 15% federal tax rate (5% or 0% in certain instances) applicable to qualified dividend income. Such dividends paid by the Fund are expected to qualify for the 70% dividends-received deduction for corporate Shareholders to the extent discussed below.

The Fund may either retain or distribute to Shareholders its net long-term capital gain for each taxable year. The Fund currently intends to distribute all such amounts. Net long-term capital gain that is distributed and designated as a capital gain dividend will be taxable to Shareholders as long-term capital gain, regardless of the length of time the Shareholder has held his or her Fund Shares or whether such gain was recognized by the Fund prior to the date on which the Shareholder acquired his or her Shares.

Distribution of Foreign Source Income. Investment income that may be received by the Fund from sources within foreign countries may be subject to foreign taxes that may be withheld at the source. The United States has entered into tax treaties with many foreign countries which entitle the Fund to a reduced rate of, or exemption from, taxes on such income. It is impossible to determine the effective rate of foreign tax in advance since the amount of the Fund's assets to be invested in various countries is not known.

Under certain circumstances, the Fund may elect to pass through to its Shareholders the right to take a credit or a deduction for foreign taxes. But because the Fund does not expect to have more than 50% of the value of its total assets at the close of its taxable year in the stock or securities of foreign corporations, the Fund anticipates that it will not elect to pass through to the Fund's Shareholders the amount of foreign taxes paid by the Fund.

The tax implications arising from distributions by the Fund will be as described above regardless of whether such distributions are paid in cash or reinvested in additional Shares of the Fund. Shareholders receiving a distribution in the form of additional Shares will be treated as receiving a distribution in an amount equal to the fair market value of the Shares received, determined as of the reinvestment date.

Ordinarily, Shareholders are required to take distributions by the Fund into account in the year in which the distributions are made. However, dividends declared in October, November or December of any year and payable to Shareholders of record on a specified date in such a month will be deemed to have been received by the Shareholders (and made by the Fund) on December 31 of such calendar year if such dividends are actually paid in January of the following year. Shareholders will be advised annually as to the U.S. federal income tax consequences of distributions made (or deemed made) during the year.

If the net asset value at the time a Shareholder purchases shares of the Fund reflects undistributed net investment income, recognized net capital gain or unrealized appreciation in the value of the assets of the Fund, distributions of such amounts will be taxable to the Shareholder in the manner described above although such distributions economically constitute a return of capital.

Subject to holding period and other limitations, with respect to each taxable year, ordinary income dividends paid by the Fund are expected to qualify for the 70% dividends-received deduction generally available to corporations (other than corporations such as S corporations) to the extent of the amount of qualifying dividends received by the Fund from domestic corporations for the taxable year. Since an insignificant portion, if any, of the Fund's assets will be invested in stock of foreign corporations, the ordinary dividends distributed by the Fund generally are expected to qualify for the dividends-received deduction for corporate Shareholders.

Additional Withholding Requirements. The Fund will be required in certain cases to withhold and remit to the U.S. Treasury backup withholding taxes at the applicable rate on ordinary income dividends and capital gain dividends, and the proceeds of redemption of Shares, paid to any Shareholder who is subject to backup withholding.

Sale or Redemption of Shares. A Shareholder will recognize gain or loss on the sale or redemption of Shares of the Fund in an amount equal to the difference between the proceeds of the sale or redemption and the Shareholder's adjusted tax basis in the Shares. In general, any gain or loss arising from (or treated as arising from) the sale or redemption of Shares of the Fund will be considered capital gain or loss and will be long-term capital gain or loss if the Shares were held for longer than one year. All or a portion of any loss so recognized may be disallowed if the Shareholder purchases other Shares of the Fund within 30 days before or after the sale or redemption. Capital losses in any year are deductible only to the extent of capital gains plus, in the case of a non-corporate taxpayer, \$3,000 of ordinary income.

Foreign Shareholders. Taxation of a Shareholder who, with respect to the United States, is a nonresident alien individual, foreign trust or estate, foreign corporation, or foreign partnership ("foreign shareholder"), depends on whether the income from the Fund is "effectively connected" with a U.S. trade or business carried on by such Shareholder.

If the income from the Fund is not effectively connected with a U.S. trade or business carried on by a foreign shareholder, ordinary income dividends paid to such foreign shareholder will be subject to U.S. withholding tax at the applicable rate (or lower applicable treaty rate) upon the gross amount of the dividend. Such foreign shareholder would generally be exempt from U.S. federal income tax on gains realized on the sale of Shares of the Fund, capital gain dividends, and amounts retained by the Fund that are designated as undistributed capital gains.

If the income from the Fund is effectively connected with a U.S. trade or business carried on by a foreign shareholder, then ordinary income dividends, capital gain dividends, and any gains realized upon the sale of Shares of the Fund will be subject to U.S. federal income tax at the rates applicable to U.S. citizens or domestic corporations or as the case may be.

In the case of a foreign shareholder, other than a corporation, the Fund may be required to withhold back up withholding taxes at the applicable rate on distributions that are otherwise exempt from withholding tax (or taxable at a reduced treaty rate) unless such shareholder furnished the Fund with proper notification his foreign status.

The tax consequences to a foreign shareholder entitled to claim the benefits of an applicable tax treaty may be different from those described herein. Foreign shareholders are therefore urged to consult their own tax advisers with respect to the particular tax consequences to them of an investment in the Fund, including the applicability of foreign taxes.

Additional Tax Considerations. In addition to the federal income tax consequences described above relating to an investment in the Fund, there may be other federal, state, local or foreign tax considerations that depend upon the circumstances of each particular investor. The foregoing general discussion of U.S. federal income tax consequences is based on the Code and the Treasury Regulations issued thereunder as in effect on the date of this SAI. Future legislative or

administrative changes or court decisions may significantly alter the information above, and any such changes or decisions may have a retroactive effect. Shareholders should maintain contact with their own tax professional concerning investment in the Fund.

PROXY VOTING POLICY

The Fund's policy is to vote its proxies in accordance with the recommendations of management. This hard and fast rule eliminates the potential for conflicts of interest. While proxy voting is an integral part of the investment management process in some circumstances, this is not the case where the strict discipline of a quantitative investment process is the paramount feature of the investment portfolio. Accordingly, it is the Strategy Model, in our view, that will maximize shareholder value for our shareholders and not the voting of proxies. Information on how the Fund voted proxies related to portfolio securities during the 12-month period ended June 30, 2010 is available (1) without charge, upon request, by calling (866) 280-1952, and (2) on the SEC's website at www.sec.gov

OTHER SERVICE PROVIDERS

Independent Registered Public Accounting Firm. Cohen Fund Audit Services, Ltd. serves as independent registered public accounting firm for the Fund. In addition to reporting annually on the Fund's financial statements, the Fund's accountants also review certain filings of the Fund with the Securities and Exchange Commission.

REGISTRATION STATEMENT

THE PROSPECTUS AND THIS SAI DO NOT CONSTITUTE AN OFFERING OF THE SECURITIES DESCRIBED IN THESE DOCUMENTS IN ANY STATE IN WHICH SUCH OFFERING MAY NOT LAWFULLY BE MADE. NO SALESPERSON, DEALER, OR ANY OTHER PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THE PROSPECTUS AND THIS SAI.

This Statement of Additional Information and the Prospectus do not contain all the information included in the Registration Statement filed with the Commission under the 1933 Act with respect to the securities offered by the Prospectus. The Registration Statement, including the exhibits filed therewith, may be examined at the office of the Commission in Washington, D.C.

Statements contained in this Statement of Additional Information and the Prospectus as to the contents of any contract or other document are not complete and, in each instance, reference is made to the copy of does not control and is not under common control with any other person.