



Industry Leaders[®] Fund

ANNUAL REPORT
TO SHAREHOLDERS

JUNE 30, 2010

This report has been prepared for the shareholders of the Industry Leaders Fund. It is not authorized for distribution to prospective investors unless accompanied or preceded by a current prospectus, which contains more complete information about the Fund. Investors are reminded to read the prospectus carefully before investing. Past performance is no guarantee of future results. Share prices will fluctuate and there may be a gain or loss when shares are redeemed. Fund shares are distributed by BNY Mellon Distributors Inc., 760 Moore Rd., King of Prussia, PA 19406.

INDUSTRY LEADERS® FUND
Shareholder Letter
June 30, 2010

Dear Shareholder:

Financial Conditions During Fiscal Year

The equity markets experienced three quarters of improved performance from June 30, 2009 to March 31, 2010, as the S&P 500 gained 29%. Over these three quarters, the US Government bond market declined, reflecting the bond markets interpretation of improved economic statistics as signaling an end to the recession that had plagued the economy. The fourth quarter of our fiscal year, from April 1 to June 30, 2010, saw a reversal to the previous three quarters movement of the equity and bond markets, as European markets were threatened by the downgrading of Greek sovereign debt, which spread fear of default across Europe and drove a “flight to quality” to the US bond market. European markets began to focus on the sustainability of government spending, and the deficits that were being produced. The S&P 500 was down over 11% over the last quarter, with the 10 year US Government note trading below 3% (a drop of a full 1% over the fourth fiscal quarter). Market volatility returned during the last fiscal quarter.

During the past fiscal year, shares of the Industry Leaders® Fund Class D increased in value by 11.95%, the Investor Shares by 11.76% and the Institutional Shares by 12.01%. In that same period, the S&P 500 increased by 14.43%. The Fund has historically held a higher percentage of financial stocks than the S&P 500 in accordance with the high credit rating and significant capital found in financial stocks. Based on the fundamentals of the various financial industries held by the Fund (insurance property and casualty, life insurance, banks, securities brokerage and diversified financial institutions) we will remain invested in financials.

Historical Market Performance of the Fund

The Fund has successfully outperformed the S&P 500 over the past 10 year period. An investment of \$10,000 in the Investor Shares invested on June 30, 2000 was worth \$11,526 on June 30, 2010 (with dividends reinvested). During the same time period a \$10,000 investment in the S&P 500 was worth \$8,522. The Fund has historically benefited from the patented Industry Leaders® Portfolio Strategy’s diversification and rebalancing, and history has shown that depressed

industries recover over time. Future performance is not guaranteed by the strategy.

Outlook

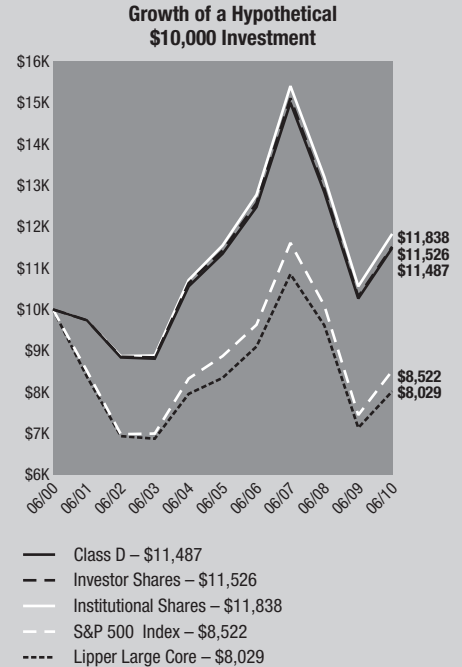
Economists continue to debate about the US economy’s recovery, some believing that we may enter a “double-dip recession”. Whether or not that is a reality, the future is likely to bring higher taxes and continued high unemployment. Historically that combination has led to tepid economic growth at best. We feel that our portfolio strategy can provide a high quality equity portfolio that is able to benefit our shareholders during the period of future economic uncertainty.

Investment Strategy

The Industry Leaders® Portfolio Strategy selects and allocates our portfolio. The Portfolio Strategy’s process cannot remove the ups and downs of the market, but in our opinion, our investment strategy holds a higher quality portfolio than the S&P 500. The “Blue Chip” portfolio maintained by the Fund’s Portfolio Strategy prevents the Fund from investing in companies with “weak” balance sheets or weak credit ratings. Even though the Portfolio Strategy is disciplined and well balanced, there is no guarantee that it will perform as well in the near future as it has in the past.

I thank you for the privilege of managing your large cap US equity investments.

Gerald P. Sullivan
 President



All dividends and capital gains are reinvested. Indexes are unmanaged and do not take into account fees, expenses or other costs. Returns shown in the chart and table do not reflect taxes that a shareholder would pay on Fund distributions or on the sale of the Fund shares.

Average Annual Total Returns for Year Ended 06/30/10

| | One Year | Three Years | Five Years | Ten Years |
|---------------|----------|-------------|------------|-----------|
| Class D | 11.95% | -8.53% | 0.25% | 1.40% |
| Investor | 11.76% | -8.63% | 0.18% | 1.43% |
| Institutional | 12.01% | -8.40% | 0.48% | 1.70%* |
| S&P 500 Index | 14.43% | -9.81% | -0.79% | -1.59% |

The performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value will fluctuate so that an investor’s shares, upon redemption, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data quoted.

The total expense ratio for the Class D, Investor and Institutional is 0.58%, 0.83% and 0.58% respectively, as disclosed in the most recent prospectus.

* The performance presented links the performance of Investor Shares on its inception date of 3/17/99 with the performance of the Institutional Shares on its inception date of 11/30/01. Investor Shares reflect higher administration fees than what is applicable to the Institutional Shares, therefore performance would be higher than that shown.

INDUSTRY LEADERS® FUND
Disclosure of Fund Expenses (unaudited)

As a shareholder of the Industry Leaders® Fund, you incur ongoing costs, including management fees and administration fees. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Industry Leaders® Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the period from January 1, 2010 through June 30, 2010.

Actual Expenses

The table below provides information about actual account values and actual expenses. You may use the information below; together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the table under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The table below provides information about hypothetical account values and hypothetical expenses based on the Industry Leaders® Fund actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees, or exchange fees. The Industry Leaders® Fund does not currently have sales charges (loads), redemption fees or exchange fees. Therefore, the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were incurred, your costs would have been higher.

| Six Months Ended June 30, 2010 | | | | | |
|---|---|------------------------------------|------------------------------|--------------------------|--------------|
| Industry Leaders® Fund | Beginning Account Value January 1, 2010 | Ending Account Value June 30, 2010 | Expenses Paid During Period* | Annualized Expense Ratio | Total Return |
| Based on Actual Fund Return (semiannual return - not annualized) | | | | | |
| Class D | \$1,000.00 | \$920.70 | \$2.76 | 0.58% | -7.93% |
| Investor Shares | \$1,000.00 | \$918.90 | \$3.95 | 0.83% | -8.11% |
| Institutional Shares | \$1,000.00 | \$920.30 | \$2.76 | 0.58% | -7.97% |
| Based on Hypothetical 5% Yearly Return (annualized return) | | | | | |
| Class D | \$1,000.00 | \$1,021.92 | \$2.91 | 0.58% | 5.00%** |
| Investor Shares | \$1,000.00 | \$1,020.68 | \$4.16 | 0.83% | 5.00%** |
| Institutional Shares | \$1,000.00 | \$1,021.92 | \$2.91 | 0.58% | 5.00%** |

* The calculations are based on expenses incurred in the most recent six-month period. The fund's annualized six-month expense ratios for that period are 0.83% for the Investor Shares and 0.58% for the Class D and Institutional Shares. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period (181 days), then divided by the number of days in the most recent 12-month period (365 days).

** The 5.00% annualized rate of return is gross of fees.

INDUSTRY LEADERS® FUND
Portfolio of Investments – June 30, 2010

| <u>Shares</u> | | <u>Value</u> | <u>Shares</u> | | <u>Value</u> |
|--------------------------------|--|------------------|---|--|------------------|
| Common Stocks - 100.02% | | | Engineering & Construction - 0.44% | | |
| | Advertising - 0.21% | | 1,270 | Fluor Corp. | \$ 53,975 |
| 760 | Omnicom Group, Inc. | \$ 26,068 | | Health Care Products - 3.74% | |
| | Aerospace/Defense - 3.09% | | 4,800 | Johnson & Johnson..... | 283,488 |
| 2,870 | General Dynamics Corp. | 168,067 | 4,780 | Medtronic, Inc. | 173,371 |
| 3,220 | United Technologies Corp. | 209,010 | | | <u>456,859</u> |
| | | <u>377,077</u> | | Health Care Services - 1.96% | |
| | Agriculture - 2.58% | | 4,890 | WellPoint, Inc. (a) | 239,268 |
| 10,450 | Archer-Daniels-Midland Co..... | 269,819 | | Insurance - 9.25% | |
| 1,000 | Philip Morris International, Inc. | 45,840 | 2,730 | ACE Ltd..... | 140,540 |
| | | <u>315,659</u> | 3,550 | Berkshire Hathaway, Inc., Class B (a) | 282,899 |
| | Apparel - 0.66% | | 5,140 | Manulife Financial Corp. | 74,941 |
| 570 | Nike, Inc. - Class B | 38,504 | 7,450 | MetLife, Inc..... | 281,312 |
| 600 | VF Corp..... | 42,708 | 970 | PartnerRe Ltd..... | 68,036 |
| | | <u>81,212</u> | 5,730 | Travelers Cos., Inc. (The)..... | 282,203 |
| | Auto Manufacturers - 0.17% | | | | <u>1,129,931</u> |
| 530 | PACCAR, Inc. | 21,131 | | Internet - 1.68% | |
| | Banks - 14.83% | | 460 | Google, Inc., Class A (a) | 204,677 |
| 19,690 | Bank of America Corp. | 282,945 | | Iron/Steel - 0.39% | |
| 11,380 | Bank of New York Mellon Corp. (The) | 280,972 | 1,250 | Nucor Corp. | 47,850 |
| 2,220 | Goldman Sachs Group, Inc. (The)..... | 291,419 | | Leisure Time - 0.80% | |
| 7,702 | JPMorgan Chase & Co. | 281,970 | 3,220 | Carnival Corp..... | 97,373 |
| 4,710 | Morgan Stanley | 109,319 | | Machinery-Construction & Mining - 1.52% | |
| 12,630 | U.S. Bancorp | 282,281 | 3,100 | Caterpillar, Inc. | 186,217 |
| 11,000 | Wells Fargo & Co..... | 281,600 | | Media - 3.00% | |
| | | <u>1,810,506</u> | 810 | McGraw-Hill Cos., Inc. (The)..... | 22,793 |
| | Beverages - 1.31% | | 1,720 | Thomson Reuters Corp..... | 61,628 |
| 3,190 | Coca-Cola Co. (The) | 159,883 | 8,940 | Walt Disney Co. (The) | 281,610 |
| | Biotechnology - 0.61% | | | | <u>366,031</u> |
| 1,410 | Amgen, Inc. (a) | 74,166 | | Mining - 1.16% | |
| | Chemicals - 0.68% | | 3,120 | Barrick Gold Corp..... | 141,679 |
| 1,090 | Praxair, Inc. | 82,829 | | Miscellaneous Manufacturing - 3.70% | |
| | Commercial Services - 1.58% | | 1,330 | 3M Co..... | 105,057 |
| 2,730 | VISA, Inc., Class A | 193,148 | 19,575 | General Electric Co..... | 282,271 |
| | Computers - 3.10% | | 1,040 | Illinois Tool Works, Inc..... | 42,931 |
| 380 | Apple, Inc. (a)..... | 95,581 | 1,080 | Leggett & Platt, Inc..... | 21,665 |
| 6,525 | Hewlett-Packard Co..... | 282,402 | | | <u>451,924</u> |
| | | <u>377,983</u> | | Oil & Gas - 8.45% | |
| | Cosmetics/Personal Care - 1.83% | | 1,566 | Apache Corp..... | 131,842 |
| 350 | Estee Lauder Cos., Inc. (The)..... | 19,505 | 4,168 | Chevron Corp..... | 282,840 |
| 3,400 | Procter & Gamble Co. (The) | 203,932 | 5,710 | ConocoPhillips Co..... | 280,304 |
| | | <u>223,437</u> | 4,888 | Exxon Mobil Corp. | 278,958 |
| | Diversified Financial Services - 2.21% | | 750 | Occidental Petroleum Corp. | 57,863 |
| 1,880 | BlackRock, Inc..... | 269,592 | | | <u>1,031,807</u> |
| | Electric - 2.99% | | | Oil & Gas Services - 2.55% | |
| 17,650 | Duke Energy Corp. | 282,400 | 990 | National Oilwell Varco, Inc..... | 32,739 |
| 2,480 | Southern Co. | 82,534 | 5,040 | Schlumberger Ltd..... | 278,914 |
| | | <u>364,934</u> | | | <u>311,653</u> |
| | Electrical Components & Equipment - 0.96% | | 1,500 | Pharmaceuticals - 5.21% | |
| 2,670 | Emerson Electric Co. | 116,652 | 8,110 | Abbott Laboratories..... | 70,170 |
| | Electronics - 0.67% | | 19,850 | Merck & Co., Inc. | 283,607 |
| 1,680 | Thermo Fisher Scientific, Inc. (a) | 82,404 | | Pfizer, Inc..... | 283,061 |
| | | | | | <u>636,838</u> |

See accompanying notes to financial statements.

INDUSTRY LEADERS® FUND
Portfolio of Investments (continued) – June 30, 2010

| <u>Shares</u> | | <u>Value</u> |
|-----------------------------------|---|----------------------|
| Retail - 5.65% | | |
| 5,000 | Lowe's Cos., Inc. | \$ 102,100 |
| 1,310 | McDonald's Corp. | 86,290 |
| 1,150 | Target Corp. | 56,546 |
| 6,020 | Walgreen Co. | 160,734 |
| 5,905 | Wal-Mart Stores, Inc. | 283,853 |
| | | <u>689,523</u> |
| Semiconductors - 2.22% | | |
| 3,260 | Applied Materials, Inc. | 39,185 |
| 11,900 | Intel Corp. | 231,455 |
| | | <u>270,640</u> |
| Software - 2.87% | | |
| 12,190 | Microsoft Corp. | 280,492 |
| 3,245 | Oracle Corp. | 69,638 |
| | | <u>350,130</u> |
| Telecommunications - 5.63% | | |
| 11,780 | AT&T, Inc. | 284,958 |
| 11,650 | Cisco Systems, Inc. (a) | 248,261 |
| 5,500 | Verizon Communications, Inc. | 154,110 |
| | | <u>687,329</u> |
| Textiles - 0.50% | | |
| 2,540 | Cintas Corp. | 60,884 |
| Transportation - 1.82% | | |
| 2,410 | Canadian National Railway Co. | 138,286 |
| 1,485 | United Parcel Service, Inc., Class B | 84,482 |
| | | <u>222,768</u> |
| | Total Common Stocks | <u>12,214,037</u> |
| | (Cost \$12,162,595) | |
| | Total Investments - 100.02% | <u>12,214,037</u> |
| | (Cost \$12,162,595) | |
| | Other Liabilities | |
| | Net of Assets - (0.02%) | <u>(2,140)</u> |
| | Net Assets — 100.00% | <u>\$ 12,211,897</u> |

(a) Non-income producing security.

| <u>Industry (unaudited)</u> | <u>% of Net Assets</u> |
|------------------------------|------------------------|
| Financial | 26.29% |
| Consumer, Non-cyclical | 18.83% |
| Industrial | 12.21% |
| Energy | 11.00% |
| Communications | 10.51% |
| Technology | 8.18% |
| Consumer, Cyclical | 7.78% |
| Utilities | 2.99% |
| Basic Materials | 2.23% |
| Total | <u>100.02%</u> |

See accompanying notes to financial statements.

INDUSTRY LEADERS® FUND
Statement of Assets and Liabilities
June 30, 2010

ASSETS:

| | |
|---|-------------------|
| Investments: | |
| Investment in securities at cost..... | \$ 12,162,595 |
| Net unrealized appreciation | <u>51,442</u> |
| Total investment in securities at value | <u>12,214,037</u> |
| Cash | 2,445 |
| Receivables: | |
| Investments sold..... | 265,486 |
| Dividends | <u>12,445</u> |
| Total Assets | <u>12,494,413</u> |

LIABILITIES:

| | |
|--|----------------|
| Payables: | |
| Investments purchased | 273,970 |
| Accrued investment advisory fees | 5,405 |
| Accrued administration fees | <u>3,141</u> |
| Total Liabilities | <u>282,516</u> |

| | |
|-------------------------|----------------------|
| NET ASSETS | \$ 12,211,897 |
|-------------------------|----------------------|

NET ASSETS consist of:

| | |
|---|---------------|
| Paid-in capital | 17,114,331 |
| Accumulated undistributed net investment income | 95,343 |
| Accumulated net realized loss on investments..... | (5,049,219) |
| Net unrealized appreciation on investments | <u>51,442</u> |

| | |
|-------------------------------|----------------------|
| TOTAL NET ASSETS | \$ 12,211,897 |
|-------------------------------|----------------------|

Class D:

| | |
|---|----------------|
| Net Assets | \$ 2,238,961 |
| Shares of beneficial interest outstanding (unlimited authorization) | 260,773 |
| Net asset value, offering and redemption price per share (Net Assets/Shares Outstanding) | <u>\$ 8.59</u> |

Investor Shares:

| | |
|---|----------------|
| Net Assets | \$ 8,168,019 |
| Shares of beneficial interest outstanding (unlimited authorization) | 961,164 |
| Net asset value, offering and redemption price per share (Net Assets/Shares Outstanding) | <u>\$ 8.50</u> |

Institutional Shares:

| | |
|---|----------------|
| Net Assets | \$ 1,804,917 |
| Shares of beneficial interest outstanding (unlimited authorization) | 208,537 |
| Net asset value, offering and redemption price per share (Net Assets/Shares Outstanding) | <u>\$ 8.66</u> |

INDUSTRY LEADERS® FUND
Statement of Operations
For the Year Ended June 30, 2010

| | |
|---|---------------------|
| Investment Income: | |
| Dividends income..... | \$ 309,838 |
| Less: foreign taxes withheld..... | <u>(1,470)</u> |
| Total Investment Income..... | <u>308,368</u> |
| Expenses: | |
| Investment advisory fees..... | 64,793 |
| Administration fees - Class D..... | 3,072 |
| Administration fees - Investor Shares..... | 35,982 |
| Administration fees - Institutional Shares..... | <u>3,337</u> |
| Total expenses..... | <u>107,184</u> |
| Net Investment Income | <u>201,184</u> |
| Net Realized and Unrealized Gain (Loss) on Investments: | |
| Net realized loss on investment securities..... | (1,149,364) |
| Net change in unrealized appreciation on investment securities..... | <u>2,704,715</u> |
| Net Realized and Unrealized Gain (Loss) on Investment Securities | <u>1,555,351</u> |
| Net Increase in Net Assets Resulting from Operations | <u>\$ 1,756,535</u> |

See accompanying notes to financial statements.

INDUSTRY LEADERS® FUND
Statements of Changes in Net Assets

| | Year Ended June 30, 2010 | Year Ended June 30, 2009 |
|---|--------------------------------|--------------------------------|
| Investment Activities: | | |
| Operations: | | |
| Net investment income..... | \$ 201,184 | \$ 293,120 |
| Net realized loss on investment securities..... | (1,149,364) | (3,894,735) |
| Net change in unrealized appreciation (depreciation) on investments..... | 2,704,715 | (869,452) |
| Net increase (decrease) in net assets resulting from operations..... | 1,756,535 | (4,471,067) |
| Distributions to Shareholders: | | |
| From net investment income: | | |
| Class D..... | (64,244) | (25,002) |
| Investor Class..... | (255,039) | (99,943) |
| Institutional Class..... | (79,527) | (62,669) |
| From realized gains on investments: | | |
| Distributor Class..... | — | (59,976) |
| Investor Class..... | — | (237,969) |
| Institutional Class..... | — | (87,210) |
| Total Distributions..... | (398,810) | (572,769) |
| Capital Share Transactions: | | |
| Class D | | |
| Purchased..... | — | — |
| Reinvested Dividends..... | 64,244 | 84,978 |
| Redeemed..... | — | — |
| Total Class D..... | 64,244 | 84,978 |
| Investor Shares | | |
| Purchased..... | 1,636,237 | 456,505 |
| Reinvested Dividends..... | 255,039 | 337,913 |
| Redeemed..... | (2,415,458) | (1,067,692) |
| Total Investor Shares..... | (524,182) | (273,274) |
| Institutional Shares | | |
| Purchased..... | 36,000 | 150,396 |
| Reinvested Dividends..... | 79,527 | 149,879 |
| Redeemed..... | (1,447,937) | (3,811,546) |
| Total Institutional Shares..... | (1,332,410) | (3,511,271) |
| Net decrease in net assets resulting from share transactions..... | (1,792,348) | (3,699,567) |
| Total decrease in net assets..... | (434,623) | (8,743,403) |
| Net Assets: | | |
| Beginning of year..... | 12,646,520 | 21,389,923 |
| End of year (including line A)..... | \$ 12,211,897 | \$ 12,646,520 |
| (A) Undistributed net investment income..... | \$ 95,343 | \$ 292,969 |

See accompanying notes to financial statements.

INDUSTRY LEADERS® FUND
Class D Financial Highlights

| | Year Ended June 30, 2010 | Year Ended June 30, 2009 | Year Ended June 30, 2008 | Year Ended June 30, 2007 | Year Ended June 30, 2006 |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Net asset value, beginning of year | \$ 7.88 | \$ 10.37 | \$ 12.89 | \$ 10.94 | \$ 10.43 |
| Income from Investment Operations: | | | | | |
| Net investment income (a)..... | 0.14 | 0.17 | 0.18 | 0.15 | 0.13 |
| Net realized and unrealized gain (loss)..... | <u>0.82</u> | <u>(2.31)</u> | <u>(1.91)</u> | <u>2.05</u> | <u>0.90</u> |
| Total from investment operations | <u>0.96</u> | <u>(2.14)</u> | <u>(1.73)</u> | <u>2.20</u> | <u>1.03</u> |
| Distributions | | | | | |
| Net investment income | (0.25) | (0.10) | (0.16) | (0.11) | (0.11) |
| Realized gains | — | (0.25) | (0.63) | (0.14) | (0.39) |
| From return of capital | — | — | — | — | (0.02) |
| Total Distributions | <u>(0.25)</u> | <u>(0.35)</u> | <u>(0.79)</u> | <u>(0.25)</u> | <u>(0.52)</u> |
| Net asset value, end of year | <u>\$ 8.59</u> | <u>\$ 7.88</u> | <u>\$ 10.37</u> | <u>\$ 12.89</u> | <u>\$ 10.94</u> |
| Total Return | 11.95% | (20.12%) | (14.42%) | 20.19% | 10.08% |
| Ratios and Supplemental Data | | | | | |
| Net Assets at the end of year (000) | \$ 2,239 | \$ 2,000 | \$ 2,504 | \$ 2,928 | \$ 2,495 |
| Ratios of expenses to average net assets | 0.58% | 0.76% | 0.83% | 0.82% | 0.79% |
| Ratios of net investment income to average net assets.... | 1.56% | 2.08% | 1.47% | 1.26% | 1.22% |
| Portfolio turnover rate..... | 49.58% | 111.07% | 85.70% | 41.85% | 36.67% |

(a) Per share amounts were calculated using the average shares method.

INDUSTRY LEADERS® FUND
Investor Shares Financial Highlights

| | Year Ended June 30, 2010 | Year Ended June 30, 2009 | Year Ended June 30, 2008 | Year Ended June 30, 2007 | Year Ended June 30, 2006 |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Net asset value, beginning of year | \$ 7.80 | \$ 10.28 | \$ 12.79 | \$ 10.83 | \$ 10.33 |
| Income from investment operations: | | | | | |
| Net investment income (a)..... | 0.12 | 0.15 | 0.18 | 0.15 | 0.14 |
| Net realized and unrealized gain (loss)..... | <u>0.82</u> | <u>(2.28)</u> | <u>(1.91)</u> | <u>2.03</u> | <u>0.88</u> |
| Total from investment operations | <u>0.94</u> | <u>(2.13)</u> | <u>(1.73)</u> | <u>2.18</u> | <u>1.02</u> |
| Distributions | | | | | |
| Net investment income | (0.24) | (0.10) | (0.15) | (0.08) | (0.11) |
| Realized gains | — | (0.25) | (0.63) | (0.14) | (0.39) |
| From return of capital | — | — | — | — | (0.02) |
| Total Distributions | <u>(0.24)</u> | <u>(0.35)</u> | <u>(0.78)</u> | <u>(0.22)</u> | <u>(0.52)</u> |
| Net asset value, end of year | <u>\$ 8.50</u> | <u>\$ 7.80</u> | <u>\$ 10.28</u> | <u>\$ 12.79</u> | <u>\$ 10.83</u> |
| Total Return | 11.76% | (20.17%) | (14.50%) | 20.20% | 10.06% |
| Ratios and Supplemental Data | | | | | |
| Net Assets at the end of year (000) | \$ 8,168 | \$ 7,837 | \$ 10,508 | \$ 12,327 | \$ 8,116 |
| Ratios of expenses to average net assets | 0.83% | 0.83% | 0.83% | 0.82% | 0.79% |
| Ratios of net investment income to average net assets.... | 1.31% | 2.01% | 1.47% | 1.25% | 1.32% |
| Portfolio turnover rate..... | 49.58% | 111.07% | 85.70% | 41.85% | 36.67% |

(a) Per share amounts were calculated using the average shares method.

INDUSTRY LEADERS® FUND
Institutional Shares Financial Highlights

| | Year Ended June 30, 2010 | Year Ended June 30, 2009 | Year Ended June 30, 2008 | Year Ended June 30, 2007 | Year Ended June 30, 2006 |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Net asset value, beginning of year | \$ 7.94 | \$ 10.56 | \$ 13.12 | \$ 11.10 | \$ 10.61 |
| Income from investment operations: | | | | | |
| Net investment income (a)..... | 0.14 | 0.19 | 0.21 | 0.19 | 0.18 |
| Net realized and unrealized gain (loss)..... | 0.84 | (2.38) | (1.94) | 2.08 | 0.91 |
| Total from investment operations | 0.98 | (2.19) | (1.73) | 2.27 | 1.09 |
| Distributions | | | | | |
| Net investment income | (0.26) | (0.18) | (0.20) | (0.11) | (0.19) |
| Realized gains | — | (0.25) | (0.63) | (0.14) | (0.39) |
| From return of capital | — | — | — | — | (0.02) |
| Total Distributions | (0.26) | (0.43) | (0.83) | (0.25) | (0.60) |
| Net asset value, end of year | \$ 8.66 | \$ 7.94 | \$ 10.56 | \$ 13.12 | \$ 11.10 |
| Total Return | 12.01% | (19.99%) | (14.24%) | 20.59% | 10.49% |
| Ratios and Supplemental Data | | | | | |
| Net Assets at the end of year (000) | \$ 1,805 | \$ 2,809 | \$ 8,378 | \$ 10,416 | \$ 2,683 |
| Ratios of expenses to average net assets | 0.58% | 0.58% | 0.58% | 0.55% | 0.38% |
| Ratios of net investment income to average net assets.... | 1.56% | 2.16% | 1.72% | 1.49% | 1.62% |
| Portfolio turnover rate..... | 49.58% | 111.07% | 85.70% | 41.85% | 36.67% |

(a) Per share amounts were calculated using the average shares method.

INDUSTRY LEADERS® FUND
Notes to Financial Statements
For the Year Ended June 30, 2010

NOTE 1. ORGANIZATION

Industry Leaders® Fund (the “Fund” or “Trust”) was organized as a Delaware statutory trust, on December 13, 1995 and commenced operations on March 17, 1999. The Fund is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as a diversified open-end management investment company. The Fund’s investment objective is to provide long-term capital appreciation. The Declaration of Trust permits the Trust to issue an unlimited number of shares of beneficial interest of separate series without par value.

The Fund is currently authorized to distribute three classes of shares, Class D, Investor Shares, and Institutional Shares each of which has equal rights as to assets and voting privileges but may be subject to differing expenses (see Note 3). Income and realized/unrealized gains/losses are allocated to each class based on relative share balances.

As of and during the year ended June 30, 2010, Class D shares were not being offered for sale.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

Securities Valuation- The Fund’s investments are valued based on the last reported sales price on the day of valuation. When reliable market quotations are not readily available for any security, the value of that security will be based on its “fair value” by the committee (“Pricing Committee”) established by the Fund’s Procedures for Determining Net Asset Value. The members of the Pricing Committee are appointed by, and the Pricing Committee reports directly to, the Fund’s Board of Trustees. The fair valuation process is designed to value the subject security at the price the Fund would reasonably expect to receive upon its current sale. Fair value pricing may be employed, for example, if the value of a security held by the Fund has been materially affected by an event that occurs after the close of the market in which the security is traded, in the event of a trading halt in a security for which market quotations are normally available or with respect to securities that are deemed illiquid. When this fair value pricing method is employed, the prices of securities used in the daily computation of the Fund’s NAV per share may differ from quoted or published prices for the same securities. Additionally, security valuations determined in accordance with the fair value pricing method may not fluctuate on a daily basis, as would likely occur in the case of securities for which market quotations are readily available. Consequently, changes in the fair valuation of portfolio securities may be less frequent and of greater magnitude than changes in the price of portfolio securities valued based on market quotations. During the annual period July 1, 2009 to June 30, 2010 and as of the balance sheet date of June 30, 2010, the Fund only held securities with readily available market quotations.

Fair Value Measurements: The inputs and valuation techniques used to measure fair value of the Fund’s investments are summarized into three levels as described in the hierarchy below:

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – prices determined using other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. A summary of inputs used to value the Fund’s investments as of June 30, 2010 is as follows:

| | Total Fair Value at 06/30/10 | Level 1 Quoted Price | Level 2 Significant Observable Inputs | Level 3 Significant Unobservable Inputs |
|----------------|------------------------------|----------------------|---------------------------------------|---|
| Common Stocks* | \$ 12,214,037 | \$ 12,214,037 | \$ — | \$ — |

* Please refer to Schedule of Investments for industry breakdown.

The Fund did not hold any Level 2 or 3 securities during the year. The Fund held only Level 1 securities during the year.

Federal Income Taxes/Dividends and Distributions - The Fund intends to qualify each year as a “regulated investment company” under the Internal Revenue Code of 1986, as amended. By so qualifying, the Fund will not be subject to federal income taxes to the extent that it distributes substantially all of its net investment income and any realized capital gains. This policy may cause multiple distributions during the course of the year, which are recorded on the ex-dividend date.

The Fund will, at least annually, declare and pay dividends from its net investment income and distribute any net capital gains through Fund investment transactions.

INDUSTRY LEADERS® FUND
Notes to Financial Statements
For the Year Ended June 30, 2010 (continued)

As of and during the year ended June 30, 2010, the Fund did not have a liability for any unrecognized tax benefits. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the statement of operations. During the year, the Fund did not incur any interest or penalties. The Fund is not subject to examination by the U.S. federal tax authorities for the fiscal years before 2006. The Fund identifies its major tax jurisdiction as U.S. Federal.

Distributions to shareholders from net investment income and realized gains are determined in accordance with federal income tax regulations, which may differ from net investment income and realized gains recognized for financial reporting purposes. Accordingly, the character of distributions and composition of net assets for tax purposes may differ from those reflected in the accompanying financial statements. To the extent these differences are permanent, such amounts are reclassified within the capital accounts based on the tax treatment; temporary differences do not require such reclassification. As of June 30, 2010, there were no reclassifications to the capital accounts.

Estimates - Preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including accrued income, receivables and contingent liabilities and disclosure of contingent assets and liabilities) at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

Other - The Fund follows industry practice and records security transactions on the trade date. The specific identification method is used for determining gains or losses for financial statements and income tax purposes. Dividend income is recorded on the ex-dividend date and interest income is recorded on an accrual basis. Discounts and premiums on securities purchased are amortized over the life of the respective securities. Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and rates. Accounting principles generally accepted in the United States of America require that permanent financial reporting tax differences relating to shareholder distributions be reclassified to paid-in-capital and / or realized gains / losses.

NOTE 3. FEES AND OTHER TRANSACTIONS WITH AFFILIATES

The Fund retains Claremont® Investment Partners, L.L.C. ("the Adviser") to manage the Fund's investments. The Adviser is organized as a Delaware limited liability company and its Chief Investment Officer and Portfolio Manager is Gerald P. Sullivan who is primarily responsible for the day-to-day management of the Fund's portfolio.

Under the terms of the management agreement, between the Adviser and the Fund, the Adviser manages the Fund's investments under the oversight of the Board of Trustees. For its services under this agreement, the Adviser is entitled to receive a fee of 0.45% of the average daily net assets of the Fund. For the annual period ending June 30, 2010, the Adviser received from the Fund a fee of \$64,793 for investment management services.

The Adviser also provides certain administration services to the Fund pursuant to the terms of an administration agreement between the Fund and the Adviser and is entitled to receive a fee for its services based on the average net assets for each of the Fund's classes of shares. For its services under this agreement, the Adviser is entitled to receive a fee of 0.38% of the average daily net assets of Investor Shares. The Adviser is entitled to receive a fee of 0.13% of the average daily net assets of Institutional Shares and Class D shares. For the annual period ending June 30, 2010, the Adviser received from the Fund a fee of \$42,391 for administration services.

Other than as set forth above, the Adviser pays all of the other expenses of the Fund except expenses associated with the purchase and sale of portfolio securities. Certain officers of the Fund are also officers of the Adviser and shareholders of the Fund.

Industry Leaders® Fund has adopted a Distribution and Service Plan (the "Plan") on September 27, 2006, in accordance with Rule 12b-1 under the Investment Company Act of 1940, as amended, on behalf of the Class D, Investor Shares and Institutional Shares of the Fund. The purpose of the Plan is to allow the Adviser to use its revenues generated from the Fund, including management and administration fees paid to it by the Fund, as well as its past profits or other resources, to make payments to third parties with respect to any expenses incurred in connection with the distribution of the Fund's shares.

NOTE 4. SHARE TRANSACTIONS

As of June 30, 2010, the Fund was authorized to issue an unlimited number of shares of beneficial interest of separate series without par value. Paid in capital on June 30, 2010 was \$17,114,331.

INDUSTRY LEADERS® FUND
Notes to Financial Statements
For the Year Ended June 30, 2010 (continued)

Transactions in shares were as follows:

| Class D: | Year ended June 30, 2010 | | Year ended June 30, 2009 | |
|--|-----------------------------|------------------|-----------------------------|------------------|
| | Shares | Dollars | Shares | Dollars |
| Shares sold..... | — | \$ — | — | \$ — |
| Share issued in reinvestment of dividends | 6,842 | 64,244 | 12,385 | 84,978 |
| Shares redeemed | — | — | — | — |
| Total | <u>6,842</u> | <u>\$ 64,244</u> | <u>12,385</u> | <u>\$ 84,978</u> |

| Investor Shares: | Year ended June 30, 2010 | | Year ended June 30, 2009 | |
|--|-----------------------------|---------------------|-----------------------------|---------------------|
| | Shares | Dollars | Shares | Dollars |
| Shares sold..... | 180,500 | \$ 1,636,237 | 60,479 | \$ 456,505 |
| Share issued in reinvestment of dividends | 27,394 | 255,039 | 49,707 | 337,913 |
| Shares redeemed | (251,005) | (2,415,458) | (127,627) | (1,067,692) |
| Total | <u>(43,111)</u> | <u>\$ (524,182)</u> | <u>(17,441)</u> | <u>\$ (273,274)</u> |

| Institutional Shares: | Year ended June 30, 2010 | | Year ended June 30, 2009 | |
|--|-----------------------------|-----------------------|-----------------------------|-----------------------|
| | Shares | Dollars | Shares | Dollars |
| Shares sold..... | 3,853 | \$ 36,000 | 19,369 | \$ 150,396 |
| Share issued in reinvestment of dividends | 8,398 | 79,527 | 22,199 | 149,879 |
| Shares redeemed | (157,541) | (1,447,937) | (481,362) | (3,811,546) |
| Total | <u>(145,290)</u> | <u>\$ (1,332,410)</u> | <u>(439,794)</u> | <u>\$ (3,511,271)</u> |

NOTE 5. INVESTMENTS

For the year ended June 30, 2010, purchases and sales of investment securities, other than short-term investments, aggregated \$6,999,081 and \$8,944,662, respectively. As of June 30, 2010, the gross unrealized appreciation for all securities on a tax basis totaled \$849,231 and the gross unrealized depreciation for all securities totaled \$1,582,478 for a net unrealized depreciation of \$733,247. The aggregate cost of securities for federal income tax purposes at June 30, 2010, was \$12,947,284.

NOTE 6. RELATED PARTY TRANSACTIONS

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a Fund creates a presumption of control of the Fund, under Section 2(a)(9) of the Investment Company Act of 1940. As of June 30, 2010, National Financial Services LLC owns 71.78% of the Fund for the exclusive benefit of their account holders.

NOTE 7. DISTRIBUTABLE EARNINGS

The tax character of distributions paid during fiscal years 2010 and 2009 were as follows:

| Distributions paid from: | 2010 | 2009 |
|-------------------------------|-------------------|-------------------|
| Ordinary Income..... | \$ 398,810 | \$ 187,614 |
| Long-Term Capital Gain..... | — | 87,641 |
| Short-Term Capital Gain | — | 297,514 |
| | <u>\$ 398,810</u> | <u>\$ 572,769</u> |

INDUSTRY LEADERS® FUND
Notes to Financial Statements
For the Year Ended June 30, 2010 (continued)

As of June 30, 2010, the components of distributable earnings on a tax basis were as follows:

| | |
|-------------------------------------|-----------------------|
| Undistributed Ordinary Income | \$ 95,128 |
| Capital Loss Carryforwards | (4,162,771) |
| Post-October Losses | (101,544) |
| Unrealized Depreciation | <u>(733,247)</u> |
| | <u>\$ (4,902,434)</u> |

The difference between book basis and tax basis unrealized appreciation / (depreciation) is attributable primarily to the tax deferral of wash sales. The Fund has elected to defer post-October losses of \$101,544 incurred from November 1, 2009 through June 30, 2010.

NOTE 8. CAPITAL LOSS CARRYFORWARDS

As of June 30, 2010, the Fund had \$4,162,771 of capital loss carryforwards for federal income tax purposes available to offset future capital gains, of which \$2,039,204 and \$2,123,567 arose in fiscal year 2009 and 2010, respectively, expiring in June 30, 2017 and 2018, respectively.

NOTE 9. RECENT ACCOUNTING PRONOUNCEMENT NOT YET ADOPTED

In January 2010, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2010-06 “Improving Disclosures about Fair Value Measurements”. ASU 2010-06 amends FASB Accounting Standards Codification Topic 820, Fair Value Measurements and Disclosures, to require additional disclosures regarding fair value measurements. Certain disclosures required by ASU No. 2010-06 are currently effective for interim and annual reporting periods beginning after December 15, 2009, and other required disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. Management has evaluated the impact and has incorporated the appropriate disclosures required by ASU No. 2010-06 in its financial statement disclosures.

NOTE 10. SUBSEQUENT EVENTS

Management has evaluated the impact of all subsequent events on the Fund through the date the financial statements were issued, and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Trustees
Industry Leaders® Fund

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Industry Leaders® Fund (the "Fund"), as of June 30, 2010, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of Fund management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of June 30, 2010 by correspondence with the Fund's custodian and broker. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Industry Leaders® Fund as of June 30, 2010, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Cohen Fund Audit Services

COHEN FUND AUDIT SERVICE, LTD.
Westlake, Ohio
August 25, 2010

INDUSTRY LEADERS® FUND
Additional Information

SECURITY PROXY VOTING

The Fund's policy is to vote its proxies in accordance with the recommendations of management. A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available without charge upon request by calling (866) 459-2772 and on the SEC's website at <http://www.sec.gov>.

PORTFOLIO HOLDINGS

The Fund files its complete schedule of portfolio holdings with the Commission for the first and third quarters of each fiscal year on Form N-Q within 60 days after the end of the period. Copies of the Fund's Forms N-Q are available without a charge, upon request, by contacting the Fund at (866) 459-2772 and on the Commission's website at <http://www.sec.gov>. You may also review and copy Form N-Q at the Commission's Public Reference Room in Washington, D.C. For more information about the operation of the Public Reference Room, please call the Commission at 800-SEC-0330.

TAX INFORMATION

For the fiscal year ended June 30, 2010, certain dividends may be subject to a maximum tax rate of 15%, as provided for by the Jobs and Growth Tax Relief Reconciliation Act of 2003. For individual shareholders, a percentage of their ordinary income dividends for the Fund may qualify for a maximum tax rate of 15%. The percentage of ordinary income dividends that qualify is 100%.

For the fiscal year ended June 30, 2010, certain dividends qualify for the dividends-received deduction ("DRD") for corporate shareholders. The percentage of ordinary income dividends that qualify is 100%.

Shareholders should not use the above tax information to prepare their tax returns. The information will be included with your Form 1099-DIV and will be mailed in January 2011.

INDEPENDENT TRUSTEES

The business and affairs of the Trust are managed under the direction of the Board of Trustees. Information pertaining to the Trustees and Executive Officers of the Trust is set forth below.

| 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** 104 Summit Ave 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 104 Summit Ave 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 104 Summit Ave 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, Independence Community Bank; Senior Vice President, KeyBank | N/A – Only one portfolio in "Fund Complex" | None |
| Peter P. Schaffer 104 Summit Ave 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 |

INDUSTRY LEADERS® FUND
Additional Information

| 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* |
|--|------------------------------------|---|--|--|---|
| Robert Wellbrock** 104 Summit Ave 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: 8/13/59 | 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 since 9/2009 | N/A – Only one portfolio in “Fund Complex” |

The Statement of Additional Information (“SAI”) includes additional information about the Fund’s Trustees and is available, without charge, upon request, by calling the Fund’s toll free number at (866) 280-1952.