Dear Fellow Shareholders:

Performance

Your Fund experienced a +5.40% total return for the first 6 months of the current fiscal year (7/1/2007 – 12/31/07) compared to a –1.37% total return for the S&P 500 Composite Index (the "S&P 500"), the benchmark we use for performance comparisons. For the 1-year, 5-year and since inception (7/16/01) periods, your Fund generated average annual returns of +16.55%, +17.74%, and +10.00%, respectively. In the twelve month period ending 12/31/2007, your Fund outperformed the S&P 500 in each calendar quarter resulting in total outperformance for the twelve month period of +11.06%, certainly one of our better years. Since inception, the Fund has a cumulative return of +85.06% versus the S&P 500's cumulative return of +36.89%, an outperformance of +48.17%. *(Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. For the most recent month-end performance, please call 866-233-3368. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. As stated in the current prospectus, the Fund's annual operating expense ratio (gross) is 1.25%. However, the Fund's adviser has agreed to contractually waive a portion of its fees and/or reimburse expenses such that total operating expense ratio does not exceed 1.15%, which is in effect until October 31, 2008)*

For the twelve month period ending 12/31/2007, Lipper Inc. ranked your Fund with its +16.55% return at #212 out of 518 funds in their Multi-Cap Growth Funds peer group which averaged a +14.99% return. Lipper ranks funds in various categories by making comparative calculations using total returns.

Recent Lipper rankings are as follows:

As of January 31, 2008	Fund Ranking	Out of	Percentile
One year	183	525	35%
Three years	94	399	24%
Five years	60	344	17%

Commentary

Despite the market's volatility, 2007 was a year in which your Fund benefited from certain underlying trends. The "Management Discussion of Fund Performance", which follows this letter, details some of these trends and the particular holdings which benefited within your Fund. Rising energy prices drove your Fund's energy and energy service company stocks higher. Increased global spending on infrastructure benefited your Fund's holdings in engineering and construction companies. Strong corporate profitability and large capital pools provided growing market liquidity contributing to 3 tender offers for companies in the portfolio. Lastly, your Fund was significantly underweighted in the financial sector and avoided investments in companies in real estate and housing, all major problem areas in the past year.

One year ago as well as two years ago, I wrote in this letter that we believed mid and large capitalization stocks would outperform small capitalization issues. Accordingly, the large capitalization component was increased and the small capitalization component of your Fund was reduced as follows:

	12/31/05*	12/31/06*	12/31/07*
Large Capitalization	34.9%	39.4%	52.51%
Mid Capitalization	45.7%	44.6%	41.09%
Small Capitalization	16.0%	8.6%	4.73%
Reserve Funds	3.4%	7.4%	1.67%
Total Fund	100.0%	100.0%	100.0%

* Percentages calculated based on total value of investments.

One year ago I also wrote that we believed the small capitalization sector as represented by the Russell 2000 Index was overvalued relative to the large and mid capitalization sector and consequently would underperform in 2007. In 2007, this happened as the Russell 2000 had a –1.57% total return underperforming the S&P 500's +5.49% return by –7.06%.

Concentration

While your Fund is sufficiently diversified from industrial, geographic and market sector allocations, we believe that greater concentration in "best in class"** core holdings may enhance performance in the future as happened in 2007. The concentration in the 10 largest positions in the portfolio was intentionally increased this past year:

Top 10 Holdings	12/31/05	12/31/06	12/31/07
% of Fund	27.10%	25.6%	33.7%
Average Position Size of Top 10	2.71%	2.56%	3.37%

We believe there is room for further concentration in what we deem the best companies and intend to increase the weighting in the Top 10 holdings in the future.

To use a baseball analogy, we consider the Top 10 holdings list to be our Major League Team. The remainder of the Fund's portfolio represents our AAA and AA farm teams. We believe there are many future All Stars on the farm teams. There is nothing secondary about them. We are merely researching them over extended timeframes as they develop to determine which are promoted to the Major League.

Outlook

As I write this, there are volatile market declines amid great uncertainty about the future, and as we all know, markets hate uncertainty. We believe much of this uncertainty will be resolved by mid 2008. The outlook for interest rates, inflation, the weakened economy, presidential politics, Iraq, and the extent of the damage to corporate balance sheets from reckless lending practices may begin to come into clearer focus by mid year. Some of the developments could be negative, but we believe the uncertainty will diminish. We have very often found that the removal of uncertainty from an investment situation, even when the conclusion is negative, relieves many investors and results in potential for positive market reaction. Consequently, we expect difficult markets in the first half of 2008 followed by recovery in the second half of the year. We will endeavor to position your Fund to prosper in this environment.

As always, we appreciate the trust you have conveyed to us and will work diligently on your behalf.

Respectfully submitted,

Daniel F. Dent

** The determination of "best in class" is the opinion of the Fund's Adviser and such opinion is subject to change. Those companies which hold leading market share positions, strong growth prospects, good profitability, and management teams known for integrity and good corporate governance are generally considered to be "best in class".