

FMX Funds

Each a series of the
Starboard Investment Trust

PROSPECTUS

[September, 2012]

This prospectus contains information about the FMX Funds that you should know before investing. You should read this prospectus carefully before you invest or send money, and keep it for future reference. For questions or for Shareholder Services, please call 1-800-773-3863.

ISM Dynamic Equity Fund

Institutional Class Shares FMGRX
Advisor Class Shares FMGCX

ISM Dynamic Fixed Income Fund

Institutional Class Shares FMTRX
Advisor Class Shares FMTCX

ISM Non Traditional Fund

Institutional Class Shares []
Advisor Class Shares []

ISM High Income Fund

Institutional Class Shares []
Advisor Class Shares []

ISM Strategic Equity Fund

Institutional Class Shares []
Advisor Class Shares []

ISM Strategic Fixed Income Fund

Institutional Class Shares []
Advisor Class Shares []

ISM Global Alpha Tactical Fund

Institutional Class Shares []
Advisor Class Shares []

ISM Tax Free Fund

Institutional Class Shares []
Advisor Class Shares []

ISM Dividend Income Fund

Institutional Class Shares []
Advisor Class Shares []

ISM Premier Asset Management Fund

Institutional Class Shares []
Advisor Class Shares []

Investment Advisor

FolioMetrix, LLC

821 Pacific Street
Omaha, Nebraska 68108

Deleted: *FMX Growth Allocation Fund* .
Institutional Class Shares – Ticker Symbol FMGRX .
Advisor Class Shares – Ticker Symbol FMGCX .
FMX Total Return Fund .
Institutional Class Shares – Ticker Symbol FMTRX .
Advisor Class Shares – Ticker Symbol FMTCX¶

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ADVISOR CLASS SHARES¶

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Total Return Fund

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The securities offered by this prospectus have not been approved or disapproved by the Securities and Exchange Commission, nor has the Securities and Exchange Commission passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense. _____

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ISM DYNAMIC EQUITY FUND

Deleted: **FMX GROWTH ALLOCATION**

INVESTMENT OBJECTIVES

Deleted: **SUMMARY**

The ISM Dynamic Equity Fund (formerly known as the FMX Growth Allocation Fund) seeks capital appreciation without regard to current income.

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FEES AND EXPENSES OF THE FUND

These tables describe the fees and expenses that you may pay if you buy and hold shares of the Fund:

Shareholder Fees

(fees paid directly from your investment)

| | Institutional | Advisor |
|---|---------------|---------|
| Maximum Sales Charge (Load) Imposed On Purchases (as a % of offering price) | None | None |
| Maximum Deferred Sales Charge (Load) (as a % of the lesser of amount purchased or redeemed) | None | 1.00% |
| Redemption Fee (as a % of amount redeemed) | None | None |
| Exchange Fee | None | None |

Annual Fund Operating Expenses¹

(expenses that you pay each year as a percentage of the value of your investment)

Deleted: Expenses

| | Institutional | Advisor |
|---|---------------|--------------|
| Management Fees | 0.45% | 0.45% |
| Distribution and/or Service (12b-1) Fees | None | 1.00% |
| Other Expenses | 0.70% | 0.70% |
| Acquired Fund Fees and Expenses ² | 1.61% | 1.61% |
| Total Annual Fund Operating Expenses | 2.76% | 3.76% |
| Fee Waiver and/or Expense Limitation ³ | 0.45% | 0.45% |
| Net Annual Fund Operating Expenses | 2.31% | 3.31% |

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1. The expense information in the table has been restated to reflect current fees rather than the fees in effect during the previous fiscal year.

2. "Acquired Fund" means any investment company in which the Fund invests or has invested during the previous fiscal year. The "Total Annual Fund Operating Expenses" and "Net Annual Fund Operating Expenses" will not match the Fund's gross and net expense ratios reported in the Financial Highlights from the Fund's financial statements, which reflect the operating expenses of the Fund and do not include Acquired Fund Fees and Expenses.

3. The Fund's administrator has entered into a Fund Accounting and Administration Agreement with the Fund that runs through October 1, 2013. The agreement can only be terminated prior to that date at the discretion of the Fund's Board of Trustees. The Administrator receives payments under the agreement at a maximum annual rate of 0.70%. In conjunction with the Fund Accounting and Administration Agreement, the Advisor has entered into an Operating Plan with the Administrator, also through October 1, 2013, under which it has agreed to make payments to the administrator when the Fund is at lower asset levels and assume certain expenses of the Administrator to the extent the Fund's operating expenses exceed 0.70% of the average daily net assets, exclusive of distribution and/or service (12b-1) fees, acquired fund fees and expenses, and extraordinary expenses. The Operating Plan can only be terminated prior to the conclusion of the current term with the approval of the Fund's Board of Trustees. The Advisor cannot recoup from the Fund any amounts paid under the Operating Plan. The advisory fee payable to the Advisor increases with the Fund's asset size: the minimum annual rate is 0.00% on average daily net assets under \$11 million and gradually increases to a maximum annual rate of 0.45% on average daily net assets of \$16 million or more. For the most recent fiscal year ended May 31, 2011, the Advisor received compensation for its services to the Fund at an annual rate of 0.10% of the Fund's average daily net assets.

Example: This example shows you the expenses you may pay over time by investing in the Fund. Since all mutual funds use the same hypothetical conditions, this example should help you compare the costs of investing in the Fund versus other mutual funds. The example assumes the following conditions:

- You invest \$10,000 in the Fund for the periods shown;
- You reinvest all dividends and distributions;
- You redeem all of your shares at the end of those periods;
- You earn a 5% return each year; and
- The Fund's operating expenses remain the same.

Although your actual costs may be higher or lower, the following table shows you what your costs may be under the conditions listed above.

| Class | 1 Year | 3 Years | 5 Years | 10 Years |
|---------------|--------|---------|---------|----------|
| Institutional | \$234 | \$814 | \$1,420 | \$3,057 |
| Advisor | \$435 | \$1,108 | \$1,902 | \$3,974 |

You would pay the following expenses if you did not redeem your shares:

| Class | 1 Year | 3 Years | 5 Years | 10 Years |
|---------------|--------|---------|---------|----------|
| Institutional | \$234 | \$814 | \$1,420 | \$3,057 |
| Advisor | \$334 | \$1,108 | \$1,902 | \$3,974 |

Portfolio Turnover. The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares

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- Deleted: \$1,282
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are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 658.15% of the average value of its portfolio.

PRINCIPAL INVESTMENT STRATEGIES

The Fund's investment advisor, FolioMetrix, LLC (the "Advisor"), seeks to achieve the Fund's investment objective by investing primarily in no-load, institutional, and exchange-traded funds ("Portfolio Funds"). Although the Fund primarily invests in Portfolio Funds with no sales related expenses or very low sales related expenses, the Fund is not precluded from investing in Portfolio Funds with sales-related expenses, redemption fees, and/or service fees in excess of 0.25%.

The Fund will invest primarily in Portfolio Funds that have an investment objective similar to the Fund's or that are otherwise permitted investments under the Fund's investment policies. The Portfolio Funds' investments will generally include, but are not limited to, equity securities. Under normal circumstances, at least 80% of the Fund's net assets, plus borrowings for investment purposes, will be invested in Portfolio Funds that hold equity securities. Shareholders will be provided with at least 60 days' prior notice of any change in this policy. Any borrowing by the Fund will be subject to the limitations set forth in the Investment Company Act of 1940 and relevant interpretive positions of the staff of the Securities and Exchange Commission.

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The Advisor uses a proprietary screening process to select Portfolio Funds for investment. The screening process includes analysis of sector and asset allocations, total returns, and risk data. The Advisor will seek to construct portfolios that achieve the Fund's investment objective while assuming risk that is no more than 20% greater than the S&P 500 Index. The Advisor will generally sell a Portfolio Fund when a more attractive investment opportunity is identified or the Fund's portfolio needs to be rebalanced.

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The Fund may buy or sell options, futures contracts, and other derivative instruments as a substitute for taking a direct position in the underlying asset or as part of a strategy that is intended to reduce the exposure of the Fund to various risks. To the extent that the Fund invests in options, futures, or similar investments, the Fund will comply with the applicable requirements of the Investment Company Act of 1940, including, but not limited to, Section 18 thereof and relevant interpretive positions of the staff of the Securities and Exchange Commission regarding the use of such instruments.

PRINCIPAL RISKS OF INVESTING IN THE FUND

The loss of your money is a principal risk of investing in the Fund. Investments in the Fund are subject to investment risks, including the possible loss of some or the entire principal amount invested. There can be no assurance that the Fund will be successful in meeting its investment objective. Generally, the Fund will be subject to the following principal risks:

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Risks related to “Fund of Funds” structure. The Fund is a “fund of funds.” The term “fund of funds” is typically used to describe investment companies, such as the Fund, whose primary investment strategy involves investing in other investment companies, such as mutual funds and ETFs. Investments in other investment companies subject the Fund to additional operating and management fees and expenses. For example, investors in the Fund will indirectly bear fees and expenses charged by the mutual funds and ETFs in which the Fund invests, in addition to the Fund’s direct fees and expenses. Furthermore, the use of a fund of funds structure could affect the timing, amount, and character of distributions and therefore may increase the amount of taxes payable by you.

Management Style Risk. Different types of securities tend to shift into and out of favor with investors depending on market and economic conditions. The returns from the types of Portfolio Funds purchased by the Fund (growth, value, etc.) may at times be better or worse than the returns from other types of funds. Each type of investment tends to go through cycles of performing better or worse than the market in general. The performance of the Fund may thus be better or worse than the performance of funds that focus on other types of investments, or that have a broader investment style.

Control of Portfolio Funds. Although the Fund and the Advisor will evaluate regularly each Portfolio Fund to determine whether such Portfolio Fund’s investment program is consistent with the Fund’s investment objective, the Advisor will not have any control over the investments made by a Portfolio Fund. Even though each Portfolio Fund is subject to certain constraints, the investment advisor to each such Portfolio Fund may change aspects of their investment strategies at any time. The Advisor will not have the ability to control or otherwise influence the composition of the investment portfolio of any Portfolio Fund.

Market Risk. Market risk refers to the possibility that the value of securities held by the Fund may decline due to daily fluctuations in the market. Market prices for securities change daily as a result of many factors, including developments affecting the condition of both individual companies and the market in general. The price of a security may even be affected by factors unrelated to the value or condition of its issuer, such as changes in interest rates, economic and political conditions, and general market conditions. The Fund’s performance per share will change daily in response to such factors.

Equity Securities. The investments in equity securities by the Portfolio Funds may fluctuate in value response to many factors, including, but not limited to, the activities of the individual companies whose securities the Portfolio Fund owns, general economic conditions, and specific industry changes. Such price fluctuations subject the Fund to potential losses. Regardless of any one company’s particular prospects, a declining stock market may produce a decline in prices for all equity securities, which could also result in losses for the Fund.

Small-Cap and Mid-Cap Securities Risk. The Portfolio Funds may invest in securities of small-cap and mid-cap companies, which involves greater volatility than investing in larger and more established companies. Small-cap and mid-cap companies can be

Deleted: Market risk. Market risk refers to the possibility that the value of securities held by the Fund may decline due to daily fluctuations in the securities markets. Stock prices change daily as a result of many factors, including developments affecting the condition of both individual companies and the market in general. The price of a stock may even be affected by factors unrelated to the value or condition of its issuer, such as changes in interest rates, national and international economic and/or political conditions and general equity market conditions. In a declining stock market, prices for all companies (including those in the Fund’s portfolio) may decline regardless of their long-term prof... [5]

Moved down [3]: Sector Risk.

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Deleted: Under the Investment Company Act of 1940, the Fund may not acquire shares of another investment company if, immediately after ... [6]

Deleted: The Advisor will sell portfolio securities when it is in the interests of the Fund and its shareholders to do so without regard to the le... [8]

Moved down [5]: Under normal circumstances, the anticipated portfolio turnover rate for the Fund is expected to be greater than 100%.¶

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Moved down [9]: Accordingly, investors in the Fund bear the risk that the Fund may not be successful in implementing its investment st... [14]

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subject to more abrupt or erratic share price changes than larger, more established companies. Securities of these types of companies have limited market liquidity, and their prices may be more volatile. You should expect that the value of the Fund's shares will be more volatile than a fund that invests exclusively in large-capitalization companies.

Foreign Securities and Emerging Markets Risk. The Portfolio Funds may have significant investments in foreign securities. Foreign securities involve investment risks different from those associated with domestic securities. Changes in foreign economies and political climates are more likely to affect the Fund than a Portfolio Fund that invests exclusively in domestic securities. The value of foreign currency denominated securities or foreign currency contracts is affected by the value of the local currency relative to the U.S. dollar. There may be less government supervision of foreign markets, resulting in non-uniform accounting practices and less publicly available information about issuers of foreign currency denominated securities. The value of foreign investments may be affected by changes in exchange control regulations, application of foreign tax laws (including withholding tax), changes in governmental administration or economic or monetary policy (in this country or abroad), or changed circumstances in dealings between nations. In addition, foreign brokerage commissions, custody fees, and other costs of investing in foreign securities are generally higher than in the United States. Investments in foreign issues could be affected by other factors not present in the United States, including expropriation, armed conflict, confiscatory taxation, and potential difficulties in enforcing contractual obligations.

Deleted: Foreign securities risk entails risk relating to political, social and economic developments abroad and differences between U.S. and foreign regulatory requirements and market practices, including less government supervision and regulation of foreign exchanges, brokers and issuers than in the U.S. Securities that are denominated in foreign currencies are subject to the further risk that the value of the foreign currency will fall in relation to the U.S. dollar and/or will be affected by volatile currency markets or actions of U.S. and foreign governments or central banks. Also, foreign issuers are not necessarily subject to uniform accounting, auditing and financial reporting standards, practices, and requirements comparable to those applicable to domestic issuers and, as a result, there may be less publicly available information on such foreign issuers than is available from a domestic issuer

Derivatives Risk. The Fund and the Portfolio Funds held by the Fund may use derivative instruments, which derive their value from the value of an underlying security, currency, or index. Derivative instruments involve risks different from direct investments in the underlying assets, including: imperfect correlation between the value of the derivative instrument and the underlying assets; risks of default by the other party to the derivative instrument; risks that the transactions may result in losses of all or in excess of any gain in the portfolio positions; and risks that the transactions may not be liquid.

Short Sales Risk. While the Fund will not short individual securities, the Portfolio Funds held by the Fund may sell securities short. A short sale is a transaction in which the Portfolio Fund sells a security it does not own but has borrowed in anticipation that the market price of the security will decline. The Portfolio Fund must replace the borrowed security by purchasing it at the market price at the time of replacement, which may be more or less than the price at which the Portfolio Fund sold the security.

Leverage Risk. While the Fund will not utilize leverage (i.e., borrowing) when making investments, the Portfolio Funds held by the Fund may utilize leverage to acquire their underlying portfolio investments. The use of leverage may exaggerate changes in a Portfolio Fund's share price and the return on its investments. Accordingly, the value of the Fund's investments in Portfolio Funds may be more volatile and all other risks, including the risk of loss of an investment, tend to be compounded or magnified. Any losses suffered by a Portfolio Fund as a result of the use of leverage could adversely

affect the Fund's net asset value and an investor could incur a loss in their investment in the Fund. Borrowing also leads to additional interest expense and other fees that increase the Portfolio Fund's expenses.

Sector Risk. Sector risk is the possibility that securities within the same group of industries will decline in price due to sector-specific market or economic developments. If the Portfolio Funds invest more heavily in a particular sector, the value of its shares may be especially sensitive to factors and economic risks that specifically affect that sector. As a result, the Portfolio Fund's share price may fluctuate more widely than the value of shares of a mutual fund that invests in a broader range of industries. Additionally, some sectors could be subject to greater government regulation than other sectors. Therefore, changes in regulatory policies for those sectors may have a material effect on the value of securities issued by companies in those sectors.

Portfolio Turnover Risk. The Advisor will sell Portfolio Funds when it is in the interests of the Fund and its shareholders to do so without regard to the length of time they have been held. As portfolio turnover may involve paying brokerage commissions and other transaction costs, there could be additional expenses for the Fund. High rates of portfolio turnover may also result in the realization of short-term capital gains and losses. Any distributions resulting from such gains will be considered ordinary income for federal income tax purposes. Under normal circumstances, the anticipated portfolio turnover rate for the Fund is expected to be greater than 100%.

Investment Advisor Risk. The Advisor's ability to choose suitable investments has a significant impact on the ability of the Fund to achieve its investment objectives. The portfolio managers' experience is discussed in the section of this prospectus entitled "Management of the Funds – Investment Advisor."

Operating Risk. The Fund's administrator and Advisor have entered into an Operating Plan that facilitates the administrator's assumption of the Fund's regular operating expenses under the Fund Accounting and Administration Agreement. The Operating Plan obligates the Advisor to pay certain expenses of the Fund in order to help limit its annual operating expenses. If the Advisor, however, does not have sufficient revenue to support those expenses, the Advisor may be compelled to either resign or become insolvent. In addition, if the Fund incurs expenses in excess of those that the administrator has agreed to pay and the Advisor is not able or willing to pay the excess costs, those excess costs will increase the Fund's expenses.

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Deleted: The Portfolio Funds may also invest in emerging markets, which are markets of countries in the initial stages of industrialization and generally have low per capital income. In addition to the risks of foreign securities in general, countries in emerging markets are generally more volatile and can have relatively unstable governments, social and legal systems that do not protect shareholders, economies based on only a few industries, and securities markets that trade a small number of issues which could reduce liquidity.¶

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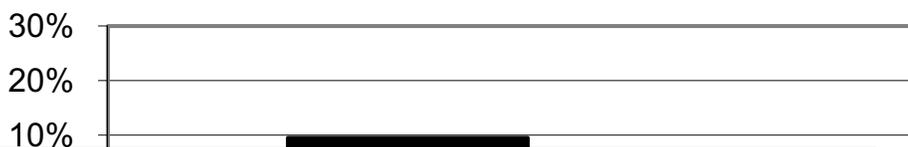
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PERFORMANCE INFORMATION

The bar chart and table shown below provide an indication of the risks of investing in the Fund by showing changes in the Fund's Institutional Class Shares performance from year to year and by showing how the Fund's Institutional Class Shares average annual total returns compare to that of a broad-based securities market index. The annual returns for the Advisor Class Shares are expected to be substantially similar to the annual returns of the Institutional Class Shares because they are invested in the same portfolio of securities and the annual returns would differ only to the extent that the Advisor Class Shares have a 12b-1 fee. The Fund's past performance is not necessarily an indication of how the Fund will

perform in the future. Updated information on the Fund's results can be obtained by visiting _____ for the Institutional Class Shares and by visiting _____ for the Advisor Class Shares.

Institutional Class Year to Year Total Returns



| Quarterly Returns During This Time Period | | |
|---|--------------------|---|
| Highest return for a quarter | 8.93 % | Quarter ended December 31, 2010 |
| Lowest return for a quarter | 12.80 % | Quarter ended September 30, 2011 |
| Year-to-date return as of most recent quarter | 8.00 % | Quarter ended March 31, 2012 |

| Average Annual Total Returns Periods Ended December 31, 2011 | Past 1 Year | Since Inception 10/2/09 |
|--|-------------------|-------------------------------|
| Institutional Class Shares | | |
| Before taxes | 3.87 % | 3.29 % |
| After taxes on distributions | 8.24 % | 1.16 % |
| After taxes on distributions and sale of shares | 2.53 % | 1.60 % |
| S&P 500 Total Return Index (reflects no deductions for fees and expenses) | 2.11 % | 11.79 % |

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After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown and are not applicable to investors who hold Fund shares through tax-deferred arrangements such as a 401(k) plan or an individual retirement account (IRA). After-tax returns are shown for only one class of shares and after-tax returns will vary for other classes.

MANAGEMENT

Investment Advisor. The Fund's investment advisor is FolioMetrix, LLC.

Portfolio Managers. The Fund's portfolio managers are Greg Rutherford, Steven Wruble, Chase Weaver, and Gerry Campbell. Mr. Rutherford is Chief Investment Officer

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- Deleted:** will be managed on a day-to-day basis by D. Jerry Murphey
- Deleted:** Murphey founded the Advisor in 2009, and has been its President and
- Deleted:** Executive

and Managing Director of the Advisor. Mr. Wruble and Mr. Weaver are Senior Analysts and Ms. Campbell is a Senior Research Analyst.

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Deleted: PURCHASE AND SALE OF FUND SHARES¶

You can purchase Fund shares directly from the Fund by mail or bank wire.

Moved down [11]: The minimum initial investment is \$1,000 and the minimum subsequent investment is \$100, although the minimums may be waived or reduced in some cases.

Deleted: Purchase orders by mail should be sent to FMX Growth Allocation Fund, Institutional Class Shares or Advisor Class Shares (please specify), c/o Nottingham Shareholder Services, Post Office Box 4365, Rocky Mount, North Carolina 27803-0365. Please call the Fund at 1-800-773-3863 to receive wire instructions for bank wire orders. Investors who wish to purchase Fund shares through a broker-dealer should contact the broker-dealer directly.¶
You can redeem Fund shares directly from the Fund by mail, facsimile, telephone, and bank wire. Redemption orders by mail should be sent to FMX Growth Allocation Fund, Institutional Class Shares or Advisor Class Shares (please specify), c/o Nottingham Shareholder Services, Post Office Box 4365, Rocky Mount, North Carolina 27803-0365. Redemption orders by facsimile should be transmitted to 252-972-1908. Please call the Fund at 1-800-773-3863 to conduct telephone transactions or to receive wire instructions for bank wire orders. Investors who wish to redeem Fund shares through a broker-dealer should contact the broker-dealer directly.¶

TAX INFORMATION¶

The Fund's distributions will generally be taxed to you as ordinary income or capital gains, unless you are investing through a tax deferred arrangement, such as a 401(k) plan or an individual retirement account.

Moved down [12]: Distributions on investments made through tax deferred vehicles, such as 401(k) plans or IRAs, may be taxed later upon withdrawal of assets from those accounts.¶

FINANCIAL INTERMEDIARY COMPENSATION¶

Deleted: If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.¶

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ISM DYNAMIC FIXED INCOME FUND

INVESTMENT OBJECTIVES

The ISM Dynamic Fixed Income Fund (formerly known as the FMX Total Return Fund) seeks total return through a combination of capital appreciation and current income.

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FEES AND EXPENSES OF THE FUND

These tables describe the fees and expenses that you may pay if you buy and hold shares of the Fund:

Shareholder Fees

(fees paid directly from your investment)

| | Institutional | Advisor |
|--|---------------|---------|
| Maximum Sales Charge (Load) Imposed On Purchases (as a % of offering price) | None | None |
| Maximum Deferred Sales Charge (Load) (as a % of the lesser of amount purchased or redeemed) | None | 1.00% |
| Redemption Fee (as a % of amount redeemed) | None | None |
| Exchange Fee | None | None |

Annual Fund Operating Expenses¹

(expenses that you pay each year as a percentage of the value of your investment)

Deleted: Expenses

| | Institutional | Advisor |
|---|---------------|--------------|
| Management Fees | 0.45% | 0.45% |
| Distribution and/or Service (12b-1) Fees | None | 1.00% |
| Other Expenses | 0.70% | 0.70% |
| Acquired Fund Fees and Expenses ² | 0.71% | 0.71% |
| Total Annual Fund Operating Expenses | 1.86% | 2.86% |
| Fee Waiver and/or Expense Limitation ³ | 3.57% | 3.57% |
| Net Annual Fund Operating Expenses | 1.41% | 2.41% |

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1. The expense information in the table has been restated to reflect current fees rather than the fees in effect during the previous fiscal year.

2. "Acquired Fund" means any investment company in which the Fund invests or has invested during the previous fiscal year. The "Total Annual Fund Operating Expenses" and "Net Annual Fund Operating Expenses" will not match the Fund's gross and net expense ratios reported in the Financial Highlights from the Fund's financial statements, which reflect the operating expenses of the Fund and do not include Acquired Fund Fees and Expenses.

Deleted: shown in this table do not correlate to the expense ratio shown in

Deleted: because that ratio does not

3. The Fund's administrator has entered into a Fund Accounting and Administration Agreement with the Fund that runs through October 1, 2013. The agreement can only be terminated prior to that date at the discretion of the Fund's Board of Trustees. The Administrator receives payments under the agreement at a maximum annual rate of 0.70%. In conjunction with the Fund Accounting and Administration Agreement, the Advisor has entered into an Operating Plan with the Administrator, also through October 1, 2013, under which it has agreed to make payments to the administrator when the Fund is at lower asset levels and assume certain expenses of the Administrator to the extent the Fund's operating expenses exceed 0.70% of the average daily net assets, exclusive of distribution and/or service (12b-1) fees, acquired fund fees and expenses, and extraordinary expenses. The Operating Plan can only be terminated prior to the conclusion of the current term with the approval of the Fund's Board of Trustees. The Advisor cannot recoup from the Fund any amounts paid under the Operating Plan. The advisory fee payable to the Advisor increases with the Fund's asset size: the minimum annual rate is 0.00% on average daily net assets under \$13 million and gradually increases to a maximum annual rate of 0.45% on average daily net assets of \$23 million or more. For the most recent fiscal year ended May 31, 2011, the Advisor received no compensation for its services to the Fund.

Example: This example shows you the expenses you may pay over time by investing in the Fund. Since all mutual funds use the same hypothetical conditions, this example should help you compare the costs of investing in the Fund versus other mutual funds. The example assumes the following conditions:

- You invest \$10,000 in the Fund for the periods shown;
- You reinvest all dividends and distributions;
- You redeem all of your shares at the end of those periods;
- You earn a 5% return each year; and
- The Fund's operating expenses remain the same.

Although your actual costs may be higher or lower, the following table shows you what your costs may be under the conditions listed above.

| Class | 1 Year | 3 Years | 5 Years | 10 Years |
|---------------|--------|---------|---------|----------|
| Institutional | \$144 | \$541 | \$964 | \$2,143 |
| Advisor | \$347 | \$844 | \$1,469 | \$3,154 |

You would pay the following expenses if you did not redeem your shares:

| Class | 1 Year | 3 Years | 5 Years | 10 Years |
|---------------|--------|---------|---------|----------|
| Institutional | \$144 | \$541 | \$964 | \$2,143 |
| Advisor | \$244 | \$844 | \$1,469 | \$3,154 |

Portfolio Turnover. The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund

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operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 218.16% of the average value of its portfolio.

PRINCIPAL INVESTMENT STRATEGIES

The Fund's investment advisor, FolioMetrix, LLC (the "Advisor"), seeks to achieve the Fund's investment objective by investing primarily in no-load, institutional, and exchange-traded funds ("Portfolio Funds"). Although the Fund primarily invests in Portfolio Funds with no sales related expenses or very low sales related expenses, the Fund is not precluded from investing in Portfolio Funds with sales-related expenses, redemption fees, and/or service fees in excess of 0.25%. The Fund will invest primarily in Portfolio Funds that have an investment objective similar to the Fund's or that are otherwise permitted investments under the Fund's investment policies.

The Fund will invest primarily in Portfolio Funds that have an investment objective similar to the Fund's or that are otherwise permitted investments under the Fund's investment policies. The Portfolio Funds' investments will generally include, but are not limited to, fixed income securities such as bonds, corporate debt securities, convertible securities, TIPS, and other treasuries. Under normal circumstances, at least 80% of the Fund's net assets, plus borrowings for investment purposes, will be invested in Portfolio Funds that hold fixed income securities. Shareholders will be provided with at least 60 days' prior notice of any change in this policy. Any borrowing by the Fund will be subject to the limitations set forth in the Investment Company Act of 1940 and relevant interpretive positions of the staff of the Securities and Exchange Commission.

Deleted: For the Fund, the Portfolio Funds' investments generally will include, but are not limited to, fixed income securities (such as bonds, corporate debt securities, convertible securities, TIPS and other treasuries).

The Advisor uses a proprietary screening process to select Portfolio Funds for investment. The screening process includes analysis of sector and asset allocations, total returns, and risk data. The Advisor will seek to construct portfolios that achieve the Fund's investment objective while assuming risk that is no greater than the Barclays Capital U.S. Aggregate Bond Index. The Advisor will generally sell a Portfolio Fund when a more attractive investment opportunity is identified or the Fund's portfolio needs to be rebalanced.

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The Fund may buy or sell options, futures contracts, and other derivative instruments as a substitute for taking a direct position in the underlying asset or as part of a strategy that is intended to reduce the exposure of the Fund to various risks. To the extent that the Fund invests in options, futures, or similar investments, the Fund will comply with the applicable requirements of the Investment Company Act of 1940, including, but not limited to, Section 18 thereof and relevant interpretive positions of the staff of the Securities and Exchange Commission regarding the use of such instruments.

PRINCIPAL RISKS OF INVESTING IN THE FUND

The loss of your money is a principal risk of investing in the Fund. Investments in the Fund are subject to investment risks, including the possible loss of some or the entire principal amount invested. There can be no assurance that the Fund will be successful in

meeting its investment objective. Generally, the Fund will be subject to the following principal risks:

Risks related to “Fund of Funds” structure. The Fund is a “fund of funds.” The term “fund of funds” is typically used to describe investment companies, such as the Fund, whose primary investment strategy involves investing in other investment companies, such as mutual funds and ETFs. Investments in other investment companies subject the Fund to additional operating and management fees and expenses. For example, investors in the Fund will indirectly bear fees and expenses charged by the mutual funds and ETFs in which the Fund invests, in addition to the Fund’s direct fees and expenses. Furthermore, the use of a fund of funds structure could affect the timing, amount, and character of distributions and therefore may increase the amount of taxes payable by you.

Management Style Risk. Different types of securities tend to shift into and out of favor with investors depending on market and economic conditions. The returns from the types of Portfolio Funds purchased by the Fund (growth, value, etc.) may at times be better or worse than the returns from other types of funds. Each type of investment tends to go through cycles of performing better or worse than the market in general. The performance of the Fund may thus be better or worse than the performance of funds that focus on other types of investments, or that have a broader investment style.

Control of Portfolio Funds. Although the Fund and the Advisor will evaluate regularly each Portfolio Fund to determine whether such Portfolio Fund’s investment program is consistent with the Fund’s investment objective, the Advisor will not have any control over the investments made by a Portfolio Fund. Even though each Portfolio Fund is subject to certain constraints, the investment advisor to each such Portfolio Fund may change aspects of their investment strategies at any time. The Advisor will not have the ability to control or otherwise influence the composition of the investment portfolio of any Portfolio Fund.

Market Risk. Market risk refers to the possibility that the value of securities held by the Fund may decline due to daily fluctuations in the market. Market prices for securities change daily as a result of many factors, including developments affecting the condition of both individual companies and the market in general. The price of a security may even be affected by factors unrelated to the value or condition of its issuer, such as changes in interest rates, economic and political conditions, and general market conditions. The Fund’s performance per share will change daily in response to such factors.

Fixed Income Risk. Since the Portfolio Funds in which the Fund will invest holds fixed income securities, the Fund will be subject to the risks associated with investing in fixed income securities. The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers. Generally, fixed income securities will decrease in value if interest rates rise and vice versa, and the volatility of lower-rated securities is even greater than that of higher-rated securities. Also, longer-term securities are generally more volatile, so the average maturity or duration of these securities affects

Deleted: Market risk. Market risk refers to the possibility that the value of securities held by the Fund may decline due to daily fluctuations in the securities markets. Stock prices change daily as a result of many factors, including developments affecting the condition of both individual companies and the market in general. The price of a stock may even be affected by factors unrelated to the value or condition of its issuer, such as changes in interest rates, national and international economic and/or political conditions and general equity market conditions. In a declining stock market, prices for all companies (including those in the Fund’s portfolio) may decline regardless of their long-term prospects. The Fund’s performance per share will change daily in response to such factors.¶

Moved down [13]: Sector Risk. Sector risk is the possibility that securities within the same group of industries will decline in price due to sector-specific market or economic developments. If the Portfolio Funds invest more heavily in a particular sector, the value of its shares may be especially sensitive to factors and economic risks that specifically affect that sector. As a result, the Portfolio Fund’s share price may fluctuate more widely than the value of shares of a mutual fund that invests in a broader range of industries. Additionally, some sectors could be subject to greater government regulation than other sectors. Therefore, changes in regulatory policies for those sectors may have a material effect on the value of securities issued by companies in those sectors. ¶
Portfolio Turnover Risk.

Deleted: The Advisor will sell portfolio securities

Moved down [14]: when it is in the interests of the Fund and its shareholders to do so without regard to the length of time they have been held. As portfolio turnover may involve paying brokerage commissions and other transaction costs, there could be additional expenses for the Fund. High rates of portfolio turnover may also result in the realization of short-term capital gains and losses. Any distributions resulting from such gains will be considered ordinary income for federal income tax purposes. Under normal circumstances, the ... [17]

Deleted: Under the Investment Company Act of 1940, the Fund may not acquire shares of another investment company if, immediately after acquisition, the Fund and their affiliated persons will hold more than 3% of the investment company’s outstanding shares unless the Fund or the in ... [16]

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risk. Credit risk is the possibility that an issuer will fail to make timely payments of interest or principal or go bankrupt. The lower the rating of a debt security, the greater its risks. In addition, these risks are often magnified for junk bonds, or other securities rated below investment grade, and adverse changes in economic conditions or market perception are likely to cause issuers of these securities to be unable to meet their obligations to repay principal and interest to investors.

Interest Rate and Credit Risk. Interest rates may rise resulting in a decrease in the value of the fixed income securities held by the Portfolio Funds or may fall resulting in an increase in the value of such securities. Fixed income securities with longer maturities generally involve greater risk than those with shorter maturities. Issuers of fixed income securities might be unable to make principal and interest payments when due.

Inflation Risk. Fixed income securities are subject to inflation risk. Because inflation reduces the purchasing power of income produced by existing fixed income securities, the prices at which fixed income securities trade will be reduced to compensate for the fact that the income they produce is worth less. This potential decrease in market value of fixed income securities would result in a loss in the value of the Fund's portfolio.

High-Yield Risk. Portfolio Funds may invest in junk bonds and other fixed income securities that are rated below investment grade. Securities in this rating category are speculative. Changes in economic conditions or other circumstances may have a greater effect on the ability of issuers of these securities to make principal and interest payments than they do on issuers of higher grade securities. The additional risks of these types of investments include an increased possibility of default, illiquidity of the security and changes in value based on public perception of the issuer. Additionally, these instruments are generally unsecured and may be subordinated to other creditor's claims.

Risks of Investing in Corporate Debt Securities. Portfolio Funds may invest in corporate debt securities. Corporate debt securities are fixed income securities issued by businesses. Notes, bonds, debentures, and commercial paper are the most prevalent types of corporate debt securities. The credit risks of corporate debt securities vary widely among issuers. In addition, the credit risk of an issuer's debt security may vary based on its priority for repayment. For example, higher ranking (senior) debt securities have a higher priority than lower ranking (subordinated) securities. This means that the issuer might not make payments on subordinated securities while continuing to make payments on senior securities. In addition, in the event of bankruptcy, holders of senior securities may receive amounts otherwise payable to the holders of subordinated securities. Some subordinated securities, such as trust preferred and capital securities notes, also permit the issuer to defer payments under certain circumstances. For example, insurance companies issue securities known as surplus notes that permit the insurance company to defer any payment that would reduce its capital below regulatory requirements.

Risks of Investing in Convertible Securities. Convertible securities are fixed income securities that a Portfolio Fund has the option to exchange for equity securities at a specified conversion price. The option allows the Portfolio Fund to realize additional returns if the market price of the equity securities exceeds the conversion price. For

Moved up [10]: Investment Advisor Risk. The Advisor's ability to choose suitable investments has a significant impact on the ability of the Fund to achieve its investment objectives.

Deleted: The Advisor was formed in 2009 and is registered as an investment adviser with the SEC. However, the Advisor does not have previous experience managing an investment company registered under the Investment Company Act of 1940. Accordingly, investors in the Fund bear the risk that the Advisor's inexperience managing registered investment company may limit its effectiveness. The experience of the portfolio managers is discussed in "Management of the Fund – Investment Advisor."¶

Operating Risk. The Administrator and Advisor have entered into an Operating Plan that facilitates the Administrator's assumption of the Fund's regular operating expenses under the Fund Accounting and Administration Agreement.

Moved down [15]: The Operating Plan obligates the Advisor to pay certain expenses of the Fund in order to help limit its annual operating expenses. If the Advisor, however, does not have sufficient revenue to support those expenses, the Advisor may be compelled to either resign or become insolvent.

Deleted: In addition, if the Fund incurs expenses in excess of those that the Administrator has agreed to pay and the Advisor is not able or willing to pay the excess costs, those excess costs will increase the Fund's expenses.¶

New Fund Risk. The Fund was formed in 2009.

Moved down [16]: Accordingly, investors in the Fund bear the risk that the Fund may not be successful in implementing its investment strategy, may not employ a successful investment strategy, or may fail to attract sufficient assets under management to realize economies of scale, any of which could result in the Fund being liquidated at any time without shareholder approval and a ... [18]

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Moved up [17]: Inflation Risk. Fixed income securities are subject to inflation risk. Because inflation reduces the purchasing power of income produced by existing fixed income securities, the prices at which fixed income securities trade ... [19]

Deleted: This potential decrease in market value of fixed income securities would result in a loss in the value of the Fund's portfolio.¶

example, the Portfolio Fund may hold fixed income securities that are convertible into shares of common stock at a conversion price of \$10 per share. If the market value of the shares of common stock reached \$12, the Portfolio Fund could realize an additional \$2 per share by converting its fixed income securities. Convertible securities have lower yields than comparable fixed income securities. In addition, at the time a convertible security is issued the conversion price exceeds the market value of the underlying equity securities. Thus, convertible securities may provide lower returns than non-convertible fixed income securities or equity securities depending upon changes in the price of the underlying equity securities. However, convertible securities permit the Portfolio Fund to realize some of the potential appreciation of the underlying equity securities with less risk of losing its initial investment.

Deleted: ¶

Moved down [18]: Convertible securities have lower yields than comparable fixed income securities.

Risks of Investing in TIPS. The Fund is subject to certain risks to the extent that the Portfolio Funds invest in Treasury Inflation-Protected Securities (TIPS). TIPS are special types of treasury bonds that were created in order to offer bond investors protection from inflation. The values of TIPS are automatically adjusted to the inflation rate as measured by the Consumer Price Index (CPI). With inflation (a rise in the CPI), the principal increases; with a deflation (a drop in the CPI), the principal decreases. When TIPS mature, you are paid the adjusted principal or original principal, whichever is greater. TIPS decline in value when real interest rates rise. However, in certain interest rate environments, such as when real interest rates are rising faster than nominal interest rates, TIPS may experience greater losses than other fixed income securities with similar duration.

Foreign Securities and Emerging Markets Risk. The Portfolio Funds may have significant investments in foreign securities. Foreign securities involve investment risks different from those associated with domestic securities. Changes in foreign economies and political climates are more likely to affect the Fund than a Portfolio Fund that invests exclusively in domestic securities. The value of foreign currency denominated securities or foreign currency contracts is affected by the value of the local currency relative to the U.S. dollar. There may be less government supervision of foreign markets, resulting in non-uniform accounting practices and less publicly available information about issuers of foreign currency denominated securities. The value of foreign investments may be affected by changes in exchange control regulations, application of foreign tax laws (including withholding tax), changes in governmental administration or economic or monetary policy (in this country or abroad), or changed circumstances in dealings between nations. In addition, foreign brokerage commissions, custody fees, and other costs of investing in foreign securities are generally higher than in the United States. Investments in foreign issues could be affected by other factors not present in the United States, including expropriation, armed conflict, confiscatory taxation, and potential difficulties in enforcing contractual obligations.

Derivatives Risk. The Fund and the Portfolio Funds held by the Fund may use derivative instruments, which derive their value from the value of an underlying security, currency, or index. Derivative instruments involve risks different from direct investments in the underlying assets, including: imperfect correlation between the value of the derivative instrument and the underlying assets; risks of default by the other party

to the derivative instrument; risks that the transactions may result in losses of all or in excess of any gain in the portfolio positions; and risks that the transactions may not be liquid.

Short Sales Risk. While the Fund will not short individual securities, the Portfolio Funds held by the Fund may sell securities short. A short sale is a transaction in which the Portfolio Fund sells a security it does not own but has borrowed in anticipation that the market price of the security will decline. The Portfolio Fund must replace the borrowed security by purchasing it at the market price at the time of replacement, which may be more or less than the price at which the Portfolio Fund sold the security.

Leverage Risk. While the Fund will not utilize leverage (i.e., borrowing) when making investments, the Portfolio Funds held by the Fund may utilize leverage to acquire their underlying portfolio investments. The use of leverage may exaggerate changes in a Portfolio Fund's share price and the return on its investments. Accordingly, the value of the Fund's investments in Portfolio Funds may be more volatile and all other risks, including the risk of loss of an investment, tend to be compounded or magnified. Any losses suffered by a Portfolio Fund as a result of the use of leverage could adversely affect the Fund's net asset value and an investor could incur a loss in their investment in the Fund. Borrowing also leads to additional interest expense and other fees that increase the Portfolio Fund's expenses.

Sector Risk. Sector risk is the possibility that securities within the same group of industries will decline in price due to sector-specific market or economic developments. If the Portfolio Funds invest more heavily in a particular sector, the value of its shares may be especially sensitive to factors and economic risks that specifically affect that sector. As a result, the Portfolio Fund's share price may fluctuate more widely than the value of shares of a mutual fund that invests in a broader range of industries. Additionally, some sectors could be subject to greater government regulation than other sectors. Therefore, changes in regulatory policies for those sectors may have a material effect on the value of securities issued by companies in those sectors.

Portfolio Turnover Risk. The Advisor will sell Portfolio Funds when it is in the interests of the Fund and its shareholders to do so without regard to the length of time they have been held. As portfolio turnover may involve paying brokerage commissions and other transaction costs, there could be additional expenses for the Fund. High rates of portfolio turnover may also result in the realization of short-term capital gains and losses. Any distributions resulting from such gains will be considered ordinary income for federal income tax purposes. Under normal circumstances, the anticipated portfolio turnover rate for the Fund is expected to be greater than 100%.

Investment Advisor Risk. The Advisor's ability to choose suitable investments has a significant impact on the ability of the Fund to achieve its investment objectives. The portfolio managers' experience is discussed in the section of this prospectus entitled "Management of the Funds – Investment Advisor."

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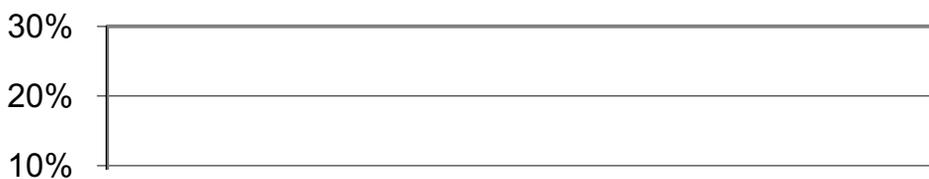
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Operating Risk. The Fund’s administrator and Advisor have entered into an Operating Plan that facilitates the administrator’s assumption of the Fund’s regular operating expenses under the Fund Accounting and Administration Agreement. The Operating Plan obligates the Advisor to pay certain expenses of the Fund in order to help limit its annual operating expenses. If the Advisor, however, does not have sufficient revenue to support those expenses, the Advisor may be compelled to either resign or become insolvent. In addition, if the Fund incurs expenses in excess of those that the administrator has agreed to pay and the Advisor is not able or willing to pay the excess costs, those excess costs will increase the Fund’s expenses.

PERFORMANCE INFORMATION

The bar chart and table shown below provide an indication of the risks of investing in the Fund by showing changes in the Fund’s Institutional Class Shares performance from year to year and by showing how the Fund’s Institutional Class Shares average annual total returns compare to that of a broad-based securities market index. The annual returns for the Advisor Class Shares are expected to be substantially similar to the annual returns of the Institutional Class Shares because they are invested in the same portfolio of securities and the annual returns would differ only to the extent that the Advisor Class Shares have a 12b-1 fee. The Fund’s past performance is not necessarily an indication of how the Fund will perform in the future. Updated information on the Fund’s results can be obtained by visiting _____ for the Institutional Class Shares and by visiting _____ for the Advisor Class Shares.

**Institutional Class
Year to Year Total Returns**



| Quarterly Returns During This Time Period | | |
|---|--------------------|---|
| Highest return for a quarter | -1.61 % | Quarter ended June 30, 2010 |
| Lowest return for a quarter | -1.37 % | Quarter ended September 30, 2011 |
| Year-to-date return as of most recent quarter | -1.91 % | Quarter ended March 31, 2012 |

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| <u>Average Annual Total Returns</u> <u>Periods Ended December 31, 2011</u> | <u>Past 1</u> <u>Year</u> | <u>Since</u> <u>Inception</u> <u>10/2/09</u> |
|--|------------------------------|--|
| <u>Institutional Class Shares</u> | | |
| <u>Before taxes</u> | <u>0.75 %</u> | <u>1.64 %</u> |
| <u>After taxes on distributions</u> | <u>0.21 %</u> | <u>0.97 %</u> |
| <u>After taxes on distributions and sale of shares</u> | <u>0.49 %</u> | <u>1.01 %</u> |
| <u>Barclays Capital U.S. Aggregate Bond Index</u> <u>(reflects no deductions for fees and expenses)</u> | <u>7.84 %</u> | <u>6.35 %</u> |

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Average Annual Total Returns
Periods Ended December 31, 2010 ... [20]

After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown and are not applicable to investors who hold Fund shares through tax-deferred arrangements such as a 401(k) plan or an individual retirement account (IRA). After-tax returns are shown for only one class of shares and after-tax returns will vary for other classes.

MANAGEMENT

Investment Advisor. The Fund's investment advisor is FolioMetrix, LLC.

Portfolio Managers. The Fund's portfolio managers are Greg Rutherford, Steven Wruble, and Chase Weaver. Mr. Rutherford is Chief Investment Officer and Managing Director of the Advisor, Mr. Wruble and Mr. Weaver are Senior Analysts.

- Deleted:** OF THE FUND'S PORTFOLIO
- Deleted:** will be managed on a day-to-day basis by D. Jerry Murphey
- Deleted:** Murphey founded
- Deleted:** in 2009, and

ISM NON TRADITIONAL FUND

INVESTMENT OBJECTIVES

The ISM Non Traditional Fund seeks to achieve total return through a combination of capital appreciation and current income.

FEES AND EXPENSES OF THE FUND

These tables describe the fees and expenses that you may pay if you buy and hold shares of the Fund:

Shareholder Fees

(fees paid directly from your investment)

| | <u>Institutional</u> | <u>Advisor</u> |
|--|-----------------------------|-----------------------|
| <u>Maximum Sales Charge (Load) Imposed On Purchases</u> <u>(as a % of offering price)</u> | <u>None</u> | <u>None</u> |
| <u>Maximum Deferred Sales Charge (Load)</u> <u>(as a % of the lesser of amount purchased or redeemed)</u> | <u>None</u> | <u>1.00%</u> |
| <u>Redemption Fee</u> <u>(as a % of amount redeemed)</u> | <u>None</u> | <u>None</u> |
| <u>Exchange Fee</u> | <u>None</u> | <u>None</u> |

Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

| | <u>Institutional</u> | <u>Advisor</u> |
|---|-----------------------------|-----------------------|
| <u>Management Fees</u> | <u>0.45%</u> | <u>0.45%</u> |
| <u>Distribution and/or Service (12b-1) Fees</u> | <u>None</u> | <u>1.00%</u> |
| <u>Other Expenses¹</u> | <u>0.70%</u> | <u>0.70%</u> |
| <u>Acquired Fund Fees and Expenses²</u> | <u>2.17%</u> | <u>2.17%</u> |
| <u>Total Annual Fund Operating Expenses</u> | <u>3.32%</u> | <u>4.32%</u> |
| <u>Fee Waiver and/or Expense Limitation³</u> | <u>0.45%</u> | <u>0.45%</u> |
| <u>Net Annual Fund Operating Expenses</u> | <u>2.87%</u> | <u>3.87%</u> |

1. Since the Fund is newly organized, "Other Expenses" are based on estimated expenses for the current fiscal year.

2. "Acquired Fund" means any investment company in which the Fund invests or has invested during the period. Since the Fund is newly organized, "Acquired Fund Fees and Expenses" are based on estimated expenses for the current fiscal year. The "Total Annual Fund Operating Expenses" and "Net Annual Fund Operating Expenses" will not match the Fund's gross and net expense ratios reported in the Financial Highlights from the Fund's financial statements, which

will reflect the operating expenses of the Fund and do not include Acquired Fund Fees and Expenses.

3. The Fund's administrator has entered into a Fund Accounting and Administration Agreement with the Fund that covers the regular operating expenses of the Fund for an inclusive fee of 0.25% (with the exception of management fees, distribution and/or service (12b-1) fees, acquired fund fees and expenses, and extraordinary expenses), even if such operating expenses exceed the inclusive fee. The agreement runs through October 1, 2013 and can only be terminated prior to that date at the discretion of the Fund's Board of Trustees. The Fund's administrator cannot recoup from the Fund any regular operating expenses in excess of the inclusive fee. In conjunction with the Fund Accounting and Administration Agreement, the Advisor has entered into an Operating Plan with the Fund's administrator, also through October 1, 2013 under which it has agreed to make payments to the administrator when the Fund is at lower asset levels and to assume certain expenses of the Fund outlined in the Operating Plan. The Operating Plan can only be terminated prior to the conclusion of the current term with the approval of the Fund's Board of Trustees. The Advisor cannot recoup from the Fund any amounts paid under the Operating Plan.

Example: This example shows you the expenses you may pay over time by investing in the Fund. Since all mutual funds use the same hypothetical conditions, this example should help you compare the costs of investing in the Fund versus other mutual funds. The example assumes the following conditions:

- You invest \$10,000 in the Fund for the periods shown;
- You reinvest all dividends and distributions;
- You redeem all of your shares at the end of those periods;
- You earn a 5% return each year; and
- The Fund's operating expenses remain the same.

Although your actual costs may be higher or lower, the following table shows you what your costs may be under the conditions listed above.

| <u>Class</u> | <u>1 Year</u> | <u>3 Years</u> |
|----------------------|---------------|----------------|
| <u>Institutional</u> | <u>\$290</u> | <u>\$980</u> |
| <u>Advisor</u> | <u>\$490</u> | <u>\$1,269</u> |

You would pay the following expenses if you did not redeem your shares:

| <u>Class</u> | <u>1 Year</u> | <u>3 Years</u> |
|----------------------|---------------|----------------|
| <u>Institutional</u> | <u>\$290</u> | <u>\$980</u> |
| <u>Advisor</u> | <u>\$389</u> | <u>\$1,269</u> |

Portfolio Turnover. The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance.

PRINCIPAL INVESTMENT STRATEGIES

The Fund's investment advisor, FolioMetrix, LLC (the "Advisor"), seeks to achieve the Fund's investment objective by investing primarily in no-load, institutional, and exchange-traded funds ("Portfolio Funds"). Although the Fund primarily invests in Portfolio Funds with no sales related expenses or very low sales related expenses, the Fund is not precluded from investing in Portfolio Funds with sales-related expenses, redemption fees, and/or service fees in excess of 0.25%.

The Fund will invest primarily in Portfolio Funds that have an investment objective similar to the Fund's or that are otherwise permitted investments under the Fund's investment policies. The Portfolio Funds will generally utilize alternative, or non-traditional, investment strategies and asset classes. Such strategies include, for example, long/short and market neutral strategies.

The Advisor uses a proprietary screening process to select Portfolio Funds for investment. The screening process includes analysis of the management team, historical statistics, and risk data. The Advisor will seek to construct portfolios that achieve the Fund's investment objective while providing a low correlation with global equity markets as measured by the S&P Global Broad Market Index. The Advisor will generally sell a Portfolio Fund when a more attractive investment opportunity is identified or the Fund's portfolio needs to be rebalanced. The Advisor also may sell a Portfolio Fund if there has been a change in management or unexplained deviation in strategy.

Deleted: its President and Chief Executive Officer since inception.

The Fund may buy or sell options, futures contracts, and other derivative instruments as a substitute for taking a direct position in the underlying asset or as part of a strategy that is intended to reduce the exposure of the Fund to various risks. To the extent that the Fund invests in options, futures, or similar investments, the Fund will comply with the applicable requirements of the Investment Company Act of 1940, including, but not limited to, Section 18 thereof and relevant interpretive positions of the staff of the Securities and Exchange Commission regarding the use of such instruments.

PRINCIPAL RISKS OF INVESTING IN THE FUND

The loss of your money is a principal risk of investing in the Fund. Investments in the Fund are subject to investment risks, including the possible loss of some or the entire principal amount invested. There can be no assurance that the Fund will be successful in meeting its investment objective. Generally, the Fund will be subject to the following principal risks:

Risks related to "Fund of Funds" structure. The Fund is a "fund of funds." The term "fund of funds" is typically used to describe investment companies, such as the Fund, whose primary investment strategy involves investing in other investment companies, such as mutual funds and ETFs. Investments in other investment companies subject the Fund to additional operating and management fees and expenses. For example, investors in the Fund will indirectly bear fees and expenses charged by the mutual funds and ETFs in which the Fund invests, in addition to the Fund's direct fees and expenses.

Furthermore, the use of a fund of funds structure could affect the timing, amount, and character of distributions and therefore may increase the amount of taxes payable by you.

Management Style Risk. Different types of securities tend to shift into and out of favor with investors depending on market and economic conditions. The returns from the types of Portfolio Funds purchased by the Fund (growth, value, etc.) may at times be better or worse than the returns from other types of funds. Each type of investment tends to go through cycles of performing better or worse than the market in general. The performance of the Fund may thus be better or worse than the performance of funds that focus on other types of investments, or that have a broader investment style.

Control of Portfolio Funds. Although the Fund and the Advisor will evaluate regularly each Portfolio Fund to determine whether such Portfolio Fund's investment program is consistent with the Fund's investment objective, the Advisor will not have any control over the investments made by a Portfolio Fund. Even though each Portfolio Fund is subject to certain constraints, the investment advisor to each such Portfolio Fund may change aspects of their investment strategies at any time. The Advisor will not have the ability to control or otherwise influence the composition of the investment portfolio of any Portfolio Fund.

Market Risk. Market risk refers to the possibility that the value of securities held by the Fund may decline due to daily fluctuations in the market. Market prices for securities change daily as a result of many factors, including developments affecting the condition of both individual companies and the market in general. The price of a security may even be affected by factors unrelated to the value or condition of its issuer, such as changes in interest rates, economic and political conditions, and general market conditions. The Fund's performance per share will change daily in response to such factors.

Equity Securities. The investments in equity securities by the Portfolio Funds may fluctuate in value response to many factors, including, but not limited to, the activities of the individual companies whose securities the Portfolio Fund owns, general economic conditions, and specific industry changes. Such price fluctuations subject the Fund to potential losses. Regardless of any one company's particular prospects, a declining stock market may produce a decline in prices for all equity securities, which could also result in losses for the Fund.

Fixed Income Risk. Since the Portfolio Funds in which the Fund will invest holds fixed income securities, the Fund will be subject to the risks associated with investing in fixed income securities. The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers. Generally, fixed income securities will decrease in value if interest rates rise and vice versa, and the volatility of lower-rated securities is even greater than that of higher-rated securities. Also, longer-term securities are generally more volatile, so the average maturity or duration of these securities affects risk. Credit risk is the possibility that an issuer will fail to make timely payments of interest or principal or go bankrupt. The lower the rating of a debt security, the greater

its risks. In addition, these risks are often magnified for junk bonds, or other securities rated below investment grade, and adverse changes in economic conditions or market perception are likely to cause issuers of these securities to be unable to meet their obligations to repay principal and interest to investors.

Foreign Securities and Emerging Markets Risk. The Portfolio Funds may have significant investments in foreign securities. Foreign securities involve investment risks different from those associated with domestic securities. Changes in foreign economies and political climates are more likely to affect the Fund than a Portfolio Fund that invests exclusively in domestic securities. The value of foreign currency denominated securities or foreign currency contracts is affected by the value of the local currency relative to the U.S. dollar. There may be less government supervision of foreign markets, resulting in non-uniform accounting practices and less publicly available information about issuers of foreign currency denominated securities. The value of foreign investments may be affected by changes in exchange control regulations, application of foreign tax laws (including withholding tax), changes in governmental administration or economic or monetary policy (in this country or abroad), or changed circumstances in dealings between nations. In addition, foreign brokerage commissions, custody fees, and other costs of investing in foreign securities are generally higher than in the United States. Investments in foreign issues could be affected by other factors not present in the United States, including expropriation, armed conflict, confiscatory taxation, and potential difficulties in enforcing contractual obligations.

Commodities Risk. The Portfolio Funds held by the Fund may have exposure to the commodities markets, subjecting the Fund to risks not associated with investments in traditional securities. The value of commodities related investments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, and tariffs. The prices of industrial metals, precious metals, agriculture, and livestock commodities may fluctuate widely due to factors such as changes in value, supply and demand, and governmental regulatory policies.

Real Estate Risk. The Portfolio Funds held by the Fund may invest in securities of issuers primarily engaged in or related to the real estate industry. Real estate related investments are subject to risks related to possible declines in the value of real estate; general and local economic conditions; possible lack of availability of mortgage funds; overbuilding; extended vacancies of properties; increases in competition, property taxes, and operating expenses; changes in zoning laws; costs resulting from the clean-up of, and liability to third parties for damages resulting from, environmental problems; casualty or condemnation losses; uninsured damages from floods, earthquakes, or other natural disasters; limitations on and variations in rents; and changes in interest rates.

Derivatives Risk. The Fund and the Portfolio Funds held by the Fund may use derivative instruments, which derive their value from the value of an underlying security, currency, or index. Derivative instruments involve risks different from direct investments in the underlying assets, including: imperfect correlation between the value

of the derivative instrument and the underlying assets; risks of default by the other party to the derivative instrument; risks that the transactions may result in losses of all or in excess of any gain in the portfolio positions; and risks that the transactions may not be liquid.

Short Sales Risk. While the Fund will not short individual securities, the Portfolio Funds held by the Fund may sell securities short. A short sale is a transaction in which the Portfolio Fund sells a security it does not own but has borrowed in anticipation that the market price of the security will decline. The Portfolio Fund must replace the borrowed security by purchasing it at the market price at the time of replacement, which may be more or less than the price at which the Portfolio Fund sold the security.

Leverage Risk. While the Fund will not utilize leverage (i.e., borrowing) when making investments, the Portfolio Funds held by the Fund may utilize leverage to acquire their underlying portfolio investments. The use of leverage may exaggerate changes in a Portfolio Fund's share price and the return on its investments. Accordingly, the value of the Fund's investments in Portfolio Funds may be more volatile and all other risks, including the risk of loss of an investment, tend to be compounded or magnified. Any losses suffered by a Portfolio Fund as a result of the use of leverage could adversely affect the Fund's net asset value and an investor could incur a loss in their investment in the Fund. Borrowing also leads to additional interest expense and other fees that increase the Portfolio Fund's expenses.

Sector Risk. Sector risk is the possibility that securities within the same group of industries will decline in price due to sector-specific market or economic developments. If the Portfolio Funds invest more heavily in a particular sector, the value of its shares may be especially sensitive to factors and economic risks that specifically affect that sector. As a result, the Portfolio Fund's share price may fluctuate more widely than the value of shares of a mutual fund that invests in a broader range of industries. Additionally, some sectors could be subject to greater government regulation than other sectors. Therefore, changes in regulatory policies for those sectors may have a material effect on the value of securities issued by companies in those sectors.

Portfolio Turnover Risk. The Advisor will sell Portfolio Funds when it is in the interests of the Fund and its shareholders to do so without regard to the length of time they have been held. As portfolio turnover may involve paying brokerage commissions and other transaction costs, there could be additional expenses for the Fund. High rates of portfolio turnover may also result in the realization of short-term capital gains and losses. Any distributions resulting from such gains will be considered ordinary income for federal income tax purposes.

Investment Advisor Risk. The Advisor's ability to choose suitable investments has a significant impact on the ability of the Fund to achieve its investment objectives. The portfolio managers' experience is discussed in the section of this prospectus entitled "Management of the Funds – Investment Advisor."

New Fund Risk. The Fund was formed in 2012. Accordingly, investors in the Fund bear the risk that the Fund may not be successful in implementing its investment strategy, may not employ a successful investment strategy, or may fail to attract sufficient assets under management to realize economies of scale, any of which could result in the Fund being liquidated at any time without shareholder approval and at a time that may not be favorable for all shareholders. Such a liquidation could have negative tax consequences for shareholders and will cause shareholders to incur expenses of liquidation.

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Operating Risk. The Fund's administrator and Advisor have entered into an Operating Plan that facilitates the administrator's assumption of the Fund's regular operating expenses under the Fund Accounting and Administration Agreement. The Operating Plan obligates the Advisor to pay certain expenses of the Fund in order to help limit its annual operating expenses. If the Advisor, however, does not have sufficient revenue to support those expenses, the Advisor may be compelled to either resign or become insolvent. In addition, if the Fund incurs expenses in excess of those that the administrator has agreed to pay and the Advisor is not able or willing to pay the excess costs, those excess costs will increase the Fund's expenses.

PERFORMANCE INFORMATION

Because the Fund has not been in operation for an entire calendar year, there is no Fund performance information to be presented here. You may request a copy of the Fund's annual and semi-annual reports, once available, at no charge by calling the Fund.

MANAGEMENT

Investment Advisor. The Fund's investment advisor is FolioMetrix, LLC.

Portfolio Managers. The Fund's portfolio managers are Greg Rutherford, Steven Wruble, and Chase Weaver. Mr. Rutherford is Chief Investment Officer and Managing Director of the Advisor. Mr. Wruble and Mr. Weaver are Senior Analysts.

ISM HIGH INCOME FUND

INVESTMENT OBJECTIVES

The ISM High Income Fund seeks to achieve current income and real return.

FEES AND EXPENSES OF THE FUND

These tables describe the fees and expenses that you may pay if you buy and hold shares of the Fund:

Shareholder Fees

(fees paid directly from your investment)

| | <u>Institutional</u> | <u>Advisor</u> |
|---|-----------------------------|-----------------------|
| <u>Maximum Sales Charge (Load) Imposed On Purchases</u> <u>(as a % of offering price)</u> | <u>None</u> | <u>None</u> |
| <u>Maximum Deferred Sales Charge (Load)</u> <u>(as a % of the lesser of amount purchased or redeemed)</u> | <u>None</u> | <u>1.00%</u> |
| <u>Redemption Fee</u> <u>(as a % of amount redeemed)</u> | <u>None</u> | <u>None</u> |
| <u>Exchange Fee</u> | <u>None</u> | <u>None</u> |

Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

| | <u>Institutional</u> | <u>Advisor</u> |
|---|-----------------------------|-----------------------|
| <u>Management Fees</u> | <u>0.45%</u> | <u>0.45%</u> |
| <u>Distribution and/or Service (12b-1) Fees</u> | <u>None</u> | <u>1.00%</u> |
| <u>Other Expenses</u> ¹ | <u>0.70%</u> | <u>0.70%</u> |
| <u>Acquired Fund Fees and Expenses</u> ² | <u>0.81%</u> | <u>0.81%</u> |
| <u>Total Annual Fund Operating Expenses</u> | <u>1.96%</u> | <u>2.96%</u> |
| <u>Fee Waiver and/or Expense Limitation</u> ³ | <u>0.45%</u> | <u>0.45%</u> |
| <u>Net Annual Fund Operating Expenses</u> | <u>1.51%</u> | <u>2.51%</u> |

1. *Since the Fund is newly organized, "Other Expenses" are based on estimated expenses for the current fiscal year.*

2. *"Acquired Fund" means any investment company in which the Fund invests or has invested during the period. Since the Fund is newly organized, "Acquired Fund Fees and Expenses" are based on estimated expenses for the current fiscal year. The "Total Annual Fund Operating Expenses" and "Net Annual Fund Operating Expenses" will not match the Fund's gross and net expense ratios reported in the Financial Highlights from the Fund's financial statements, which*

will reflect the operating expenses of the Fund and do not include Acquired Fund Fees and Expenses.

3. The Fund's administrator has entered into a Fund Accounting and Administration Agreement with the Fund that covers the regular operating expenses of the Fund for an inclusive fee of 0.25% (with the exception of management fees, distribution and/or service (12b-1) fees, acquired fund fees and expenses, and extraordinary expenses), even if such operating expenses exceed the inclusive fee. The agreement runs through October 1, 2013 and can only be terminated prior to that date at the discretion of the Fund's Board of Trustees. The Fund's administrator cannot recoup from the Fund any regular operating expenses in excess of the inclusive fee. In conjunction with the Fund Accounting and Administration Agreement, the Advisor has entered into an Operating Plan with the Fund's administrator, also through October 1, 2013 under which it has agreed to make payments to the administrator when the Fund is at lower asset levels and to assume certain expenses of the Fund outlined in the Operating Plan. The Operating Plan can only be terminated prior to the conclusion of the current term with the approval of the Fund's Board of Trustees. The Advisor cannot recoup from the Fund any amounts paid under the Operating Plan.

Example: This example shows you the expenses you may pay over time by investing in the Fund. Since all mutual funds use the same hypothetical conditions, this example should help you compare the costs of investing in the Fund versus other mutual funds. The example assumes the following conditions:

- You invest \$10,000 in the Fund for the periods shown;
- You reinvest all dividends and distributions;
- You redeem all of your shares at the end of those periods;
- You earn a 5% return each year; and
- The Fund's operating expenses remain the same.

Although your actual costs may be higher or lower, the following table shows you what your costs may be under the conditions listed above.

| <u>Class</u> | <u>1 Year</u> | <u>3 Years</u> |
|----------------------|---------------|----------------|
| <u>Institutional</u> | <u>\$154</u> | <u>\$572</u> |
| <u>Advisor</u> | <u>\$357</u> | <u>\$873</u> |

You would pay the following expenses if you did not redeem your shares:

| <u>Class</u> | <u>1 Year</u> | <u>3 Years</u> |
|----------------------|---------------|----------------|
| <u>Institutional</u> | <u>\$154</u> | <u>\$572</u> |
| <u>Advisor</u> | <u>\$254</u> | <u>\$873</u> |

Portfolio Turnover. The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance.

PRINCIPAL INVESTMENT STRATEGIES

The Fund's investment advisor, FolioMetrix, LLC (the "Advisor"), seeks to achieve the Fund's investment objective by investing primarily in no-load, institutional, and exchange-traded funds ("Portfolio Funds"). Although the Fund primarily invests in Portfolio Funds with no sales related expenses or very low sales related expenses, the Fund is not precluded from investing in Portfolio Funds with sales-related expenses, redemption fees, and/or service fees in excess of 0.25%.

The Fund will invest primarily in Portfolio Funds that have an investment objective similar to the Fund's or that are otherwise permitted investments under the Fund's investment policies. The Portfolio Funds' investments will generally include, but are not limited to, fixed income securities such as junk bonds, emerging market debt, preferred securities, mortgage- and asset-backed securities, and government securities.

The Advisor uses a proprietary screening process to select Portfolio Funds for investment. The screening process includes analysis of current income and risk data. The Advisor will seek to construct portfolios that achieve the Fund's investment objective with a goal of exceeding the return of the Barclays Global High Yield Index. The Advisor will generally sell a Portfolio Fund when a more attractive investment opportunity is identified or the Fund's portfolio needs to be rebalanced.

The Fund may buy or sell options, futures contracts, and other derivative instruments as a substitute for taking a direct position in the underlying asset or as part of a strategy that is intended to reduce the exposure of the Fund to various risks. To the extent that the Fund invests in options, futures, or similar investments, the Fund will comply with the applicable requirements of the Investment Company Act of 1940, including, but not limited to, Section 18 thereof and relevant interpretive positions of the staff of the Securities and Exchange Commission regarding the use of such instruments.

PRINCIPAL RISKS OF INVESTING IN THE FUND

The loss of your money is a principal risk of investing in the Fund. Investments in the Fund are subject to investment risks, including the possible loss of some or the entire principal amount invested. There can be no assurance that the Fund will be successful in meeting its investment objective. Generally, the Fund will be subject to the following principal risks:

Risks related to "Fund of Funds" structure. The Fund is a "fund of funds." The term "fund of funds" is typically used to describe investment companies, such as the Fund, whose primary investment strategy involves investing in other investment companies, such as mutual funds and ETFs. Investments in other investment companies subject the Fund to additional operating and management fees and expenses. For example, investors in the Fund will indirectly bear fees and expenses charged by the mutual funds and ETFs in which the Fund invests, in addition to the Fund's direct fees and expenses. Furthermore, the use of a fund of funds structure could affect the timing, amount, and character of distributions and therefore may increase the amount of taxes payable by you.

Management Style Risk. Different types of securities tend to shift into and out of favor with investors depending on market and economic conditions. The returns from the types of Portfolio Funds purchased by the Fund (growth, value, etc.) may at times be better or worse than the returns from other types of funds. Each type of investment tends to go through cycles of performing better or worse than the market in general. The performance of the Fund may thus be better or worse than the performance of funds that focus on other types of investments, or that have a broader investment style.

Control of Portfolio Funds. Although the Fund and the Advisor will evaluate regularly each Portfolio Fund to determine whether such Portfolio Fund's investment program is consistent with the Fund's investment objective, the Advisor will not have any control over the investments made by a Portfolio Fund. Even though each Portfolio Fund is subject to certain constraints, the investment advisor to each such Portfolio Fund may change aspects of their investment strategies at any time. The Advisor will not have the ability to control or otherwise influence the composition of the investment portfolio of any Portfolio Fund.

Market Risk. Market risk refers to the possibility that the value of securities held by the Fund may decline due to daily fluctuations in the market. Market prices for securities change daily as a result of many factors, including developments affecting the condition of both individual companies and the market in general. The price of a security may even be affected by factors unrelated to the value or condition of its issuer, such as changes in interest rates, economic and political conditions, and general market conditions. The Fund's performance per share will change daily in response to such factors.

Fixed Income Risk. Since the Portfolio Funds in which the Fund will invest holds fixed income securities, the Fund will be subject to the risks associated with investing in fixed income securities. The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers. Generally, fixed income securities will decrease in value if interest rates rise and vice versa, and the volatility of lower-rated securities is even greater than that of higher-rated securities. Also, longer-term securities are generally more volatile, so the average maturity or duration of these securities affects risk. Credit risk is the possibility that an issuer will fail to make timely payments of interest or principal or go bankrupt. The lower the rating of a debt security, the greater its risks. In addition, these risks are often magnified for junk bonds, or other securities rated below investment grade, and adverse changes in economic conditions or market perception are likely to cause issuers of these securities to be unable to meet their obligations to repay principal and interest to investors.

Interest Rate and Credit Risk. Interest rates may rise resulting in a decrease in the value of the fixed income securities held by the Portfolio Funds or may fall resulting in an increase in the value of such securities. Fixed income securities with longer maturities generally involve greater risk than those with shorter maturities. Issuers of fixed income securities might be unable to make principal and interest payments when due.

Inflation Risk. Fixed income securities are subject to inflation risk. Because inflation reduces the purchasing power of income produced by existing fixed income securities, the prices at which fixed income securities trade will be reduced to compensate for the fact that the income they produce is worth less. This potential decrease in market value of fixed income securities would result in a loss in the value of the Fund's portfolio.

High-Yield Risk. Portfolio Funds may invest in junk bonds and other fixed income securities that are rated below investment grade. Securities in this rating category are speculative. Changes in economic conditions or other circumstances may have a greater effect on the ability of issuers of these securities to make principal and interest payments than they do on issuers of higher grade securities. The additional risks of these types of investments include an increased possibility of default, illiquidity of the security and changes in value based on public perception of the issuer. Additionally, these instruments are generally unsecured and may be subordinated to other creditor's claims.

Risks of Investing in Corporate Debt Securities. Portfolio Funds may invest in corporate debt securities. Corporate debt securities are fixed income securities issued by businesses. Notes, bonds, debentures, and commercial paper are the most prevalent types of corporate debt securities. The credit risks of corporate debt securities vary widely among issuers. In addition, the credit risk of an issuer's debt security may vary based on its priority for repayment. For example, higher ranking (senior) debt securities have a higher priority than lower ranking (subordinated) securities. This means that the issuer might not make payments on subordinated securities while continuing to make payments on senior securities. In addition, in the event of bankruptcy, holders of senior securities may receive amounts otherwise payable to the holders of subordinated securities. Some subordinated securities, such as trust preferred and capital securities notes, also permit the issuer to defer payments under certain circumstances. For example, insurance companies issue securities known as surplus notes that permit the insurance company to defer any payment that would reduce its capital below regulatory requirements.

Risks of Investing in Convertible Securities. Convertible securities are fixed income securities that a Portfolio Fund has the option to exchange for equity securities at a specified conversion price. The option allows the Portfolio Fund to realize additional returns if the market price of the equity securities exceeds the conversion price. For example, the Portfolio Fund may hold fixed income securities that are convertible into shares of common stock at a conversion price of \$10 per share. If the market value of the shares of common stock reached \$12, the Portfolio Fund could realize an additional \$2 per share by converting its fixed income securities. Convertible securities have lower yields than comparable fixed income securities. In addition, at the time a convertible security is issued the conversion price exceeds the market value of the underlying equity securities. Thus, convertible securities may provide lower returns than non-convertible fixed income securities or equity securities depending upon changes in the price of the underlying equity securities. However, convertible securities permit the Portfolio Fund to realize some of the potential appreciation of the underlying equity securities with less risk of losing its initial investment.

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Mortgage- and Asset-Backed Securities Risk. The Portfolio Funds may invest in mortgage- and asset-backed securities. Mortgage-related securities represent ownership in pools of mortgage loans. Asset-backed securities are structured like mortgage-backed securities, but the underlying assets may include such items as installment loan contracts, property leases, and credit card agreements. As with other interest-bearing securities, the prices of such securities are affected by changes in interest rates. Prices are also affected by changes in the rate of prepayment of principal, which affects the average maturity of the securities and makes it difficult to accurately predict returns. The trading market for mortgage- and asset-backed securities, while ordinarily liquid, may become restricted in times of financial stress.

Foreign Securities and Emerging Markets Risk. The Portfolio Funds may have significant investments in foreign securities. Foreign securities involve investment risks different from those associated with domestic securities. Changes in foreign economies and political climates are more likely to affect the Fund than a Portfolio Fund that invests exclusively in domestic securities. The value of foreign currency denominated securities or foreign currency contracts is affected by the value of the local currency relative to the U.S. dollar. There may be less government supervision of foreign markets, resulting in non-uniform accounting practices and less publicly available information about issuers of foreign currency denominated securities. The value of foreign investments may be affected by changes in exchange control regulations, application of foreign tax laws (including withholding tax), changes in governmental administration or economic or monetary policy (in this country or abroad), or changed circumstances in dealings between nations. In addition, foreign brokerage commissions, custody fees, and other costs of investing in foreign securities are generally higher than in the United States. Investments in foreign issues could be affected by other factors not present in the United States, including expropriation, armed conflict, confiscatory taxation, and potential difficulties in enforcing contractual obligations.

Derivatives Risk. The Fund and the Portfolio Funds held by the Fund may use derivative instruments, which derive their value from the value of an underlying security, currency, or index. Derivative instruments involve risks different from direct investments in the underlying assets, including: imperfect correlation between the value of the derivative instrument and the underlying assets; risks of default by the other party to the derivative instrument; risks that the transactions may result in losses of all or in excess of any gain in the portfolio positions; and risks that the transactions may not be liquid.

Short Sales Risk. While the Fund will not short individual securities, the Portfolio Funds held by the Fund may sell securities short. A short sale is a transaction in which the Portfolio Fund sells a security it does not own but has borrowed in anticipation that the market price of the security will decline. The Portfolio Fund must replace the borrowed security by purchasing it at the market price at the time of replacement, which may be more or less than the price at which the Portfolio Fund sold the security.

Leverage Risk. While the Fund will not utilize leverage (i.e., borrowing) when making investments, the Portfolio Funds held by the Fund may utilize leverage to acquire their

underlying portfolio investments. The use of leverage may exaggerate changes in a Portfolio Fund's share price and the return on its investments. Accordingly, the value of the Fund's investments in Portfolio Funds may be more volatile and all other risks, including the risk of loss of an investment, tend to be compounded or magnified. Any losses suffered by a Portfolio Fund as a result of the use of leverage could adversely affect the Fund's net asset value and an investor could incur a loss in their investment in the Fund. Borrowing also leads to additional interest expense and other fees that increase the Portfolio Fund's expenses.

Sector Risk. Sector risk is the possibility that securities within the same group of industries will decline in price due to sector-specific market or economic developments. If the Portfolio Funds invest more heavily in a particular sector, the value of its shares may be especially sensitive to factors and economic risks that specifically affect that sector. As a result, the Portfolio Fund's share price may fluctuate more widely than the value of shares of a mutual fund that invests in a broader range of industries. Additionally, some sectors could be subject to greater government regulation than other sectors. Therefore, changes in regulatory policies for those sectors may have a material effect on the value of securities issued by companies in those sectors.

Portfolio Turnover Risk. The Advisor will sell Portfolio Funds when it is in the interests of the Fund and its shareholders to do so without regard to the length of time they have been held. As portfolio turnover may involve paying brokerage commissions and other transaction costs, there could be additional expenses for the Fund. High rates of portfolio turnover may also result in the realization of short-term capital gains and losses. Any distributions resulting from such gains will be considered ordinary income for federal income tax purposes.

Investment Advisor Risk. The Advisor's ability to choose suitable investments has a significant impact on the ability of the Fund to achieve its investment objectives. The portfolio managers' experience is discussed in the section of this prospectus entitled "Management of the Funds – Investment Advisor."

New Fund Risk. The Fund was formed in 2012. Accordingly, investors in the Fund bear the risk that the Fund may not be successful in implementing its investment strategy, may not employ a successful investment strategy, or may fail to attract sufficient assets under management to realize economies of scale, any of which could result in the Fund being liquidated at any time without shareholder approval and at a time that may not be favorable for all shareholders. Such a liquidation could have negative tax consequences for shareholders and will cause shareholders to incur expenses of liquidation.

Operating Risk. The Fund's administrator and Advisor have entered into an Operating Plan that facilitates the administrator's assumption of the Fund's regular operating expenses under the Fund Accounting and Administration Agreement. The Operating Plan obligates the Advisor to pay certain expenses of the Fund in order to help limit its annual operating expenses. If the Advisor, however, does not have sufficient revenue to support those expenses, the Advisor may be compelled to either resign or become insolvent. In addition, if the Fund incurs expenses in excess of those that the

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administrator has agreed to pay and the Advisor is not able or willing to pay the excess costs, those excess costs will increase the Fund's expenses.

PERFORMANCE INFORMATION

Because the Fund has not been in operation for an entire calendar year, there is no Fund performance information to be presented here. You may request a copy of the Fund's annual and semi-annual reports, once available, at no charge by calling the Fund.

MANAGEMENT

Investment Advisor. The Fund's investment advisor is FolioMetrix, LLC.

Portfolio Managers. The Fund's portfolio managers are Greg Rutherford, Steven Wruble, and Chase Weaver. Mr. Rutherford is Chief Investment Officer and Managing Director of the Advisor. Mr. Wruble and Mr. Weaver are Senior Analysts.

ISM STRATEGIC EQUITY FUND

INVESTMENT OBJECTIVES

The ISM Strategic Equity Fund seeks capital appreciation.

FEES AND EXPENSES OF THE FUND

These tables describe the fees and expenses that you may pay if you buy and hold shares of the Fund:

Shareholder Fees

(fees paid directly from your investment)

| | <u>Institutional</u> | <u>Advisor</u> |
|--|----------------------|----------------|
| <u>Maximum Sales Charge (Load) Imposed On Purchases</u> <u>(as a % of offering price)</u> | <u>None</u> | <u>None</u> |
| <u>Maximum Deferred Sales Charge (Load)</u> <u>(as a % of the lesser of amount purchased or redeemed)</u> | <u>None</u> | <u>1.00%</u> |
| <u>Redemption Fee</u> <u>(as a % of amount redeemed)</u> | <u>None</u> | <u>None</u> |
| <u>Exchange Fee</u> | <u>None</u> | <u>None</u> |

Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

| | <u>Institutional</u> | <u>Advisor</u> |
|---|----------------------|---------------------|
| <u>Management Fees</u> | <u>0.45%</u> | <u>0.45%</u> |
| <u>Distribution and/or Service (12b-1) Fees</u> | <u>None</u> | <u>1.00%</u> |
| <u>Other Expenses¹</u> | <u>0.70%</u> | <u>0.70%</u> |
| <u>Acquired Fund Fees and Expenses²</u> | <u>0.23%</u> | <u>0.23%</u> |
| <u>Total Annual Fund Operating Expenses</u> | <u>1.38%</u> | <u>2.38%</u> |
| <u>Fee Waiver and/or Expense Limitation³</u> | <u>0.45%</u> | <u>0.45%</u> |
| <u>Net Annual Fund Operating Expenses</u> | <u>0.93%</u> | <u>1.93%</u> |

1. Since the Fund is newly organized, "Other Expenses" are based on estimated expenses for the current fiscal year.

2. "Acquired Fund" means any investment company in which the Fund invests or has invested during the period. Since the Fund is newly organized, "Acquired Fund Fees and Expenses" are based on estimated expenses for the current fiscal year. . The "Total Annual Fund Operating Expenses" and "Net Annual Fund Operating Expenses" will not match the Fund's gross and net expense ratios reported in the Financial Highlights from the Fund's financial statements, which

will reflect the operating expenses of the Fund and do not include Acquired Fund Fees and Expenses.

3. The Fund's administrator has entered into a Fund Accounting and Administration Agreement with the Fund that covers the regular operating expenses of the Fund for an inclusive fee of 0.25% (with the exception of management fees, distribution and/or service (12b-1) fees, acquired fund fees and expenses, and extraordinary expenses), even if such operating expenses exceed the inclusive fee. The agreement runs through October 1, 2013 and can only be terminated prior to that date at the discretion of the Fund's Board of Trustees. The Fund's administrator cannot recoup from the Fund any regular operating expenses in excess of the inclusive fee. In conjunction with the Fund Accounting and Administration Agreement, the Advisor has entered into an Operating Plan with the Fund's administrator, also through October 1, 2013 under which it has agreed to make payments to the administrator when the Fund is at lower asset levels and to assume certain expenses of the Fund outlined in the Operating Plan. The Operating Plan can only be terminated prior to the conclusion of the current term with the approval of the Fund's Board of Trustees. The Advisor cannot recoup from the Fund any amounts paid under the Operating Plan.

Example: This example shows you the expenses you may pay over time by investing in the Fund. Since all mutual funds use the same hypothetical conditions, this example should help you compare the costs of investing in the Fund versus other mutual funds. The example assumes the following conditions:

- You invest \$10,000 in the Fund for the periods shown;
- You reinvest all dividends and distributions;
- You redeem all of your shares at the end of those periods;
- You earn a 5% return each year; and
- The Fund's operating expenses remain the same.

Although your actual costs may be higher or lower, the following table shows you what your costs may be under the conditions listed above.

| <u>Class</u> | <u>1 Year</u> | <u>3 Years</u> |
|----------------------|---------------|----------------|
| <u>Institutional</u> | <u>\$95</u> | <u>\$393</u> |
| <u>Advisor</u> | <u>\$299</u> | <u>\$700</u> |

You would pay the following expenses if you did not redeem your shares:

| <u>Class</u> | <u>1 Year</u> | <u>3 Years</u> |
|----------------------|---------------|----------------|
| <u>Institutional</u> | <u>\$95</u> | <u>\$393</u> |
| <u>Advisor</u> | <u>\$196</u> | <u>\$700</u> |

Portfolio Turnover. The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance.

PRINCIPAL INVESTMENT STRATEGIES

The Fund's investment advisor, FolioMetrix, LLC (the "Advisor"), seeks to achieve the Fund's investment objective by investing primarily in no-load, institutional, and exchange-traded funds ("Portfolio Funds"). Although the Fund primarily invests in Portfolio Funds with no sales related expenses or very low sales related expenses, the Fund is not precluded from investing in Portfolio Funds with sales-related expenses, redemption fees, and/or service fees in excess of 0.25%.

The Fund will invest primarily in Portfolio Funds that have an investment objective similar to the Fund's or that are otherwise permitted investments under the Fund's investment policies. The Portfolio Funds' investments will generally include, but are not limited to, equity securities. Under normal circumstances, at least 80% of the Fund's net assets, plus borrowings for investment purposes, will be invested in Portfolio Funds that hold equity securities. Shareholders will be provided with at least 60 days' prior notice of any change in this policy. Any borrowing by the Fund will be subject to the limitations set forth in the Investment Company Act of 1940 and relevant interpretive positions of the staff of the Securities and Exchange Commission.

The Advisor selects Portfolio Funds for investment based upon their ability to provide exposure to the global equity market. The Advisor will seek to construct portfolios that achieve the Fund's investment objective with volatility equal to or less than the S&P Global Broad Market Index. In addition, the Advisor will seek to avoid high portfolio turnover in the Fund. The Advisor will generally sell a Portfolio Fund when a more attractive investment opportunity is identified or the Fund's portfolio needs to be rebalanced.

The Fund may buy or sell options, futures contracts, and other derivative instruments as a substitute for taking a direct position in the underlying asset or as part of a strategy that is intended to reduce the exposure of the Fund to various risks. To the extent that the Fund invests in options, futures, or similar investments, the Fund will comply with the applicable requirements of the Investment Company Act of 1940, including, but not limited to, Section 18 thereof and relevant interpretive positions of the staff of the Securities and Exchange Commission regarding the use of such instruments.

PRINCIPAL RISKS OF INVESTING IN THE FUND

The loss of your money is a principal risk of investing in the Fund. Investments in the Fund are subject to investment risks, including the possible loss of some or the entire principal amount invested. There can be no assurance that the Fund will be successful in meeting its investment objective. Generally, the Fund will be subject to the following principal risks:

Risks related to "Fund of Funds" structure. The Fund is a "fund of funds." The term "fund of funds" is typically used to describe investment companies, such as the Fund, whose primary investment strategy involves investing in other investment companies, such as mutual funds and ETFs. Investments in other investment companies subject the Fund to additional operating and management fees and expenses. For example, investors

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in the Fund will indirectly bear fees and expenses charged by the mutual funds and ETFs in which the Fund invests, in addition to the Fund's direct fees and expenses. Furthermore, the use of a fund of funds structure could affect the timing, amount, and character of distributions and therefore may increase the amount of taxes payable by you.

Management Style Risk. Different types of securities tend to shift into and out of favor with investors depending on market and economic conditions. The returns from the types of Portfolio Funds purchased by the Fund (growth, value, etc.) may at times be better or worse than the returns from other types of funds. Each type of investment tends to go through cycles of performing better or worse than the market in general. The performance of the Fund may thus be better or worse than the performance of funds that focus on other types of investments, or that have a broader investment style.

Control of Portfolio Funds. Although the Fund and the Advisor will evaluate regularly each Portfolio Fund to determine whether such Portfolio Fund's investment program is consistent with the Fund's investment objective, the Advisor will not have any control over the investments made by a Portfolio Fund. Even though each Portfolio Fund is subject to certain constraints, the investment advisor to each such Portfolio Fund may change aspects of their investment strategies at any time. The Advisor will not have the ability to control or otherwise influence the composition of the investment portfolio of any Portfolio Fund.

Market Risk. Market risk refers to the possibility that the value of securities held by the Fund may decline due to daily fluctuations in the market. Market prices for securities change daily as a result of many factors, including developments affecting the condition of both individual companies and the market in general. The price of a security may even be affected by factors unrelated to the value or condition of its issuer, such as changes in interest rates, economic and political conditions, and general market conditions. The Fund's performance per share will change daily in response to such factors.

Equity Securities. The investments in equity securities by the Portfolio Funds may fluctuate in value response to many factors, including, but not limited to, the activities of the individual companies whose securities the Portfolio Fund owns, general economic conditions, and specific industry changes. Such price fluctuations subject the Fund to potential losses. Regardless of any one company's particular prospects, a declining stock market may produce a decline in prices for all equity securities, which could also result in losses for the Fund.

Small-Cap and Mid-Cap Securities Risk. The Portfolio Funds may invest in securities of small-cap and mid-cap companies, which involves greater volatility than investing in larger and more established companies. Small-cap and mid-cap companies can be subject to more abrupt or erratic share price changes than larger, more established companies. Securities of these types of companies have limited market liquidity, and their prices may be more volatile. You should expect that the value of the Fund's shares will be more volatile than a fund that invests exclusively in large-capitalization companies.

Foreign Securities and Emerging Markets Risk. The Portfolio Funds may have significant investments in foreign securities. Foreign securities involve investment risks different from those associated with domestic securities. Changes in foreign economies and political climates are more likely to affect the Fund than a Portfolio Fund that invests exclusively in domestic securities. The value of foreign currency denominated securities or foreign currency contracts is affected by the value of the local currency relative to the U.S. dollar. There may be less government supervision of foreign markets, resulting in non-uniform accounting practices and less publicly available information about issuers of foreign currency denominated securities. The value of foreign investments may be affected by changes in exchange control regulations, application of foreign tax laws (including withholding tax), changes in governmental administration or economic or monetary policy (in this country or abroad), or changed circumstances in dealings between nations. In addition, foreign brokerage commissions, custody fees, and other costs of investing in foreign securities are generally higher than in the United States. Investments in foreign issues could be affected by other factors not present in the United States, including expropriation, armed conflict, confiscatory taxation, and potential difficulties in enforcing contractual obligations.

Derivatives Risk. The Fund and the Portfolio Funds held by the Fund may use derivative instruments, which derive their value from the value of an underlying security, currency, or index. Derivative instruments involve risks different from direct investments in the underlying assets, including: imperfect correlation between the value of the derivative instrument and the underlying assets; risks of default by the other party to the derivative instrument; risks that the transactions may result in losses of all or in excess of any gain in the portfolio positions; and risks that the transactions may not be liquid.

Short Sales Risk. While the Fund will not short individual securities, the Portfolio Funds held by the Fund may sell securities short. A short sale is a transaction in which the Portfolio Fund sells a security it does not own but has borrowed in anticipation that the market price of the security will decline. The Portfolio Fund must replace the borrowed security by purchasing it at the market price at the time of replacement, which may be more or less than the price at which the Portfolio Fund sold the security.

Leverage Risk. While the Fund will not utilize leverage (i.e., borrowing) when making investments, the Portfolio Funds held by the Fund may utilize leverage to acquire their underlying portfolio investments. The use of leverage may exaggerate changes in a Portfolio Fund's share price and the return on its investments. Accordingly, the value of the Fund's investments in Portfolio Funds may be more volatile and all other risks, including the risk of loss of an investment, tend to be compounded or magnified. Any losses suffered by a Portfolio Fund as a result of the use of leverage could adversely affect the Fund's net asset value and an investor could incur a loss in their investment in the Fund. Borrowing also leads to additional interest expense and other fees that increase the Portfolio Fund's expenses.

Portfolio Turnover Risk. The Advisor will sell Portfolio Funds when it is in the interests of the Fund and its shareholders to do so without regard to the length of time

they have been held. As portfolio turnover may involve paying brokerage commissions and other transaction costs, there could be additional expenses for the Fund. High rates of portfolio turnover may also result in the realization of short-term capital gains and losses. Any distributions resulting from such gains will be considered ordinary income for federal income tax purposes.

Investment Advisor Risk. The Advisor’s ability to choose suitable investments has a significant impact on the ability of the Fund to achieve its investment objectives. The portfolio managers’ experience is discussed in the section of this prospectus entitled “Management of the Funds – Investment Advisor.”

New Fund Risk. The Fund was formed in 2012. Accordingly, investors in the Fund bear the risk that the Fund may not be successful in implementing its investment strategy, may not employ a successful investment strategy, or may fail to attract sufficient assets under management to realize economies of scale, any of which could result in the Fund being liquidated at any time without shareholder approval and at a time that may not be favorable for all shareholders. Such a liquidation could have negative tax consequences for shareholders and will cause shareholders to incur expenses of liquidation.

Operating Risk. The Fund’s administrator and Advisor have entered into an Operating Plan that facilitates the administrator’s assumption of the Fund’s regular operating expenses under the Fund Accounting and Administration Agreement. ~~The Operating Plan obligates the Advisor to pay certain expenses of the Fund in order to help limit its annual operating expenses. If the Advisor, however, does not have sufficient revenue to support those expenses, the Advisor may be compelled to either resign or become insolvent.~~ In addition, if the Fund incurs expenses in excess of those that the administrator has agreed to pay and the Advisor is not able or willing to pay the excess costs, those excess costs will increase the Fund’s expenses.

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PERFORMANCE INFORMATION

Because the Fund has not been in operation for an entire calendar year, there is no Fund performance information to be presented here. You may request a copy of the Fund’s annual and semi-annual reports, once available, at no charge by calling the Fund.

MANAGEMENT

Investment Advisor. The Fund’s investment advisor is FolioMetrix, LLC.

Portfolio Managers. The Fund’s portfolio managers are Greg Rutherford, Steven Wruble, and Chase Weaver. Mr. Rutherford is Chief Investment Officer and Managing Director of the Advisor. Mr. Wruble and Mr. Weaver are Senior Analysts.

ISM STRATEGIC FIXED INCOME FUND

INVESTMENT OBJECTIVES

The ISM Strategic Fixed Income Fund seeks total return with an emphasis on current income.

FEES AND EXPENSES OF THE FUND

These tables describe the fees and expenses that you may pay if you buy and hold shares of the Fund:

Shareholder Fees

(fees paid directly from your investment)

| | <u>Institutional</u> | <u>Advisor</u> |
|---|-----------------------------|-----------------------|
| <u>Maximum Sales Charge (Load) Imposed On Purchases</u> <u>(as a % of offering price)</u> | <u>None</u> | <u>None</u> |
| <u>Maximum Deferred Sales Charge (Load)</u> <u>(as a % of the lesser of amount purchased or redeemed)</u> | <u>None</u> | <u>1.00%</u> |
| <u>Redemption Fee</u> <u>(as a % of amount redeemed)</u> | <u>None</u> | <u>None</u> |
| <u>Exchange Fee</u> | <u>None</u> | <u>None</u> |

Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

| | <u>Institutional</u> | <u>Advisor</u> |
|---|-----------------------------|-----------------------|
| <u>Management Fees</u> | <u>0.45%</u> | <u>0.45%</u> |
| <u>Distribution and/or Service (12b-1) Fees</u> | <u>None</u> | <u>1.00%</u> |
| <u>Other Expenses</u> ¹ | <u>0.70%</u> | <u>0.70%</u> |
| <u>Acquired Fund Fees and Expenses</u> ² | <u>0.27%</u> | <u>0.27%</u> |
| <u>Total Annual Fund Operating Expenses</u> | <u>1.42%</u> | <u>2.42%</u> |
| <u>Fee Waiver and/or Expense Limitation</u> ³ | <u>0.45%</u> | <u>0.45%</u> |
| <u>Net Annual Fund Operating Expenses</u> | <u>0.97%</u> | <u>1.97%</u> |

1. Since the Fund is newly organized, "Other Expenses" are based on estimated expenses for the current fiscal year.

2. "Acquired Fund" means any investment company in which the Fund invests or has invested during the period. Since the Fund is newly organized, "Acquired Fund Fees and Expenses" are based on estimated expenses for the current fiscal year. . The "Total Annual Fund Operating Expenses" and "Net Annual Fund Operating Expenses" will not match the Fund's gross and net expense ratios reported in the Financial Highlights from the Fund's financial statements, which

will reflect the operating expenses of the Fund and do not include Acquired Fund Fees and Expenses.

3. The Fund's administrator has entered into a Fund Accounting and Administration Agreement with the Fund that covers the regular operating expenses of the Fund for an inclusive fee of 0.25% (with the exception of management fees, distribution and/or service (12b-1) fees, acquired fund fees and expenses, and extraordinary expenses), even if such operating expenses exceed the inclusive fee. The agreement runs through October 1, 2013 and can only be terminated prior to that date at the discretion of the Fund's Board of Trustees. The Fund's administrator cannot recoup from the Fund any regular operating expenses in excess of the inclusive fee. In conjunction with the Fund Accounting and Administration Agreement, the Advisor has entered into an Operating Plan with the Fund's administrator, also through October 1, 2013 under which it has agreed to make payments to the administrator when the Fund is at lower asset levels and to assume certain expenses of the Fund outlined in the Operating Plan. The Operating Plan can only be terminated prior to the conclusion of the current term with the approval of the Fund's Board of Trustees. The Advisor cannot recoup from the Fund any amounts paid under the Operating Plan.

Example: This example shows you the expenses you may pay over time by investing in the Fund. Since all mutual funds use the same hypothetical conditions, this example should help you compare the costs of investing in the Fund versus other mutual funds. The example assumes the following conditions:

- You invest \$10,000 in the Fund for the periods shown;
- You reinvest all dividends and distributions;
- You redeem all of your shares at the end of those periods;
- You earn a 5% return each year; and
- The Fund's operating expenses remain the same.

Although your actual costs may be higher or lower, the following table shows you what your costs may be under the conditions listed above.

| <u>Class</u> | <u>1 Year</u> | <u>3 Years</u> |
|----------------------|---------------|----------------|
| <u>Institutional</u> | <u>\$99</u> | <u>\$405</u> |
| <u>Advisor</u> | <u>\$303</u> | <u>\$712</u> |

You would pay the following expenses if you did not redeem your shares:

| <u>Class</u> | <u>1 Year</u> | <u>3 Years</u> |
|----------------------|---------------|----------------|
| <u>Institutional</u> | <u>\$99</u> | <u>\$405</u> |
| <u>Advisor</u> | <u>\$200</u> | <u>\$712</u> |

Portfolio Turnover. The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance.

PRINCIPAL INVESTMENT STRATEGIES

The Fund's investment advisor, FolioMetrix, LLC (the "Advisor"), seeks to achieve the Fund's investment objective by investing primarily in no-load, institutional, and exchange-traded funds ("Portfolio Funds"). Although the Fund primarily invests in Portfolio Funds with no sales related expenses or very low sales related expenses, the Fund is not precluded from investing in Portfolio Funds with sales-related expenses, redemption fees, and/or service fees in excess of 0.25%.

The Fund will invest primarily in Portfolio Funds that have an investment objective similar to the Fund's or that are otherwise permitted investments under the Fund's investment policies. The Portfolio Funds' investments will generally include, but are not limited to, fixed income securities such as bonds, corporate debt securities, convertible securities, TIPS, and other treasuries. Under normal circumstances, at least 80% of the Fund's net assets, plus borrowings for investment purposes, will be invested in Portfolio Funds that hold fixed income securities. Shareholders will be provided with at least 60 days' prior notice of any change in this policy. Any borrowing by the Fund will be subject to the limitations set forth in the Investment Company Act of 1940 and relevant interpretive positions of the staff of the Securities and Exchange Commission.

The Advisor selects Portfolio Funds for investment based upon their ability to provide exposure to the global fixed income market. The Advisor will seek to construct portfolios that achieve the Fund's investment objective with volatility equal to or less than the Barclays Capital Global Aggregate Index. In addition, the Advisor will seek to avoid high portfolio turnover in the Fund. The Advisor will generally sell a Portfolio Fund when a more attractive investment opportunity is identified or the Fund's portfolio needs to be rebalanced.

The Fund may buy or sell options, futures contracts, and other derivative instruments as a substitute for taking a direct position in the underlying asset or as part of a strategy that is intended to reduce the exposure of the Fund to various risks. To the extent that the Fund invests in options, futures, or similar investments, the Fund will comply with the applicable requirements of the Investment Company Act of 1940, including, but not limited to, Section 18 thereof and relevant interpretive positions of the staff of the Securities and Exchange Commission regarding the use of such instruments.

PRINCIPAL RISKS OF INVESTING IN THE FUND

The loss of your money is a principal risk of investing in the Fund. Investments in the Fund are subject to investment risks, including the possible loss of some or the entire principal amount invested. There can be no assurance that the Fund will be successful in meeting its investment objective. Generally, the Fund will be subject to the following principal risks:

Risks related to "Fund of Funds" structure. The Fund is a "fund of funds." The term "fund of funds" is typically used to describe investment companies, such as the Fund, whose primary investment strategy involves investing in other investment companies, such as mutual funds and ETFs. Investments in other investment companies subject the

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Fund to additional operating and management fees and expenses. For example, investors in the Fund will indirectly bear fees and expenses charged by the mutual funds and ETFs in which the Fund invests, in addition to the Fund's direct fees and expenses. Furthermore, the use of a fund of funds structure could affect the timing, amount, and character of distributions and therefore may increase the amount of taxes payable by you.

Management Style Risk. Different types of securities tend to shift into and out of favor with investors depending on market and economic conditions. The returns from the types of Portfolio Funds purchased by the Fund (growth, value, etc.) may at times be better or worse than the returns from other types of funds. Each type of investment tends to go through cycles of performing better or worse than the market in general. The performance of the Fund may thus be better or worse than the performance of funds that focus on other types of investments, or that have a broader investment style.

Control of Portfolio Funds. Although the Fund and the Advisor will evaluate regularly each Portfolio Fund to determine whether such Portfolio Fund's investment program is consistent with the Fund's investment objective, the Advisor will not have any control over the investments made by a Portfolio Fund. Even though each Portfolio Fund is subject to certain constraints, the investment advisor to each such Portfolio Fund may change aspects of their investment strategies at any time. The Advisor will not have the ability to control or otherwise influence the composition of the investment portfolio of any Portfolio Fund.

Market Risk. Market risk refers to the possibility that the value of securities held by the Fund may decline due to daily fluctuations in the market. Market prices for securities change daily as a result of many factors, including developments affecting the condition of both individual companies and the market in general. The price of a security may even be affected by factors unrelated to the value or condition of its issuer, such as changes in interest rates, economic and political conditions, and general market conditions. The Fund's performance per share will change daily in response to such factors.

Fixed Income Risk. Since the Portfolio Funds in which the Fund will invest holds fixed income securities, the Fund will be subject to the risks associated with investing in fixed income securities. The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers. Generally, fixed income securities will decrease in value if interest rates rise and vice versa, and the volatility of lower-rated securities is even greater than that of higher-rated securities. Also, longer-term securities are generally more volatile, so the average maturity or duration of these securities affects risk. Credit risk is the possibility that an issuer will fail to make timely payments of interest or principal or go bankrupt. The lower the rating of a debt security, the greater its risks. In addition, these risks are often magnified for junk bonds, or other securities rated below investment grade, and adverse changes in economic conditions or market perception are likely to cause issuers of these securities to be unable to meet their obligations to repay principal and interest to investors.

Interest Rate and Credit Risk. Interest rates may rise resulting in a decrease in the value of the fixed income securities held by the Portfolio Funds or may fall resulting in an increase in the value of such securities. Fixed income securities with longer maturities generally involve greater risk than those with shorter maturities. Issuers of fixed income securities might be unable to make principal and interest payments when due.

Inflation Risk. Fixed income securities are subject to inflation risk. Because inflation reduces the purchasing power of income produced by existing fixed income securities, the prices at which fixed income securities trade will be reduced to compensate for the fact that the income they produce is worth less. This potential decrease in market value of fixed income securities would result in a loss in the value of the Fund's portfolio.

High-Yield Risk. Portfolio Funds may invest in junk bonds and other fixed income securities that are rated below investment grade. Securities in this rating category are speculative. Changes in economic conditions or other circumstances may have a greater effect on the ability of issuers of these securities to make principal and interest payments than they do on issuers of higher grade securities. The additional risks of these types of investments include an increased possibility of default, illiquidity of the security and changes in value based on public perception of the issuer. Additionally, these instruments are generally unsecured and may be subordinated to other creditor's claims.

Risks of Investing in Corporate Debt Securities. Portfolio Funds may invest in corporate debt securities. Corporate debt securities are fixed income securities issued by businesses. Notes, bonds, debentures, and commercial paper are the most prevalent types of corporate debt securities. The credit risks of corporate debt securities vary widely among issuers. In addition, the credit risk of an issuer's debt security may vary based on its priority for repayment. For example, higher ranking (senior) debt securities have a higher priority than lower ranking (subordinated) securities. This means that the issuer might not make payments on subordinated securities while continuing to make payments on senior securities. In addition, in the event of bankruptcy, holders of senior securities may receive amounts otherwise payable to the holders of subordinated securities. Some subordinated securities, such as trust preferred and capital securities notes, also permit the issuer to defer payments under certain circumstances. For example, insurance companies issue securities known as surplus notes that permit the insurance company to defer any payment that would reduce its capital below regulatory requirements.

Risks of Investing in Convertible Securities. Convertible securities are fixed income securities that a Portfolio Fund has the option to exchange for equity securities at a specified conversion price. The option allows the Portfolio Fund to realize additional returns if the market price of the equity securities exceeds the conversion price. For example, the Portfolio Fund may hold fixed income securities that are convertible into shares of common stock at a conversion price of \$10 per share. If the market value of the shares of common stock reached \$12, the Portfolio Fund could realize an additional \$2 per share by converting its fixed income securities. Convertible securities have lower yields than comparable fixed income securities. In addition, at the time a convertible security is issued the conversion price exceeds the market value of the underlying equity securities. Thus, convertible securities may provide lower returns than non-convertible

fixed income securities or equity securities depending upon changes in the price of the underlying equity securities. However, convertible securities permit the Portfolio Fund to realize some of the potential appreciation of the underlying equity securities with less risk of losing its initial investment.

Risks of Investing in TIPS. The Fund is subject to certain risks to the extent that the Portfolio Funds invest in Treasury Inflation-Protected Securities (TIPS). TIPS are special types of treasury bonds that were created in order to offer bond investors protection from inflation. The values of TIPS are automatically adjusted to the inflation rate as measured by the Consumer Price Index (CPI). With inflation (a rise in the CPI), the principal increases; with a deflation (a drop in the CPI), the principal decreases. When TIPS mature, you are paid the adjusted principal or original principal, whichever is greater. TIPS decline in value when real interest rates rise. However, in certain interest rate environments, such as when real interest rates are rising faster than nominal interest rates, TIPS may experience greater losses than other fixed income securities with similar duration.

Foreign Securities and Emerging Markets Risk. The Portfolio Funds may have significant investments in foreign securities. Foreign securities involve investment risks different from those associated with domestic securities. Changes in foreign economies and political climates are more likely to affect the Fund than a Portfolio Fund that invests exclusively in domestic securities. The value of foreign currency denominated securities or foreign currency contracts is affected by the value of the local currency relative to the U.S. dollar. There may be less government supervision of foreign markets, resulting in non-uniform accounting practices and less publicly available information about issuers of foreign currency denominated securities. The value of foreign investments may be affected by changes in exchange control regulations, application of foreign tax laws (including withholding tax), changes in governmental administration or economic or monetary policy (in this country or abroad), or changed circumstances in dealings between nations. In addition, foreign brokerage commissions, custody fees, and other costs of investing in foreign securities are generally higher than in the United States. Investments in foreign issues could be affected by other factors not present in the United States, including expropriation, armed conflict, confiscatory taxation, and potential difficulties in enforcing contractual obligations.

Derivatives Risk. The Fund and the Portfolio Funds held by the Fund may use derivative instruments, which derive their value from the value of an underlying security, currency, or index. Derivative instruments involve risks different from direct investments in the underlying assets, including: imperfect correlation between the value of the derivative instrument and the underlying assets; risks of default by the other party to the derivative instrument; risks that the transactions may result in losses of all or in excess of any gain in the portfolio positions; and risks that the transactions may not be liquid.

Short Sales Risk. While the Fund will not short individual securities, the Portfolio Funds held by the Fund may sell securities short. A short sale is a transaction in which the Portfolio Fund sells a security it does not own but has borrowed in anticipation that

the market price of the security will decline. The Portfolio Fund must replace the borrowed security by purchasing it at the market price at the time of replacement, which may be more or less than the price at which the Portfolio Fund sold the security.

Leverage Risk. While the Fund will not utilize leverage (i.e., borrowing) when making investments, the Portfolio Funds held by the Fund may utilize leverage to acquire their underlying portfolio investments. The use of leverage may exaggerate changes in a Portfolio Fund's share price and the return on its investments. Accordingly, the value of the Fund's investments in Portfolio Funds may be more volatile and all other risks, including the risk of loss of an investment, tend to be compounded or magnified. Any losses suffered by a Portfolio Fund as a result of the use of leverage could adversely affect the Fund's net asset value and an investor could incur a loss in their investment in the Fund. Borrowing also leads to additional interest expense and other fees that increase the Portfolio Fund's expenses.

Portfolio Turnover Risk. The Advisor will sell Portfolio Funds when it is in the interests of the Fund and its shareholders to do so without regard to the length of time they have been held. As portfolio turnover may involve paying brokerage commissions and other transaction costs, there could be additional expenses for the Fund. High rates of portfolio turnover may also result in the realization of short-term capital gains and losses. Any distributions resulting from such gains will be considered ordinary income for federal income tax purposes.

Investment Advisor Risk. The Advisor's ability to choose suitable investments has a significant impact on the ability of the Fund to achieve its investment objectives. The portfolio managers' experience is discussed in the section of this prospectus entitled "Management of the Funds – Investment Advisor."

New Fund Risk. The Fund was formed in 2012. Accordingly, investors in the Fund bear the risk that the Fund may not be successful in implementing its investment strategy, may not employ a successful investment strategy, or may fail to attract sufficient assets under management to realize economies of scale, any of which could result in the Fund being liquidated at any time without shareholder approval and at a time that may not be favorable for all shareholders. Such a liquidation could have negative tax consequences for shareholders and will cause shareholders to incur expenses of liquidation.

Operating Risk. The Fund's administrator and Advisor have entered into an Operating Plan that facilitates the administrator's assumption of the Fund's regular operating expenses under the Fund Accounting and Administration Agreement. The Operating Plan obligates the Advisor to pay certain expenses of the Fund in order to help limit its annual operating expenses. If the Advisor, however, does not have sufficient revenue to support those expenses, the Advisor may be compelled to either resign or become insolvent. In addition, if the Fund incurs expenses in excess of those that the administrator has agreed to pay and the Advisor is not able or willing to pay the excess costs, those excess costs will increase the Fund's expenses.

PERFORMANCE INFORMATION

Because the Fund has not been in operation for an entire calendar year, there is no Fund performance information to be presented here. You may request a copy of the Fund's annual and semi-annual reports, once available, at no charge by calling the Fund.

MANAGEMENT

Investment Advisor. The Fund's investment advisor is FolioMetrix, LLC.

Portfolio Managers. The Fund's portfolio managers are Greg Rutherford, Steven Wruble, and Chase Weaver. Mr. Rutherford is Chief Investment Officer and Managing Director of the Advisor. Mr. Wruble and Mr. Weaver are Senior Analysts.

ISM GLOBAL ALPHA TACTICAL FUND

INVESTMENT OBJECTIVES

The ISM Global Alpha Tactical Fund seeks capital appreciation.

FEES AND EXPENSES OF THE FUND

These tables describe the fees and expenses that you may pay if you buy and hold shares of the Fund:

Shareholder Fees

(fees paid directly from your investment)

| | <u>Institutional</u> | <u>Advisor</u> |
|---|-----------------------------|-----------------------|
| <u>Maximum Sales Charge (Load) Imposed On Purchases</u> <u>(as a % of offering price)</u> | <u>None</u> | <u>None</u> |
| <u>Maximum Deferred Sales Charge (Load)</u> <u>(as a % of the lesser of amount purchased or redeemed)</u> | <u>None</u> | <u>1.00%</u> |
| <u>Redemption Fee</u> <u>(as a % of amount redeemed)</u> | <u>None</u> | <u>None</u> |
| <u>Exchange Fee</u> | <u>None</u> | <u>None</u> |

Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

| | <u>Institutional</u> | <u>Advisor</u> |
|---|-----------------------------|-----------------------|
| <u>Management Fees</u> | <u>0.45%</u> | <u>0.45%</u> |
| <u>Distribution and/or Service (12b-1) Fees</u> | <u>None</u> | <u>1.00%</u> |
| <u>Other Expenses</u> ¹ | <u>0.70%</u> | <u>0.70%</u> |
| <u>Acquired Fund Fees and Expenses</u> ² | <u>0.43%</u> | <u>0.43%</u> |
| <u>Total Annual Fund Operating Expenses</u> | <u>1.58%</u> | <u>2.58%</u> |
| <u>Fee Waiver and/or Expense Limitation</u> ³ | <u>0.45%</u> | <u>0.45%</u> |
| <u>Net Annual Fund Operating Expenses</u> | <u>1.13%</u> | <u>2.13%</u> |

1. *Since the Fund is newly organized, "Other Expenses" are based on estimated expenses for the current fiscal year.*

2. *"Acquired Fund" means any investment company in which the Fund invests or has invested during the period. Since the Fund is newly organized, "Acquired Fund Fees and Expenses" are based on estimated expenses for the current fiscal year. . . The "Total Annual Fund Operating Expenses" and "Net Annual Fund Operating Expenses" will not match the Fund's gross and net expense ratios reported in the Financial Highlights from the Fund's financial statements, which*

will reflect the operating expenses of the Fund and do not include Acquired Fund Fees and Expenses.

3. The Fund's administrator has entered into a Fund Accounting and Administration Agreement with the Fund that covers the regular operating expenses of the Fund for an inclusive fee of 0.25% (with the exception of management fees, distribution and/or service (12b-1) fees, acquired fund fees and expenses, and extraordinary expenses), even if such operating expenses exceed the inclusive fee. The agreement runs through October 1, 2013 and can only be terminated prior to that date at the discretion of the Fund's Board of Trustees. The Fund's administrator cannot recoup from the Fund any regular operating expenses in excess of the inclusive fee. In conjunction with the Fund Accounting and Administration Agreement, the Advisor has entered into an Operating Plan with the Fund's administrator, also through October 1, 2013 under which it has agreed to make payments to the administrator when the Fund is at lower asset levels and to assume certain expenses of the Fund outlined in the Operating Plan. The Operating Plan can only be terminated prior to the conclusion of the current term with the approval of the Fund's Board of Trustees. The Advisor cannot recoup from the Fund any amounts paid under the Operating Plan.

Example: This example shows you the expenses you may pay over time by investing in the Fund. Since all mutual funds use the same hypothetical conditions, this example should help you compare the costs of investing in the Fund versus other mutual funds. The example assumes the following conditions:

- You invest \$10,000 in the Fund for the periods shown;
- You reinvest all dividends and distributions;
- You redeem all of your shares at the end of those periods;
- You earn a 5% return each year; and
- The Fund's operating expenses remain the same.

Although your actual costs may be higher or lower, the following table shows you what your costs may be under the conditions listed above.

| <u>Class</u> | <u>1 Year</u> | <u>3 Years</u> |
|----------------------|---------------|----------------|
| <u>Institutional</u> | <u>\$115</u> | <u>\$455</u> |
| <u>Advisor</u> | <u>\$319</u> | <u>\$760</u> |

You would pay the following expenses if you did not redeem your shares:

| <u>Class</u> | <u>1 Year</u> | <u>3 Years</u> |
|----------------------|---------------|----------------|
| <u>Institutional</u> | <u>\$115</u> | <u>\$455</u> |
| <u>Advisor</u> | <u>\$216</u> | <u>\$760</u> |

Portfolio Turnover. The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance.

PRINCIPAL INVESTMENT STRATEGIES

The Fund's investment advisor, FolioMetrix, LLC (the "Advisor"), seeks to achieve the Fund's investment objective by investing primarily in no-load, institutional, and exchange-traded funds ("Portfolio Funds"). Although the Fund primarily invests in Portfolio Funds with no sales related expenses or very low sales related expenses, the Fund is not precluded from investing in Portfolio Funds with sales-related expenses, redemption fees, and/or service fees in excess of 0.25%.

The Fund will invest primarily in Portfolio Funds that are designed to track a particular market sector, including both domestic and foreign equities markets. A portion of the Fund's assets will also be allocated to cash or cash equivalents.

The Advisor selects Portfolio Funds for investment based upon a proprietary quantitative model. The model allocates the Fund's assets among market sectors by analyzing price movements, historical prices, volatility, and other data. The Advisor will seek to construct portfolios that outperform the S&P Global Broad Market Index. The Advisor will generally sell a Portfolio Fund when a more attractive investment opportunity is identified or the Fund's portfolio needs to be rebalanced. The Fund may engage in active and frequent trading of its portfolio securities.

The Fund may buy or sell options, futures contracts, and other derivative instruments as a substitute for taking a direct position in the underlying asset or as part of a strategy that is intended to reduce the exposure of the Fund to various risks. To the extent that the Fund invests in options, futures, or similar investments, the Fund will comply with the applicable requirements of the Investment Company Act of 1940, including, but not limited to, Section 18 thereof and relevant interpretive positions of the staff of the Securities and Exchange Commission regarding the use of such instruments.

PRINCIPAL RISKS OF INVESTING IN THE FUND

The loss of your money is a principal risk of investing in the Fund. Investments in the Fund are subject to investment risks, including the possible loss of some or the entire principal amount invested. There can be no assurance that the Fund will be successful in meeting its investment objective. Generally, the Fund will be subject to the following principal risks:

Risks related to "Fund of Funds" structure. The Fund is a "fund of funds." The term "fund of funds" is typically used to describe investment companies, such as the Fund, whose primary investment strategy involves investing in other investment companies, such as mutual funds and ETFs. Investments in other investment companies subject the Fund to additional operating and management fees and expenses. For example, investors in the Fund will indirectly bear fees and expenses charged by the mutual funds and ETFs in which the Fund invests, in addition to the Fund's direct fees and expenses. Furthermore, the use of a fund of funds structure could affect the timing, amount, and character of distributions and therefore may increase the amount of taxes payable by you.

Management Style Risk. Different types of securities tend to shift into and out of favor with investors depending on market and economic conditions. The returns from the types of Portfolio Funds purchased by the Fund (growth, value, etc.) may at times be better or worse than the returns from other types of funds. Each type of investment tends to go through cycles of performing better or worse than the market in general. The performance of the Fund may thus be better or worse than the performance of funds that focus on other types of investments, or that have a broader investment style.

Control of Portfolio Funds. Although the Fund and the Advisor will evaluate regularly each Portfolio Fund to determine whether such Portfolio Fund's investment program is consistent with the Fund's investment objective, the Advisor will not have any control over the investments made by a Portfolio Fund. Even though each Portfolio Fund is subject to certain constraints, the investment advisor to each such Portfolio Fund may change aspects of their investment strategies at any time. The Advisor will not have the ability to control or otherwise influence the composition of the investment portfolio of any Portfolio Fund.

Market Risk. Market risk refers to the possibility that the value of securities held by the Fund may decline due to daily fluctuations in the market. Market prices for securities change daily as a result of many factors, including developments affecting the condition of both individual companies and the market in general. The price of a security may even be affected by factors unrelated to the value or condition of its issuer, such as changes in interest rates, economic and political conditions, and general market conditions. The Fund's performance per share will change daily in response to such factors.

Sector Risk. Sector risk is the possibility that securities within the same group of industries will decline in price due to sector-specific market or economic developments. If the Portfolio Funds invest more heavily in a particular sector, the value of its shares may be especially sensitive to factors and economic risks that specifically affect that sector. As a result, the Portfolio Fund's share price may fluctuate more widely than the value of shares of a mutual fund that invests in a broader range of industries. Additionally, some sectors could be subject to greater government regulation than other sectors. Therefore, changes in regulatory policies for those sectors may have a material effect on the value of securities issued by companies in those sectors.

Equity Securities. The investments in equity securities by the Portfolio Funds may fluctuate in value response to many factors, including, but not limited to, the activities of the individual companies whose securities the Portfolio Fund owns, general economic conditions, and specific industry changes. Such price fluctuations subject the Fund to potential losses. Regardless of any one company's particular prospects, a declining stock market may produce a decline in prices for all equity securities, which could also result in losses for the Fund.

Foreign Securities and Emerging Markets Risk. The Portfolio Funds may have significant investments in foreign securities. Foreign securities involve investment risks different from those associated with domestic securities. Changes in foreign economies

and political climates are more likely to affect the Fund than a Portfolio Fund that invests exclusively in domestic securities. The value of foreign currency denominated securities or foreign currency contracts is affected by the value of the local currency relative to the U.S. dollar. There may be less government supervision of foreign markets, resulting in non-uniform accounting practices and less publicly available information about issuers of foreign currency denominated securities. The value of foreign investments may be affected by changes in exchange control regulations, application of foreign tax laws (including withholding tax), changes in governmental administration or economic or monetary policy (in this country or abroad), or changed circumstances in dealings between nations. In addition, foreign brokerage commissions, custody fees, and other costs of investing in foreign securities are generally higher than in the United States. Investments in foreign issues could be affected by other factors not present in the United States, including expropriation, armed conflict, confiscatory taxation, and potential difficulties in enforcing contractual obligations.

Portfolio Turnover Risk. The Advisor will sell Portfolio Funds when it is in the interests of the Fund and its shareholders to do so without regard to the length of time they have been held. As portfolio turnover may involve paying brokerage commissions and other transaction costs, there could be additional expenses for the Fund. High rates of portfolio turnover may also result in the realization of short-term capital gains and losses. Any distributions resulting from such gains will be considered ordinary income for federal income tax purposes. Under normal circumstances, the anticipated portfolio turnover rate for the Fund is expected to be greater than 100%.

Investment Advisor Risk. The Advisor's ability to choose suitable investments has a significant impact on the ability of the Fund to achieve its investment objectives. The portfolio managers' experience is discussed in the section of this prospectus entitled "Management of the Funds – Investment Advisor."

New Fund Risk. The Fund was formed in 2012. Accordingly, investors in the Fund bear the risk that the Fund may not be successful in implementing its investment strategy, may not employ a successful investment strategy, or may fail to attract sufficient assets under management to realize economies of scale, any of which could result in the Fund being liquidated at any time without shareholder approval and at a time that may not be favorable for all shareholders. Such a liquidation could have negative tax consequences for shareholders and will cause shareholders to incur expenses of liquidation.

Operating Risk. The Fund's administrator and Advisor have entered into an Operating Plan that facilitates the administrator's assumption of the Fund's regular operating expenses under the Fund Accounting and Administration Agreement. The Operating Plan obligates the Advisor to pay certain expenses of the Fund in order to help limit its annual operating expenses. If the Advisor, however, does not have sufficient revenue to support those expenses, the Advisor may be compelled to either resign or become insolvent. In addition, if the Fund incurs expenses in excess of those that the administrator has agreed to pay and the Advisor is not able or willing to pay the excess costs, those excess costs will increase the Fund's expenses.

PERFORMANCE INFORMATION

Because the Fund has not been in operation for an entire calendar year, there is no Fund performance information to be presented here. You may request a copy of the Fund's annual and semi-annual reports, once available, at no charge by calling the Fund.

MANAGEMENT

Investment Advisor. The Fund's investment advisor is FolioMetrix, LLC.

Portfolio Managers. The Fund's portfolio managers are Greg Rutherford, Steven Wruble, and Chase Weaver. Mr. Rutherford is Chief Investment Officer and Managing Director of the Advisor. Mr. Wruble and Mr. Weaver are Senior Analysts.

ISM TAX FREE FUND

INVESTMENT OBJECTIVES

The ISM Tax Free Fund seeks to provide current income that is exempt from federal income tax.

FEES AND EXPENSES OF THE FUND

These tables describe the fees and expenses that you may pay if you buy and hold shares of the Fund:

Shareholder Fees

(fees paid directly from your investment)

| | <u>Institutional</u> | <u>Advisor</u> |
|---|-----------------------------|-----------------------|
| <u>Maximum Sales Charge (Load) Imposed On Purchases</u> <u>(as a % of offering price)</u> | <u>None</u> | <u>None</u> |
| <u>Maximum Deferred Sales Charge (Load)</u> <u>(as a % of the lesser of amount purchased or redeemed)</u> | <u>None</u> | <u>1.00%</u> |
| <u>Redemption Fee</u> <u>(as a % of amount redeemed)</u> | <u>None</u> | <u>None</u> |
| <u>Exchange Fee</u> | <u>None</u> | <u>None</u> |

Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

| | <u>Institutional</u> | <u>Advisor</u> |
|---|-----------------------------|-----------------------|
| <u>Management Fees</u> | <u>0.45%</u> | <u>0.45%</u> |
| <u>Distribution and/or Service (12b-1) Fees</u> | <u>None</u> | <u>1.00%</u> |
| <u>Other Expenses</u> ¹ | <u>0.70%</u> | <u>0.70%</u> |
| <u>Acquired Fund Fees and Expenses</u> ² | <u>0.66%</u> | <u>0.66%</u> |
| <u>Total Annual Fund Operating Expenses</u> | <u>1.81%</u> | <u>2.81%</u> |
| <u>Fee Waiver and/or Expense Limitation</u> ³ | <u>0.45%</u> | <u>0.45%</u> |
| <u>Net Annual Fund Operating Expenses</u> | <u>1.36%</u> | <u>2.36%</u> |

1. *Since the Fund is newly organized, "Other Expenses" are based on estimated expenses for the current fiscal year.*

2. *"Acquired Fund" means any investment company in which the Fund invests or has invested during the period. Since the Fund is newly organized, "Acquired Fund Fees and Expenses" are based on estimated expenses for the current fiscal year. . The "Total Annual Fund Operating Expenses" and "Net Annual Fund Operating Expenses" will not match the Fund's gross and net expense ratios reported in the Financial Highlights from the Fund's financial statements, which*

will reflect the operating expenses of the Fund and do not include Acquired Fund Fees and Expenses.

3. The Fund's administrator has entered into a Fund Accounting and Administration Agreement with the Fund that covers the regular operating expenses of the Fund for an inclusive fee of 0.25% (with the exception of management fees, distribution and/or service (12b-1) fees, acquired fund fees and expenses, and extraordinary expenses), even if such operating expenses exceed the inclusive fee. The agreement runs through October 1, 2013 and can only be terminated prior to that date at the discretion of the Fund's Board of Trustees. The Fund's administrator cannot recoup from the Fund any regular operating expenses in excess of the inclusive fee. In conjunction with the Fund Accounting and Administration Agreement, the Advisor has entered into an Operating Plan with the Fund's administrator, also through October 1, 2013 under which it has agreed to make payments to the administrator when the Fund is at lower asset levels and to assume certain expenses of the Fund outlined in the Operating Plan. The Operating Plan can only be terminated prior to the conclusion of the current term with the approval of the Fund's Board of Trustees. The Advisor cannot recoup from the Fund any amounts paid under the Operating Plan.

Example: This example shows you the expenses you may pay over time by investing in the Fund. Since all mutual funds use the same hypothetical conditions, this example should help you compare the costs of investing in the Fund versus other mutual funds. The example assumes the following conditions:

- You invest \$10,000 in the Fund for the periods shown;
- You reinvest all dividends and distributions;
- You redeem all of your shares at the end of those periods;
- You earn a 5% return each year; and
- The Fund's operating expenses remain the same.

Although your actual costs may be higher or lower, the following table shows you what your costs may be under the conditions listed above.

| <u>Class</u> | <u>1 Year</u> | <u>3 Years</u> |
|----------------------|---------------|----------------|
| <u>Institutional</u> | <u>\$138</u> | <u>\$526</u> |
| <u>Advisor</u> | <u>\$342</u> | <u>\$829</u> |

You would pay the following expenses if you did not redeem your shares:

| <u>Class</u> | <u>1 Year</u> | <u>3 Years</u> |
|----------------------|---------------|----------------|
| <u>Institutional</u> | <u>\$138</u> | <u>\$526</u> |
| <u>Advisor</u> | <u>\$239</u> | <u>\$829</u> |

Portfolio Turnover. The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance.

PRINCIPAL INVESTMENT STRATEGIES

The Fund's investment advisor, FolioMetrix, LLC (the "Advisor"), seeks to achieve the Fund's investment objective by investing primarily in no-load, institutional, and exchange-traded funds ("Portfolio Funds"). Although the Fund primarily invests in Portfolio Funds with no sales related expenses or very low sales related expenses, the Fund is not precluded from investing in Portfolio Funds with sales-related expenses, redemption fees, and/or service fees in excess of 0.25%.

The Fund will invest primarily in Portfolio Funds that have an investment objective similar to the Fund's or that are otherwise permitted investments under the Fund's investment policies. The Portfolio Funds' investments will generally include, but are not limited to, municipal bonds. Under normal circumstances, at least 80% of the Fund's net assets, plus borrowings for investment purposes, will be invested in Portfolio Funds that hold municipal bonds. Shareholders will be provided with at least 60 days' prior notice of any change in this policy. Any borrowing by the Fund will be subject to the limitations set forth in the Investment Company Act of 1940 and relevant interpretive positions of the staff of the Securities and Exchange Commission.

The Advisor uses a proprietary screening process to select Portfolio Funds for investment. The screening process includes analysis of credit quality, maturity, yield, and volatility. The Advisor will seek to construct portfolios that achieve the Fund's investment objective while assuming risk that is no greater than the S&P Municipal Bond Index. The Advisor will generally sell a Portfolio Fund when a more attractive investment opportunity is identified or the Fund's portfolio needs to be rebalanced.

The Fund may buy or sell options, futures contracts, and other derivative instruments as a substitute for taking a direct position in the underlying asset or as part of a strategy that is intended to reduce the exposure of the Fund to various risks. To the extent that the Fund invests in options, futures, or similar investments, the Fund will comply with the applicable requirements of the Investment Company Act of 1940, including, but not limited to, Section 18 thereof and relevant interpretive positions of the staff of the Securities and Exchange Commission regarding the use of such instruments.

PRINCIPAL RISKS OF INVESTING IN THE FUND

The loss of your money is a principal risk of investing in the Fund. Investments in the Fund are subject to investment risks, including the possible loss of some or the entire principal amount invested. There can be no assurance that the Fund will be successful in meeting its investment objective. Generally, the Fund will be subject to the following principal risks:

Risks related to "Fund of Funds" structure. The Fund is a "fund of funds." The term "fund of funds" is typically used to describe investment companies, such as the Fund, whose primary investment strategy involves investing in other investment companies, such as mutual funds and ETFs. Investments in other investment companies subject the Fund to additional operating and management fees and expenses. For example, investors in the Fund will indirectly bear fees and expenses charged by the mutual funds and ETFs

in which the Fund invests, in addition to the Fund's direct fees and expenses. Furthermore, the use of a fund of funds structure could affect the timing, amount, and character of distributions and therefore may increase the amount of taxes payable by you.

Management Style Risk. Different types of securities tend to shift into and out of favor with investors depending on market and economic conditions. The returns from the types of Portfolio Funds purchased by the Fund (growth, value, etc.) may at times be better or worse than the returns from other types of funds. Each type of investment tends to go through cycles of performing better or worse than the market in general. The performance of the Fund may thus be better or worse than the performance of funds that focus on other types of investments, or that have a broader investment style.

Control of Portfolio Funds. Although the Fund and the Advisor will evaluate regularly each Portfolio Fund to determine whether such Portfolio Fund's investment program is consistent with the Fund's investment objective, the Advisor will not have any control over the investments made by a Portfolio Fund. Even though each Portfolio Fund is subject to certain constraints, the investment advisor to each such Portfolio Fund may change aspects of their investment strategies at any time. The Advisor will not have the ability to control or otherwise influence the composition of the investment portfolio of any Portfolio Fund.

Market Risk. Market risk refers to the possibility that the value of securities held by the Fund may decline due to daily fluctuations in the market. Market prices for securities change daily as a result of many factors, including developments affecting the condition of both individual companies and the market in general. The price of a security may even be affected by factors unrelated to the value or condition of its issuer, such as changes in interest rates, economic and political conditions, and general market conditions. The Fund's performance per share will change daily in response to such factors.

Fixed Income Risk. Since the Portfolio Funds in which the Fund will invest holds fixed income securities, the Fund will be subject to the risks associated with investing in fixed income securities. The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers. Generally, fixed income securities will decrease in value if interest rates rise and vice versa, and the volatility of lower-rated securities is even greater than that of higher-rated securities. Also, longer-term securities are generally more volatile, so the average maturity or duration of these securities affects risk. Credit risk is the possibility that an issuer will fail to make timely payments of interest or principal or go bankrupt. The lower the rating of a debt security, the greater its risks. In addition, these risks are often magnified for junk bonds, or other securities rated below investment grade, and adverse changes in economic conditions or market perception are likely to cause issuers of these securities to be unable to meet their obligations to repay principal and interest to investors.

Risks of Investing in Municipal Securities. The yields of municipal securities may move differently and adversely compared to the yields of the overall debt securities

markets. There could be changes in applicable tax laws or tax treatments that reduce or eliminate the current federal income tax exemption on municipal securities or otherwise adversely affect the current federal or state tax status of municipal securities.

Interest Rate and Credit Risk. Interest rates may rise resulting in a decrease in the value of the fixed income securities held by the Portfolio Funds or may fall resulting in an increase in the value of such securities. Fixed income securities with longer maturities generally involve greater risk than those with shorter maturities. Issuers of fixed income securities might be unable to make principal and interest payments when due.

Inflation Risk. Fixed income securities are subject to inflation risk. Because inflation reduces the purchasing power of income produced by existing fixed income securities, the prices at which fixed income securities trade will be reduced to compensate for the fact that the income they produce is worth less. This potential decrease in market value of fixed income securities would result in a loss in the value of the Fund's portfolio.

High-Yield Risk. Portfolio Funds may invest in junk bonds and other fixed income securities that are rated below investment grade. Securities in this rating category are speculative. Changes in economic conditions or other circumstances may have a greater effect on the ability of issuers of these securities to make principal and interest payments than they do on issuers of higher grade securities. The additional risks of these types of investments include an increased possibility of default, illiquidity of the security and changes in value based on public perception of the issuer. Additionally, these instruments are generally unsecured and may be subordinated to other creditor's claims.

Derivatives Risk. The Fund and the Portfolio Funds held by the Fund may use derivative instruments, which derive their value from the value of an underlying security, currency, or index. Derivative instruments involve risks different from direct investments in the underlying assets, including: imperfect correlation between the value of the derivative instrument and the underlying assets; risks of default by the other party to the derivative instrument; risks that the transactions may result in losses of all or in excess of any gain in the portfolio positions; and risks that the transactions may not be liquid.

Short Sales Risk. While the Fund will not short individual securities, the Portfolio Funds held by the Fund may sell securities short. A short sale is a transaction in which the Portfolio Fund sells a security it does not own but has borrowed in anticipation that the market price of the security will decline. The Portfolio Fund must replace the borrowed security by purchasing it at the market price at the time of replacement, which may be more or less than the price at which the Portfolio Fund sold the security.

Leverage Risk. While the Fund will not utilize leverage (i.e., borrowing) when making investments, the Portfolio Funds held by the Fund may utilize leverage to acquire their underlying portfolio investments. The use of leverage may exaggerate changes in a Portfolio Fund's share price and the return on its investments. Accordingly, the value of the Fund's investments in Portfolio Funds may be more volatile and all other risks, including the risk of loss of an investment, tend to be compounded or magnified. Any

losses suffered by a Portfolio Fund as a result of the use of leverage could adversely affect the Fund's net asset value and an investor could incur a loss in their investment in the Fund. Borrowing also leads to additional interest expense and other fees that increase the Portfolio Fund's expenses.

Portfolio Turnover Risk. The Advisor will sell Portfolio Funds when it is in the interests of the Fund and its shareholders to do so without regard to the length of time they have been held. As portfolio turnover may involve paying brokerage commissions and other transaction costs, there could be additional expenses for the Fund. High rates of portfolio turnover may also result in the realization of short-term capital gains and losses. Any distributions resulting from such gains will be considered ordinary income for federal income tax purposes.

Investment Advisor Risk. The Advisor's ability to choose suitable investments has a significant impact on the ability of the Fund to achieve its investment objectives. The portfolio managers' experience is discussed in the section of this prospectus entitled "Management of the Funds – Investment Advisor."

New Fund Risk. The Fund was formed in 2012. Accordingly, investors in the Fund bear the risk that the Fund may not be successful in implementing its investment strategy, may not employ a successful investment strategy, or may fail to attract sufficient assets under management to realize economies of scale, any of which could result in the Fund being liquidated at any time without shareholder approval and at a time that may not be favorable for all shareholders. Such a liquidation could have negative tax consequences for shareholders and will cause shareholders to incur expenses of liquidation.

Operating Risk. The Fund's administrator and Advisor have entered into an Operating Plan that facilitates the administrator's assumption of the Fund's regular operating expenses under the Fund Accounting and Administration Agreement. The Operating Plan obligates the Advisor to pay certain expenses of the Fund in order to help limit its annual operating expenses. If the Advisor, however, does not have sufficient revenue to support those expenses, the Advisor may be compelled to either resign or become insolvent. In addition, if the Fund incurs expenses in excess of those that the administrator has agreed to pay and the Advisor is not able or willing to pay the excess costs, those excess costs will increase the Fund's expenses.

PERFORMANCE INFORMATION

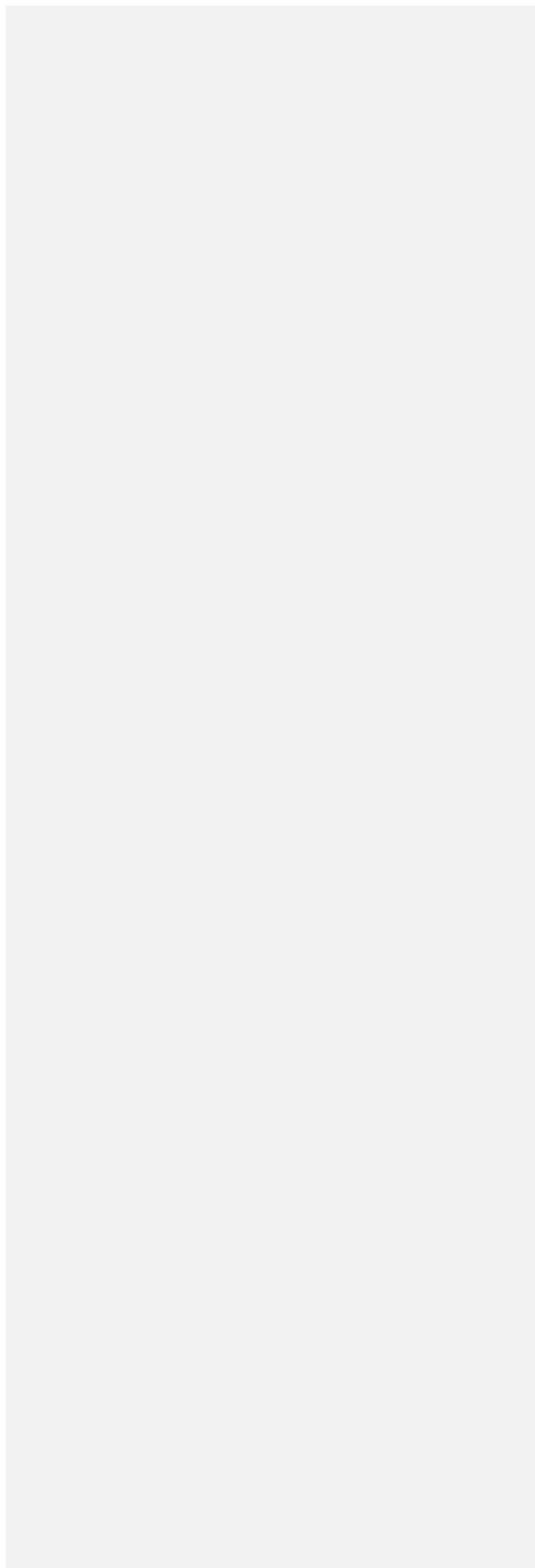
Because the Fund has not been in operation for an entire calendar year, there is no Fund performance information to be presented here. You may request a copy of the Fund's annual and semi-annual reports, once available, at no charge by calling the Fund.

MANAGEMENT

Investment Advisor. The Fund's investment advisor is FolioMetrix, LLC.

Portfolio Managers. The Fund's portfolio managers are Greg Rutherford, Steven Wruble, and Chase Weaver. Mr. Rutherford is Chief Investment Officer and Managing Director of the Advisor. Mr. Wruble and Mr. Weaver are Senior Analysts.

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ISM DIVIDEND INCOME FUND

INVESTMENT OBJECTIVES

The ISM Dividend Income Fund seeks equity income and capital appreciation.

FEES AND EXPENSES OF THE FUND

These tables describe the fees and expenses that you may pay if you buy and hold shares of the Fund:

Shareholder Fees

(fees paid directly from your investment)

| | <u>Institutional</u> | <u>Advisor</u> |
|---|-----------------------------|-----------------------|
| <u>Maximum Sales Charge (Load) Imposed On Purchases</u> <u>(as a % of offering price)</u> | <u>None</u> | <u>None</u> |
| <u>Maximum Deferred Sales Charge (Load)</u> <u>(as a % of the lesser of amount purchased or redeemed)</u> | <u>None</u> | <u>1.00%</u> |
| <u>Redemption Fee</u> <u>(as a % of amount redeemed)</u> | <u>None</u> | <u>None</u> |
| <u>Exchange Fee</u> | <u>None</u> | <u>None</u> |

Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

| | <u>Institutional</u> | <u>Advisor</u> |
|---|-----------------------------|-----------------------|
| <u>Management Fees</u> | <u>0.45%</u> | <u>0.45%</u> |
| <u>Distribution and/or Service (12b-1) Fees</u> | <u>None</u> | <u>1.00%</u> |
| <u>Other Expenses</u> ¹ | <u>0.70%</u> | <u>0.70%</u> |
| <u>Acquired Fund Fees and Expenses</u> ² | <u>1.04%</u> | <u>1.04%</u> |
| <u>Total Annual Fund Operating Expenses</u> | <u>2.19%</u> | <u>3.19%</u> |
| <u>Fee Waiver and/or Expense Limitation</u> ³ | <u>0.45%</u> | <u>0.45%</u> |
| <u>Net Annual Fund Operating Expenses</u> | <u>1.74%</u> | <u>2.74%</u> |

1. *Since the Fund is newly organized, "Other Expenses" are based on estimated expenses for the current fiscal year.*

2. *"Acquired Fund" means any investment company in which the Fund invests or has invested during the period. Since the Fund is newly organized, "Acquired Fund Fees and Expenses" are based on estimated expenses for the current fiscal year. . . The "Total Annual Fund Operating Expenses" and "Net Annual Fund Operating Expenses" will not match the Fund's gross and net expense ratios reported in the Financial Highlights from the Fund's financial statements, which*

will reflect the operating expenses of the Fund and do not include Acquired Fund Fees and Expenses.

3. The Fund's administrator has entered into a Fund Accounting and Administration Agreement with the Fund that covers the regular operating expenses of the Fund for an inclusive fee of 0.25% (with the exception of management fees, distribution and/or service (12b-1) fees, acquired fund fees and expenses, and extraordinary expenses), even if such operating expenses exceed the inclusive fee. The agreement runs through October 1, 2013 and can only be terminated prior to that date at the discretion of the Fund's Board of Trustees. The Fund's administrator cannot recoup from the Fund any regular operating expenses in excess of the inclusive fee. In conjunction with the Fund Accounting and Administration Agreement, the Advisor has entered into an Operating Plan with the Fund's administrator, also through October 1, 2013 under which it has agreed to make payments to the administrator when the Fund is at lower asset levels and to assume certain expenses of the Fund outlined in the Operating Plan. The Operating Plan can only be terminated prior to the conclusion of the current term with the approval of the Fund's Board of Trustees. The Advisor cannot recoup from the Fund any amounts paid under the Operating Plan.

Example: This example shows you the expenses you may pay over time by investing in the Fund. Since all mutual funds use the same hypothetical conditions, this example should help you compare the costs of investing in the Fund versus other mutual funds. The example assumes the following conditions:

- You invest \$10,000 in the Fund for the periods shown;
- You reinvest all dividends and distributions;
- You redeem all of your shares at the end of those periods;
- You earn a 5% return each year; and
- The Fund's operating expenses remain the same.

Although your actual costs may be higher or lower, the following table shows you what your costs may be under the conditions listed above.

| <u>Class</u> | <u>1 Year</u> | <u>3 Years</u> |
|----------------------|---------------|----------------|
| <u>Institutional</u> | <u>\$177</u> | <u>\$642</u> |
| <u>Advisor</u> | <u>\$379</u> | <u>\$941</u> |

You would pay the following expenses if you did not redeem your shares:

| <u>Class</u> | <u>1 Year</u> | <u>3 Years</u> |
|----------------------|---------------|----------------|
| <u>Institutional</u> | <u>\$177</u> | <u>\$642</u> |
| <u>Advisor</u> | <u>\$277</u> | <u>\$941</u> |

Portfolio Turnover. The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance.

PRINCIPAL INVESTMENT STRATEGIES

The Fund's investment advisor, FolioMetrix, LLC (the "Advisor"), seeks to achieve the Fund's investment objective by investing primarily in no-load, institutional, and exchange-traded funds ("Portfolio Funds"). Although the Fund primarily invests in Portfolio Funds with no sales related expenses or very low sales related expenses, the Fund is not precluded from investing in Portfolio Funds with sales-related expenses, redemption fees, and/or service fees in excess of 0.25%.

The Fund will invest primarily in Portfolio Funds that have an investment objective similar to the Fund's or that are otherwise permitted investments under the Fund's investment policies. The Portfolio Funds' investments will generally include, but are not limited to, equity securities in both domestic and foreign markets that offer relatively high dividend yields.

The Advisor uses a proprietary screening process to select Portfolio Funds for investment. The screening process includes analysis of yield and risk data. The Advisor will seek to construct portfolios that achieve the Fund's investment objective while maintaining lower volatility than the S&P 500 Index in the portion of the portfolio invested in domestic securities and the MSCI EAFE Index in the portion of the portfolio invested in foreign securities. The Advisor will generally sell a Portfolio Fund when a more attractive investment opportunity is identified or the Fund's portfolio needs to be rebalanced.

The Fund may buy or sell options, futures contracts, and other derivative instruments as a substitute for taking a direct position in the underlying asset or as part of a strategy that is intended to reduce the exposure of the Fund to various risks. To the extent that the Fund invests in options, futures, or similar investments, the Fund will comply with the applicable requirements of the Investment Company Act of 1940, including, but not limited to, Section 18 thereof and relevant interpretive positions of the staff of the Securities and Exchange Commission regarding the use of such instruments.

PRINCIPAL RISKS OF INVESTING IN THE FUND

The loss of your money is a principal risk of investing in the Fund. Investments in the Fund are subject to investment risks, including the possible loss of some or the entire principal amount invested. There can be no assurance that the Fund will be successful in meeting its investment objective. Generally, the Fund will be subject to the following principal risks:

Risks related to "Fund of Funds" structure. The Fund is a "fund of funds." The term "fund of funds" is typically used to describe investment companies, such as the Fund, whose primary investment strategy involves investing in other investment companies, such as mutual funds and ETFs. Investments in other investment companies subject the Fund to additional operating and management fees and expenses. For example, investors in the Fund will indirectly bear fees and expenses charged by the mutual funds and ETFs in which the Fund invests, in addition to the Fund's direct fees and expenses.

Furthermore, the use of a fund of funds structure could affect the timing, amount, and character of distributions and therefore may increase the amount of taxes payable by you.

Management Style Risk. Different types of securities tend to shift into and out of favor with investors depending on market and economic conditions. The returns from the types of Portfolio Funds purchased by the Fund (growth, value, etc.) may at times be better or worse than the returns from other types of funds. Each type of investment tends to go through cycles of performing better or worse than the market in general. The performance of the Fund may thus be better or worse than the performance of funds that focus on other types of investments, or that have a broader investment style.

Control of Portfolio Funds. Although the Fund and the Advisor will evaluate regularly each Portfolio Fund to determine whether such Portfolio Fund's investment program is consistent with the Fund's investment objective, the Advisor will not have any control over the investments made by a Portfolio Fund. Even though each Portfolio Fund is subject to certain constraints, the investment advisor to each such Portfolio Fund may change aspects of their investment strategies at any time. The Advisor will not have the ability to control or otherwise influence the composition of the investment portfolio of any Portfolio Fund.

Market Risk. Market risk refers to the possibility that the value of securities held by the Fund may decline due to daily fluctuations in the market. Market prices for securities change daily as a result of many factors, including developments affecting the condition of both individual companies and the market in general. The price of a security may even be affected by factors unrelated to the value or condition of its issuer, such as changes in interest rates, economic and political conditions, and general market conditions. The Fund's performance per share will change daily in response to such factors.

Equity Securities. The investments in equity securities by the Portfolio Funds may fluctuate in value response to many factors, including, but not limited to, the activities of the individual companies whose securities the Portfolio Fund owns, general economic conditions, and specific industry changes. Such price fluctuations subject the Fund to potential losses. Regardless of any one company's particular prospects, a declining stock market may produce a decline in prices for all equity securities, which could also result in losses for the Fund.

Small-Cap and Mid-Cap Securities Risk. The Portfolio Funds may invest in securities of small-cap and mid-cap companies, which involves greater volatility than investing in larger and more established companies. Small-cap and mid-cap companies can be subject to more abrupt or erratic share price changes than larger, more established companies. Securities of these types of companies have limited market liquidity, and their prices may be more volatile. You should expect that the value of the Fund's shares will be more volatile than a fund that invests exclusively in large-capitalization companies.

Foreign Securities and Emerging Markets Risk. The Portfolio Funds may have significant investments in foreign securities. Foreign securities involve investment risks different from those associated with domestic securities. Changes in foreign economies and political climates are more likely to affect the Fund than a Portfolio Fund that invests exclusively in domestic securities. The value of foreign currency denominated securities or foreign currency contracts is affected by the value of the local currency relative to the U.S. dollar. There may be less government supervision of foreign markets, resulting in non-uniform accounting practices and less publicly available information about issuers of foreign currency denominated securities. The value of foreign investments may be affected by changes in exchange control regulations, application of foreign tax laws (including withholding tax), changes in governmental administration or economic or monetary policy (in this country or abroad), or changed circumstances in dealings between nations. In addition, foreign brokerage commissions, custody fees, and other costs of investing in foreign securities are generally higher than in the United States. Investments in foreign issues could be affected by other factors not present in the United States, including expropriation, armed conflict, confiscatory taxation, and potential difficulties in enforcing contractual obligations.

Derivatives Risk. The Fund and the Portfolio Funds held by the Fund may use derivative instruments, which derive their value from the value of an underlying security, currency, or index. Derivative instruments involve risks different from direct investments in the underlying assets, including: imperfect correlation between the value of the derivative instrument and the underlying assets; risks of default by the other party to the derivative instrument; risks that the transactions may result in losses of all or in excess of any gain in the portfolio positions; and risks that the transactions may not be liquid.

Short Sales Risk. While the Fund will not short individual securities, the Portfolio Funds held by the Fund may sell securities short. A short sale is a transaction in which the Portfolio Fund sells a security it does not own but has borrowed in anticipation that the market price of the security will decline. The Portfolio Fund must replace the borrowed security by purchasing it at the market price at the time of replacement, which may be more or less than the price at which the Portfolio Fund sold the security.

Leverage Risk. While the Fund will not utilize leverage (i.e., borrowing) when making investments, the Portfolio Funds held by the Fund may utilize leverage to acquire their underlying portfolio investments. The use of leverage may exaggerate changes in a Portfolio Fund's share price and the return on its investments. Accordingly, the value of the Fund's investments in Portfolio Funds may be more volatile and all other risks, including the risk of loss of an investment, tend to be compounded or magnified. Any losses suffered by a Portfolio Fund as a result of the use of leverage could adversely affect the Fund's net asset value and an investor could incur a loss in their investment in the Fund. Borrowing also leads to additional interest expense and other fees that increase the Portfolio Fund's expenses.

Sector Risk. Sector risk is the possibility that securities within the same group of industries will decline in price due to sector-specific market or economic developments.

If the Portfolio Funds invest more heavily in a particular sector, the value of its shares may be especially sensitive to factors and economic risks that specifically affect that sector. As a result, the Portfolio Fund's share price may fluctuate more widely than the value of shares of a mutual fund that invests in a broader range of industries. Additionally, some sectors could be subject to greater government regulation than other sectors. Therefore, changes in regulatory policies for those sectors may have a material effect on the value of securities issued by companies in those sectors.

Portfolio Turnover Risk. The Advisor will sell Portfolio Funds when it is in the interests of the Fund and its shareholders to do so without regard to the length of time they have been held. As portfolio turnover may involve paying brokerage commissions and other transaction costs, there could be additional expenses for the Fund. High rates of portfolio turnover may also result in the realization of short-term capital gains and losses. Any distributions resulting from such gains will be considered ordinary income for federal income tax purposes. Under normal circumstances, the anticipated portfolio turnover rate for the Fund is expected to be greater than 100%.

Investment Advisor Risk. The Advisor's ability to choose suitable investments has a significant impact on the ability of the Fund to achieve its investment objectives. The portfolio managers' experience is discussed in the section of this prospectus entitled "Management of the Funds – Investment Advisor."

New Fund Risk. The Fund was formed in 2012. Accordingly, investors in the Fund bear the risk that the Fund may not be successful in implementing its investment strategy, may not employ a successful investment strategy, or may fail to attract sufficient assets under management to realize economies of scale, any of which could result in the Fund being liquidated at any time without shareholder approval and at a time that may not be favorable for all shareholders. Such a liquidation could have negative tax consequences for shareholders and will cause shareholders to incur expenses of liquidation.

Operating Risk. The Fund's administrator and Advisor have entered into an Operating Plan that facilitates the administrator's assumption of the Fund's regular operating expenses under the Fund Accounting and Administration Agreement. The Operating Plan obligates the Advisor to pay certain expenses of the Fund in order to help limit its annual operating expenses. If the Advisor, however, does not have sufficient revenue to support those expenses, the Advisor may be compelled to either resign or become insolvent. In addition, if the Fund incurs expenses in excess of those that the administrator has agreed to pay and the Advisor is not able or willing to pay the excess costs, those excess costs will increase the Fund's expenses.

PERFORMANCE INFORMATION

Because the Fund has not been in operation for an entire calendar year, there is no Fund performance information to be presented here. You may request a copy of the Fund's annual and semi-annual reports, once available, at no charge by calling the Fund.

MANAGEMENT

Investment Advisor. The Fund's investment advisor is FolioMetrix, LLC.

Portfolio Managers. The Fund's portfolio managers are Greg Rutherford, Steven Wruble, and Chase Weaver. Mr. Rutherford is Chief Investment Officer and Managing Director of the Advisor. Mr. Wruble and Mr. Weaver are Senior Analysts.

ISM PREMIER ASSET MANAGEMENT FUND

INVESTMENT OBJECTIVES

The ISM Premier Asset Management Fund seeks total return through a combination of capital appreciation and current income.

FEES AND EXPENSES OF THE FUND

These tables describe the fees and expenses that you may pay if you buy and hold shares of the Fund:

Shareholder Fees

(fees paid directly from your investment)

| | <u>Institutional</u> | <u>Advisor</u> |
|--|-----------------------------|-----------------------|
| <u>Maximum Sales Charge (Load) Imposed On Purchases</u> <u>(as a % of offering price)</u> | <u>None</u> | <u>None</u> |
| <u>Maximum Deferred Sales Charge (Load)</u> <u>(as a % of the lesser of amount purchased or redeemed)</u> | <u>None</u> | <u>1.00%</u> |
| <u>Redemption Fee</u> <u>(as a % of amount redeemed)</u> | <u>None</u> | <u>None</u> |
| <u>Exchange Fee</u> | <u>None</u> | <u>None</u> |

Annual Fund Operating Expenses

(expenses that you pay each year as a percentage of the value of your investment)

| | <u>Institutional</u> | <u>Advisor</u> |
|---|-----------------------------|-----------------------|
| <u>Management Fees</u> | <u>0.45%</u> | <u>0.45%</u> |
| <u>Distribution and/or Service (12b-1) Fees</u> | <u>None</u> | <u>1.00%</u> |
| <u>Other Expenses¹</u> | <u>0.70%</u> | <u>0.70%</u> |
| <u>Acquired Fund Fees and Expenses²</u> | <u>1.05 %</u> | <u>1.05%</u> |
| <u>Total Annual Fund Operating Expenses</u> | <u>2.20%</u> | <u>3.20%</u> |
| <u>Fee Waiver and/or Expense Limitation³</u> | <u>0.45%</u> | <u>0.45%</u> |
| <u>Net Annual Fund Operating Expenses</u> | <u>1.75%</u> | <u>2.75%</u> |

1. Since the Fund is newly organized, "Other Expenses" are based on estimated expenses for the current fiscal year.

2. "Acquired Fund" means any investment company in which the Fund invests or has invested during the period. Since the Fund is newly organized, "Acquired Fund Fees and Expenses" are based on estimated expenses for the current fiscal year. The "Total Annual Fund Operating Expenses" and "Net Annual Fund Operating Expenses" will not match the Fund's gross and net expense ratios reported in the Financial Highlights from the Fund's financial statements, which

will reflect the operating expenses of the Fund and do not include Acquired Fund Fees and Expenses.

3. The Fund's administrator has entered into a Fund Accounting and Administration Agreement with the Fund that covers the regular operating expenses of the Fund for an inclusive fee of 0.25% (with the exception of management fees, distribution and/or service (12b-1) fees, acquired fund fees and expenses, and extraordinary expenses), even if such operating expenses exceed the inclusive fee. The agreement runs through October 1, 2013 and can only be terminated prior to that date at the discretion of the Fund's Board of Trustees. The Fund's administrator cannot recoup from the Fund any regular operating expenses in excess of the inclusive fee. In conjunction with the Fund Accounting and Administration Agreement, the Advisor has entered into an Operating Plan with the Fund's administrator, also through October 1, 2013 under which it has agreed to make payments to the administrator when the Fund is at lower asset levels and to assume certain expenses of the Fund outlined in the Operating Plan. The Operating Plan can only be terminated prior to the conclusion of the current term with the approval of the Fund's Board of Trustees. The Advisor cannot recoup from the Fund any amounts paid under the Operating Plan.

Example: This example shows you the expenses you may pay over time by investing in the Fund. Since all mutual funds use the same hypothetical conditions, this example should help you compare the costs of investing in the Fund versus other mutual funds. The example assumes the following conditions:

- You invest \$10,000 in the Fund for the periods shown;
- You reinvest all dividends and distributions;
- You redeem all of your shares at the end of those periods;
- You earn a 5% return each year; and
- The Fund's operating expenses remain the same.

Although your actual costs may be higher or lower, the following table shows you what your costs may be under the conditions listed above.

| <u>Class</u> | <u>1 Year</u> | <u>3 Years</u> |
|----------------------|---------------|----------------|
| <u>Institutional</u> | <u>\$178</u> | <u>\$645</u> |
| <u>Advisor</u> | <u>\$380</u> | <u>\$944</u> |

You would pay the following expenses if you did not redeem your shares:

| <u>Class</u> | <u>1 Year</u> | <u>3 Years</u> |
|----------------------|---------------|----------------|
| <u>Institutional</u> | <u>\$178</u> | <u>\$645</u> |
| <u>Advisor</u> | <u>\$278</u> | <u>\$944</u> |

Portfolio Turnover. The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance.

PRINCIPAL INVESTMENT STRATEGIES

The Fund's investment advisor, FolioMetrix, LLC (the "Advisor"), seeks to achieve the Fund's investment objective by investing primarily in open-end mutual funds ("Portfolio Funds"). Although the Fund primarily invests in Portfolio Funds with no sales related expenses or very low sales related expenses, the Fund is not precluded from investing in Portfolio Funds with sales-related expenses, redemption fees, and/or service fees in excess of 0.25%.

The Fund will invest primarily in Portfolio Funds with a performance record of at least 5 years that have an investment objective similar to the Fund's or that are otherwise permitted investments under the Fund's investment policies. The Fund will be invested in a small number of Portfolio Funds, often as few as three to five Portfolio Funds.

The Advisor uses a proprietary screening process to select Portfolio Funds for investment. The screening process seeks to identify managers who, over time, have proven successful at allocating portfolios for long-term growth without the constraints of a specific asset class, style, or sector. The Advisor will seek to construct portfolios that achieve the Fund's investment objective with less volatility than the S&P Global Broad Market Index. The Advisor will generally sell a Portfolio Fund when a more attractive investment opportunity is identified or the Fund's portfolio needs to be rebalanced.

The Fund may buy or sell options, futures contracts, and other derivative instruments as a substitute for taking a direct position in the underlying asset or as part of a strategy that is intended to reduce the exposure of the Fund to various risks. To the extent that the Fund invests in options, futures, or similar investments, the Fund will comply with the applicable requirements of the Investment Company Act of 1940, including, but not limited to, Section 18 thereof and relevant interpretive positions of the staff of the Securities and Exchange Commission regarding the use of such instruments.

PRINCIPAL RISKS OF INVESTING IN THE FUND

The loss of your money is a principal risk of investing in the Fund. Investments in the Fund are subject to investment risks, including the possible loss of some or the entire principal amount invested. There can be no assurance that the Fund will be successful in meeting its investment objective. Generally, the Fund will be subject to the following principal risks:

Risks related to "Fund of Funds" structure. The Fund is a "fund of funds." The term "fund of funds" is typically used to describe investment companies, such as the Fund, whose primary investment strategy involves investing in other investment companies, such as mutual funds and ETFs. Investments in other investment companies subject the Fund to additional operating and management fees and expenses. For example, investors in the Fund will indirectly bear fees and expenses charged by the mutual funds and ETFs in which the Fund invests, in addition to the Fund's direct fees and expenses. Furthermore, the use of a fund of funds structure could affect the timing, amount, and character of distributions and therefore may increase the amount of taxes payable by you.

Management Style Risk. Different types of securities tend to shift into and out of favor with investors depending on market and economic conditions. The returns from the types of Portfolio Funds purchased by the Fund (growth, value, etc.) may at times be better or worse than the returns from other types of funds. Each type of investment tends to go through cycles of performing better or worse than the market in general. The performance of the Fund may thus be better or worse than the performance of funds that focus on other types of investments, or that have a broader investment style.

Control of Portfolio Funds. Although the Fund and the Advisor will evaluate regularly each Portfolio Fund to determine whether such Portfolio Fund's investment program is consistent with the Fund's investment objective, the Advisor will not have any control over the investments made by a Portfolio Fund. Even though each Portfolio Fund is subject to certain constraints, the investment advisor to each such Portfolio Fund may change aspects of their investment strategies at any time. The Advisor will not have the ability to control or otherwise influence the composition of the investment portfolio of any Portfolio Fund.

Market Risk. Market risk refers to the possibility that the value of securities held by the Fund may decline due to daily fluctuations in the market. Market prices for securities change daily as a result of many factors, including developments affecting the condition of both individual companies and the market in general. The price of a security may even be affected by factors unrelated to the value or condition of its issuer, such as changes in interest rates, economic and political conditions, and general market conditions. The Fund's performance per share will change daily in response to such factors.

Equity Securities. The investments in equity securities by the Portfolio Funds may fluctuate in value response to many factors, including, but not limited to, the activities of the individual companies whose securities the Portfolio Fund owns, general economic conditions, and specific industry changes. Such price fluctuations subject the Fund to potential losses. Regardless of any one company's particular prospects, a declining stock market may produce a decline in prices for all equity securities, which could also result in losses for the Fund.

Fixed Income Risk. Since the Portfolio Funds in which the Fund will invest holds fixed income securities, the Fund will be subject to the risks associated with investing in fixed income securities. The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers. Generally, fixed income securities will decrease in value if interest rates rise and vice versa, and the volatility of lower-rated securities is even greater than that of higher-rated securities. Also, longer-term securities are generally more volatile, so the average maturity or duration of these securities affects risk. Credit risk is the possibility that an issuer will fail to make timely payments of interest or principal or go bankrupt. The lower the rating of a debt security, the greater its risks. In addition, these risks are often magnified for junk bonds, or other securities rated below investment grade, and adverse changes in economic conditions or market

perception are likely to cause issuers of these securities to be unable to meet their obligations to repay principal and interest to investors.

Foreign Securities and Emerging Markets Risk. The Portfolio Funds may have significant investments in foreign securities. Foreign securities involve investment risks different from those associated with domestic securities. Changes in foreign economies and political climates are more likely to affect the Fund than a Portfolio Fund that invests exclusively in domestic securities. The value of foreign currency denominated securities or foreign currency contracts is affected by the value of the local currency relative to the U.S. dollar. There may be less government supervision of foreign markets, resulting in non-uniform accounting practices and less publicly available information about issuers of foreign currency denominated securities. The value of foreign investments may be affected by changes in exchange control regulations, application of foreign tax laws (including withholding tax), changes in governmental administration or economic or monetary policy (in this country or abroad), or changed circumstances in dealings between nations. In addition, foreign brokerage commissions, custody fees, and other costs of investing in foreign securities are generally higher than in the United States. Investments in foreign issues could be affected by other factors not present in the United States, including expropriation, armed conflict, confiscatory taxation, and potential difficulties in enforcing contractual obligations.

Derivatives Risk. The Fund and the Portfolio Funds held by the Fund may use derivative instruments, which derive their value from the value of an underlying security, currency, or index. Derivative instruments involve risks different from direct investments in the underlying assets, including: imperfect correlation between the value of the derivative instrument and the underlying assets; risks of default by the other party to the derivative instrument; risks that the transactions may result in losses of all or in excess of any gain in the portfolio positions; and risks that the transactions may not be liquid.

Short Sales Risk. While the Fund will not short individual securities, the Portfolio Funds held by the Fund may sell securities short. A short sale is a transaction in which the Portfolio Fund sells a security it does not own but has borrowed in anticipation that the market price of the security will decline. The Portfolio Fund must replace the borrowed security by purchasing it at the market price at the time of replacement, which may be more or less than the price at which the Portfolio Fund sold the security.

Leverage Risk. While the Fund will not utilize leverage (i.e., borrowing) when making investments, the Portfolio Funds held by the Fund may utilize leverage to acquire their underlying portfolio investments. The use of leverage may exaggerate changes in a Portfolio Fund's share price and the return on its investments. Accordingly, the value of the Fund's investments in Portfolio Funds may be more volatile and all other risks, including the risk of loss of an investment, tend to be compounded or magnified. Any losses suffered by a Portfolio Fund as a result of the use of leverage could adversely affect the Fund's net asset value and an investor could incur a loss in their investment in the Fund. Borrowing also leads to additional interest expense and other fees that increase the Portfolio Fund's expenses.

Sector Risk. Sector risk is the possibility that securities within the same group of industries will decline in price due to sector-specific market or economic developments. If the Portfolio Funds invest more heavily in a particular sector, the value of its shares may be especially sensitive to factors and economic risks that specifically affect that sector. As a result, the Portfolio Fund's share price may fluctuate more widely than the value of shares of a mutual fund that invests in a broader range of industries. Additionally, some sectors could be subject to greater government regulation than other sectors. Therefore, changes in regulatory policies for those sectors may have a material effect on the value of securities issued by companies in those sectors.

Portfolio Turnover Risk. The Advisor will sell Portfolio Funds when it is in the interests of the Fund and its shareholders to do so without regard to the length of time they have been held. As portfolio turnover may involve paying brokerage commissions and other transaction costs, there could be additional expenses for the Fund. High rates of portfolio turnover may also result in the realization of short-term capital gains and losses. Any distributions resulting from such gains will be considered ordinary income for federal income tax purposes. Under normal circumstances, the anticipated portfolio turnover rate for the Fund is expected to be greater than 100%.

Investment Advisor Risk. The Advisor's ability to choose suitable investments has a significant impact on the ability of the Fund to achieve its investment objectives. The portfolio managers' experience is discussed in the section of this prospectus entitled "Management of the Funds – Investment Advisor."

New Fund Risk. The Fund was formed in 2012. Accordingly, investors in the Fund bear the risk that the Fund may not be successful in implementing its investment strategy, may not employ a successful investment strategy, or may fail to attract sufficient assets under management to realize economies of scale, any of which could result in the Fund being liquidated at any time without shareholder approval and at a time that may not be favorable for all shareholders. Such a liquidation could have negative tax consequences for shareholders and will cause shareholders to incur expenses of liquidation.

Operating Risk. The Fund's administrator and Advisor have entered into an Operating Plan that facilitates the administrator's assumption of the Fund's regular operating expenses under the Fund Accounting and Administration Agreement. The Operating Plan obligates the Advisor to pay certain expenses of the Fund in order to help limit its annual operating expenses. If the Advisor, however, does not have sufficient revenue to support those expenses, the Advisor may be compelled to either resign or become insolvent. In addition, if the Fund incurs expenses in excess of those that the administrator has agreed to pay and the Advisor is not able or willing to pay the excess costs, those excess costs will increase the Fund's expenses.

PERFORMANCE INFORMATION

Because the Fund has not been in operation for an entire calendar year, there is no Fund performance information to be presented here. You may request a copy of the Fund's annual and semi-annual reports, once available, at no charge by calling the Fund.

MANAGEMENT

Investment Advisor. The Fund's investment advisor is FolioMetrix, LLC.

Portfolio Managers. The Fund's portfolio managers are Greg Rutherford, Steven Wruble, Chase Weaver, and Gerry Campbell. Mr. Rutherford is Chief Investment Officer and Managing Director of the Advisor. Mr. Wruble and Mr. Weaver are Senior Analysts and Ms. Campbell is a Senior Research Analyst.

FMX FUNDS SUMMARY

PURCHASE AND SALE OF FUND SHARES

You can purchase Fund shares directly from the Funds by mail or bank wire. The minimum initial investment is \$1,000 and the minimum subsequent investment is \$100, although the minimums may be waived or reduced in some cases. Purchase orders by mail should specify the name of the Fund and class of shares and be sent to FMX Funds, c/o Nottingham Shareholder Services, Post Office Box 4365, Rocky Mount, North Carolina 27804. Please call the Funds at 1-800-773-3863 to receive wire instructions for bank wire orders. Investors who wish to purchase Fund shares through a broker-dealer should contact the broker-dealer directly.

You can redeem Fund shares directly from the Funds by mail, facsimile, telephone, and bank wire. Redemption orders by mail should specify the name of the Fund and class of shares and be sent to FMX Funds, c/o Nottingham Shareholder Services, Post Office Box 4365, Rocky Mount, North Carolina 27804. Redemption orders by facsimile should be transmitted to 252-972-1908. Please call the Funds at 1-800-773-3863 to conduct telephone transactions or to receive wire instructions for bank wire orders. Investors who wish to redeem Fund shares through a broker-dealer should contact the broker-dealer directly.

TAX INFORMATION

The Funds' distributions will generally be taxed to you as ordinary income or capital gains, unless you are investing through a tax deferred arrangement, such as a 401(k) plan or an individual retirement account. Distributions on investments made through tax deferred vehicles, such as 401(k) plans or IRAs, may be taxed later upon withdrawal of assets from those accounts.

FINANCIAL INTERMEDIARY COMPENSATION

If you purchase shares of the Funds through a broker-dealer or other financial intermediary (such as a bank), the Funds may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Funds over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

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FINANCIAL INTERMEDIARY COMPENSATION¶

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NON-PRINCIPAL INVESTMENT POLICIES AND RISKS

An investment in the Funds should not be considered a complete investment program. Whether a Fund is an appropriate investment for an investor will depend largely on his or her financial resources and individual investment goals and objectives. Investors who engage in short-term trading or other speculative strategies and styles will not find the Funds to be an appropriate investment vehicle if they want to invest in the Funds for a short period of time.

Changes to Investment Objective and Strategy. Each Fund's investment objective may be changed without shareholder approval upon sixty days' prior written notice to shareholders.

Temporary Defensive Positions. Each Fund may, from time to time, take temporary defensive positions that are inconsistent with the Fund's principal investment strategies in an attempt to respond to adverse market, economic, political, or other conditions. During such an unusual set of circumstances, a Fund may hold up to 100% of its portfolio in cash or cash equivalent positions. When a Fund takes a temporary defensive position, the Fund may not be able to achieve its investment objective.

Disclosure of Portfolio Holdings. The Funds will make portfolio holdings information available to the public, including the complete portfolio holdings from the previous business day, on the web pages noted under "Performance Information" above. The web pages can also be reached at _____ by selecting the link "Fund Search" found in the top right-hand corner. Search for the Funds using key words such as "FMX" and then select the link for the desired Fund on the Fund Search Results page. Under the section entitled "Portfolio Holdings" on the web pages, there will be a link to the Fund's complete portfolio holdings entitled "Click To View." This information is generally posted at the end of each business day and remains available until new information is posted. A full description of the Funds' policies and procedures with respect to the disclosure of the Funds' portfolio securities is available in the Funds' Statement of Additional Information, which is available from the Funds or on the [Securities and Exchange Commission's](#) web site.

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The FMX Growth Allocation Fund may be appropriate for long-term investors who are willing to accept an above-average level of market risk associated with investing in a portfolio that depends largely on the value of common stock holdings. The Fund may not be appropriate for investors seeking regular income or stability of principal or those pursuing a short-term goal.¶

The FMX Total Return Fund may be appropriate for investors seeking growth of capital and current income consistent with the assumption of a low to moderate level of market risk associated with investing in a portfolio that depends largely on the value of fixed income securities. The Fund may not be appropriate for investors seeking capital appreciation or wishing to avoid current taxable income.¶

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MANAGEMENT OF THE FUNDS

INVESTMENT ADVISOR

The Funds' investment advisor is FolioMetrix, LLC of 821 Pacific Street, Omaha, Nebraska 68108. The Advisor was established in 2009 and is registered as an investment advisor with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Subject to the authority of the Trustees and pursuant to the Investment Advisory Agreement with the Trust, the Advisor provides each Fund with a program of continuous supervision of its assets, including developing the composition of its portfolio, and furnishes advice and recommendations with respect to investments, investment policies, and the purchase and sale of securities. The Advisor is also responsible for the selection of broker-dealers through which the Funds execute portfolio transactions, subject to the brokerage policies established by the Trustees, and it provides certain executive personnel to the Funds.

Portfolio Managers. Greg Rutherford has been Chief Investment Officer and Managing Director of the Advisor since 2011. Mr. Rutherford also serves as President of Tagge*Rutherford Financial Group, a financial services firm that he co-founded in 1992. Mr. Rutherford holds designations as a Certified Financial Planner Professional (CFP), Certified Life Underwriter (CLU), and Chartered Financial Consultant (ChFC). He received a Bachelor of Science in Business Administration from the University of Nebraska-Omaha and a Masters of Business Administration from Golden Gate University.

Steve Wruble has been a Senior Analyst for the Advisor since 2011. Prior to joining the Advisor, Mr. Wruble was a Portfolio Analyst with an independent financial planning firm where he was also a registered representative. Prior to that, he has worked in the capacity of registered representative and/or investment advisor representative with other firms. Mr. Wruble holds a Bachelor of Science from the University of Nebraska-Lincoln in Finance and a Master of Security Analysis and Portfolio Management from Creighton University. He holds the Accredited Asset Management Specialist designation (AAMS) and the Series 65 license.

Chase Weaver has been a Senior Analyst for the Advisor since 2010. Prior to joining the Advisor, Mr. Weaver worked for Bailey Financial from 2009 to 2010. He holds a Bachelor of Science from the University of Nebraska-Lincoln in Finance and a Master of Security Analysis and Portfolio Management from Creighton University. Mr. Weaver holds the Series 65 license.

Gerry Campbell is a Senior Research Analyst for the Advisor since 2009. Prior to joining the Advisor, Ms. Campbell was a Portfolio Analyst for Prudential Investments LLC, a financial services firm. She holds a Bachelor of Science in Business Administration from Georgian Court University and a Master of Business Administration from Monmouth University. Ms. Campbell also holds a Certified Investment Management Analyst certification (CIMA), the Accredited Investment Fiduciary designation (AIF).

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As the President and CEO of FolioMetrix, LLC, Mr. Murphey oversees the investment management process that selects and monitors the Portfolio Funds. Prior to forming FolioMetrix, LLC in 2009, Mr. Murphey served as an Investment Management Consultant for Prudential Investments, Wealth Management Solutions for 9 years. Mr. Murphey also was managing director at Dearborn Financial Institute, where he headed Dearborn's worldwide operations. He started his career on Wall Street as cofounder and Vice President of Mutual Data Incorporated, Inc., a financial services research and consulting firm in 1991. ¶
The Fund's SAI

The Fund's Statement of Additional Information provides information about the portfolio manager's compensation, other accounts managed by the portfolio manager, and the portfolio manager's ownership of shares of the Fund.

Advisor Compensation. As full compensation for the investment advisory services provided to the JSM Dynamic Equity Fund, the Advisor receives a monthly fee based on the Fund's average daily net assets. The minimum annual rate is 0.00% on average daily net assets under \$11 million and gradually increases to a maximum annual rate of 0.45% on average daily net assets of \$16 million or more. For the fiscal year ended May 31, 2011, the Advisor received \$10,551 in advisory fees from the Fund.

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As full compensation for the investment advisory services provided to the JSM Dynamic Equity Fund, the Advisor receives a monthly fee based on the Fund's average daily net assets. The minimum annual rate is 0.00% on average daily net assets under \$13 million and gradually increases to a maximum annual rate of 0.45% on average daily net assets of \$23 million or more. For the fiscal year ended May 31, 2011, the Advisor received no advisory fees from the Fund.

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As full compensation for the investment advisory services provided to the rest of the Funds, the Advisor receives monthly compensation based on the Fund's average daily net assets at the annual rate of 0.45%.

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Disclosure Regarding Approval of Investment Advisory Contracts. A discussion regarding the Trustees' basis for approving the investment advisory contracts for the Funds can be found in the Funds' semi-annual report to shareholders for the period ended November 30th of each year. You may obtain a copy of the semi-annual report, free of charge, upon request to the Funds.

Operating Plan. The Advisor has entered into an Operating Plan with the Funds' administrator, through October 1, 2013, under which it has agreed to make payments to the Administrator when the Funds are at lower asset levels and to assume certain expenses of the Funds outlined in the Operating Plan. These expenses include the following: (i) marketing, distribution, and servicing expenses related to the sale or promotion of Fund shares that the Funds are not authorized to pay pursuant to the Investment Company Act and Rule 12b-1 thereunder; (ii) expenses incurred in connection with the organization and initial registration of shares of the Funds; (iii) expenses incurred in connection with the dissolution and liquidation of the Funds; (iv) expenses related to shareholder meetings and proxy solicitations; (v) fees and expenses related to legal, auditing, and accounting services that are in amounts greater than the limits or outside of the scope of ordinary services; and (vi) hiring employees and retaining advisers and experts as contemplated by Rule 0-1(a)(7)(vii) of the Investment Company Act.

The Operating Plan may be terminated by either party at the conclusion of the then current term upon (i) written notice of non-renewal to the other party not less than sixty days prior to the end of the term, or (ii) mutual written agreement of the parties. The Advisor cannot recoup from the Funds any amounts paid by the Advisor to the

Administrator under the Operating Plan. If the Operating Plan is terminated when the Funds are at lower asset levels, the Administrator would likely need to terminate the Fund Accounting and Administration Agreement in order to avoid incurring expenses without reimbursement from the Advisor. Unless other expense limitation arrangements were put in place, the Funds' expenses would likely increase. The Administrator cannot recoup from the Funds any regular operating expenses in excess of the administration fee payable under the Fund Accounting and Administration Agreement.

DISTRIBUTOR

Capital Investment Group, Inc. ("Distributor") is the principal underwriter and distributor of each Fund's shares and serves as each Fund's exclusive agent for the distribution of such Fund's shares. The Distributor may sell each Fund's shares to or through qualified securities dealers or others.

The Funds have adopted a plan of distribution pursuant to Rule 12b-1 under the Investment Company Act of 1940 ("Distribution Plan"). Pursuant to the Distribution Plan, the Funds compensate the Distributor with assets attributable to the Advisor Class Shares for services rendered and expenses borne in connection with activities primarily intended to result in the sale or the servicing of those shares (this compensation is commonly referred to as "12b-1 fees"). These activities include, among others, reimbursement to entities for providing distribution and shareholder servicing with respect to the Fund's shares. The Distribution Plan provides that each Fund will pay the annual rate of up to 1.00% of the average daily net assets attributable to its Advisor Class Shares. The 1.00% fee is comprised of a 0.25% service fee and a 0.75% distribution fee. Because the 12b-1 fees are paid out of the Funds' assets on an on-going basis, these fees, over time, will increase the cost of your investment and may cost you more than paying other types of sales charges.

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ADDITIONAL INFORMATION ON EXPENSES

Other Expenses. The Funds are obligated to pay taxes, interest, brokerage commissions, and acquired fund fees and expenses. The Funds will be separately responsible for any extraordinary expenses, such as indemnification payments or damages awarded in litigation or settlements made. All general Trust expenses are allocated among and charged to the assets of each separate series of the Trust (if any), on a basis that the Trustees deem fair and equitable, which may be on the basis of relative net assets of each series or the nature of the services performed and relative applicability to each series. The Funds do not anticipate any such expenses to be allocated to the Funds in the current fiscal year.

Estimated Expenses. In the summary section of the prospectus entitled "Fees and Expenses of the Fund" with respect to each Fund, "Other Expenses" and "Total Annual Fund Operating Expenses" are based on estimated expenses for the current fiscal year at an average Fund net asset level of \$20 million.

Acquired Fund Fees and Expenses. In the summary section of the prospectus entitled "Fees and Expenses of the Fund," the "Acquired Fund Fees and Expenses" are expenses

incurred indirectly by the Fund through its ownership of shares in other investment companies. “Acquired Fund Fees and Expenses” do not affect a Fund’s actual operating costs and, therefore, are not included in the Fund’s financial statements, which provide a clearer picture of a Fund’s actual operating costs. The “Total Annual Fund Operating Expenses” and “Net Annual Fund Operating Expenses” under “Fees and Expenses of the Fund” will not match the Fund’s gross and net expense ratios reported in the Financial Highlights from the Fund’s financial statements. The ratios reported in the Financial Highlights reflect the operating expenses of the Funds without “Acquired Fund Fees and Expenses.” If a Fund is newly organized, “Acquired Fund Fees and Expenses” are based on estimates for the current fiscal year.

INVESTING IN THE FUNDS

PURCHASE OPTIONS

The Funds offer two different classes of shares through this Prospectus. Shares may be purchased by any account managed by the Advisor and any other institutional investor or any broker-dealer authorized to sell shares in the Funds. The share class available to an investor may vary depending on how the investor wishes to purchase shares of the Funds.

Institutional Class Shares

- No front-end sales charge.
- No distribution or service plan (Rule 12b-1) fees.
- No contingent deferred sales charge.
- \$1,000 minimum initial investment.
- No purchase maximum per transaction.
- No conversion.

Advisor Class Shares

- No front-end sales charge.
- Distribution and service plan (Rule 12b-1) fees of 1.00%.
- A 1.00% contingent deferred sales charge on shares redeemed within one year of purchase.
- \$1,000 minimum initial investment.
- Purchase maximum per transaction of \$500,000.
- Automatic conversion to Institutional Class Shares seven years after purchase.

When you purchase shares of a Fund, you must choose a share class. If none is chosen, your investment will be made in Institutional Class Shares.

Information regarding the Funds' sales charges, as well as information regarding reduced sales charges and waived sales charges, and the terms and conditions for the purchase, pricing, and redemption of Fund shares is not available on the Funds' website since the Funds' website contains limited information. Further information is available free of charge by calling the Funds at 1-800-773-3863.

INSTITUTIONAL CLASS SHARES

Institutional Class Shares are sold and redeemed at net asset value. Shares may be purchased by any account managed by the Advisor and any other institutional investor or any broker-dealer authorized to sell shares in the Funds. The minimum initial investment is \$1,000. The minimum additional investment is \$100. The Funds may, in the Advisor's sole discretion, accept certain accounts with less than the minimum investment. ▼

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ADVISOR CLASS SHARES

Advisor Class Shares are sold at net asset value. Shares may be purchased by any account managed by the Advisor and any broker-dealer authorized to sell shares in the Funds. The minimum initial investment is \$1,000. The minimum additional investment is \$100. The Funds may, in the Advisor's sole discretion, accept certain accounts with less than the minimum investment. The maximum purchase per transaction is \$500,000.

Contingent Deferred Sales Charges. If you redeem your Advisor Class Shares within the first year of purchase, you may be subject to a contingent deferred sales charge. The contingent deferred sales charge is imposed on the redemption proceeds according to the following schedule:

| Year of Redemption After Purchase | Contingent Deferred Sales Charge |
|-----------------------------------|----------------------------------|
| First | 1.00% |
| Second and Following | None |

The contingent deferred sales charge is calculated as a percentage of the net asset value of the Advisor Class Shares at the time of purchase or redemption by first determining whichever value is lower and then multiplying that value by 1%. The contingent deferred sales charge will be paid to the Distributor for providing distribution-related services with respect to the sale of Advisor Class Shares of the Funds. The Distributor, as paying agent for the Funds, may pay all or a portion of the contingent deferred sales charge to the broker-dealers, banks, insurance companies, and other financial intermediaries that make Advisor Class Shares available in exchange for their services. The Distributor may also retain a portion of the contingent deferred sales charge.

To determine if the contingent deferred sales charge applies to a redemption, the Funds redeem shares in the following order: (i) shares acquired by reinvestment of dividends and capital gains distributions; and then (ii) shares held for the longest period. Shares acquired through the reinvestment of dividends or distribution of capital gains will not be subject to a contingent deferred sales charge.

The contingent deferred sales charge imposed on Advisor Class Shares redeemed within the first year of purchase may be waived in certain circumstances. See "Redeeming Your Shares – Contingent Deferred Sales Charge Waivers" below.

If you hold Advisor Class Shares for seven years, they will automatically convert to Institutional Class Shares. Institutional Class Shares are not subject to the distribution and service plan (Rule 12b-1) fees of 1.00%. Purchases of Advisor Class Shares made on any day during a calendar month will age, for the purpose of conversion, one year at the close of business on the last day of that month in the following calendar year, and each subsequent year.

PURCHASE AND REDEMPTION PRICE

Determining the Fund's Net Asset Value. The price at which you purchase or redeem shares is based on the next calculation of net asset value ("NAV") after an order is received in good form. An order is considered to be in good form if it includes all necessary information and documentation related to a purchase or redemption request and, if applicable, payment in full of the purchase amount. A Fund's NAV per share for each class of shares is calculated by dividing the value of the Fund's total assets attributable to that class, less liabilities (including Fund expenses, which are accrued daily) attributable to that class, by the total number of outstanding shares of the Fund attributable to that class. To the extent that the Funds hold portfolio securities that are primarily listed on foreign exchanges that trade on weekends or other days when the Funds do not price shares, the NAV of a Fund's shares may change on days when shareholders will not be able to purchase or redeem the Fund's shares. The NAV per share for each class of shares is normally determined at 4:00 p.m. Eastern time, the time regular trading closes on the New York Stock Exchange. The Funds do not calculate NAV on business holidays when the New York Stock Exchange is closed.

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The pricing and valuation of portfolio securities is determined in good faith in accordance with procedures established by, and under the direction of, the Board of Trustees. In determining the value of a Fund's total assets, portfolio securities are generally calculated at market value by quotations from the primary market in which they are traded. Instruments with maturities of 60 days or less are valued at amortized cost, which approximates market value. The Funds normally use third party pricing services to obtain market quotations. Securities and assets for which representative market quotations are not readily available or which cannot be accurately valued using the Funds' normal pricing procedures are valued at fair value in good faith by either a valuation committee or the Advisor in accordance with procedures established by, and under the supervision of, the Board of Trustees. Fair value pricing may be used, for example, in situations where (i) an exchange-traded portfolio security is so thinly traded that there have been no transactions for that security over an extended period of time or the validity of a market quotation received is questionable; (ii) the exchange on which the portfolio security is principally traded closes early; or (iii) trading of the portfolio security is halted during the day and does not resume prior to a Fund's NAV calculation.

Pursuant to policies adopted by the Board of Trustees, the Advisor consults with the Fund's administrator on a regular basis regarding the need for fair value pricing. The Advisor is responsible for notifying the Board of Trustees (or the Funds' valuation committee) when it believes that fair value pricing is required for a particular security. The Funds' policies regarding fair value pricing are intended to result in a calculation of each Fund's NAV that fairly reflects portfolio security values as of the time of pricing. A portfolio security's "fair value" price may differ from the price next available for that portfolio security using the Funds' normal pricing procedures and the fair value price may differ from the price at which the security may ultimately be traded or sold. If such fair value price differs from the price that would have been determined using the Funds' normal pricing procedures, a shareholder may receive more or less proceeds or shares from redemptions or purchases of Fund shares, respectively, than a shareholder would

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have otherwise received if the security were priced using the Funds' normal pricing procedures. The performance of a Fund may also be affected if a portfolio security's fair value price were to differ from the security's price using the Funds' normal pricing procedures. To the extent the Funds invest in other open-end investment companies that are registered under the Investment Company Act of 1940, the Funds' net asset value calculations are based upon the net asset value reported by such registered open-end investment companies, and the prospectuses for these companies explain the circumstances under which they will use fair value pricing and the effects of using fair value pricing.

Other Matters. Purchases and redemptions of shares of the same class by the same shareholder on the same day will be netted for each Fund.

BUYING OR SELLING SHARES THROUGH A FINANCIAL INTERMEDIARY

Certain financial intermediaries have agreements with the Funds that allow them to enter purchase or redemption orders on behalf of clients and customers. These orders will be priced at the NAV next computed after the orders are received by the financial intermediary, subject to the order being in good form. Under this arrangement, the financial intermediary has a duty to transmit promptly to the Fund each purchase order or redemption request that the intermediary receives on the Fund's behalf and must send your payment to the Funds by the time they price their shares on the following business day. The Funds are not responsible for ensuring that a financial intermediary carries out its obligations. You should look to the financial intermediary through whom you wish to invest for specific instructions on how to purchase or redeem shares of the Funds.

PURCHASING SHARES

Purchases can be made directly from the Funds by mail or bank wire. The Funds have also authorized one or more brokers to receive purchase and redemption orders on its behalf and such brokers are authorized to designate other financial intermediaries to receive orders on behalf of the Funds. Such orders will be deemed to have been received by the Funds when an authorized broker, or broker-authorized designee, receives the order, subject to the order being in good form. The orders will be priced at the NAV next computed after the orders are received by the authorized broker, or broker-authorized designee. Investors may also be charged a fee by a broker or agent if shares are purchased through a broker or agent.

The Funds reserve the right to (i) refuse to accept any request to purchase shares for any reason and (ii) suspend the offering of shares at any time.

Regular Mail Orders. Payment for shares by mail must be made by check from a U.S. financial institution and payable in U.S. dollars. Cash, money orders, and traveler's checks will not be accepted by the Funds. If checks are returned due to insufficient funds or other reasons, your purchase will be canceled. You will also be responsible for any losses or expenses incurred by the Funds and their administrator and transfer agent. The Funds will charge a \$35 fee and may redeem shares of the Funds owned by the purchaser

or another identically registered account in another series of the Trust to recover any such losses. For regular mail orders, please complete the Fund Shares Application and mail it, along with your check *made payable to the applicable Fund*, to:

FMX Funds

Institutional Class Shares or Advisor Class Shares (*please specify*)
c/o Nottingham Shareholder Services
116 South Franklin Street
Post Office Box 4365
Rocky Mount, North Carolina 27804

The application must contain your Social Security Number or Taxpayer Identification Number. If you have applied for a number prior to completing your account application but you have not received your number, please indicate this on the application and include a copy of the form applying for your number. Taxes are not withheld from distributions to U.S. investors if certain requirements of the Internal Revenue Service are met regarding the Social Security Number and Taxpayer Identification Number.

Bank Wire Purchases. Purchases may also be made through bank wire orders. To establish a new account or add to an existing account by wire, please call the Funds at 1-800-773-3863 for wire instructions and to advise the Funds of the investment, dollar amount, and the account identification number.

Additional Investments. You may also add to your account by mail or wire at any time by purchasing shares at the then-current net asset value. The minimum additional investment is \$100. Before adding funds by bank wire, please call the Funds at 1-800-773-3863 for wire instructions and to advise the Funds of the investment, dollar amount, and the account identification number. Mail orders should include, if possible, the “Invest by Mail” stub that is attached to your confirmation statement. Otherwise, please identify your account in a letter accompanying your purchase payment.

Automatic Investment Plan. The automatic investment plan enables shareholders to make regular monthly or quarterly investments in shares through automatic charges to their checking account. With shareholder authorization and bank approval, the Funds will automatically charge the shareholder’s checking account for the amount specified (\$100 minimum), which will be automatically invested in shares at the public offering price on or about the 21st day of the month. The shareholder may change the amount of the investment or discontinue the plan at any time by writing the Funds.

Exchange Feature. You may exchange shares of the Funds for shares of the same class of any other series of the Trust advised by the Advisor and offered for sale in the state in which you reside. Shares may be exchanged for shares of the same class of any other series of the Trust at the net asset value. Prior to making an investment decision or giving us your instructions to exchange shares, please read the prospectus for the series in which you wish to invest.

The Trustees reserve the right to suspend, terminate, or amend the terms of the exchange privilege upon prior written notice to the shareholders.

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Share Certificates. The Funds normally does not issue share certificates. Evidence of ownership of shares is provided through entry in a Fund’s share registry. Investors will receive periodic account statements (and, where applicable, purchase confirmations) that will show the number of shares owned.

Important Information about Procedures for Opening a New Account. Under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act of 2001), the Funds are required to obtain, verify, and record information to enable the Funds to form a reasonable belief as to the identity of each customer who opens an account. Consequently, when an investor opens an account, the Funds will ask for the investor’s name, street address, date of birth (for an individual), social security or other tax identification number (or proof that the investor has filed for such a number), and other information that will allow the Funds to identify the investor. The Funds may also ask to see the driver’s license or other identifying documents of the investor. An investor’s account application will not be considered “complete” and, therefore, an account will not be opened and the investor’s money will not be invested until the Funds receive this required information. In addition, if after opening the investor’s account the Funds are unable to verify the investor’s identity after reasonable efforts, as determined by the Funds in their sole discretion, the Funds may (i) restrict further investments until the investor’s identity is verified; and (ii) close the investor’s account without notice and return the investor’s redemption proceeds to the investor. Such redemptions will not be subject to an otherwise applicable contingent deferred sales charge. If the Funds close an investor’s account because the Funds could not verify the investor’s identity, the Funds will value the account in accordance with the next NAV calculated after the investor’s account is closed. In that case, the investor’s redemption proceeds may be worth more or less than the investor’s original investment. The Funds will not be responsible for any losses incurred due to the Funds’ inability to verify the identity of any investor opening an account.

REDEEMING SHARES

Regular Mail Redemptions. Regular mail redemption requests should be addressed to:

FMX Funds

Institutional Class Shares or Advisor Class Shares (*please specify*)
c/o Nottingham Shareholder Services
116 South Franklin Street
Post Office Box 4365
Rocky Mount, North Carolina ~~27804~~

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Regular mail redemption requests should include the following:

- (1) Your letter of instruction specifying the account number, class of shares, and number of shares (or the dollar amount) to be redeemed. This request must be signed by all registered shareholders in the exact names in which they are registered;
- (2) Any required signature guarantees (see “Signature Guarantees” below); and

- (3) Other supporting legal documents, if required in the case of estates, trusts, guardianships, custodianships, corporations, partnerships, pension or profit sharing plans, and other entities.

Your redemption proceeds normally will be sent to you within 7 days after receipt of your redemption request. The Funds may delay forwarding a redemption check for recently purchased shares while the Funds determine whether the purchase payment will be honored. Such delay (which may take up to 15 days from the date of purchase) may be reduced or avoided if the purchase is made by certified check or wire transfer. In all cases, the NAV next determined after receipt of the request for redemption will be used in processing the redemption request.

Telephone and Bank Wire Redemptions. Unless you decline the telephone transaction privileges on your account application, you may redeem shares of a Fund by telephone. You may also redeem shares by bank wire under certain limited conditions. The Funds will redeem shares in this manner when so requested by the shareholder only if the shareholder confirms redemption instructions in writing.

The Funds may rely upon confirmation of redemption requests transmitted via facsimile (FAX# 252-972-1908). The confirmation instructions must include the following:

- (1) Name of Fund and class of shares;
- (2) Shareholder name and account number;
- (3) Number of shares or dollar amount to be redeemed;
- (4) Instructions for transmittal of redemption proceeds to the shareholder; and
- (5) Shareholder signature as it appears on the application on file with the Fund.

Redemption proceeds will not be distributed until written confirmation of the redemption request is received, per the instructions above. You can choose to have redemption proceeds mailed to you at your address of record, your financial institution, or to any other authorized person, or you can have the proceeds sent by wire transfer to your financial institution (\$5,000 minimum). Redemption proceeds cannot be wired on days in which your financial institution is not open for business. You can change your redemption instructions anytime you wish by ~~sending~~ a letter ~~with~~ your new redemption instructions ~~to~~ the Funds. See "Signature Guarantees" below.

The Funds, in their discretion, may choose to pass through to redeeming shareholders any charges imposed by the Funds' custodian for wire redemptions. If this cost is passed through to redeeming shareholders by the Fund, the charge will be deducted automatically from your account by redemption of shares in your account. Your bank or brokerage firm may also impose a charge for processing the wire. If wire transfer of funds is impossible or impractical, the redemption proceeds will be sent by regular mail to the designated account.

You may redeem shares, subject to the procedures outlined above, by calling the Funds at 1-800-773-3863. Redemption proceeds will only be sent to the financial institution account or person named in your Fund Shares Application currently on file with the Funds. Telephone redemption privileges authorize the Funds to act on telephone

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instructions from any person representing him or herself to be the investor and reasonably believed by the Funds to be genuine. The Funds will employ reasonable procedures, such as requiring a form of personal identification, to confirm that instructions are genuine. The Funds will not be liable for any losses due to fraudulent or unauthorized instructions. The Funds will also not be liable for following telephone instructions reasonably believed to be genuine.

Systematic Withdrawal Plan. A shareholder who owns Fund shares of a particular class valued at \$5,000 or more at the current offering price may establish a systematic withdrawal plan (“Systematic Withdrawal Plan”) to receive a monthly or quarterly check in a stated amount (not less than \$50). Each month or quarter, as specified, the applicable Fund will automatically redeem sufficient shares from your account to meet the specified withdrawal amount. The shareholder may establish this service whether dividends and distributions are reinvested in shares of a Fund or paid in cash. Contingent deferred sales charges will not apply to shares redeemed under this plan. Call or write the Funds for an application form.

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Minimum Account Size. The Trustees reserve the right to redeem involuntarily any account having a NAV of less than \$1,000 (due to redemptions, exchanges, or transfers, and not due to market action) upon 30-days’ prior written notice. If the shareholder brings his account NAV up to at least \$1,000 during the notice period, the account will not be redeemed. Redemptions due to account size will not be subject to an otherwise applicable contingent deferred sales charge. Redemptions from retirement accounts may be subject to federal income tax. Shareholders may also be charged a fee by their broker or agent if shares are redeemed or transferred through their broker or agent.

Redemptions in Kind. The Funds do not intend, under normal circumstances, to redeem shares by payment in kind. It is possible, however, that conditions may arise in the future which would, in the opinion of the Trustees, make it undesirable for the Funds to pay for all redemptions in cash. In such cases, the Trustees may authorize payment to be made in readily marketable portfolio securities of the Funds. Securities delivered in payment of redemptions would be valued at the same value assigned to them in computing a Fund’s NAV per share. Shareholders receiving them bear the market risks associated with the securities until they have been converted into cash and may incur brokerage costs when these securities are sold. An irrevocable election has been filed under Rule 18f-1 of the Investment Company Act of 1940, wherein the Funds must pay redemptions in cash, rather than in kind, to any shareholder of record of the Funds who redeems during any 90-day period, the lesser of (i) \$250,000 or (ii) 1% of a Fund’s NAV at the beginning of such period. Redemption requests in excess of this limit may be satisfied in cash or in kind at each Fund’s election.

Signature Guarantees. To protect your account and the Funds from fraud, signature guarantees may be required to be sure that you are the person who has authorized a change in registration or standing instructions for your account. Signature guarantees are generally required for (i) change of registration requests; (ii) requests to establish or to change exchange privileges or telephone and bank wire redemption service other than through your initial account application; (iii) transactions where proceeds from

redemptions, dividends, or distributions are sent to a financial institution; and (iv) redemption requests in excess of \$50,000. Signature guarantees are acceptable from a member bank of the Federal Reserve System, a savings and loan institution, credit union (if authorized under state law), registered broker-dealer, securities exchange, or association clearing agency and must appear on the written request for change of registration, establishment or change in exchange privileges, or redemption request.

Contingent Deferred Sales Charge Waivers. The contingent deferred sales charge imposed on Advisor Class Shares may be waived in the following circumstances:

- Permitted exchanges of shares, except if shares acquired by exchange are then redeemed within the period during which a contingent deferred sales charge would apply to the initial shares purchased.
- Tax-free returns of excess contributions to IRAs.
- Redemption upon the death or permanent disability of the shareholder if made within one year of the death or the initial determination of permanent disability. The waiver is available only for shares held at the time of death or initial determination of permanent disability.
- Redemptions of Advisor Class Shares pursuant to a systematic withdrawal plan.
- Mandatory distributions from a tax-deferred retirement plan or IRA.

If you wish to request that a contingent deferred sales charge be waived for one of the reasons stated above, contact your broker-dealer, bank, insurance company, or other financial intermediary, or the Funds. Such waiver requests must be made at the time of redemption.

Reinstatement Privilege. If you sell Advisor Class Shares of the Funds, you may reinvest some or all of the proceeds in Advisor Class Shares within 90 days without a contingent deferred sales charge. Reinstated Advisor Class Shares will retain their original cost and purchase date for purposes of the contingent deferred sales charge. This privilege can only be used once per calendar year. If you want to use the reinstatement privilege, contact your financial representative or broker-dealer.

Miscellaneous. The Funds reserve the right to delay the distribution of redemption proceeds involving recently purchased shares until the check for the recently purchased shares has cleared. The Funds may also suspend redemptions, if permitted by the Investment Company Act of 1940, for any period during which the New York Stock Exchange is closed, trading is restricted by the Securities and Exchange Commission, or the Securities and Exchange Commission declares that an emergency exists. Redemptions may be suspended during other periods permitted by the Securities and Exchange Commission for the protection of the Funds' shareholders. During drastic economic and market changes, telephone redemption privileges may be difficult to implement.

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FREQUENT PURCHASES AND REDEMPTIONS

Frequent purchases and redemptions (“Frequent Trading”) of shares of the Funds may present a number of risks to other shareholders of the Funds. These risks may include, among other things, dilution in the value of shares of the Funds held by long-term shareholders, interference with the efficient management by the Advisor of the Funds’ portfolio holdings, and increased brokerage and administration costs. Due to the potential of a thin market for the Funds’ portfolio securities, as well as overall adverse market, economic, political, or other conditions that may affect the sale price of portfolio securities, the Funds could face untimely losses as a result of having to sell portfolio securities prematurely to meet redemptions. Frequent Trading may also increase portfolio turnover which may result in increased capital gains taxes for shareholders of the Funds.

The Trustees have adopted a policy with respect to Frequent Trading that is intended to discourage such activity by shareholders of the Funds. The Funds do not accommodate Frequent Trading. Under the adopted policy, the Fund’s transfer agent provides a daily record of shareholder trades to the Advisor. The Fund’s transfer agent also monitors and tests shareholder purchase and redemption orders for possible incidents of Frequent Trading. The Advisor has the discretion to limit investments from an investor that the Advisor believes has a pattern of Frequent Trading that the Advisor considers not to be in the best interests of the other shareholders in the respective Fund by the Funds’ refusal of further purchase and/or exchange orders from such investor. The Funds’ policy regarding Frequent Trading is to limit investments from investor accounts that purchase and redeem shares over a period of less than ten days having a redemption amount within ten percent of the purchase amount and greater than \$10,000 on two or more occasions during a 60 calendar day period. In the event such a purchase and redemption pattern occurs, an investor account and any other account with the same taxpayer identification number will be precluded from investing in the respective Fund (including investments that are part of an exchange transaction) for at least 30 calendar days after the redemption transaction.

The Advisor intends to apply this policy uniformly, except that the Funds may not be able to identify or determine that a specific purchase and/or redemption is part of a pattern of Frequent Trading or that a specific investor is engaged in Frequent Trading, particularly with respect to transactions made through accounts such as omnibus accounts or accounts opened through third-party financial intermediaries such as broker-dealers and banks (“Intermediary Accounts”). Therefore, this policy is not applied to omnibus accounts or Intermediary Accounts. Omnibus account arrangements permit multiple investors to aggregate their respective share ownership positions and to purchase, redeem, and exchange Fund shares without the identity of the particular shareholders being immediately known to the Funds. Like omnibus accounts, Intermediary Accounts normally permit investors to purchase, redeem, and exchange Fund shares without the identity of the underlying shareholder being immediately known to the Funds. Accordingly, the ability of the Funds to monitor and detect Frequent Trading through omnibus accounts and Intermediary Accounts is limited, and there is no guarantee that the Funds can identify shareholders who might be engaging in Frequent Trading through

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such accounts or curtail such trading. In addition, the policy will not apply if the Advisor determines that a purchase and redemption pattern does not constitute Frequent Trading activity, such as inadvertent errors that result in frequent purchases and redemptions. Inadvertent errors shall include purchases and/or redemptions made unintentionally or by mistake (e.g., where an investor unintentionally or mistakenly invests in the Funds and redeems immediately after recognizing the error). The investor shall have the burden of proving to the sole satisfaction of the Advisor that a frequent purchase and redemption pattern was a result of an inadvertent error. In such a case, the Advisor may choose to allow further purchase and/or exchange orders from such investor account.

OTHER IMPORTANT INVESTMENT INFORMATION

DIVIDENDS, DISTRIBUTIONS, AND TAXES

The following information is meant as a general summary for U.S. taxpayers. Additional tax information appears in the Funds' Statement of Additional Information. Shareholders should rely on their own tax advisors for advice about the particular federal, state, and local tax consequences to them of investing in the Funds.

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The Funds will distribute most of their income and realized gains to its shareholders every year. Income dividends paid by the Funds derived from net investment income, if any, will generally be paid monthly or quarterly and capital gains distributions, if any, will be made at least annually. Shareholders may elect to take dividends from net investment income or capital gains distributions, if any, in cash or reinvest them in additional Fund shares. Although the Funds will not be taxed on amounts they distribute, shareholders will generally be taxed on distributions paid by the Funds, regardless of whether distributions are received in cash or are reinvested in additional Fund shares. Distributions may be subject to state and local taxes, as well as federal taxes.

In general, a shareholder who sells or redeems shares will realize a capital gain or loss, which will be long-term or short-term, depending upon the shareholder's holding period for the Fund shares. An exchange of shares may be treated as a sale and any gain may be subject to tax.

As with all mutual funds, the Funds may be required to withhold U.S. federal income tax at the fourth lowest rate for taxpayers filing as unmarried individuals (presently 28%) for all taxable distributions payable to shareholders who fail to provide the Funds with their correct taxpayer identification numbers or to make required certifications, or who have been notified by the Internal Revenue Service that they are subject to backup withholding. Backup withholding is not an additional tax; rather, it is a way in which the Internal Revenue Service ensures it will collect taxes otherwise due. Any amounts withheld may be credited against a shareholder's U.S. federal income tax liability.

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Shareholders should consult with their own tax advisors to ensure that distributions and sale of Fund shares are treated appropriately on their income tax returns.

FINANCIAL HIGHLIGHTS

The financial highlights tables on the following pages are intended to help you understand the financial performance of the ISM Dynamic Equity Fund and ISM Fixed Income Fund since their inception on October 2, 2009. Certain information reflects financial results for a single Fund share. The total returns in the table represent the rate that an investor would have earned (or lost) on an investment in the Funds (assuming reinvestment of all dividends and distributions). The financial data in the table below have been derived from audited financial statements of the Funds. This information has been audited by [redacted], an independent registered accounting firm, whose report covering such periods is incorporated by reference into the Statement of Additional Information. This information should be read in conjunction with the Funds' latest

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audited annual financial statements and notes thereto, which are also incorporated by reference into the Statement of Additional Information, copies of which may be obtained at no charge by calling the Funds. Further information about the performance of the Funds is contained in the Annual Report of the Funds, copies of which may also be obtained at no charge by calling the Funds at 1-800-773-3863.

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Because the other Funds are newly organized, there is no financial or performance information for them in this prospectus. You may request a copy of the Funds' annual and semi-annual reports, once available, at no charge by calling the Funds at 1-800-773-3863.

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ISM DYNAMIC EQUITY FUND

(Formerly known as the FMX Growth Allocation Fund)

Institutional Class Shares

(For a Share Outstanding Throughout the Period)

[To Be Provided Upon Completion Of Audit]

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Year ended .
May 31, 2011

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ISM DYNAMIC EQUITY FUND

(Formerly known as the FMX Growth Allocation Fund)

Advisor Class Shares

(For a Share Outstanding Throughout the Period)

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Year ended .
May 31, 2011 (c)

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ISM DYNAMIC FIXED INCOME FUND

(Formerly known as the FMX Total Return Fund)

Institutional Class Shares

(For a Share Outstanding Throughout the Period)

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Year ended .
May 31, 2011

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ISM DYNAMIC FIXED INCOME FUND

(Formerly known as the FMX Total Return Fund)

Advisor Class Shares

(For a Share Outstanding Throughout the Period)

[To Be Provided Upon Completion Of Audit]

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Year ended .
May 31, 2011 (f)

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ADDITIONAL INFORMATION

FMX Funds

INSTITUTIONAL CLASS SHARES
ADVISOR CLASS SHARES

More information about the Funds can be found in the Statement of Additional Information, which is incorporated by reference into this prospectus. Additional information about the Funds' investments will be available in the annual and semi-annual reports to shareholders. The annual reports will include discussions of market conditions and investment strategies that significantly affected the Funds' performance during its last fiscal year.

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The Funds' Statement of Additional Information and the annual and semi-annual reports will be available, free of charge, on the website listed below and upon request by contacting the Funds (you may also request other information about the Funds or make shareholder inquiries) as follows:

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By telephone: 1-800-773-3863

By mail: **FMX Funds**
c/o Nottingham Shareholder Services
116 South Franklin Street
Post Office Box 4365
Rocky Mount, North Carolina 27804

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By e-mail:

On the Internet:

Information about the Funds (including the Statement of Additional Information) can also be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Inquiries on the operations of the public reference room may be made by calling the SEC at 1-202-551-8090. Reports and other information about the Funds are available on the EDGAR Database on the SEC's Internet site at _____, and copies of this information may be obtained, upon payment of a duplicating fee, by electronic request at the following e-mail address: _____, or by writing the SEC's Public Reference Section, Washington, D.C. 20549-1520.

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Fees and Expenses of the Fund..... 10
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PRINCIPAL RISKS OF INVESTING IN THE FUND

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Market risk. Market risk refers to the possibility that the value of securities held by the Fund may decline due to daily fluctuations in the securities markets. Stock prices change daily as a result of many factors, including developments affecting the condition of both individual companies and the market in general. The price of a stock may even be affected by factors unrelated to the value or condition of its issuer, such as changes in interest rates, national and international economic and/or political conditions and general equity market conditions. In a declining stock market, prices for all companies (including those in the Fund’s portfolio) may decline regardless of their long-term prospects. The Fund’s performance per share will change daily in response to such factors.

Under the Investment Company Act of 1940, the Fund may not acquire shares of another investment company if, immediately after acquisition, the Fund and their affiliated persons will hold more than 3% of the investment company’s outstanding shares unless the Fund or the investment company have received an order for exemptive relief from the 3% limitation from the SEC and the Fund and the investment company take appropriate steps to comply with the conditions in such order. Consequently, the 3% limitation may prevent the Fund from allocating their investments in the manner the Advisor considers optimal.

Derivative Risk. Some Portfolio Funds may use derivative instruments which derive their value from the value of an underlying asset, currency, or index. The value of derivatives may rise or fall more capital than other investments and it is possible to lose more than the initial amount invested.

Leverage Risk. Some Portfolio Funds may borrow money for leveraging and will incur interest expenses. The NAV per share of a Portfolio Fund will increase more when its portfolio securities increase in value and to decrease more when its portfolio assets decrease in value than would otherwise be the case if it did not borrow funds.

Short Sales Risk. The Portfolio Funds may engage in short sales, which could cause a Portfolio Fund's investment performance to suffer if it is required to close out a short position earlier than it had intended. This could cause the Fund's performance to suffer to the extent that it invests in such a Portfolio Fund.

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Sector risk is the possibility that securities within the same group of industries will decline in price due to sector-specific market or economic developments. If the Portfolio Funds invest more heavily in a particular sector, the value of its shares may be especially sensitive to factors and economic risks that specifically affect that sector. As a result, the Portfolio Fund's share price may fluctuate more widely than the value of shares of a mutual fund that invests in a broader range of industries. Additionally, some sectors could be subject to greater government regulation than other sectors. Therefore, changes in regulatory policies for those sectors may have a material effect on the value of securities issued by companies in those sectors.

Portfolio Turnover Risk.

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The Advisor will sell portfolio securities when it is in the interests of the Fund and its shareholders to do so without regard to the length of time they have been held. As portfolio turnover may involve paying brokerage commissions and other transaction costs, there could be additional expenses for the Fund. High rates of portfolio turnover may also result in the realization of short-term capital gains and losses. Any distributions resulting from such gains will be considered ordinary income for federal income tax purposes.

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Investment Advisor Risk. The Advisor's ability to choose suitable investments has a significant impact on the ability of the Fund to achieve its investment objectives.

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The Advisor was formed in 2009 and is registered as an investment adviser with the SEC. However, the Advisor does not have previous experience managing an investment company registered under the Investment Company Act of 1940. Accordingly, investors in the Fund bear the risk that the Advisor's inexperience managing registered investment company may limit its effectiveness. The experience of the portfolio managers is discussed in "Management of the Fund – Investment Advisor."

The Administrator and Advisor have entered into an Operating Plan that facilitates the Administrator's assumption of the Fund's regular operating expenses under the Fund Accounting and Administration Agreement.

The Operating Plan obligates the Advisor to pay certain expenses of the Fund in order to help limit its annual operating expenses. If the Advisor, however, does not have sufficient revenue to support those expenses, the Advisor may be compelled to either resign or become insolvent.

In addition, if the Fund incurs expenses in excess of those that the Administrator has agreed to pay and the Advisor is not able or willing to pay the excess costs, those excess costs will increase the Fund's expenses.

New Fund Risk. The Fund was formed in 2009

. Accordingly, investors in the Fund bear the risk that the Fund may not be successful in implementing its investment strategy, may not employ a successful investment strategy, or may fail to attract sufficient assets under management to realize economies of scale, any of which could result in the Fund being liquidated at any time without shareholder approval and at a time that may not be favorable for all shareholders. Such a liquidation could have negative tax consequences for shareholders and will cause shareholders to incur expenses of liquidation.

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

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FMX TOTAL RETURN FUND SUMMARY

Under the Investment Company Act of 1940, the Fund may not acquire shares of another investment company if, immediately after acquisition, the Fund and their affiliated persons will hold more than 3% of the investment company's outstanding shares unless the Fund or the investment company have received an order for exemptive relief from the 3% limitation from the SEC and the Fund and the investment company take appropriate steps to comply

with the conditions in such order. Consequently, the 3% limitation may prevent the Fund from allocating their investments in the manner the Advisor considers optimal.

Derivative Risk. Some Portfolio Funds may use derivative instruments which derive their value from the value of an underlying asset, currency, or index. The value of derivatives may rise or fall more capital than other investments and it is possible to lose more than the initial amount invested.

Leverage Risk. Some Portfolio Funds may borrow money for leveraging and will incur interest expenses. The NAV per share of a Portfolio Fund will increase more when its portfolio securities increase in value and to decrease more when its portfolio assets decrease in value than would otherwise be the case if it did not borrow funds.

Short Sales Risk. The Portfolio Funds may engage in short sales, which could cause a Portfolio Fund's investment performance to suffer if it is required to close out a short position earlier than it had intended. This could cause the Fund's performance to suffer to the extent that it invests in such a Portfolio Fund.

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when it is in the interests of the Fund and its shareholders to do so without regard to the length of time they have been held. As portfolio turnover may involve paying brokerage commissions and other transaction costs, there could be additional expenses for the Fund. High rates of portfolio turnover may also result in the realization of short-term capital gains and losses. Any distributions resulting from such gains will be considered ordinary income for federal income tax purposes. Under normal circumstances, the anticipated portfolio turnover rate for the Fund is expected to be greater than 100%.

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Accordingly, investors in the Fund bear the risk that the Fund may not be successful in implementing its investment strategy, may not employ a successful investment strategy, or may fail to attract sufficient assets under management to realize economies of scale, any of which could result in the Fund being liquidated at any time without shareholder approval and at a time that may not be favorable for all shareholders. Such a liquidation could have negative tax consequences for shareholders and will cause shareholders to incur expenses of liquidation.

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Inflation Risk. Fixed income securities are subject to inflation risk. Because inflation reduces the purchasing power of income produced by existing fixed income securities, the prices at which fixed income securities trade will be reduced to compensate for the fact that the income they produce is worth less.

| Average Annual Total Returns Periods Ended December 31, 2010 | Past 1 Year | Since Inception 10/2/09 |
|---|----------------|-------------------------------|
| Institutional Class Shares | | |
| Before taxes | 3.25 % | 2.35 % |
| After taxes on distributions | 2.29 % | 1.58 % |
| After taxes on distributions and sale of shares | 2.11 % | 1.56 % |
| S&P 500 Total Return Index (reflects no deductions for fees and expenses) | 6.54 % | 5.17 % |

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| | Year ended May 31, 2011 | Year ended May 31, 2010 (c) |
|---|----------------------------|--------------------------------|
| Net Asset Value, Beginning of Year | <u>\$9.94</u> | <u>\$10.00</u> |
| Income (Loss) from Investment Operations | | |
| Net investment loss (e) | (0.07) | (0.05) |
| Net realized and unrealized gain (loss) on securities | 1.92 | (0.01) |
| Total from Investment Operations | <u>1.85</u> | <u>(0.06)</u> |
| Less Distributions | | |
| Distributions (from capital gains) | (0.01) | -- |
| Total Distributions | <u>(0.01)</u> | <u>--</u> |
| Net Asset Value, End of Year | <u>\$11.78</u> | <u>\$9.94</u> |
| Total Return (b) | <u>18.12 %</u> | <u>(0.60) %</u> |
| Net Assets, End of Year (in thousands) | \$15,341 | \$447 |
| Average Net Assets for the Year (in thousands) | \$10,871 | \$337 |
| Ratios of: | | |
| Gross expenses to average net assets (d) | 1.45 % | 1.45 % (a) |
| Net expenses to average net assets | 1.45 % | 1.45 % (a) |
| Net investment loss to average net assets (e) | (0.86) % | (1.10) % (a) |
| Portfolio Turnover Rate | 658.15 % | 332.64 % |

(a) Annualized.

(b) Includes adjustments in accordance with accounting principles generally accepted in the United States and, consequently, the net asset value for financial reporting purposes and the reports based upon those net asset values may differ from the net asset values and returns for shareholder transactions.

(c) For the period from October 2, 2009 (date of initial public investment) to May 31, 2010.

(d) Does include expenses of the investment companies in which the Fund invests.

(e) Recognition of net investment income by the Fund is affected by the timing of the declaration of dividends by the underlying investment companies in which the Fund invests.

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| | Year ended May 31, 2011 (c) |
|---|--------------------------------|
| Net Asset Value, Beginning of Period | <u>\$11.71</u> |
| Income (Loss) from Investment Operations | |
| Net investment loss | (0.03) |
| Net realized and unrealized gain on securities | 0.19 |
| Total from Investment Operations | <u>0.16</u> |
| Net Asset Value, End of Period | <u>\$11.87</u> |
| Total Return (b) | <u>1.37 %</u> |
| Net Assets, End of Period (in thousands) | \$551 |
| Average Net Assets for the Period (in thousands) | \$206 |
| Ratios of: | |
| Gross expenses to average net assets | 2.45 % (a) |
| Net expenses to average net assets | 2.45 % (a) |
| Net investment loss to average net assets | (2.39) % (a) |
| Portfolio Turnover Rate | 658.15 % |

(a) Annualized.

(b) Includes adjustments in accordance with accounting principles generally accepted in the United States and, consequently, the net asset value for financial reporting purposes and the reports based upon those net asset values may differ from the net asset values and returns for shareholder transactions.

(c) For the period from February 18, 2011 (date of initial public investment) to May 31, 2011.

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| | Year ended May 31, 2011 | Year ended May 31, 2010 (d) |
|---|----------------------------|--------------------------------|
| Net Asset Value, Beginning of Year | <u>\$10.07</u> | <u>\$10.00</u> |
| Income from Investment Operations | | |
| Net investment income | 0.35 | 0.00 (c) |
| Net realized and unrealized gain on securities | 0.13 | 0.07 |
| Total from Investment Operations | <u>0.48</u> | <u>0.07</u> |
| Less Distributions | | |
| Distributions (from net investment income) | (0.27) | -- |
| Total Distributions | <u>(0.27)</u> | <u>--</u> |
| Net Asset Value, End of Year | <u>\$10.28</u> | <u>\$10.07</u> |
| Total Return (b) | <u>4.87 %</u> | <u>0.70 %</u> |
| Net Assets, End of Year (in thousands) | \$3,916 | \$130 |
| Average Net Assets for the Year (in thousands) | \$3,089 | \$76 |
| Ratios of: | | |

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| | | |
|---|-----------------|----------------|
| Gross expenses to average net assets | 1.20 % | 1.20 % (a) |
| Net expenses to average net assets | 1.20 % | 1.20 % (a) |
| Net investment income to average net assets | 3.77 % | 0.17 % (a) |
| Portfolio Turnover Rate | 218.16 % | 48.89 % |

(a) Annualized.

(b) Includes adjustments in accordance with accounting principles generally accepted in the United States and, consequently, the net asset value for financial reporting purposes and the reports based upon those net asset values may differ from the net asset values and returns for shareholder transactions.

(c) Actual amount is less than \$0.01 per share.

(d) For the period from October 2, 2009 (date of initial public investment) to May 31, 2010.

(e) Does include expenses of the investment companies in which the Fund invests.

(f) Recognition of net investment income by the Fund is affected by the timing of the declaration of dividends by the underlying investment companies in which the Fund invests.

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| | Year ended May 31, 2011 (f) |
|---|--------------------------------|
| Net Asset Value, Beginning of Period | <u>\$10.00</u> |
| Income from Investment Operations | |
| Net investment income | 0.00 (c) |
| Net realized and unrealized gain on securities | 0.11 |
| Total from Investment Operations | <u>0.11</u> |
| Net Asset Value, End of Period | <u>\$10.11</u> |
| Total Return (b) | <u>1.10 %</u> |
| Net Assets, End of Period (in thousands) | \$309 |
| Average Net Assets for the Period (in thousands) | \$142 |
| Ratios of: | |
| Gross expenses to average net assets (d) | 2.20 % (a) |
| Net expenses to average net assets | 2.20 % (a) |
| Net investment income to average net assets (e) | 0.26 % (a) |
| Portfolio Turnover Rate | 218.16 % |

(a) Annualized.

(b) Includes adjustments in accordance with accounting principles generally accepted in the United States and, consequently, the net asset value for financial reporting purposes and the reports based upon those net asset values may differ from the net asset values and returns for shareholder transactions.

(c) Actual amount is less than \$0.01 per share.

(d) Does include expenses of the investment companies in which the Fund invests.

(e) Recognition of net investment income by the Fund is affected by the timing of the declaration of dividends by the underlying investment companies in which the Fund invests.

(f) For the period from February 25, 2011 (date of initial public investment) to May 31, 2011.

Section Break (Next Page)

STATEMENT OF ADDITIONAL INFORMATION

FMX Funds

[September , 2012]

ISM Dynamic Equity Fund

Institutional Class Shares FMGRX
Advisor Class Shares FMGCX

ISM Dynamic Fixed Income Fund

Institutional Class Shares FMTRX
Advisor Class Shares FMTCX

ISM Non Traditional Fund

Institutional Class Shares []
Advisor Class Shares []

ISM High Income Fund

Institutional Class Shares []
Advisor Class Shares []

ISM Strategic Equity Fund

Institutional Class Shares []
Advisor Class Shares []

ISM Strategic Fixed Income Fund

Institutional Class Shares []
Advisor Class Shares []

ISM Global Alpha Tactical Fund

Institutional Class Shares []
Advisor Class Shares []

ISM Tax Free Fund

Institutional Class Shares []
Advisor Class Shares []

ISM Dividend Income Fund

Institutional Class Shares []
Advisor Class Shares []

ISM Premier Asset Management Fund

Institutional Class Shares []
Advisor Class Shares []

Each a series of the

Starboard Investment Trust
116 South Franklin Street
Rocky Mount, North Carolina 27804
Telephone 1-800-773-3863

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This Statement of Additional Information is meant to be read in conjunction with the prospectus for the FMX Funds, dated the same date as this Statement of Additional Information, and is incorporated by reference in its entirety into the prospectus. Because this Statement of Additional Information is not itself a prospectus, no investment in shares of the FMX Funds should be made solely upon the information contained herein. Copies of the FMX Funds' prospectus, annual report, and/or semi-annual report may be obtained at no charge by writing or calling the Funds at the address or phone number shown above. Capitalized terms used but not defined herein have the same meanings as in the FMX Funds' prospectus.

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Deleted: **FMX Growth Allocation Fund** -
Institutional Class Shares – Ticker Symbol FMGRX .
Advisor Class Shares – Ticker Symbol FMGCX¶
FMX Total Return Fund .
Institutional Class Shares – Ticker Symbol FMTRX .
Advisor Class Shares – Ticker Symbol FMTCX¶
September 28, 2011¶
¶

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OTHER INVESTMENT POLICIES

Starboard Investment Trust (“Trust”) was organized on May 13, 2009 as a Delaware statutory trust and is registered with the Securities and Exchange Commission (“SEC”) as an open-end management investment company. The ISM Dynamic Equity Fund, ISM Dynamic Fixed Income Fund, ISM Non Traditional Fund, ISM High Income Fund, ISM Strategic Equity Fund, ISM Strategic Fixed Income Fund, ISM Global Alpha Tactical Fund, ISM Tax Free Fund, ISM Dividend Income Fund, and ISM Premier Asset Management Fund, (each a “Fund” and collectively, “Funds”) are separate, diversified series of the Trust. Prior to September 1, 2012, the ISM Dynamic Equity Fund was known as that FMX Growth Allocation Fund and the ISM Dynamic Fixed Income Fund was known as the MX Total Return Fund. The Funds’ investment advisor is FolioMetrix, LLC (the “Advisor” or “FolioMetrix”). The Prospectus describes each Fund’s investment objective and principal investment strategy, as well as the principal investment risks of the Funds. The following descriptions and policies supplement these descriptions, and also include descriptions of certain types of investments that may be made by the Funds but are not principal investment strategies of the Funds. Attached to the Statement of Additional Information is Appendix A, which contains descriptions of the rating symbols used by nationally recognized statistical rating organizations for securities in which the Funds may invest. Appendix B contains copies of the Trust’s Proxy Voting and Disclosure Policy and the Advisor’s Proxy Voting Policy and Procedures.

Deleted: FMX Growth Allocation Fund and the FMX Total Return Fund

General Investment Risks. All investments in securities and other financial instruments involve a risk of financial loss. No assurance can be given that the Funds’ investment program will be successful. Investors should carefully review the descriptions of the Funds’ investments and their risks described in the Funds’ prospectus and this Statement of Additional Information.

Investment Companies. The Funds will invest in securities of other investment companies, including, without limitation, money market funds and exchange traded funds. The Funds investments in such securities involve certain additional expenses and certain tax results, which would not be present in a direct investment in the underlying fund. Due to legal limitations, the Funds will be prevented from: 1) purchasing more than 3% of an investment company's (including ETFs) outstanding shares; 2) investing more than 5% of a Fund's assets in any single such investment company, and 3) investing more than 10% of a Fund's assets in investment companies overall; unless: (i) the underlying investment company and/or the applicable Fund has received an order for exemptive relief from such limitations from the Securities and Exchange Commission (“SEC”); and (ii) the underlying investment company and the Fund take appropriate steps to comply with any conditions in such order. In the alternative, the Fund may rely on Rule 12d1-3, which allows unaffiliated mutual funds to exceed the 5% limitation and the 10% limitation, provided the aggregate sales loads any investor pays (i.e., the combined distribution expenses of both the acquiring fund and the acquired fund) does not exceed the limits on sales loads established by FINRA for funds of funds. In addition to ETFs, the Fund may invest in other investment companies such as open-end mutual funds or exchange-traded closed-end funds, within the limitations described above. Also, in the event that there is a proxy vote with respect to shares of another investment company purchased and held by the Funds under Section 12(d)(1)(F), then the Funds will either (i) vote such shares in the same proportion as the vote of all other holders of such securities; or (ii) contact its shareholders for instructions regarding how to vote the proxy. Investments by the Funds in other investment companies entail a number of risks unique to a fund of funds structure. These risks include the following:

Deleted: The Funds expect to rely on Rule 12d1-1 under the Investment Company Act of 1940, as amended (“1940 Act”) when purchasing shares of a money market fund. Under Rule 12d1-1, the Funds may generally invest without limitation in money market funds as long as the Funds pay no sales charge, as defined in rule 2830(b)(8) of the Conduct Rules of the Financial Industry Regulatory Authority, or service fee, as defined in Rule 2830(b)(9) of the Conduct Rules of the Financial Industry Regulatory Authority, charged in connection with the purchase, sale, or redemption of securities issued by the money market fund; or the Advisor waives its management fee in an amount necessary to offset any sales charge or service fee. The Funds expect to rely on Section 12(d)(1)(F) of the 1940 Act when purchasing shares of other investment companies that are not money market funds. Under Section 12(d)(1)(F), a Fund may generally acquire shares of another investment company unless, immediately after such acquisition, the Fund and its affiliated persons would hold more than 3% of the investment company’s total outstanding stock. To the extent this limitation applies to an investment the Funds wish to make, the Funds may be prevented from allocating its investments in the manner that the Advisor considers optimal.

Multiple Layers of Fees. By investing in other investment companies indirectly through the Funds, prospective investors will directly bear the fees and expenses of the Funds’ Advisor and indirectly bear the fees and expenses of other investment companies and other investment companies’ managers as well. As such, this multiple or duplicative layer of fees will increase the cost of investments in the Funds.

Lack of Transparency. The Advisor will not be able to monitor the investment activities of the other investment companies on a continuous basis and the other investment companies may use investment strategies that differ from its past practices and are not fully disclosed to the Advisor and that involve risks that are not anticipated by the Advisor. The Funds have no control over the risks taken by the underlying investment companies in which they invest.

Valuation of Investment Companies. Although the Advisor will attempt to review the valuation procedures used by other investment companies’ managers, the Advisor will have little or no means of independently verifying

valuations of the Funds' investments in investment companies and valuations of the underlying securities held by other investment companies. As such, the Advisor will rely significantly on valuations of other investment companies and the securities underlying other investment companies that are reported by other investment companies' managers. In the event that such valuations prove to be inaccurate, the NAV of the Funds could be adversely impacted and an investor could incur a loss of investment in the Funds.

Illiquidity of Investments By and In Other Investment Companies. Other investment companies may invest in securities that are not registered, are subject to legal or other restrictions on transfer, or for which no liquid market exists. The market prices, if any, for such securities tend to be volatile and restricted securities may sell at prices that are lower than similar securities that are not subject to legal restrictions on resale. Further, the Funds may not be able to redeem their interests in other investment companies' securities that it has purchased in a timely manner. If adverse market conditions were to develop during any period in which the Funds are unable to redeem interests in other investment companies, the Funds may suffer losses as a result of this illiquidity. As such, the lack of liquidity and volatility of restricted securities held by other investment companies could adversely affect the value of the other investment companies. Any such losses could adversely affect the value of the Funds' investments and an investor could incur a loss of investment in the Funds.

Lack of Control. Although the Funds and the Advisor will evaluate regularly each Portfolio Fund to determine whether such Portfolio Fund's investment program is consistent with each respective Fund's investment objective, the Advisor will not have any control over the investments made by a Portfolio Fund. Even though each Portfolio Fund is subject to certain constraints, the investment advisor to each such Portfolio Fund may change aspects of their investment strategies at any time. The Advisor will not have the ability to control or influence the composition of the investment portfolio of any Portfolio Fund.

Lack of Diversification. There is no requirement that the underlying investments held by other investment companies be diversified. As such, other investment companies' managers may target or concentrate other investment companies' investments in specific markets, sectors, or types of securities. As a result, investments made by other investment companies are subject to greater volatility as a result of this concentration than if the other investment companies had non-concentrated and diversified portfolios of investments. Thus, the Funds' portfolios (and by extension the value of an investment in the Funds) may therefore be subject to greater risk than the portfolio of a similar fund with investments in diversified investment companies.

Use of Leverage. The other investment companies may utilize leverage (i.e., borrowing) to acquire their underlying portfolio investments. When other investment companies borrow money or otherwise leverage their portfolio of investments, doing so may exaggerate changes in the net asset value of the shares of the other investment companies and in the return on the other investment companies' investments. Borrowing will also cost other investment companies interest expense and other fees. As such, the value of the Funds' investments in other investment companies may be more volatile and all other risks (including the risk of loss of an investment in other investment companies) tend to be compounded or magnified. As a result, any losses suffered by other investment companies as a result of their use of leverage could adversely affect the value of the Funds' investments and an investor could incur a loss of investment in the Funds.

Exchange Traded Funds. The Funds may invest in exchange traded funds ("ETF"). An ETF is an investment company that holds a portfolio of common stock or bonds designed to track the performance of a securities index or sector of an index. ETFs are traded on a securities exchange based on their market value. An investment in an ETF generally presents the same primary risks as an investment in a conventional registered investment company (i.e., one that is not exchange traded). In addition, all ETFs will have costs and expenses that will be passed on to the Funds and these costs and expenses will in turn increase the Funds' expenses. ETFs are also subject to the following risks that often do not apply to conventional investment companies: (i) the market price of the ETF's shares may trade at a discount to the ETF's net asset value, and as a result, ETFs may experience more price volatility than other types of portfolio investments and such volatility could negatively impact the Funds' net asset values; (ii) an active trading market for an ETF's shares may not develop or be maintained at a sufficient volume; (iii) trading of an ETF's shares may be halted if the listing exchange deems such action appropriate; and (iv) ETF shares may be delisted from the exchange on which they trade, or "circuit breakers" (which are tied to large decreases in stock prices used by the exchange) may temporarily halt trading in the ETF's stock. ETFs are also subject to the risks of

the underlying securities or sectors that the ETF is designed to track. Finally, there may be legal limitations and other conditions imposed by SEC rules on the amount of the ETF shares that the Funds may acquire.

Private Investment Funds. From time to time, the ISM Non Traditional Fund may invest a portion of its assets in one or more pooled investment vehicles that are not registered as an investment company under the Investment Company Act of 1940, and where the securities of such vehicles are offered pursuant to one or more exemptions from the Securities Act of 1933 (each a “Private Investment Fund” and collectively, the “Private Investment Funds”). The Fund may invest in a wide range of Private Investment Funds, including Private Investment Funds organized and operated outside of the United States and those that hold themselves out or otherwise operate as hedge funds. The investment objective and strategy of any Private Investment Fund in which the Fund invests will be consistent with the investment objective and permitted investments of the Fund, as determined by the Advisor.

Private Investment Funds typically accept investments on a continuous basis, have quarterly repurchases, and do not have a defined termination date. The Private Investment Funds may utilize leverage, pursuant to their operative documents, as a way to seek or enhance returns. Dependent upon the investment strategy, geographic focus and/or other economic or property specific factors, each Private Investment Fund will have differing limitations on the utilization of leverage. Such limitations are Private Investment Fund specific and may apply to an overall portfolio limitation as well as an investment specific limitation.

Lack of Control Over Private Investment Funds. Although the Fund and the Advisor will evaluate regularly each Private Investment Fund and its manager to determine whether their investment programs are consistent with the Fund’s investment objectives and whether the investment performance is satisfactory, the Advisor will not have any control over the investments made by any Private Investment Fund. Even though Private Investment Funds are subject to certain constraints, the managers may change aspects of their investment strategies. The managers may do so at any time (for example, such change may occur immediately after providing the Advisor with the quarterly unaudited financial information for the Private Investment Fund). The Advisor may reallocate the Fund’s investments among the Private Investment Funds, but the Advisor’s ability to do so may be constrained by the withdrawal limitations imposed by the Private Investment Funds. The Fund’s investments in certain Private Investment Funds may be subject to lock-up periods, during which the Fund may not withdraw its investment. These withdrawal limitations may prevent the Fund from reacting rapidly to market changes should a Private Investment Fund fail to effect portfolio changes consistent with such market changes and the demands of the Advisor. Such withdrawal limitations may also restrict the Advisor’s ability to terminate investments in Private Investment Funds that are poorly performing or have otherwise had adverse changes. The Advisor will engage in the necessary due diligence to ensure that the Fund’s assets are invested in Private Investment Funds which provide reports that will enable them to monitor the Fund’s investments as to their overall performance, sources of income, asset valuations and liabilities, however, there is no assurance that such efforts will necessarily detect fraud, malfeasance, inadequate back office systems or other flaws or problems with respect to the operations and activities of the Private Investment Funds. The Advisor will be dependent on information provided by the Private Investment Fund, including quarterly unaudited financial statements, which if inaccurate could adversely affect the Advisor’s ability to manage the Fund’s investment portfolio in accordance with its investment objectives. To the extent the Fund holds non-voting securities of, or contractually foregoes the right to vote in respect of, any Private Investment Fund (which it intends to do in order to avoid being considered an “affiliate” of any Private Investment Fund within the meaning of the Investment Company Act of 1940), it will not be able to vote on matters that require the approval of the investors of the Private Investment Fund, including a matter that could adversely affect the Fund’s investment, such as changes to the Private Investment Fund’s investment objectives or policies or the termination of the Investment Fund. See

Multiple Layers of Expenses. By investing in the Private Investment Funds indirectly through the Fund, a shareholder bears two layers of asset- based fees and expenses—at the Fund level and the Private Investment Fund level. In the aggregate, these fees might exceed the fees that would typically be incurred by a direct investment with a single Private Investment Fund. The Fund may also invest in Private Investment Funds that invest in other investment vehicles, thereby subjecting the Fund, and Fund shareholders, to an additional level of fees. In the aggregate, these fees and expenses could be substantial and adversely affect the value of any investment in the Fund.

Purchases of Non-Voting Securities. In all or substantially all instances, the Fund expects to purchase a class of non-voting securities or enter into a contract, typically before the initial purchase, to relinquish the right to

vote in respect of its investments in Private Investment Funds. For any Private Investment Fund where the Fund would be unable to do either of the foregoing (and the Fund does not anticipate that it would not be able to do so), it intends to limit its holdings of the relevant Private Investment Fund to less than 10% of the Private Investment Fund's voting securities. Where a separate non-voting security class is not otherwise available, the Fund would seek to create by contract the same result as owning a non-voting security class: namely, a security that affords the Fund, and each subsequent holder, no legal right to vote. This result would be accomplished through a written agreement between the Fund and the Private Investment Fund where the Fund irrevocably foregoes the right to vote, and does so in a manner that legally binds both the Fund and all subsequent holders. The agreement would grant the Private Investment Fund the right to enjoy any holder from voting. The agreement also will include a statement of the parties' intention that the agreement should be interpreted broadly to effect the parties' desire that the Fund's interest be identical to that of a separate non-voting class. In each instance, the Advisor will determine if the Fund will waive the Fund's voting rights. When it does so, the Advisor will consider only the interests of the Fund and not the interests of the Advisor or those of the Advisor's other clients. The waiver arrangement should benefit the Fund, as it will enable the Fund to invest in more interests of a Private Investment Fund that the Advisor believes is desirable, than the Fund would be able to if it were deemed to be an "affiliate" of the Private Investment Fund within the meaning of the Investment Company Act of 1940. The Advisor believes that the use of this waiver arrangement will not affect the ability of other clients of the Advisor to invest in the same Private Investment Funds.

Private Investment Funds Will Neither Be Subject to the Investment Company Act of 1940 Nor Will They Be Publicly Traded. The Private Investment Funds will not be registered as investment companies under the Investment Company Act of 1940 and, therefore, the Fund will not be able to avail itself of the protections of the Investment Company Act of 1940 with respect to the Private Investment Funds, including certain corporate governance protections, such as the requirement of having a majority or 50% of the directors serving on a board as independent directors, statutory protections against self-dealings by the managers of the Private Investment Funds, and leverage limitations. Furthermore, some of the managers of the Private Investment Funds may not be registered under the Investment Advisers Act of 1940.

Valuation of Investments in Private Investment Funds. The net asset values received by the Fund from any Private Investment Fund typically are only estimates. In addition, certain securities and properties in which a Private Investment Fund may invest may not have a readily ascertainable market price. Such securities and properties will be valued by the managers or administrators of such Private Investment Funds, which valuation will be conclusive with respect to the Fund, even though such managers may face a conflict of interest in valuing such securities because the value thereof will affect their compensation. The Fund may rely on estimates of the value of these investments when calculating its NAV. The Fund may suspend the calculation of its NAV under certain conditions.

While the valuation of the Fund's publicly-traded securities are more readily ascertainable, the Fund's ownership interest in Private Investments Funds are not publicly traded and the Fund may depend on the manager to a Private Investment Fund to provide a valuation of the Fund's investment. Moreover, the valuation of the Fund's investment in a Private Investment Fund, as provided by the manager of any such fund as of a specific date, may vary from the fair value of the investment that may be obtained if such investment were sold to a third party. Shareholders should recognize that valuations of illiquid assets, such as interests in Private Investment Funds, involve various judgments and consideration of factors that may be subjective. As a result, the NAV of the Fund, as determined based on the fair value of its investments in Private Investment Funds, may vary from the amount the Fund would realize on the withdrawal of its investments from the Private Investment Funds. This could adversely affect shareholders. The Advisor will attempt to resolve any conflicts between valuations assigned by a manager to a Private Investment Fund and fair value as determined by the Advisor by seeking information from the manager of such Private Investment Fund and reviewing all relevant available information. Such review may result in a determination to change the fair value of the Fund's investment.

The managers of the Private Investment Funds in which the Fund may invest may use proprietary investment strategies that are not fully disclosed to the Advisor, which may involve risks under some market conditions that are not anticipated by the Advisor. The investment strategies and styles used by any such manager are subject to change without notice. For information about the value of the Fund's investment in Private Investment Funds, the Advisor will be dependent on information provided by the Private Investment Funds, including quarterly unaudited financial statements, which if inaccurate could adversely affect the Advisor's ability to value accurately the Fund's Shares.

Shareholders in the Fund have no individual right to receive information about the Private Investment Funds, will not be shareholders in the Private Investment Funds and will have no rights with respect to or standing or recourse against the Private Investment Funds or any of their affiliated persons.

Equity Securities. The Funds may invest in equity securities, both directly and indirectly through the Funds' investment in shares of other investment companies. The equity portion of a Fund's portfolio may be comprised of common stocks traded on domestic securities exchanges or on the over-the-counter market. In addition to common stocks, the equity portion of each Fund's portfolio may also include preferred stocks, convertible preferred stocks, and convertible bonds. Prices of equity securities in which the Funds invest (either directly or indirectly through the Funds' investment in shares of other investment companies) may fluctuate in response to many factors, including, but not limited to, the activities of the individual companies whose securities the Fund owns, general market and economic conditions, interest rates, and specific industry changes. Such price fluctuations subject the Funds to potential losses. In addition, regardless of any one company's particular prospects, a declining stock market may produce a decline in prices for all equity securities, which could also result in losses for the Funds. Market declines may continue for an indefinite period of time, and investors should understand that during temporary or extended bear markets, the value of equity securities will decline.

Foreign Investment Risk. Foreign securities and foreign currency contracts involve investment risks different from those associated with domestic securities. Changes in foreign economies and political climates are more likely to affect the Funds than a mutual fund that invests exclusively in domestic securities. The value of foreign currency denominated securities or foreign currency contracts is affected by the value of the local currency relative to the U.S. dollar. There may be less government supervision of foreign markets, resulting in non-uniform accounting practices and less publicly available information about issuers of foreign currency denominated securities. The value of foreign investments may be affected by changes in exchange control regulations, application of foreign tax laws (including withholding tax), changes in governmental administration or economic or monetary policy (in this country or abroad), or changed circumstances in dealings between nations. In addition, foreign brokerage commissions, custody fees, and other costs of investing in foreign securities are generally higher than in the United States. Investments in foreign issues could be affected by other factors not present in the United States, including expropriation, armed conflict, confiscatory taxation, and potential difficulties in enforcing contractual obligations.

Fixed-Income Securities. The Funds may invest in fixed-income securities directly or indirectly through its investments in shares of other investment companies, including government and corporate bonds, money market instruments, junk bonds, and zero-coupon bonds. Zero-coupon bonds are purchased at a discount from their face values and accrue interest at the applicable coupon rate over a period of time. Fixed-income securities purchased by the Funds may consist of obligations of any rating. Fixed-income securities in the lowest investment grade categories have speculative characteristics, with changes in the economy or other circumstances more likely to lead to a weakened capacity of the bonds to make principal and interest payments than would occur with bonds rated in higher categories. High yield bonds are typically rated below "Baa" by Moody's Investors Service, Inc. ("Moody's") or below "BBB" by Standard & Poor's Ratings Group ("S&P") or below investment grade by other recognized rating agencies. The Funds may invest in unrated securities, but only if, at the time of purchase, the Advisor believes that they are of comparable quality to rated securities that the Funds may purchase. The Funds may also invest indirectly in unrated securities through other investment companies that invest in unrated securities under certain circumstances. Such bonds are subject to greater market fluctuations and risk of loss of income and principal than higher rated bonds for a variety of reasons, including:

Sensitivity to Interest Rate and Economic Change. The economy and interest rates affect high yield securities differently than other securities. For example, the prices of high yield bonds have been found to be less sensitive to interest rate changes than higher-rated investments, but more sensitive to adverse economic changes or individual corporate developments. Also, during an economic downturn or substantial period of rising interest rates, highly leveraged issuers may experience financial stress which would adversely affect their ability to service their principal and interest obligations, to meet projected business goals, and to obtain additional financing. If the issuer of a bond defaults, an underlying mutual fund may incur additional expenses to seek recovery. In addition, periods of economic uncertainty and changes can be expected to result in increased volatility of market prices of high yield bonds and a Fund's asset values.

Payment Expectations. High yield bonds present certain risks based on payment expectations. For example, high yield bonds may contain redemption and call provisions. If an issuer exercises these provisions in a declining interest rate market, a Fund or an investment company in which a Fund invests would have to replace the security with a lower yielding security, resulting in a decreased return for investors. Conversely, a high yield bond's value will decrease in a rising interest rate market, as will the value of a Fund's or other investment companies' assets. If a Fund or an investment company in which a Fund invests experiences unexpected net redemptions, it may be forced to sell its high yield bonds without regard to their investment merits, thereby decreasing the asset base upon which the Fund's or other investment companies' expenses can be spread and possibly reducing the Fund's or other investment companies' rate of return.

Liquidity and Valuation. To the extent that there is no established retail secondary market, there may be thin trading of high yield bonds, and this may impact a fund's ability to accurately value high yield bonds and may hinder a fund's ability to dispose of the bonds. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the values and liquidity of high yield bonds, especially in a thinly traded market.

Credit Ratings. Credit ratings evaluate the safety of principal and interest payments, not the market value risk of high yield bonds. Also, because credit rating agencies may fail to timely change the credit ratings to reflect subsequent events, the Fund or an investment company in which a Fund invests must monitor the issuers of high yield bonds in their portfolios to determine if the issuers will have sufficient cash flow and profits to meet required principal and interest payments, and to assure the bonds' liquidity so the Fund or an investment company in which the Fund invests can meet redemption requests.

High-yield securities are deemed speculative with respect to the issuer's capacity to pay interest and repay principal over a long period of time. Special tax considerations are associated with investing in high-yield securities structured as zero coupon or "pay-in-kind" securities. The Funds or investment companies in which the Funds invest in will report the interest on these securities as income even though it receives no cash interest until the security's maturity or payment date. The payment of principal and interest on most fixed-income securities purchased by a Fund or an investment company in which a Fund invests will depend upon the ability of the issuers to meet their obligations. An issuer's obligations under its fixed-income securities are subject to the provisions of bankruptcy, insolvency and other laws affecting the rights and remedies of creditors, such as the Federal Bankruptcy Code, and laws, if any, which may be enacted by federal or state legislatures extending the time for payment of principal or interest, or both, or imposing other constraints upon enforcement of such obligations. The power or ability of an issuer to meet its obligations for the payment of interest on, and principal of, its fixed-income securities may be materially adversely affected by litigation or other conditions.

The ratings of S&P, Moody's and other nationally recognized rating agencies represent their opinions as to the quality of fixed-income securities. It should be emphasized, however, that ratings are general and are not absolute standards of quality, and fixed-income securities with the same maturity, interest rate, and rating may have different yields while fixed-income securities of the same maturity and interest rate with different ratings may have the same yield. For a more detailed description of ratings, please see Appendix A.

Money Market Instruments. The Funds may invest in money market instruments including U.S. Government obligations or corporate debt obligations (including those subject to repurchase agreements) provided that they are eligible for purchase by the Funds. Money market instruments also may include Banker's Acceptances and Certificates of Deposit of domestic branches of U.S. banks, Commercial Paper, and Variable Amount Demand Master Notes ("Master Notes"). Banker's Acceptances are time drafts drawn on and "accepted" by a bank. When a bank "accepts" such a time draft, it assumes liability for its payment. When a Fund acquires a Banker's Acceptance, the bank that "accepted" the time draft is liable for payment of interest and principal when due. The Banker's Acceptance carries the full faith and credit of such bank. A Certificate of Deposit ("CD") is an unsecured, interest bearing debt obligation of a bank. Commercial Paper is an unsecured, short-term debt obligation of a bank, corporation, or other borrower. Commercial Paper maturity generally ranges from two to 270 days and is usually sold on a discounted basis rather than as an interest-bearing instrument. The Funds will invest in Commercial Paper only if it is rated in one of the top two rating categories by Moody's Investors Service, Inc., Standard & Poor's Ratings Services, or Fitch Investors Service, Inc., or if not rated, of equivalent quality in the Advisor's opinion. Commercial Paper may include Master Notes of the same quality. Master Notes are unsecured obligations which

are redeemable upon demand of the holder and which permit the investment of fluctuating amounts at varying rates of interest. Master Notes will be acquired by the Funds only through the Master Note program of the Funds' custodian bank, acting as administrator thereof. The Advisor will monitor, on a continuous basis, the earnings power, cash flow, and other liquidity ratios of the issuer of a Master Note held by the Funds.

U.S. Government Securities and U.S. Government Agency Securities. The Funds may invest in U.S. Government securities and U.S. Government Agency Securities, defined to be (i) U.S. Treasury notes, U.S. Treasury bonds, U.S. Treasury bills, and other U.S. Government obligations; (ii) obligations of the Government National Mortgage Association (GNMA) and other U.S. Government sponsored entities that are guaranteed by the U.S. Government; and (iii) obligations of the Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Federal Housing Administration (FHA), Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), Student Loan Marketing Association (SLMA), The Tennessee Valley Authority (TVA) and other U.S. Government authorities, agencies, and instrumentalities.

While obligations of some U.S. Government agencies and sponsored entities are supported by the full faith and credit of the U.S. Government (e.g. GNMA), others are not. No assurance can be given that the U.S. Government will provide financial support to U.S. Government agencies or instrumentalities in the future since it is not obligated to do so by law. The guarantee of the U.S. Government does not extend to the yield or value of the Funds' shares.

Debentures. A debenture is long-term, unsecured, debt instrument backed only by the integrity of the borrower, not by collateral, and documented by an indenture. Governments often issue debentures, in part because they generally cannot guarantee debt with assets (government assets are public property). The primary risk with this type of investment is that the issuer will default or go into bankruptcy. As an unsecured creditor, in the event of default or bankruptcy, the holder of a debenture does not have a claim against any specific assets of the issuing firm, so the investor will only be paid from the issuer's assets after the secured creditors have been paid. The Funds may invest in all types of debentures, including corporate and government debentures.

Derivative Instruments Risk. When the Funds enter into short sales, options, futures, and other forms of financial derivatives, such as foreign exchange contracts, the investments involve risks different from direct investments in the underlying securities. While transactions in derivatives may reduce certain risks, these transactions themselves entail certain other risks. For example, unanticipated changes in interest rates, securities prices, or currency exchange rates may result in a poorer overall performance of the Funds than if they had not entered into any derivatives transactions. Derivatives may magnify the Funds' gains or losses, causing it to make or lose substantially more than it invested. To the extent that the Fund invests in short sales, options, futures, and other forms of financial derivatives, the Fund will comply with the applicable requirements of the Investment Company Act of 1940 and the guidance of no-action letters issued by the Securities and Exchange Commission, including SEC Release 10666.

When used for hedging purposes, increases in the value of the securities the Funds hold or intend to acquire should offset any losses incurred with a derivative. Purchasing derivatives for purposes other than hedging could expose the Funds to greater risks.

The Funds' ability to hedge securities through derivatives depends on the degree to which price movements in the underlying index or instrument correlate with price movements in the relevant securities. In the case of poor correlation, the price of the securities the Funds are hedging may not move in the same amount, or even in the same direction as the hedging instrument. The Advisor will try to minimize this risk by investing only in those contracts whose behavior it expects to resemble with the portfolio securities it is trying to hedge. However, if the Funds' prediction of interest and currency rates, market value, volatility, or other economic factors is incorrect, the Funds may lose money, or may not make as much money as it expected.

Derivative prices can diverge from the prices of their underlying instruments, even if the characteristics of the underlying instruments are very similar to the derivative. Listed below are some of the factors that may cause such a divergence:

- current and anticipated short-term interest rates, changes in volatility of the underlying instrument, and the time remaining until expiration of the contract;

Deleted: U.S. Government obligations such as U.S. Treasury notes, U.S. Treasury bonds, and U.S. Treasury bills, obligations guaranteed by the U.S. Government such as Government National Mortgage Association (GNMA), as well as obligations of U.S. Government authorities, agencies, and instrumentalities such as Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Federal Housing Administration (FHA), Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), Student Loan Marketing Association (SLMA), and The Tennessee Valley Authority (TVA). U.S. Government securities may also be acquired subject to repurchase agreements.

- a difference between the derivatives and securities markets, including different levels of demand, how the instruments are traded, the imposition of daily price fluctuation limits or trading of an instrument stops; and
- differences between the derivatives, such as different margin requirements, different liquidity of such markets, and the participation of speculators in such markets.

Derivatives based upon a narrow index of securities may present greater risk than derivatives based on a broad index. Since narrower indices are made up of a smaller number of securities, they are more susceptible to rapid and extreme price fluctuations because of changes in the value of those securities.

While currency futures and options values are expected to correlate with exchange rates, they may not reflect other factors that affect the value of the investments of the Funds. A currency hedge, for example, should protect a yen-denominated security from a decline in the yen, but will not protect the Funds against a price decline resulting from deterioration in the issuer's creditworthiness. Because the value of the Funds' foreign-denominated investments changes in response to many factors other than exchange rates, it may not be possible to match the amount of currency options and futures to the value of the Funds' investments precisely over time.

Before a futures contract or option is exercised or expires, the Funds can terminate it only by entering into a closing purchase or sale transaction. Moreover, the Funds may close out a futures contract only on the exchange the contract was initially traded. Although the Funds intend to purchase options and futures only where there appears to be an active market, there is no guarantee that such a liquid market will exist. If there is no secondary market for the contract, or the market is illiquid, the Funds may not be able to close out a position. In an illiquid market, the Funds may:

- have to sell securities to meet its daily margin requirements at a time when it is disadvantageous to do so;
- have to purchase or sell the instrument underlying the contract;
- not be able to hedge its investments; and
- not be able to realize profits or limit its losses.

Derivatives may become illiquid (i.e., difficult to sell at a desired time and price) under a variety of market conditions. For example:

- an exchange may suspend or limit trading in a particular derivative instrument, an entire category of derivatives, or all derivatives, which sometimes occurs because of increased market volatility;
- unusual or unforeseen circumstances may interrupt normal operations of an exchange;
- the facilities of the exchange may not be adequate to handle current trading volume;
- equipment failures, government intervention, insolvency of a brokerage firm or clearing house, or other occurrences may disrupt normal trading activity; or
- investors may lose interest in a particular derivative or category of derivatives.

If the Advisor incorrectly predicts securities market and interest rate trends, the Funds may lose money by investing in derivatives. For example, if the Funds were to write a call option based on the Advisor's expectation that the price of the underlying security would fall, but the price were to rise instead, the Funds could be required to sell the security upon exercise at a price below the current market price. Similarly, if the Funds were to write a put option based on the Advisor's expectation that the price of the underlying security would rise, but the price were to fall instead, the Funds could be required to purchase the security upon exercise at a price higher than the current market price.

Because of the low margin deposits required upon the opening of a derivative position, such transactions involve an extremely high degree of leverage. Consequently, a relatively small price movement in a derivative may result in an immediate and substantial loss (as well as gain) to the Funds and they may lose more than it originally invested in the derivative.

If the price of a futures contract changes adversely, the Funds may have to sell securities at a time when it is disadvantageous to do so to meet its minimum daily margin requirement. The Funds may lose margin deposits if a broker with whom they have an open futures contract or related option becomes insolvent or declares bankruptcy.

The prices of derivatives are volatile (i.e., they may change rapidly, substantially, and unpredictably) and are influenced by a variety of factors, including:

- actual and anticipated changes in interest rates;
- fiscal and monetary policies; and
- national and international political events.

Most exchanges limit the amount by which the price of a derivative can change during a single trading day. Daily trading limits establish the maximum amount that the price of a derivative may vary from the settlement price of that derivative at the end of trading on the previous day. Once the price of a derivative reaches this value, the Funds may not trade that derivative at a price beyond that limit. The daily limit governs only price movements during a given day and does not limit potential gains or losses. Derivative prices have occasionally moved to the daily limit for several consecutive trading days, preventing prompt liquidation of the derivative.

Short Sales. The Funds may sell securities short. A short sale is a transaction in which the Funds sell a security it does not own or have the right to acquire (or that it owns but does not wish to deliver) in anticipation that the market price of that security will decline. When the Funds make a short sale, the broker-dealer through which the short sale is made must borrow the security sold short and deliver it to the party purchasing the security. The Funds are required to make a margin deposit in connection with such short sales; the Funds may have to pay a fee to borrow particular securities and will often be obligated to pay over any dividends and accrued interest on borrowed securities.

If the price of the security sold short increases between the time of the short sale and the time the Funds cover the short position, the Funds will incur a loss; conversely, if the price declines, the Funds will realize a capital gain. Any gain will be decreased, and any loss increased, by the transaction costs described above. The successful use of short selling may be adversely affected by imperfect correlation between movements in the price of the security sold short and the securities being hedged.

To the extent the Fund sells securities short, the Fund will take measures that assure its obligation to purchase the security in the future will be met, including (i) holding the security sold short; (ii) holding an offsetting call option (one with a strike price that is the same or lower than the price at which the security was sold short); or (iii) segregating liquid assets (which can be cash, U.S. Government securities, and other liquid debt or equity securities) on the Funds' books or in a segregated account at the Funds' custodian in an amount sufficient to cover the current value of the securities to be replaced as well as any dividends, interest, and transaction costs due to the broker-dealer lender. In determining the amount to be segregated, any securities that have been sold short by the Funds will be marked to market daily. To the extent the market price of the securities sold short increases and more assets are required to meet the Funds' short sale obligations, additional assets will be segregated to ensure adequate coverage of the Funds' short position obligations. If the Funds do not have the assets to cover a short sale, then the Funds' potential losses on the short will be unlimited because the security's price may appreciate indefinitely.

Options. The Funds may purchase and write put and call options on securities. The purchase and writing of options involves certain risks. During the option period, a call writer that holds the underlying security has, in return for the premium on the option, given up the opportunity to profit from a price increase in the underlying securities above the exercise price, but, as long as its obligation as a writer continues, has retained the risk of loss should the price of the underlying security decline. The writer of an option has no control over the time when it may be required to fulfill its obligation as a writer of the option. Once an option writer has received an exercise notice, it cannot effect a closing purchase transaction in order to terminate its obligation under the option and must deliver the underlying securities at the exercise price. If a put or call option purchased by a Fund is not sold when it has remaining value, and if the market price of the underlying security, in the case of a put, remains equal to or greater than the exercise price or, in the case of a call, remains less than or equal to the exercise price, the Fund will lose its entire investment in the option. Also, where a put or call option on a particular security is purchased to hedge against price movements in a related security, the price of the put or call option may move more or less than the price of the related security. There can be no assurance that a liquid market will exist when the Funds seek to close out an option position. Furthermore, if trading restrictions or suspensions are imposed on the options market, the Funds may be unable to close out a position.

A Fund may write a call or put option only if the option is “covered” by holding a position in the underlying securities or by other means which would permit immediate satisfaction of the Fund’s obligation as writer of the option. A written call option creates a potential obligation to sell the underlying security. In order to make sure that this obligation can be met, a Fund could (i) hold the security underlying the written option; (ii) hold an offsetting call option (one with a strike price that is the same or lower than the strike price of the written option); or (iii) segregate cash and liquid securities (which can be cash, U.S. Government securities, and other liquid debt or equity securities) that when added to collateral on deposit equals the market value of the underlying security. A written put option creates a potential obligation to buy the underlying security. In order to make sure that this obligation can be met, a Fund could (i) sell short the underlying security at the same or higher price than the strike price of the written put option; (ii) hold an offsetting put option (one with a strike price that is the same or higher than the strike price of the written option); or (iii) segregate cash and liquid securities that when added to collateral on deposit equals the strike price of the option.

Futures Contracts. A futures contract is a bilateral agreement to buy or sell a security (or deliver a cash settlement price, in the case of a contract relating to an index or otherwise not calling for physical delivery at the end of trading in the contracts) for a set price in the future. Futures contracts are designated by boards of trade which have been designated “contracts markets” by the Commodities Futures Trading Commission (CFTC). No purchase price is paid or received when the contract is entered into. Instead, the Funds, upon entering into a futures contract (and to maintain the Funds’ open positions in futures contracts), would be required to deposit with its custodian in a segregated account in the name of the futures broker an amount of cash, U.S. government securities, suitable money market instruments, or liquid, high-grade debt securities, known as “initial margin.” The margin required for a particular futures contract is set by the exchange on which the contract is traded, and may be significantly modified from time to time by the exchange during the term of the contract. Futures contracts are customarily purchased and sold on margin that may range upward from less than 5% of the value of the contract being traded. By using futures contracts as a risk management technique, given the greater liquidity in the futures market than in the cash market, it may be possible to accomplish certain results more quickly and with lower transaction costs.

If the price of an open futures contract changes (by increase in the case of a sale or by decrease in the case of a purchase) so that the loss on the futures contract reaches a point at which the margin on deposit does not satisfy margin requirements, the broker will require an increase in the margin. However, if the value of a position increases because of favorable price changes in the futures contract so that the margin deposit exceeds the required margin, the broker will pay the excess to the Funds. These subsequent payments, called “variation margin,” to and from the futures broker, are made on a daily basis as the price of the underlying assets fluctuates, making the long and short positions in the futures contract more or less valuable, a process known as “marking to the market.” The Funds are expected to earn interest income on initial and variation margin deposits.

The Funds will incur brokerage fees when they purchase and sell futures contracts. Positions taken in the futures markets are not normally held until delivery or cash settlement is required, but are instead liquidated through offsetting transactions that may result in a gain or a loss. While futures positions taken by the Funds will usually be liquidated in this manner, the Funds may instead make or take delivery of underlying securities whenever it appears economically advantageous for the Funds to do so. A clearing organization associated with the exchange on which futures are traded assumes responsibility for closing out transactions and guarantees that as between the clearing members of an exchange, the sale and purchase obligations will be performed with regard to all positions that remain open at the termination of the contract.

In addition to the margin restrictions discussed above, transactions in futures contracts may involve the segregation of funds pursuant to requirements imposed by the Securities and Exchange Commission. Under those requirements, where a Fund has a long position in a futures contract, it may be required to establish a segregated account (not with a futures commission merchant or broker) containing cash or certain liquid assets equal to the purchase price of the contract (less any margin on deposit). However, segregation of assets is not required if a Fund “covers” a long position. For a short position in futures or forward contracts held by a Fund, those requirements may mandate the establishment of a segregated account (not with a futures commission merchant or broker) with cash or certain liquid assets that, when added to the amounts deposited as margin, equal the market value of the instruments underlying the futures contracts (but are not less than the price at which the short positions were established).

Liquidity Impact of Margin and Segregation Requirements. Although the Funds will segregate cash and liquid assets in an amount sufficient to cover its open obligations with respect to written options and short sales, the segregated assets will be available to the Funds immediately upon closing out the positions, while settlement of securities transactions could take several days. However, because the Funds' cash that may otherwise be invested would be held uninvested or invested in other liquid assets so long as the position remains open, the Funds' returns could be diminished due to the opportunity losses of foregoing other potential investments.

Swaps. The Funds may invest in currency, equity, interest rate, index and other swaps, which involve the exchange by an investor with another party of their respective commitments, in an attempt to obtain a particular return when it is considered desirable to do so, possibly at a lower cost than if the Funds had invested directly in the asset that yielded the desired return. In the case of interest rate swaps, an investor may exchange with another party their respective commitments to pay or receive interest, such as an exchange of fixed rate payments for floating rate payments. Use of swaps subjects the investor to risk of default by the counterparties. If there is a default by the counterparty to such a transaction, there may be contractual remedies pursuant to the agreements related to the transaction although contractual remedies may not be sufficient in the event that the counterparty to the transaction is insolvent. The swap market has grown substantially in recent years with a large number of banks and investment banking firms acting both as principals and agents utilizing standardized swap documentation. As a result, the swap market has become relatively liquid in comparison with the markets for other similar instruments which are traded in the interbank market. An investor may also enter into currency swaps or other swaps which are similar to interest rate swaps but may be surrogates for other instruments such as currency forwards or options.

Forward Commitment and When-Issued Securities. The Funds may purchase securities on a when-issued basis or for settlement at a future date if the Funds hold sufficient assets to meet the purchase price. In such purchase transactions, the Funds will not accrue interest on the purchased security until the actual settlement. Similarly, if a security is sold for a forward date, the Funds will accrue the interest until the settlement of the sale. When-issued security purchases and forward commitments have a higher degree of risk of price movement before settlement due to the extended time period between the execution and settlement of the purchase or sale. As a result, the exposure to the counterparty of the purchase or sale is increased. Although the Funds would generally purchase securities on a forward commitment or when-issued basis with the intention of taking delivery, the Funds may sell such a security prior to the settlement date if the Advisor feels such action is appropriate. In such a case, the Funds could incur a short-term gain or loss.

Repurchase Agreements. A repurchase transaction occurs when an investor purchases a security (normally a U.S. Treasury obligation), and it then resells it to the vendor (normally a member bank of the Federal Reserve or a registered government securities dealer) and is required to deliver the security (and/or securities substituted for them under the repurchase agreement) to the vendor on an agreed upon date in the future. The repurchase price exceeds the purchase price by an amount which reflects an agreed upon market interest rate effective for the period of time during which the repurchase agreement is in effect. Delivery pursuant to the resale normally will occur within one to seven days of the purchase. Repurchase agreements are considered "loans" under the 1940 Act, collateralized by the underlying security. The Trust has implemented procedures to monitor on a continuous basis the value of the collateral serving as security for repurchase obligations. The Advisor will consider the creditworthiness of the vendor. If the vendor fails to pay the agreed upon resale price on the delivery date, the Funds will retain or attempt to dispose of the collateral. The Funds' risk is that such default may include any decline in value of the collateral to an amount which is less than 100% of the repurchase price, any costs of disposing of such collateral, and any loss resulting from any delay in foreclosing on the collateral. Repurchase agreements that do not provide for payment within seven days will be treated as illiquid securities.

Illiquid Investments. The Funds may hold up to 15% of net assets in illiquid securities, which are investments that cannot be sold or disposed of in the ordinary course of business within seven days at approximately the prices at which they are valued. This restriction is not limited to the time of purchase. Under the supervision of the Board of Trustees of the Trust (the "Board" or "Trustees"), the Advisor determines the liquidity of the Funds' investments, and through reports from the Advisor, the Trustees monitor investments in illiquid instruments. In determining the liquidity of the Funds' investments, the Advisor may consider various factors including (i) the frequency of trades and quotations; (ii) the number of dealers and prospective purchasers in the marketplace; (iii) dealer undertakings to make a market; (iv) the nature of the security (including any demand or tender features); and (v) the nature of the marketplace for trades (including the ability to assign or offset the Funds' rights and obligations relating to the

investment). If through a change in values, net assets, or other circumstances, a Fund were in a position where more than 15% of its net assets were invested in illiquid securities, it would seek to take appropriate steps to protect liquidity. Investment in illiquid securities poses risks of potential delays in resale and uncertainty in valuation. Limitations on resale may have an adverse effect on the marketability of portfolio securities and the Funds may be unable to dispose of illiquid securities promptly or at reasonable prices.

Restricted Securities. Within its limitation on investment in illiquid securities, the Funds may purchase restricted securities that generally can be sold in privately negotiated transactions, pursuant to an exemption from registration under the federal securities laws, or in a registered public offering. Where registration is required, the Funds may be obligated to pay all or part of the registration expense and a considerable period may elapse between the time it decides to seek registration and the time the Funds may be permitted to sell a security under an effective registration statement. If during such a period adverse market conditions were to develop, the Funds might obtain a less favorable price than prevailed when it decided to seek registration of the security. Restricted securities that can be offered and sold to qualified institutional buyers under Rule 144A of the Securities Act of 1933 and are determined to be liquid under guidelines adopted by and subject to the supervision of the Trustees are not subject to the limitations on illiquid securities.

Portfolio Turnover. Portfolio turnover is a ratio that indicates how often the securities in a mutual fund's portfolio change during a year's time. Higher numbers indicate a greater number of changes, and lower numbers indicate a smaller number of changes. The Funds may sell portfolio securities without regard to the length of time they have been held in order to take advantage of new investment opportunities or changing market conditions. Since portfolio turnover may involve paying brokerage commissions and other transaction costs, there could be additional expenses for the Funds. High rates of portfolio turnover could lower performance of the Funds due to increased costs and may also result in the realization of capital gains. If the Funds realize capital gains when they sell portfolio investments, they must generally distribute those gains to shareholders, increasing their taxable distributions.

Deleted: Under normal circumstances, the anticipated portfolio turnover rates for the Funds are expected to be greater than 100%.

Lending of Portfolio Securities. In order to generate additional income, the Funds may lend portfolio securities in an amount up to 33% of total Fund assets to broker-dealers, major banks, or other recognized domestic institutional borrowers of securities which the Advisor has determined are creditworthy under guidelines established by the Board of Trustees. In determining whether the Funds will lend securities, the Advisor will consider all relevant facts and circumstances. The Funds may not lend securities to any company affiliated with the Advisor. Each loan of securities will be collateralized by cash, securities, or equivalent collateral. The Funds might experience a loss if the borrower defaults on the loan.

The borrower at all times during the loan must maintain with the Funds cash or cash equivalent collateral. While the loan is outstanding, the borrower will pay the Funds any interest paid on the loaned securities, and the Funds may invest the cash collateral to earn additional income. Alternatively, the Funds may receive an agreed-upon amount of interest income from the borrower who has delivered equivalent collateral. It is anticipated that the Funds may share with the borrower some of the income received on the collateral for the loan or the Funds will be paid a premium for the loan. Loans are subject to termination at the option of the Funds or the borrower at any time. The Funds may pay reasonable administrative and custodial fees in connection with a loan, and may pay a negotiated portion of the income earned on the cash to the borrower or placing broker. As with other extensions of credit, there are risks of delay in recovery or even loss of rights in the collateral should the borrower fail financially.

Securities lending involves counterparty risk, including the risk that the loaned securities may not be returned or returned in a timely manner and/or a loss of rights in the collateral if the borrower or the lending agent defaults or fails financially. This risk will be increased if a continuation of the current downturn in the economic conditions in the United States and around the world, particularly the recent failures of several major financial services firms, causes further declines in the securities markets and/or causes further financial instability in the borrowers or lending agents. This risk is increased when the Funds' loans are concentrated with a single or limited number of borrowers. There are no limits on the number of borrowers the Funds may use, and the Funds may lend securities to only one or a small group of borrowers. Mutual Funds participating in securities lending bear the risk of loss in connection with investments of the cash collateral received from the borrowers, which do not trigger additional collateral requirements from the borrower.

Temporary Defensive Positions. The Funds may, from time to time, take temporary defensive positions that are inconsistent with the Funds' principal investment strategies in an attempt to respond to adverse market, economic, political, or other conditions. During such an unusual set of circumstances, the Funds may hold up to 100% of their portfolios in cash or cash equivalent positions (e.g., money market securities, U.S. Government securities, and/or similar securities). When the Funds take a temporary defensive position, the Funds may not be able to achieve their investment objectives.

INVESTMENT LIMITATIONS

Each Fund has adopted the following investment limitations, which cannot be changed without approval by holders of a majority of the outstanding voting shares of the Fund. A "majority" for this purpose means the lesser of (i) 67% of a Fund's outstanding shares represented in person or by proxy at a meeting at which more than 50% of its outstanding shares are represented; or (ii) more than 50% of its outstanding shares. Unless otherwise indicated, percentage limitations apply at the time of purchase of the applicable securities.

Fundamental Restrictions. As a matter of fundamental policy, each Fund may not:

- (1) Issue senior securities, except as permitted by the 1940 Act;
- (2) Borrow money, except to the extent permitted under the 1940 Act (including, without limitation, borrowing to meet redemptions). For purposes of this investment restriction, the entry into options, forward contracts, futures contracts, including those relating to indices, and options on futures contracts or indices shall not constitute borrowing;
- (3) Pledge, mortgage, or hypothecate its assets, except to the extent necessary to secure permitted borrowings and to the extent related to the deposit of assets in escrow in connection with writing covered put and call options and the purchase of securities on a when-issued or forward commitment basis and collateral and initial or variation margin arrangements with respect to options, forward contracts, futures contracts, including those relating to indices, and options on futures contracts or indices;
- (4) Act as an underwriter except to the extent that, in connection with the disposition of portfolio securities, the Fund may be deemed to be an underwriter under certain federal securities laws;
- (5) Purchase or sell real estate or direct interests in real estate; provided, however, that the Fund may purchase and sell securities which are secured by real estate and securities of companies which invest or deal in real estate (including, without limitation, investments in REITs, mortgage-backed securities, and privately-held real estate funds);
- (6) Invest in commodities, except that the Fund may purchase and sell options, forward contracts, futures contracts, including those relating to indices, and options on futures contracts or indices;
- (7) Make investments for the purpose of exercising control or management over a portfolio company;
- (8) Make loans, provided that the Fund may lend its portfolio securities in an amount up to 33% of total Fund assets, and provided further that, for purposes of this restriction, investment in U.S. Government obligations, short-term commercial paper, certificates of deposit, bankers' acceptances, and repurchase agreements shall not be deemed to be the making of a loan;
- (9) With respect to 75% of its total assets, the Fund may not: (i) purchase 10% or more of the outstanding voting securities of any one issuer; or (ii) purchase securities of any issuer if, as a result, 5% or more of the Fund's total assets would be invested in that issuer's securities. This limitation does not apply to investments in (i) cash and cash items; (ii) securities of other registered investment companies; and (iii) obligations of the United States Government, its agencies, or instrumentalities; or

- (10) Each Fund will not concentrate its investments. Each Fund's concentration policy limits the aggregate value of holdings of a single industry or group of industries (except U.S. Government and cash items) to less than 25% of each Funds' total assets.

Senior securities may include any obligation or instrument issued by a fund evidencing indebtedness. The 1940 Act generally prohibits funds from issuing senior securities, although it does not treat certain transactions as senior securities ("Permitted Senior Securities"), such as certain borrowings, short sales, reverse repurchase agreements, firm commitment agreements and standby commitments, with appropriate earmarking or segregation of assets to cover such obligations.

The 1940 Act presently allows a fund to borrow from any bank (including pledging, mortgaging or hypothecating assets) in an amount up to 33 1/3% of its total assets (not including temporary borrowings not in excess of 5% of its total assets).

With respect to the fundamental investment restrictions above (other than those involving Permitted Senior Securities and borrowings), if a percentage limitation is adhered to at the time of investment, a later increase or decrease in percentage resulting from any change in value or net assets will not result in a violation of such restriction (i.e., percentage limitations are determined at the time of purchase).

PORTFOLIO TRANSACTIONS

Subject to the general supervision of the Trustees, the Advisor is responsible for, makes decisions with respect to, and places orders for all purchases and sales of portfolio securities for the Funds. The Advisor shall manage the Funds' portfolios in accordance with the terms of the Investment Advisory Agreement by and between the Advisor and the Trust on behalf of the Funds ("Advisory Agreement"), which is described in detail under "Management and Other Service Providers – Investment Advisor." The Advisor serves as investment advisor for a number of client accounts, including the Funds. Investment decisions for each Fund are made independently from those for any other series of the Trust, if any, and for any other investment companies and accounts advised or managed by the Advisor.

Brokerage Selection. The Funds have adopted, and the Trustees have approved, policies and procedures relating to the direction of mutual fund portfolio securities transactions to broker-dealers. The Advisor may not give consideration to sales of shares of the Funds as a factor in selecting broker-dealers to execute portfolio securities transactions. The Advisor may, however, place portfolio transactions with broker-dealers that promote or sell the Funds' shares so long as such transactions are done in accordance with the policies and procedures established by the Trustees that are designed to ensure that the selection is based on the quality of the broker's execution and not on its sales efforts. In selecting brokers to be used in portfolio transactions, the Advisor's general guiding principle is to obtain the best overall execution for each trade, which is a combination of price and execution. With respect to execution, the Advisor considers a number of discretionary factors, including, without limitation, the actual handling of the order, the ability of the broker to settle the trade promptly and accurately, the financial standing of the broker, the ability of the broker to position stock to facilitate execution, the Advisor's past experience with similar trades, and other factors that may be unique to a particular order. Recognizing the value of these discretionary factors, the Advisor may select brokers who charge a brokerage commission that is higher than the lowest commission that might otherwise be available for any given trade.

Under Section 28(e) of the Securities Exchange Act of 1934 and the Advisory Agreement, the Advisor is authorized to pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction, in recognition of the value of brokerage and/or research services provided by the broker. The research received by the Advisor may include, without limitation: information on the United States and other world economies; information on specific industries, groups of securities, individual companies, and political and other relevant news developments affecting markets and specific securities; technical and quantitative information about markets; analysis of proxy proposals affecting specific companies; accounting and performance systems that allow the Advisor to determine and track investment results; and trading systems that allow the Advisor to interface electronically with brokerage firms, custodians, and other providers. Research is received in the form of written reports, telephone contacts, personal meetings, research seminars, software programs, and access to computer databases. In some instances, research products or services received by the Advisor may also be used by the Advisor for functions that are not research related (i.e. not related to the making of investment decisions). Where a research

product or service has a mixed use, the Advisor will make a reasonable allocation according to the use and will pay for the non-research function in cash using its own funds.

The research and investment information services described above make available to the Advisor for its analysis and consideration the views and information of individuals and research staffs of other securities firms. These services may be useful to the Advisor in connection with advisory clients other than the Funds and not all such services may be useful to the Advisor in connection with the Funds. Although such information may be a useful supplement to the Advisor's own investment information in rendering services to the Funds, the value of such research and services is not expected to reduce materially the expenses of the Advisor in the performance of its services under the Advisory Agreement and will not reduce the management fees payable to the Advisor by the Funds.

The Funds may invest in securities traded in the over-the-counter market. In these cases, the Funds may initiate trades through brokers on an agency basis and pay a commission in connection with the transaction. The Funds may also effect these transactions by dealing directly with the dealers who make a market in the securities involved, in which case the costs of such transactions would involve dealer spreads rather than brokerage commissions. With respect to securities traded only in the over-the-counter market, orders will be executed on a principal basis with primary market makers in such securities except where better prices or executions may be obtained on an agency basis or by dealing with those other than a primary market maker.

The Funds may participate, if and when practicable, in bidding for the purchase of Fund securities directly from an issuer in order to take advantage of the lower purchase price available to members of a bidding group. The Funds will engage in this practice, however, only when the Advisor, in its sole discretion, believes such practice to be otherwise in the Funds' interest.

For the fiscal year ended May 31, 2010 the ISM Dynamic Equity Fund paid brokerage commissions in the amount of \$238 and the ISM Dynamic Fixed Income Fund paid brokerage commissions in the amount of \$28. For the fiscal year ended May 31, 2011 the ISM Dynamic Equity Fund paid brokerage commissions in the amount of \$26,210 and the ISM Dynamic Fixed Income Fund paid brokerage commissions in the amount of \$431. For the fiscal year ended May 31, 2012 the ISM Dynamic Equity Fund paid brokerage commissions in the amount of [STBD] and the ISM Dynamic Fixed Income Fund paid brokerage commissions in the amount of [STBD]. The increase in brokerage commissions for the fiscal year ended May 31, 2011 from the previous fiscal year was primarily due to the larger asset size of the Funds and the fact that the previous fiscal year did not include a full twelve months.

Aggregated Trades. While investment decisions for the Funds are made independently of the Advisor's other client accounts, the Advisor's other client accounts may invest in the same securities as the Funds. To the extent permitted by law, the Advisor may aggregate the securities to be sold or purchased for a Fund with those to be sold or purchased for other investment companies or accounts in executing transactions. When a purchase or sale of the same security is made at substantially the same time on behalf of a Fund and another investment company or account, the transaction will be averaged as to price and available investments allocated as to amount in a manner which the Advisor believes to be equitable to the Fund and such other investment company or account. In some instances, this investment procedure may adversely affect the price paid or received by a Fund or the size of the position obtained or sold by a Fund.

Portfolio Turnover. The annualized portfolio turnover rate for the Funds is calculated by dividing the lesser of purchases or sales of portfolio securities for the reporting period by the monthly average value of the portfolio securities owned during the reporting period. The calculation excludes all securities whose maturities or expiration dates at the time of acquisition are one year or less. Portfolio turnover of the Funds may vary greatly from year to year as well as within a particular year, and may be affected by cash requirements for redemption of shares and by requirements that enable the Funds to receive favorable tax treatment. Portfolio turnover will not be a limiting factor in making Fund decisions, and the Funds may engage in short-term trading to achieve its investment objectives. High rates of portfolio turnover could lower performance of the Funds due to increased transaction costs and may also result in the realization of short-term capital gains taxed at ordinary income tax rates.

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DESCRIPTION OF THE TRUST

The Trust, which is a statutory trust organized under Delaware law on May 13, 2009, is an open-end management investment company. The Trust's Declaration of Trust ("Trust Instrument") authorizes the Trustees to divide shares into series, each series relating to a separate portfolio of investments, and to classify and reclassify any unissued shares into one or more classes of shares of each such series. The Trust currently consists of ~~nineteen~~ series: the Funds managed by the Advisor; the Arin Large Cap Theta Fund managed by Arin Risk Advisors, LLC; the Caritas All-Cap Growth Fund managed by Caritas Capital LLC; the Crescent Large Cap Macro Fund, Crescent Mid Cap Macro Fund, and Crescent Strategic Income Fund managed by Greenwood Capital Associates, LLC; the Presidio Multi-Strategy Fund managed by Presidio Capital Investments, LLC; the Roumell Opportunistic Value Fund managed by Roumell Asset Management, LLC; the SCS Tactical Allocation Fund managed by Sentinel Capital Solutions, Inc.; and The Sector Rotation Fund managed by Navigator Money Management, Inc. Additional series and/or classes may be created from time to time. The number of shares of each series in the Trust shall be unlimited. When issued for payment as described in the Funds' prospectus and this Statement of Additional Information, shares of the Funds will be fully paid and non-assessable and shall have no preemptive rights. The Trust normally does not issue share certificates.

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In the event of a liquidation or dissolution of the Trust or an individual series, such as a Fund, shareholders of a particular series would be entitled to receive the assets available for distribution belonging to such series. Shareholders of a series are entitled to participate equally in the net distributable assets of the particular series involved on liquidation, based on the number of shares of the series that are held by each shareholder. If there are any assets, income, earnings, proceeds, funds, or payments, that are not readily identifiable as belonging to any particular series, the Trustees shall allocate them among any one or more of the series as they, in their sole discretion, deem fair and equitable.

Shareholders of all of the series of the Trust, including the Funds, will vote together and not separately on a series-by-series or class-by-class basis, except as otherwise required by law or when the Trustees determine that the matter to be voted upon affects only the interests of the shareholders of a particular series or class. The Trust has adopted a Rule 18f-3 Multi-class Plan for certain series that contain the general characteristics of and conditions under which such series may offer multiple classes of shares. 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 series or class affected by the matter. A series or class is affected by a matter unless it is clear that the interests of each series or class in the matter are substantially identical or that the matter does not affect any interest of the series or class. Under Rule 18f-2, the approval of an investment advisory agreement or any change in a fundamental investment policy would be effectively acted upon with respect to a series only if approved by a majority of the outstanding shares of such series. However, the rule also provides that the ratification of the appointment of independent accountants, the approval of principal underwriting contracts, and the election of Trustees may be effectively acted upon by shareholders of the Trust voting together, without regard to a particular series or class. Rights of shareholders can only be modified by a majority vote.

When used in the Prospectus or this SAI, a "majority" of shareholders means the vote of the lesser of (i) 67% of the shares of the Trust or the applicable series or class present at a meeting if the holders of more than 50% of the outstanding shares are present in person or by proxy or (ii) more than 50% of the outstanding shares of the Trust or the applicable series or class.

Shareholders are entitled to one vote for each full share and a fractional vote for each fractional share held. Shares have non-cumulative voting rights, which means that the holders of more than 50% of the shares voting for the election of Trustees can elect 100% of the Trustees, and in this event, the holders of the remaining shares voting will not be able to elect any Trustees.

The Trustees will hold office indefinitely, except that: (i) any Trustee may resign or retire, and (ii) any Trustee may be removed: (a) any time by written instrument signed by at least two-thirds of the number of Trustees prior to such removal; (b) at any meeting of shareholders of the Trust by a vote of two-thirds of the outstanding shares of the Trust; or (c) by a written declaration signed by shareholders holding not less than two-thirds of the outstanding shares of the Trust. In case a vacancy on the Board of Trustees shall for any reason exist, the vacancy shall be filled

by the affirmative vote of a majority of the remaining Trustees, subject to certain restrictions under the 1940 Act. Otherwise, there will normally be no meeting of shareholders for the purpose of electing Trustees, and the Trust does not expect to have an annual meeting of shareholders.

The Trust Instrument provides that the Trustees will not be liable in any event in connection with the affairs of the Trust, except as such liability may arise from a Trustee’s bad faith, willful misfeasance, gross negligence, or reckless disregard of duties. It also provides that all third parties shall look solely to the Trust’s property for satisfaction of claims arising in connection with the affairs of the Trust. With the exceptions stated, the Trust Instrument provides that a Trustee or officer is entitled to be indemnified against all liability in connection with the affairs of the Trust.

MANAGEMENT AND OTHER SERVICE PROVIDERS

The Trustees are responsible for the management and supervision of the Funds. The Trustees approve all significant agreements between the Trust, on behalf of the Funds, and those companies that furnish services to the Funds; review performance of the Advisor and the Funds; and oversee activities of the Funds. This section of the Statement of Additional Information provides information about the persons who serve as Trustees and officers to the Trust and Funds, respectively, as well as the entities that provide services to the Funds.

Trustees and Officers. Following are the Trustees and officers of the Trust, their age and address, their present position with the Trust or the Funds, and their principal occupation during the past five years. Those Trustees who are “interested persons” (as defined in the 1940 Act) by virtue of their affiliation with either the Trust or the Advisor are indicated in the table. The address of each Trustee and officer of the Trust, unless otherwise indicated, is 116 South Franklin Street, Rocky Mount, North Carolina 27804.

| <u>Name, Age and Address</u> | <u>Position held with Funds or Trust</u> | <u>Length of Time Served</u> | <u>Principal Occupation During Past 5 Years</u> | <u>Number of Portfolios in Fund Complex Overseen by Trustee</u> | <u>Other Directorships Held by Trustee During Past 5 Years</u> |
|--|--|------------------------------|--|---|--|
| <u>Independent Trustees*</u> | | | | | |
| <u>Jack E. Brinson</u> <u>Age: 80</u> | <u>Independent Trustee</u> | <u>Since 7/09</u> | <u>Retired; previously, President of Brinson Investment Co. (personal investments) and President of Brinson Chevrolet, Inc. (auto dealership).</u> | <u>19</u> | <u>Independent Trustee of Brown Capital Management Funds for its three series, DGHM Investment Trust for its two series, Gardner Lewis Investment Trust for its two series, Hillman Capital Management Investment Trust for its two series, and Tilson Investment Trust for its two series (all registered investment companies); previously, Independent Trustee of de Leon Funds Trust for its one series from 2000 to 2005, Giordano Investment Trust for its one series during 2011, and New Providence Investment Trust for its one series from inception until 2011 (all registered investment companies).</u> |
| <u>Michael G. Mosley</u> <u>Age: 59</u> | <u>Independent Trustee</u> | <u>Since 7/10</u> | <u>Owner of Commercial Realty Services (real estate) since 2004.</u> | <u>19</u> | <u>None.</u> |

| <u>Name, Age and Address</u> | <u>Position held with Funds or Trust</u> | <u>Length of Time Served</u> | <u>Principal Occupation During Past 5 Years</u> | <u>Number of Portfolios in Fund Complex Overseen by Trustee</u> | <u>Other Directorships Held by Trustee During Past 5 Years</u> |
|---|--|---|--|---|--|
| <u>Theo H. Pitt, Jr.</u> <u>Age: 76</u> | <u>Independent Trustee</u> | <u>Since 9/10</u> | <u>Senior Partner, Community Financial Institutions Consulting (financial consulting) since 1999; Partner, Pikar Properties (real estate) since 2001; Account Administrator, Holden Wealth Management Group of Wachovia Securities (money management firm) from 2003-2008.</u> | <u>19</u> | <u>Independent Trustee of DGHM Investment Trust for its two series, Gardner Lewis Investment Trust for its two series, and Hanna Investment Trust for its one series (all registered investment companies); previously, Independent Trustee of Hillman Capital Management Investment Trust for its two series from 2000 to 2009, NCM Capital Investment Trust for its one series from 2007 to 2009, New Providence Investment Trust from 2008 to 2009, and Tilson Investment Trust for its two series from 2004 to 2009 (all registered investment companies).</u> |
| <u>James H. Speed, Jr.</u> <u>Age: 58</u> | <u>Independent Trustee, Chairman</u> | <u>Trustee since 7/09, Chair since 5/12</u> | <u>President and CEO of NC Mutual Insurance Company (insurance company) since 2003; President of Speed Financial Group, Inc. (consulting and private investments) from 2000 to 2003.</u> | <u>19</u> | <u>Independent Trustee of the following Brown Capital Management Funds for its three series, Hillman Capital Management Investment Trust for its two series, and Tilson Investment Trust for its two series (all registered investment companies). Member of Board of Directors of NC Mutual Life Insurance Company. Member of Board of Directors of M&F Bancorp. Previously, Independent Trustee of New Providence Investment Trust for its one series from 2009 until 2011 (registered investment company).</u> |
| <u>J. Buckley Strandberg</u> <u>Age: 52</u> | <u>Independent Trustee</u> | <u>Since 7/09</u> | <u>President of Standard Insurance and Realty (insurance and property management) since 1982.</u> | <u>19</u> | <u>None.</u> |
| <u>Other Officers</u> | | | | | |
| <u>Robert S. Fontana</u> <u>Age: 42</u> <u>5950 Fairview Road</u> <u>Suite 610-A</u> <u>Charlotte, NC 28210</u> | <u>President and Treasurer (Caritas All-Cap Growth Fund)</u> | <u>Since 7/09</u> | <u>President and CIO of Caritas Capital, LLC (advisor to the Caritas All-Cap Growth Fund) since 2009; Portfolio Manager for Portfolio Capital Management (investment management) since 2006; previously, Portfolio Manager for Covenant Capital, LLC (investment management).</u> | <u>n/a</u> | <u>n/a</u> |
| <u>D. Jerry Murphey</u> <u>Age: 54</u> <u>821 Pacific Street</u> <u>Omaha, Nebraska</u> <u>68108</u> | <u>President (FMX Funds)</u> | <u>Since 7/09</u> | <u>Manager, President, and CEO of FolioMetrix, LLC (advisor to the FMX Funds) since 2009; principal of Uprate Research Associates, LLC (investment research) since 2009; previously, Investment Management Consultant for Prudential Investments, Wealth Management Solutions (investment management).</u> | <u>n/a</u> | <u>n/a</u> |

| <u>Name, Age and Address</u> | <u>Position held with Funds or Trust</u> | <u>Length of Time Served</u> | <u>Principal Occupation During Past 5 Years</u> | <u>Number of Portfolios in Fund Complex Overseen by Trustee</u> | <u>Other Directorships Held by Trustee During Past 5 Years</u> |
|---|---|------------------------------|---|---|--|
| <u>Julie M. Koethe</u> Age: 31 821 Pacific Street Omaha, Nebraska 68108 | <u>Treasurer (FMX Funds)</u> | <u>Since 4/10</u> | <u>Chief Operating Officer of FolioMetrix, LLC (advisor to the FMX Funds) since 2010; Insurance Accounting Supervisor for Applied Underwriters (workers compensation and payroll service provider) from 2003-2010.</u> | <u>n/a</u> | <u>n/a</u> |
| <u>Matthew R. Lee</u> Age: 30 1777 Borel Place, Suite 415, San Mateo, CA 94402 | <u>President (Presidio Multi-Strategy Fund)</u> | <u>Since 2/10</u> | <u>Chief Executive Officer of Presidio Capital Investments, LLC (advisor to the Presidio Multi-Strategy Fund) since 2006; Financial Planning Specialist with Smith Barney, a division of Citigroup Global Markets, Inc. (now known as Morgan Stanley Smith Barney) from 2004-2006; Associate at Bank of America Investments, Inc. (investment management) from 2003-2004.</u> | <u>n/a</u> | <u>n/a</u> |
| <u>James C. Roumell</u> Age: 50 2 Wisconsin Circle Suite 660 Chevy Chase, MD 20815 | <u>President (Roumell Opportunistic Value Fund)</u> | <u>Since 9/10</u> | <u>President of Roumell Asset Management, LLC (advisor to the Roumell Opportunistic Value Fund) since 1998.</u> | <u>n/a</u> | <u>n/a</u> |
| <u>Craig L. Lukin</u> Age: 44 2 Wisconsin Circle Suite 660 Chevy Chase, MD 20815 | <u>Treasurer (Roumell Opportunistic Value Fund)</u> | <u>Since 9/10</u> | <u>Chief Operating Officer and Chief Compliance Officer of Roumell Asset Management, LLC since 2007; Research Analyst at Roumell Asset Management, LLC from 2003-2007; Private Equity Analyst for Dent & Company, Inc. (investment services) from 2000-2002; Corporate Value Consulting Manager for PricewaterhouseCoopers, LLP (accountancy and professional services) from 1994-2000.</u> | <u>n/a</u> | <u>n/a</u> |
| <u>Mark A. Grimaldi</u> Age: 49 1207 Route 9 Suite 10 Wappingers Falls, NY 12590 | <u>President and Treasurer (Sector Rotation Fund)</u> | <u>Since 4/11</u> | <u>President and Chief Compliance Officer of Navigator Money Management, Inc. (advisor to the Sector Rotation Fund) since 1996; Vice President of The Prestige Organization, Inc. since 1996; and Co-Fund Manager of ETF Market Opportunity Fund (formerly Navigator Fund) from 2008-2009.</u> | <u>n/a</u> | <u>n/a</u> |
| <u>Cort F. Meinelschmidt</u> Age: 33 38 S. Potomac Street Suite 304 Hagerstown, MD 21740 | <u>President (SCS Tactical Allocation Fund)</u> | <u>Since 10/11</u> | <u>President of Sentinel Capital Solutions, Inc. (advisor to the Guardian Diversified Fund) since 2011; Financial Advisor for Centra Financial Services (investment services) from 2010-2011; Financial Advisor for Edward Jones (investment services) from 2004-2010.</u> | <u>n/a</u> | <u>n/a</u> |

| <u>Name, Age and Address</u> | <u>Position held with Funds or Trust</u> | <u>Length of Time Served</u> | <u>Principal Occupation During Past 5 Years</u> | <u>Number of Portfolios in Fund Complex Overseen by Trustee</u> | <u>Other Directorships Held by Trustee During Past 5 Years</u> |
|---|--|------------------------------|---|---|--|
| <u>J. Philip Bell</u> Age: 58 104 Maxwell Avenue P.O. Box 3181 Greenwood, SC 29648 | <u>President (Crescent Funds)</u> | <u>Since 10/11</u> | <u>President and Chief Compliance Officer of Greenwood Capital Associates, LLC (advisor to the Crescent Funds) since 1985.</u> | <u>n/a</u> | <u>n/a</u> |
| <u>Michael W. Nix</u> Age: 39 104 Maxwell Avenue P.O. Box 3181 Greenwood, SC 29648 | <u>Treasurer (Crescent Funds)</u> | <u>Since 10/11</u> | <u>Chief Operating Officer and Chief Financial Officer of Greenwood Capital Associates, LLC since 2011; previously Chief Investment Officer from 2007 to 2011 and Portfolio Manager/Analyst from 2003 to 2007.</u> | <u>n/a</u> | <u>n/a</u> |
| <u>Joseph DeSipio</u> Age: 46 300 Four Falls Corporate Center, Suite 200 West Conshohocken, PA 19428 | <u>President (Arin Funds)</u> | <u>Since 3/12</u> | <u>Co-Founder and Chief Market Strategist of Arin Risk Advisors, LLC (advisor to the Arin Funds) since 2009. Previously, Investment Strategist of SEI Investment Company (financial services) from 2007 until 2009 and Director of Options Strategy Group for Evergreen Investments (investment management) from 2000 until 2007.</u> | <u>n/a</u> | <u>n/a</u> |
| <u>Lawrence Lempert</u> Age: 44 300 Four Falls Corporate Center, Suite 200 West Conshohocken, PA 19428 | <u>Treasurer (Arin Funds)</u> | <u>Since 3/12</u> | <u>Trading Director of Arin Risk Advisors, LLC since 2009 and Chief Compliance Officer since 2011. Previously, managing member of Bullock Capital, LLC (securities brokerage) from 2004 through 2010.</u> | <u>n/a</u> | <u>n/a</u> |
| <u>T. Lee Hale, Jr.</u> Age: 34 | <u>Chief Compliance Officer; Assistant Treasurer</u> | <u>Since 7/09 and 4/10</u> | <u>Financial Reporting Manager for The Nottingham Company (fund administrator) since 2009; previously, principal of Lee Hale Contracting (marine industry consulting).</u> | <u>n/a</u> | <u>n/a</u> |
| <u>A. Vason Hamrick</u> Age: 35 | <u>Secretary</u> | <u>Since 7/09</u> | <u>Corporate Counsel for The Nottingham Company since 2004.</u> | <u>n/a</u> | <u>n/a</u> |

**All of the Trustees are presently considered Independent Trustees.*

The Board met five times during the fiscal year ended May 31, 2012. Each Trustee attended all of the Board meetings.

Board Structure. The Trust's Board of Trustees includes five independent Trustees, one of which, Mr. Speed, is Chairman of the Board of Trustees. The Board has established several standing committees: the Audit Committee, Nominating Committee, Proxy Voting Committee, Governance Committee, and Qualified Legal Compliance Committee. These standing committees are comprised entirely of the Independent Trustees. Other information about these standing committees is set forth below. The Board has determined that the Board's structure is appropriate given the characteristics, size, and operations of the Trust. The Board also believes that its leadership structure, including its committees, helps facilitate effective oversight of Trust management. The Board reviews its structure annually.

With respect to risk oversight, the Board considers risk management issues as part of its general oversight responsibilities throughout the year. The Board holds four regular board meetings each year during which the Board

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receives risk management reports and/or assessments from Trust management, the Fund's advisor, administrator, transfer agent, and distributor, and receives an annual report from the Trust's Chief Compliance Officer ("CCO"). The Audit Committee also meets with the Trust's independent registered public accounting firm on an annual basis, to discuss among other things, the internal control structure of the Trust's financial reporting function. When appropriate, the Board may hold special meeting or communicate directly with Trust management, the CCO, the Trust's third party service providers, legal counsel, or independent public accountants to address matters arising between regular board meeting or needing special attention. In addition, the Board has adopted policies and procedures for the Trust to help detect and prevent and, if necessary, correct violations of federal securities laws.

Qualification of Trustees. The Board has considered each Trustee's experience, qualifications, attributes and skills in light of the Board's function and the Trust's business and structure, and has determined that each Trustee possesses experience, qualifications, attributes, and skills that enable the Trustee to be an effective member of the Board.

Mr. Brinson has experience as an investor, including his role as trustee of several other investment companies and business experience as President of a company in the business of private investing. Mr. Mosley has had business experience as an owner of a real estate company. Mr. Pitt has experience as an investor, including his role as trustee of several other investment companies and business experience as Senior Partner of a financial consulting company, as a Partner of a real estate partnership and as an Account Administrator for a money management firm. Mr. Speed also has experience as an investor as trustee of several other investment companies and business experience as President and CEO of an insurance company and as President of a company in the business of consulting and private investing. Mr. Strandberg also has investment experience as a former trustee of another investment company and business experience as President of an insurance and property management company.

Deleted: Mr. Mosley has had business experience as an owner of a real estate company. Mr. Pitt has experience as an investor, including his role as trustee of several other investment companies and business experience as Senior Partner of a financial consulting company, as a Partner of a real estate partnership and as an Account Administrator for a money management firm.

The Board has determined that each of the Trustees' careers and background, combined with their interpersonal skills and general understanding of financial and other matters, enable the Trustees to effectively participate in and contribute to the Board's functions and oversight of the Trust. References to the qualifications, attributes, and skills of Trustees are pursuant to requirements of the Securities and Exchange Commission, do not constitute holding out the Board or any Trustee as having any special expertise or experience, and shall not impose any greater responsibility on any such person or on the Board by reason thereof.

Trustee Standing Committees. The Trustees have established the following standing committees:

Audit Committee. All of the Independent Trustees are members of the Audit Committee. The Audit Committee oversees the Fund's accounting and financial reporting policies and practices, reviews the results of the annual audits of the Fund's financial statements, and interacts with the Fund's independent auditors on behalf of all the Trustees. The Audit Committee operates pursuant to an Audit Committee Charter and meets periodically as necessary. The Audit Committee met seven times during the fiscal year ended May 31, 2012.

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Nominating Committee. All of the Independent Trustees are members of the Nominating Committee. The Nominating Committee nominates, selects, and appoints independent trustees to fill vacancies on the Board of Trustees and to stand for election at meetings of the shareholders of the Trust. The Nominating Committee meets only as necessary and did not meet during the fiscal year ended May 31, 2012. The Nominating Committee generally will not consider nominees recommended by shareholders of the Trust.

Deleted: The Nominating Committee met once during the fiscal year ended May 31, 2011.

Proxy Voting Committee. All of the Independent Trustees are members of the Proxy Voting Committee. The Proxy Voting Committee will determine how the Fund should vote, if called upon by the Board or the Advisor, when a matter with respect to which the Fund is entitled to vote presents a conflict between the interests of the Fund's shareholders, on the one hand, and those of the Fund's Advisor, principal underwriter, or an affiliated person of the Fund, its investment advisor, or principal underwriter, on the other hand. The Proxy Voting Committee will also review the Trust's Proxy Voting Policy and recommend any changes to the Board as it deems necessary or advisable. The Proxy Voting Committee will also decide if the Fund should participate in a class action settlement, if called upon by the Advisor, in cases where a class action settlement with respect to which the Fund is eligible to participate presents a conflict between the interests of the Fund's shareholders, on the one hand, and those of the Advisor, on the other hand. The Proxy Voting Committee meets only as necessary and did not meet during the fiscal year ended May 31, 2012.

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Governance Committee. The Independent Trustees are the current members of the Governance Committee. The Governance Committee assists the Board of Trustees in adopting fund governance practices and meeting certain fund governance standards. The Governance Committee operates pursuant to a Governance Committee Charter and normally meets annually, but may also meet as often as necessary to carry out its purpose. The Governance Committee met once during the fiscal year ended May 31, 2012.

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Qualified Legal Compliance Committee. The Independent Trustees are the current members of the Qualified Legal Compliance Committee. The Qualified Legal Compliance Committee receives, investigates, and makes recommendations as to appropriate remedial action in connection with any report of evidence of a material violation of securities laws or breach of fiduciary duty or similar violation by the Trust, its officers, Trustees, or agents. The Qualified Legal Compliance Committee meets only as necessary and did not meet during the fiscal year ended May 31, 2012.

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Beneficial Equity Ownership Information. The table below shows for each Trustee, the amount of Fund equity securities beneficially owned by each Trustee, and the aggregate value of all investments in equity securities of the Fund complex, as of valuation date of December 31, 2011 and stated as one of the following ranges: A = None; B = \$1-\$10,000; C = \$10,001-\$50,000; D = \$50,001-\$100,000; and E = over \$100,000.

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| Name of Trustee | Fund | Dollar Range of Equity Securities in the Fund | Aggregate Dollar Range of Equity Securities in All Funds Overseen or to be Overseen by Trustee in Family of Investment Companies* |
|-----------------------------------|---------------------------------|---|---|
| Jack E. Brinson | ISM Dynamic Equity Fund | A | |
| | ISM Dynamic Fixed Income Fund | A | |
| | ISM Non Traditional Fund | A | |
| | ISM High Income Fund | A | |
| | ISM Strategic Equity Fund | A | |
| | ISM Strategic Fixed Income Fund | A | |
| | ISM Global Alpha Tactical Fund | A | |
| | ISM Tax Free Fund | A | |
| | ISM Dividend Income Fund | A | |
| ISM Premier Asset Management Fund | A | | |
| | | | A |
| Michael G. Mosley | ISM Dynamic Equity Fund | A | |
| | ISM Dynamic Fixed Income Fund | A | |
| | ISM Non Traditional Fund | A | |
| | ISM High Income Fund | A | |
| | ISM Strategic Equity Fund | A | |
| | ISM Strategic Fixed Income Fund | A | |
| | ISM Global Alpha Tactical Fund | A | |
| | ISM Tax Free Fund | A | |
| | ISM Dividend Income Fund | A | |
| ISM Premier Asset Management Fund | A | | |
| | | | A |
| Theo H. Pitt, Jr. | ISM Dynamic Equity Fund | A | |
| | ISM Dynamic Fixed Income Fund | A | |
| | ISM Non Traditional Fund | A | |
| | ISM High Income Fund | A | |
| | ISM Strategic Equity Fund | A | |
| | ISM Strategic Fixed Income Fund | A | |
| | ISM Global Alpha Tactical Fund | A | |
| | ISM Tax Free Fund | A | |
| ISM Dividend Income Fund | A | | |

| Name of Trustee | Fund | Dollar Range of Equity Securities in the Fund | Aggregate Dollar Range of Equity Securities in All Funds Overseen or to be Overseen by Trustee in Family of Investment Companies* |
|---------------------------------------|---|---|---|
| | ISM Premier Asset Management Fund | A | |
| | | | A |
| James H. Speed, Jr. | ISM Dynamic Equity Fund | A | |
| | ISM Dynamic Fixed Income Fund | A | |
| | ISM Non Traditional Fund | A | |
| | ISM High Income Fund | A | |
| | ISM Strategic Equity Fund | A | |
| | ISM Strategic Fixed Income Fund | A | |
| | ISM Global Alpha Tactical Fund | A | |
| | ISM Tax Free Fund | A | |
| | ISM Dividend Income Fund | A | |
| | ISM Premier Asset Management Fund | A | |
| | | | A |
| J. Buckley Strandberg | ISM Dynamic Equity Fund | A | |
| | ISM Dynamic Fixed Income Fund | A | |
| | ISM Non Traditional Fund | A | |
| | ISM High Income Fund | A | |
| | ISM Strategic Equity Fund | A | |
| | ISM Strategic Fixed Income Fund | A | |
| | ISM Global Alpha Tactical Fund | A | |
| | ISM Tax Free Fund | A | |
| | ISM Dividend Income Fund | A | |
| | ISM Premier Asset Management Fund | A | |
| | | | A |

*Includes all the funds of the Trust managed by the Advisor.

Ownership of Securities of Advisor, Distributor, or Related Entities. As of December 31, 2011, none of the Independent Trustees and/or their immediate family members own securities of the Advisor, Distributor, or any entity controlling, controlled by, or under common control with the Advisor or Distributor.

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Compensation. Officers of the Trust and Trustees who are interested persons of the Trust or the Advisor will receive no salary or fees from the Trust. Independent Trustees receive \$2,000 per Fund each year. The Trust reimburses each Trustee and officers of the Trust for his or her travel and other expenses relating to attendance at such meetings. The following compensation is based on figures for the fiscal year ended May 31, 2012. Each of the Trustees serves as a Trustee to all series of the Trust, including the Funds.

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- Deleted: None
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| Name of Trustee | Aggregate Compensation From each Fund | Pension or Retirement Benefits Accrued As Part of Fund Expenses | Estimated Annual Benefits Upon Retirement | Total Compensation From Funds and Fund Complex Paid to Trustees |
|-----------------------------|---------------------------------------|---|---|---|
| Independent Trustees | | | | |
| Jack E. Brinson | \$2,000 | None | None | \$14,500 |
| Michael G. Mosley | \$2,000 | None | None | \$14,500 |
| Theo H. Pitt, Jr. | \$2,000 | None | None | \$14,500 |
| James H. Speed, Jr. | \$2,000 | None | None | \$14,500 |
| J. Buckley Strandberg | \$2,000 | None | None | \$14,500 |

Codes of Ethics. The Trust and Advisor each have adopted a code of ethics, as required under Rule 17j-1 of the 1940 Act, which is designed to prevent affiliated persons of the Trust and Advisor from engaging in deceptive, manipulative, or fraudulent activities in connection with securities held or to be acquired by the Funds (which securities may also be held by persons subject to each such code of ethics). There can be no assurance that the codes will be effective in preventing such activities. The codes permit employees and officers of the Trust and Advisor to invest in securities, subject to certain restrictions and pre-approval requirements. In addition, the Advisor's code requires that portfolio managers and other investment personnel of the Advisor report their personal securities transactions and holdings, which are reviewed for compliance with the Trust's and Advisor's code of ethics.

Anti-Money Laundering Program. The Trust has adopted an anti-money laundering program, as required by applicable law, that is designed to prevent the Funds from being used for money laundering or the financing of terrorist activities. The Trust's Chief Compliance Officer is responsible for implementing and monitoring the operations and internal controls of the program. Compliance officers at certain of the Funds' service providers are also responsible for monitoring the program. The anti-money laundering program is subject to the continuing oversight of the Trustees.

Proxy Voting Policies. The Trust has adopted a proxy voting and disclosure policy that delegates to the Advisor the authority to vote proxies for the Funds, subject to oversight by the Trustees. Copies of the Trust's Proxy Voting and Disclosure Policy and the Advisor's Proxy Voting Policy and Procedures are included as Appendix B to this Statement of Additional Information. No later than August 31st of each year, the Funds will file Form N-PX stating how each Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30th. Information regarding how the Funds voted proxies as set forth in its most recent filing of Form N-PX will be available (i) without charge, upon request, by calling the Funds at 1-800-773-3863; and (ii) on the SEC's website at <http://www.sec.gov>.

Principal Holders of Voting Securities. As of May 31, 2012, the Trustees and officers of the Trust as a group owned beneficially (i.e., had direct or indirect voting and/or investment power) less than 1% of the then outstanding Institutional Class Shares of the ISM Dynamic Equity Fund and less than 1% of the then outstanding Institutional Class Shares of the ISM Dynamic Fixed Income Fund. On the same date, the following shareholders owned of record more than 5% of the outstanding shares of beneficial interest of each class of the Funds. Except as provided below, no person is known by the Trust to be the beneficial owner of more than 5% of the outstanding shares of any class of the Funds as of May 31, 2012.

ISM Dynamic Equity Fund

Institutional Class Shares

| Name and Address of Beneficial Owner | Amount and Nature of Beneficial Ownership | Percent |
|--------------------------------------|---|---------|
| <u>None</u> | | |

Advisor Class Shares

| Name and Address of Beneficial Owner | Amount and Nature of Beneficial Ownership | Percent |
|---|---|----------------|
| Pershing LLC PO Box 2052 Jersey City, NJ 07303-9998 | <u>16,983.998</u> shares | <u>19.93</u> % |
| Pershing LLC PO Box 2052 Jersey City, NJ 07303-9998 | <u>4,855.640</u> shares | <u>5.70</u> % |

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IRA FBO Betty J. Lars
PO Box 2052
Jersey City, NJ 07303-9998

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|---|------------------|-------|
| Pershing LLC PO Box 2052 Jersey City, NJ 07303-9998 | 4,796,725 shares | 5.63% |
|---|------------------|-------|

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ISM Dynamic Fixed Income Fund

Institutional Class Shares

| Name and Address of Beneficial Owner | Amount and Nature of Beneficial Ownership | Percent |
|---|---|---------|
| Mori & CO C/O Commerce Bank 911 Main Street, Suite 201 Kansas City, MO 64105 | 155,406,797 shares | 19.94% |
| Pershing LLC The PAL Foundation PO Box 2052 Jersey City, NJ 07303-9998 | 69,133,398 shares | 8.87% |
| Pershing LLC PO Box 2052 Jersey City, NJ 07303-9998 | 44,363,041 shares | 5.69% |

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Jersey City, NJ 07303-9998

Advisor Class Shares

| Name and Address of Beneficial Owner | Amount and Nature of Beneficial Ownership | Percent |
|--|---|---------|
| Pershing LLC PO Box 2052 Jersey City, NJ 07303-9998 | 12,358,237 shares | 14.68% |
| Pershing LLC PO Box 2052 Jersey City, NJ 07303-9998 | 6,180,507 shares | 7.34% |
| Pershing LLC PO Box 2052 Jersey City, NJ 07303-9998 | 6,157,218 shares | 7.31% |
| Pershing LLC IRA FBO Clarence R. PO Box 2052 Jersey City, NJ 07303-9998 | 6,137,964 shares | 7.29% |
| Pershing LLC PO Box 2052 Jersey City, NJ 07303-9998 | 4,630,781 shares | 5.50% |

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ISM Non Traditional Fund

Institutional Class Shares

| Name and Address of Beneficial Owner | Amount and Nature of Beneficial Ownership | Percent |
|--------------------------------------|---|---------|
| None | | |

| <i>Advisor Class Shares</i> | | |
|---|--|----------------|
| <u>Name and Address of Beneficial Owner</u> | <u>Amount and Nature of Beneficial Ownership</u> | <u>Percent</u> |
| <u>None</u> | | |
| <u>ISM High Income Fund</u> | | |
| <i>Institutional Class Shares</i> | | |
| <u>Name and Address of Beneficial Owner</u> | <u>Amount and Nature of Beneficial Ownership</u> | <u>Percent</u> |
| <u>None</u> | | |
| <i>Advisor Class Shares</i> | | |
| <u>Name and Address of Beneficial Owner</u> | <u>Amount and Nature of Beneficial Ownership</u> | <u>Percent</u> |
| <u>None</u> | | |
| <u>ISM Strategic Equity Fund</u> | | |
| <i>Institutional Class Shares</i> | | |
| <u>Name and Address of Beneficial Owner</u> | <u>Amount and Nature of Beneficial Ownership</u> | <u>Percent</u> |
| <u>None</u> | | |
| <i>Advisor Class Shares</i> | | |
| <u>Name and Address of Beneficial Owner</u> | <u>Amount and Nature of Beneficial Ownership</u> | <u>Percent</u> |
| <u>None</u> | | |
| <u>ISM Strategic Fixed Income Fund</u> | | |
| <i>Institutional Class Shares</i> | | |
| <u>Name and Address of Beneficial Owner</u> | <u>Amount and Nature of Beneficial Ownership</u> | <u>Percent</u> |
| <u>None</u> | | |
| <i>Advisor Class Shares</i> | | |
| <u>Name and Address of Beneficial Owner</u> | <u>Amount and Nature of Beneficial Ownership</u> | <u>Percent</u> |
| <u>None</u> | | |
| <u>ISM Global Alpha Tactical Fund</u> | | |
| <i>Institutional Class Shares</i> | | |
| <u>Name and Address of Beneficial Owner</u> | <u>Amount and Nature of Beneficial Ownership</u> | <u>Percent</u> |
| <u>None</u> | | |

| | | |
|--|--|----------------|
| <u>None</u> | | |
| <i>Advisor Class Shares</i> | | |
| <u>Name and Address of Beneficial Owner</u> | <u>Amount and Nature of Beneficial Ownership</u> | <u>Percent</u> |
| <u>None</u> | | |
| <u>ISM Tax Free Fund</u> <i>Institutional Class Shares</i> | | |
| <u>Name and Address of Beneficial Owner</u> | <u>Amount and Nature of Beneficial Ownership</u> | <u>Percent</u> |
| <u>None</u> | | |
| <i>Advisor Class Shares</i> | | |
| <u>Name and Address of Beneficial Owner</u> | <u>Amount and Nature of Beneficial Ownership</u> | <u>Percent</u> |
| <u>None</u> | | |
| <u>ISM Dividend Income Fund</u> <i>Institutional Class Shares</i> | | |
| <u>Name and Address of Beneficial Owner</u> | <u>Amount and Nature of Beneficial Ownership</u> | <u>Percent</u> |
| <u>None</u> | | |
| <i>Advisor Class Shares</i> | | |
| <u>Name and Address of Beneficial Owner</u> | <u>Amount and Nature of Beneficial Ownership</u> | <u>Percent</u> |
| <u>None</u> | | |
| <u>ISM Premier Asset Management Fund</u> <i>Institutional Class Shares</i> | | |
| <u>Name and Address of Beneficial Owner</u> | <u>Amount and Nature of Beneficial Ownership</u> | <u>Percent</u> |
| <u>None</u> | | |
| <i>Advisor Class Shares</i> | | |
| <u>Name and Address of Beneficial Owner</u> | <u>Amount and Nature of Beneficial Ownership</u> | <u>Percent</u> |
| <u>None</u> | | |

Investment Advisor. Information about the Advisor, FolioMetrix of 821 Pacific Street, Omaha, Nebraska 68108, and its duties and compensation as Advisor is contained in the Funds' prospectus. The Advisor is controlled by D. Jerry Murphey, President and Chief Executive Officer, and Uprate Research Associates, LLC, its parent company. The Advisor supervises the Funds' investments pursuant to the Advisory Agreement. The Advisory Agreement is

effective for an initial two-year period and will be renewed thereafter only so long as such renewal and continuance is specifically approved at least annually by the Trustees or by vote of a majority of the Funds' outstanding voting securities, provided the continuance is also approved by a majority of the Trustees who are not parties to the Advisory Agreement or interested persons of any such party. The Advisory Agreement is terminable without penalty by the Trust upon 60 calendar days' written notice by the Trustees or by vote of a majority of the outstanding voting securities or upon 60 calendar days' written notice by the Advisor. The Advisory Agreement provides that it will terminate automatically in the event of its "assignment," as such term is defined in the 1940 Act.

The Advisor manages the Funds' investments in accordance with the stated policies of the Funds, subject to the approval of the Trustees. The Advisor is responsible for investment decisions, and provides the Funds with portfolio managers who are authorized by the Trustees to execute purchases and sales of securities.

Under the Advisory Agreement, the Advisor is not liable for any error of judgment or mistake of law or for any loss suffered by the Funds in connection with the performance of such agreement, except a loss resulting from a breach of fiduciary duty with respect to the receipt of compensation for services; or a loss resulting from willful misfeasance, bad faith, or gross negligence on the part of the Advisor in the performance of its duties; or from its reckless disregard of its duties and obligations under the Advisory Agreement.

As full compensation for the investment advisory services provided to the ISM Dynamic Equity Fund, the Advisor receives a monthly fee based on the Fund's average daily net assets. The minimum annual rate is 0.00% if the average daily net assets are under \$11 million and gradually increases to a maximum annual rate of 0.45% if the average daily net assets are \$16 million or more. Prior to September 30, 2012, the minimum annual rate was 0.00% if the average daily net assets were under \$11 million and gradually increased to a maximum annual rate of 0.95% if the average daily net assets were \$39 million or more. The fee paid to the Advisor is calculated by multiplying the average daily net assets of the Fund by the highest applicable annual rate. For the fiscal year ended May 31, 2010, the Advisor received no advisory fees for its services to the Fund and reimbursed the Fund's administrator in the amount of \$58,716. For the fiscal year ended May 31, 2011, the Advisor received \$10,551 in advisory fees for its services to the Fund and reimbursed the Fund's administrator in the amount of \$96,740. For the fiscal year ended May 31, 2012, the Advisor received [STBD] in advisory fees for its services to the Fund and reimbursed the Fund's administrator in the amount of [STBD].

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As full compensation for the investment advisory services provided to the ISM Dynamic Fixed Income Fund, the Advisor receives a monthly fee based on the Fund's average daily net assets. The minimum annual rate is 0.00% if the average daily net assets are under \$13 million and gradually increases to a maximum annual rate of 0.45% if the average daily net assets are \$23 million or more. Prior to September 30, 2012, the minimum annual rate was 0.00% if the average daily net assets were under \$11 million and gradually increased to a maximum annual rate of 0.70% if the average daily net assets were \$41 million or more. The fee paid to the Advisor is calculated by multiplying the average daily net assets of the Fund by the highest applicable annual rate. For the fiscal year ended May 31, 2010, the Advisor received no advisory fees for its services to the Fund and reimbursed the Fund's administrator in the amount of \$60,782. For the fiscal year ended May 31, 2011, the Advisor received no advisory fees for its services to the Fund and reimbursed the Fund's administrator in the amount of \$94,165. For the fiscal year ended May 31, 2012, the Advisor received [STBD] in advisory fees for its services to the Fund and reimbursed the Fund's administrator in the amount of [STBD].

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As full compensation for the investment advisory services provided to the following Funds, the Advisor receives monthly compensation based on the Fund's average daily net assets at the annual rate of 0.45%: ISM Non Traditional Fund, ISM High Income Fund, ISM Strategic Equity Fund, ISM Strategic Fixed Income Fund, ISM Global Alpha Tactical Fund, ISM Tax Free Fund, ISM Dividend Income Fund, and ISM Premier Asset Management Fund.

Portfolio Managers. Greg Rutherford, Steven Wruble, Chase Weaver, and Gerry Campbell are the portfolio management team for the ISM Dynamic Equity Fund and ISM Premier Asset Management Fund. Greg Rutherford, Steven Wruble, and Chase Weaver are the portfolio management team for the ISM Dynamic Fixed Income Fund, ISM Non Traditional Fund, ISM High Income Fund, ISM Strategic Equity Fund, ISM Strategic Fixed Income Fund, ISM Global Alpha Tactical Fund, ISM Tax Free Fund, and ISM Dividend Income Fund. They are currently not responsible for the day-to-day management of any accounts other than the Funds.

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Compensation. The portfolio manager's compensation varies with the general success of the Advisor as a firm. The portfolio manager's compensation consists of a fixed annual salary, plus additional remuneration based on the Advisor's assets under management. The portfolio manager's compensation is not directly linked to the Funds' performance, although positive performance and growth in managed assets are factors that may contribute to the Advisor's distributable profits and assets under management.

Ownership of Fund Shares. The table below shows the amount of each Fund's equity securities beneficially owned by the portfolio manager as of May 31, 2012 and stated as one of the following ranges: A = None; B = \$1-\$10,000; C = \$10,001-\$50,000; D = \$50,001-\$100,000; E = \$100,001-\$500,000; F = \$500,001-\$1,000,000; and G = over \$1,000,000.

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| Name of Portfolio Manager | Fund | Dollar Range of Equity Securities in the Fund |
|---------------------------------|---|---|
| Greg Rutherford | ISM Dynamic Equity Fund | A |
| | ISM Dynamic Fixed Income Fund | A |
| | ISM Non Traditional Fund | A |
| | ISM High Income Fund | A |
| | ISM Strategic Equity Fund | A |
| | ISM Strategic Fixed Income Fund | A |
| | ISM Global Alpha Tactical Fund | A |
| | ISM Tax Free Fund | A |
| | ISM Dividend Income Fund | A |
| | ISM Premier Asset Management Fund | A |
| Steven Wruble | ISM Dynamic Equity Fund | A |
| | ISM Dynamic Fixed Income Fund | A |
| | ISM Non Traditional Fund | A |
| | ISM High Income Fund | A |
| | ISM Strategic Equity Fund | A |
| | ISM Strategic Fixed Income Fund | A |
| | ISM Global Alpha Tactical Fund | A |
| | ISM Tax Free Fund | A |
| | ISM Dividend Income Fund | A |
| | ISM Premier Asset Management Fund | A |
| Chase Weaver | ISM Dynamic Equity Fund | A |
| | ISM Dynamic Fixed Income Fund | A |
| | ISM Non Traditional Fund | A |
| | ISM High Income Fund | A |
| | ISM Strategic Equity Fund | A |
| | ISM Strategic Fixed Income Fund | A |
| | ISM Global Alpha Tactical Fund | A |
| | ISM Tax Free Fund | A |
| | ISM Dividend Income Fund | A |
| | ISM Premier Asset Management Fund | A |
| Gerry Campbell | ISM Dynamic Equity Fund | B |

| Name of Portfolio Manager | Fund | Dollar Range of Equity Securities in the Fund |
|---------------------------|--|---|
| | <u>ISM Premier Asset Management Fund</u> | <u>A</u> |

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Administrator. The Trust has entered into a Fund Accounting and Administration Agreement with The Nottingham Company ("Administrator"), 116 South Franklin Street, Post Office Box 69, Rocky Mount, North Carolina 27802-0069. The Administrator assists the Trust in the performance of its administrative responsibilities to the Funds, coordinates and pays for the services of each vendor and the operating expense to the Funds, and provides the Funds with certain administrative, fund accounting, and compliance services. As part of its services and consolidated fee arrangement, the Administrator receives compensation based on each Fund's average daily net assets. For the ISM Dynamic Equity Fund, the annual rate is 0.700% if the average daily net assets are under \$11 million and gradually decreases to an annual rate of 0.095% if the average daily net assets are \$1.95 billion or more. Prior to September 2012, the annual rate was 1.45% if the average daily net assets were under \$11 million and gradually decreased to an annual rate of 0.175% if the average daily net assets were \$370 million or more. For the ISM Dynamic Fixed Income Fund, the annual rate is 0.700% if the average daily net assets are under \$13 million and gradually decreases to an annual rate of 0.095% if average daily net assets are \$1.95 billion or more. Prior to September 2012, the annual rate was 1.20% if the average daily net assets were under \$13 million and gradually decreased to an annual rate of 0.175% if average daily net assets were \$370 million or more. For the rest of the Funds, the annual rate is 0.250% if the average daily net assets are under \$95 million and gradually decreases to an annual rate of 0.095% if the average daily net assets are \$1.95 billion or more. The fee paid to the Administrator is calculated by multiplying the average daily net assets of each Fund by the highest applicable annual rate. The Advisor has entered into an Operating Plan with the Administrator, through October 1, 2013, under which it has agreed to assume certain expenses to help limit the annual operating expenses. The Advisor cannot recoup from the Funds any amounts paid by the Advisor to the Administrator under the Operating Plan.

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In addition, the Advisor has entered into an Operating Plan with the Fund's administrator, through October 1, 2013, under which it has agreed to make payments to the Administrator when certain Funds are at lower asset levels and assume certain expenses of the Fund in order to help limit each Fund's operating expenses to 0.700% of average daily net assets, exclusive of amounts payable under a Rule 12b-1 distribution plan and acquired fund fees and expenses. The Operating Plan may be terminated by either party at the conclusion of the then current term upon (i) written notice of non-renewal to the other party not less than sixty days prior to the end of the term, or (ii) mutual written agreement of the parties. The Operating Plan can only be terminated prior to the conclusion of the current term with the approval of the Fund's Board of Trustees. The Advisor cannot recoup from the Fund any amounts paid by the Advisor to the Administrator under the Operating Plan. In part because of the Advisor's obligations under the Operating Plan, the Trustees review the financial condition of the Advisor, including its stability and profitability, when considering the approval of the Operating Plan.

The Administrator pays all expenses not assumed by the Advisor, including, without limitation: the fees and expenses of its independent accountants and of its legal counsel; the costs of printing and mailing to shareholders annual and semi-annual reports, proxy statements, prospectuses, statements of additional information and supplements thereto; the costs of printing registration statements; bank transaction charges and custodian's fees; any proxy solicitors' fees and expenses; ongoing filing fees; any federal, state or local income or other taxes; any interest; any membership fees of the Investment Company Institute and similar organizations; fidelity bond and Trustees' liability insurance premiums. With the exception of the Advisor, all of the Fund's service providers are paid by the Administrator.

The Administrator's responsibilities include the following services for the Funds: (i) procures on behalf of the Trust, and coordinates with, the custodian and monitors the services it provides to the Funds; (ii) coordinates with and monitors any other third parties furnishing services to the Funds; (iii) provides the Funds with necessary office space, telephones, and other communications facilities and personnel competent to perform administrative and clerical functions for the Funds; (iv) assists or supervises the maintenance by third parties of such books and records of the Funds as may be required by applicable federal or state law; (v) assists or supervises the preparation by third parties of all federal, state, and local tax returns and reports of the Funds required by applicable law; (vi) assists in the preparation and, after approval by the Trust, files and arranges for the distribution of proxy materials and periodic reports to shareholders of the Funds as required by applicable law; (vii) assists in the preparation of and,

after approval by the Trust, arranges for the filing of such registration statements and other documents with the SEC and other federal and state regulatory authorities as may be required by applicable law; (viii) reviews and submits to the officers of the Trust for their approval invoices or other requests for payment of Fund expenses and instructs the custodian to issue checks in payment thereof; and (ix) takes such other action with respect to the Funds as may be necessary in the opinion of the Administrator to perform its duties under the agreement. The Administrator also provides certain accounting and pricing services for the Funds.

For the fiscal year ended May 31, 2010, the Administrator received \$3,223 in general administration fees from the ~~ISM Dynamic Equity~~ Fund and \$599 in general administration fees from the ~~ISM Dynamic Fixed Income~~ Fund. For the fiscal year ended May 31, 2011, the Administrator received \$147,398 in general administration fees from the ~~ISM Dynamic Equity~~ Fund and \$37,412 in general administration fees from the ~~ISM Dynamic Fixed Income~~ Fund. ~~For the fiscal year ended May 31, 2012, the Administrator received [STBD] in general administration fees from the ISM Dynamic Equity Fund and [STBD] in general administration fees from the ISM Dynamic Fixed Income Fund.~~

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Distributor. The Funds will conduct a continuous offering of their securities. Capital Investment Group, Inc. (“Distributor”), Post Office Box 32249, Raleigh, North Carolina 27622, acts as the underwriter and distributor of the Funds’ shares for the purpose of facilitating the registration of shares of the Funds under state securities laws and assisting in sales of Fund shares pursuant to a distribution agreement (“Distribution Agreement”) approved by the Trustees. In this regard, the Distributor has agreed at its own expense to qualify as a broker-dealer under all applicable federal or state laws in those states that the Funds shall from time to time identify to the Distributor as states in which each Fund wishes to offer its shares for sale, in order that state registrations may be maintained for the Funds. The Distributor is a broker-dealer registered with the SEC and a member in good standing of the Financial Industry Regulatory Authority. The Distributor is entitled to receive an annual fee of \$5,000 per Fund for performing certain recordkeeping, communication, and other administrative services for the Fund. Such administrative services shall include, but are not limited to, the following: (i) maintaining records with respect to submissions to the Financial Industry Regulatory Authority, dealer discounts and brokerage fees and commissions, and selling agreements; (ii) maintaining an account with the National Securities Clearing Corporation’s Fund/SERV System for the purpose of processing account registrations, maintaining accounts, and communicating transaction data; (iii) preparing reports for the Board of Trustees as shall be reasonably requested from time to time; and (iv) performing other services for the Trust as agreed to by the Distributor and the Trust from time to time. The Distributor and Trust agree that the services described above are of an administrative nature and such services, as well as the fee provided in connection therewith, are not, nor are they intended to be, payment for marketing and/or distribution services related to, or the promotion of, the sale of the Funds’ shares. The Distribution Agreement may be terminated by either party upon 60-days’ prior written notice to the other party and will terminate automatically in the event of its assignment. The Distributor serves as exclusive agent for the distribution of the shares of the Funds.

Rule 12b-1 Plan. The Funds have each adopted a Plan of Distribution pursuant to Rule 12b-1 under the Investment Company Act of 1940 (collectively, the “Plans”) with respect to the Advisor Class Shares. Under the Plans, the Funds annually may expend a percentage of the average net asset value attributable to the Advisor Class Shares to finance any activity which is primarily intended to result in the sale of those shares and the servicing of shareholder accounts with respect to those shares, provided the Trustees have approved the category of expenses for which payment is being made. Each of the Funds may expend up to 1.00% of the average daily net assets attributable to its Advisor Class Shares. The 1.00% fee for the Advisor Class Shares is comprised of a 0.25% service fee and a 0.75% distribution fee. Such expenditures paid as service fees to any person who sells shares of a Fund may not exceed 0.25% of the average annual net asset value of such shares. Potential benefits of the Plans to the Funds include improved shareholder servicing, savings to a Fund in transfer agency costs, benefits to the investment process from growth and stability of assets, and maintenance of a financially healthy management organization.

The Plan is a type of plan known as a “compensation” plan because payments are made for services rendered to the Advisor Class Shares of the Fund with respect to the Advisor Class Shares of the Fund regardless of the level of expenditures made by the Distributor. The Trustees will, however, take into account such expenditures for purposes of reviewing operations under the Plan and considering the annual renewal of the Plan. The Distributor has indicated that it expects its expenditures to include, without limitation, the costs of: (i) printing and mailing to prospective investors of Fund prospectuses, statements of additional information, any supplements thereto, and shareholder reports; (ii) development, preparation, printing, and mailing of advertisements, sales literature, and other promotional materials describing and/or relating to shares of the Fund; (iii) holding seminars and sales meetings

designed to promote the distribution of Fund shares; (iv) obtaining information and providing explanations to wholesale and retail distributors of the Fund's investment objectives and policies and other information about the Fund; (v) training sales personnel regarding the sale of shares of the Fund; and (vi) any other activity that the Distributor determines is primarily intended to result in the sale of Fund shares. The Distributor may also use a portion of the 12b-1 fees received to provide compensation to financial intermediaries and third-party broker-dealers for their services in connection with the sale of Fund shares. From time to time, the Distributor may pay additional amounts from its own resources to dealers for aid in distribution or for aid in providing administrative services to shareholders. All of the distribution expenses incurred by the Distributor and others, such as broker dealers, in excess of the amount paid by a Fund will be borne by such persons without any reimbursement from a Fund.

The Plans and the Distribution Agreement have been approved by the Trustees, including a majority of the Trustees who are not "interested persons" (as defined in the Investment Company Act) of the Trust and who have no direct or indirect financial interest in the Plans or any related agreements, by vote cast in person at a meeting duly called for the purpose of voting on the Plans and the Distribution Agreement. Continuation of the Plans and the Distribution Agreement must be approved annually by the Trustees in the same manner as specified above.

Each year the Trustees must determine whether continuation of each of the Plans is in the best interest of shareholders of the Funds and that there is a reasonable likelihood of its providing a benefit to the Funds. The Trustees have made such a determination for the current year of operations under the Plans. The Plans, the Distribution Agreement, and any dealer agreement with any broker/dealers (each, a "Dealer Agreement") may be terminated at any time without penalty by a majority of those Trustees who are not "interested persons" or, with respect to a particular class of shares, by a majority vote of the outstanding voting stock of that class. Any amendment materially increasing the maximum percentage payable under the Plans, with respect to a particular class of shares, must likewise be approved by a majority vote of the outstanding shares of that class, as well as by a majority vote of those Trustees who are not "interested persons." Any other material amendment to the Plans must be approved by a majority vote of the Trustees including a majority of the noninterested Trustees having no interest in the Plans. In order for the Plans to remain effective, the selection and nomination of Trustees who are not "interested persons" of the Trust must be effected by the Trustees who themselves are not "interested persons" and who have no direct or indirect financial interest in the Plans. Persons authorized to make payments under the Plans must provide written reports at least quarterly to the Trustees for their review.

Payments under the Plan for the fiscal year ended May 31, 2011 totaled \$580 for the ISM Dynamic Equity Fund and \$373 for the ISM Dynamic Fixed Income Fund. Payments under the Plan for the fiscal year ended May 31, 2012 totaled \$[TBD] for the ISM Dynamic Equity Fund and \$[TBD] for the ISM Dynamic Fixed Income Fund.

Deleted: FMX Growth Allocation

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Transfer Agent. The Trust has entered into a Dividend Disbursing and Transfer Agent Agreement with Nottingham Shareholder Services, LLC ("Transfer Agent"), a North Carolina limited liability company, to serve as transfer, dividend paying, and shareholder servicing agent for the Funds. For its services, the Transfer Agent is entitled to receive compensation from the Administrator pursuant to the Administrator's fee arrangements with the Funds. The address of the Transfer Agent is 116 South Franklin Street, Post Office Box 4365, Rocky Mount, North Carolina 27803-0365.

Custodian. Bank, n.a., with its principal place of business located in Kansas City, Missouri, serves as custodian for the Funds' assets. The custodian acts as the depository for the Funds, safekeeps their portfolio securities, collects all income and other payments with respect to portfolio securities, disburses monies at the Funds' request, and maintains records in connection with its duties as custodian. For its services, the custodian is entitled to receive a monthly fee from the Administrator based on the average net assets of each Fund plus additional out-of-pocket and transaction expenses as incurred by the Funds. The Custodian's compensation is subject to a minimum annual amount of \$5,000 for each Fund.

Deleted: Union Bank, N.A., 350 California Street, 6th Floor, San Francisco, California, 94104,

Compliance Services Administrator. The Trust has entered into an compliance services arrangement with Nottingham Compliance Services, LLC ("NCS"), 116 South Franklin Street, Post Office Box 69, Rocky Mount, North Carolina 27802-0069, in which NCS, an affiliate of the Administrator, will assist the Trust's Chief Compliance Officer in preparing and updating the Trust's compliance manual and in monitoring and testing compliance with the policies and procedures under the Trust's compliance manual. Fees paid to NCS for these compliance services are paid by the Administrator.

Independent Registered Public Accounting Firm. The Trustees have selected the firm of [redacted] to serve as the independent registered public accounting firm for the Funds for the current fiscal year and to audit the annual financial statements of the Funds, and prepare the Funds' federal, state, and excise tax returns. The independent registered public accounting firm will audit the financial statements of the Funds at least once each year. Shareholders will receive annual audited and semi-annual (unaudited) reports when published and written confirmation of all transactions in their account. A copy of the most recent annual report will accompany the Statement of Additional Information whenever a shareholder or a prospective investor requests it.

Deleted: BrookWeiner, L.L.C.

Legal Counsel. Thompson Hine LLP serves as legal counsel to the Trust and the Funds.

ADDITIONAL PURCHASE AND REDEMPTION INFORMATION

Reference is made to "Purchasing Shares" and "Redeeming Shares" in the Funds' prospectus for more information concerning how to purchase and redeem shares. The following information supplements the information regarding share purchases and share redemptions in the Funds' prospectus:

Purchases. Shares of the Funds are offered and sold on a continuous basis and may be purchased through authorized investment dealers or directly by contacting the Distributor, or the Funds directly. Selling dealers have the responsibility of transmitting orders promptly to the Funds. The purchase price of shares of the Funds is based on the net asset value next determined after the order is received, subject to the order being accepted by the Funds in good form. Net asset value is normally determined at the time regular trading closes on the NYSE on days the NYSE is open for regular trading (currently 4:00 p.m. Eastern Time, Monday through Friday, except when the NYSE closes earlier), as described under "Net Asset Value" above. The net asset value per share of the Funds is not calculated on business holidays when the NYSE is closed. An order received prior to the time regular trading closes on the NYSE will be executed at the price calculated on the date of receipt and an order received after the time regular trading closes on the NYSE will be executed at the price calculated as of that time on the next business day.

Deleted: Regular Account. The regular account allows for voluntary investments to be made at any time. Available to individuals, custodians, corporations, trusts, estates, corporate retirement plans, and others, investors are free to make additions to or withdrawals from their account. When an investor makes an initial investment in a Fund, a shareholder account is opened in accordance with the investor's registration instructions. Each time there is a transaction in a shareholder account, such as an additional investment or the reinvestment of a dividend or distribution, the shareholder will receive a confirmation statement showing the current transaction and all prior transactions in the shareholder account during the calendar year to date, along with a summary of the status of the account as of the transaction date. As stated in the Funds' prospectus, share certificates are normally not issued.¶

The Funds reserve the right in its sole discretion: (i) to suspend the offering of its shares; (ii) to reject purchase orders when in the judgment of management such rejection is in the best interest of the Funds and their shareholders; and (iii) to reduce or waive the minimum for initial and subsequent investments under circumstances where certain economies can be achieved in sales of Fund shares.

Sales Charges. No front-end sales charge is imposed with respect to the Institutional Class Shares and Advisor Class Shares of the Funds. A 1.00% contingent deferred sales charge is imposed with respect to Advisor Class Shares redeemed within the first year of purchase. The Distributor may, out of its own resources and assets or through an existing financing arrangement with the Advisor, pay commissions to broker-dealers for selling Advisor Class Shares, at net asset value, which at the time of investment would have been subject to the imposition of a contingent deferred sales charge if redeemed. The Distributor may pay such broker-dealers a commission of up to 1% of the amount invested in Advisor Class Shares subject to a contingent deferred sales charge. Should the Distributor decide to pay such commissions to broker-dealers through its existing financing arrangement with the Advisor, the financing arrangement will work as follows. The Advisor will forward to the Distributor a payment equal to an estimated amount of commissions. When the Distributor pays a commission to a broker-dealer for selling Advisor Class Shares, the Advisor will receive payments under the applicable Fund's Rule 12b-1 Plan for one year following the sale of such Advisor Class Shares. These payments will equal 1.00% of the average daily net assets of the Advisor Class Shares that were sold. If Advisor Class Shares are redeemed, then the Advisor will receive any contingent deferred sales charges collected by the Distributor and will no longer receive payments under the applicable Fund's Rule 12b-1 Plan with respect to the redeemed shares. In the event that the Distributor pays such commissions out of its own resources (and not under such a financing arrangement), the Distributor may then receive any contingent deferred sales charges imposed on redemptions of those shares and all or a portion of the compensation with respect to those shares under the Funds' Rule 12b-1 Plans. From time to time dealers who receive dealer discounts and brokerage commissions from the Distributor may reallocate all or a portion of such dealer discounts and brokerage commissions to other dealers or brokers. Pursuant to the terms of the Distribution Agreement, the sales charge payable to the Distributor and the dealer discounts may be suspended, terminated, or amended.

Redemptions. The Funds may suspend redemption privileges or postpone the date of payment (i) during any period that the NYSE is closed for other than customary weekend and holiday closings, or that trading on the NYSE is restricted as determined by the SEC; (ii) during any period when an emergency exists as defined by the rules of the SEC as a result of which it is not reasonably practicable for the Funds to dispose of securities owned by it, or to determine fairly the value of its assets; and (iii) for such other periods as the SEC may permit. The Funds may also suspend or postpone the recordation of the transfer of shares upon the occurrence of any of the foregoing conditions. Any redemption may be more or less than the shareholder's cost depending on the market value of the securities held by the Funds. No charge is made by the Funds for redemptions other than the possible charge for wiring redemption proceeds.

Involuntary Redemptions. In addition to the situations described in the Funds' prospectus under "Redeeming Fund Shares," the Funds may redeem shares involuntarily to reimburse the Funds for any loss sustained by reason of the failure of a shareholder to make full payment for shares purchased by the shareholder or to collect any charge relating to a transaction effected for the benefit of a shareholder which is applicable to Fund shares as provided in the Funds' prospectus from time to time or to close a shareholder's account if the Funds are unable to verify the shareholder's identity. Such redemptions will not be subject to an otherwise applicable contingent deferred sales charge.

Other Information. If an investor realizes a gain on the redemption, the reinvestment will not affect the amount of any federal capital gains tax payable on the gain. If an investor realizes a loss on the redemption, the reinvestment may cause some or all of the loss to be disallowed as a tax deduction, depending on the number of shares purchased by reinvestment and the period of time that has elapsed after the redemption, although for tax purposes, the amount disallowed is added to the cost of the shares acquired upon the reinvestment.

SPECIAL SHAREHOLDER SERVICES

The Funds offer the following special shareholder services:

Regular Account. The regular account allows for voluntary investments to be made at any time. Available to individuals, custodians, corporations, trusts, estates, corporate retirement plans, and others, investors are free to make additions to or withdrawals from their account. When an investor makes an initial investment in a Fund, a shareholder account is opened in accordance with the investor's registration instructions. Each time there is a transaction in a shareholder account, such as an additional investment or the reinvestment of a dividend or distribution, the shareholder will receive a confirmation statement showing the current transaction and all prior transactions in the shareholder account during the calendar year to date, along with a summary of the status of the account as of the transaction date. As stated in the Funds' prospectus, share certificates are normally not issued.

Automatic Investment Plan. The automatic investment plan enables shareholders to make regular monthly or quarterly investments in shares through automatic charges to their checking account. With shareholder authorization and bank approval, the Administrator will automatically charge the checking account for the amount specified (\$100 minimum) which will be automatically invested in shares at the public offering price on or about the 21st day of the month. The shareholder may change the amount of the investment or discontinue the plan at any time by writing to the Funds.

Purchases In Kind. The Funds may accept securities in lieu of payment for the purchase of shares in a Fund. The acceptance of such securities is at the sole discretion of the Advisor based upon the suitability of the securities accepted for inclusion as a long-term investment of the Funds, the marketability of such securities, and other factors that the Advisor may deem appropriate. If accepted, the securities will be valued using the same criteria and methods as described in "Purchase and Redemption Price – Determining the Funds' Net Asset Value" in the Funds' prospectus.

Systematic Withdrawal Plan. Shareholders owning shares of a particular class with a value of \$5,000 or more may establish a systematic withdrawal plan ("Systematic Withdrawal Plan") for the applicable class of shares. A shareholder may receive monthly or quarterly payments, in amounts of not less than \$100 per payment, by authorizing the Funds to redeem the necessary number of shares periodically (each month or quarterly) in order to make the payments requested. The Funds have the capability of electronically depositing the proceeds of the

systematic withdrawal directly to the shareholders personal bank account (\$5,000 minimum per bank wire). Instructions for establishing this service are included in the Fund Shares Application, enclosed in the Funds' prospectus, or are available by calling the Funds. If the shareholder prefers to receive his systematic withdrawal proceeds in cash, or if such proceeds are less than the \$5,000 minimum for a bank wire, checks will be made payable to the designated recipient and mailed within seven days of the valuation date. If the designated recipient is other than the registered shareholder, the signature of each shareholder must be guaranteed on the application (see "Redeeming Shares – Signature Guarantees" in the Funds' prospectus). A corporation (or partnership) must also submit a "Corporate Resolution" (or "Certification of Partnership") indicating the names, titles, and required number of signatures authorized to act on its behalf. The application must be signed by a duly authorized officer(s) and the corporate seal affixed. Contingent deferred sales charges will not apply to shares redeemed under this plan. Costs in conjunction with the administration of the plan are borne by the Funds. Shareholders should be aware that such systematic withdrawals may deplete or use up entirely their initial investment and may result in realized long-term or short-term capital gains or losses. The Systematic Withdrawal Plan may be terminated at any time by the Funds upon 60-days' written notice or by a shareholder upon written notice to the Funds. Applications and further details may be obtained by calling the Funds at 1-800-773-3863 or by writing to:

FMX Funds
c/o Nottingham Shareholder Services
116 South Franklin Street
Post Office Box 4365
Rocky Mount, NC 27803-0365

Redemptions In-Kind. The Funds do not intend, under normal circumstances, to redeem its securities by payment in kind. It is possible, however, that conditions may arise in the future which would, in the opinion of the Trustees, make it undesirable for a Fund to pay for all redemptions in cash. In such case the Trustees may authorize payment to be made in readily marketable portfolio securities of a Fund. Securities delivered in payment of redemptions would be valued at the same value assigned to them in computing the net asset value per share. Shareholders receiving them would incur brokerage costs when these securities are sold. An irrevocable election has been filed under Rule 18f-1 of the 1940 Act, wherein each Fund committed to pay redemptions in cash, rather than in kind, to any shareholder of record of a Fund who redeems during any ninety day period, the lesser of (a) \$250,000 or (b) one percent (1%) of the Fund's net asset value at the beginning of such period.

Transfer of Registration. To transfer shares to another owner, send a written request to the Funds at the address shown above. Your request should include the following: (i) the Fund name and existing account registration; (ii) signatures of the registered owners exactly as the signatures appear on the account registration; (iii) the new account registration, address, social security or taxpayer identification number, and how dividends and capital gains are to be distributed; (iv) signature guarantees (See the Funds' prospectus under the heading "Signature Guarantees"); and (v) any additional documents which are required for transfer by corporations, administrators, executors, trustees, guardians, etc. If you have any questions about transferring shares, call or write the Funds.

Employees and Affiliates of the Funds. The Funds have adopted initial investment minimums for the purpose of reducing the cost to the Funds (and consequently to the shareholders) of communicating with and servicing its shareholders. At the discretion of the Advisor, the Funds may accept investments in the Funds with a reduced minimum initial investment from its Trustees, officers, and employees; the Advisor and certain parties related thereto; including clients of the Advisor or any sponsor, officer, committee member thereof, or the immediate family of any of them. In addition, accounts having the same mailing address may be aggregated for purposes of the minimum investment if they consent in writing to sharing a single mailing of shareholder reports, proxy statements (but each such shareholder would receive his/her own proxy), and other Fund literature.

Dealers. The Distributor, at its expense, may provide additional compensation in addition to dealer discounts and brokerage commissions to dealers in connection with sales of shares of the Funds. Compensation may include financial assistance to dealers in connection with conferences, sales or training programs for their employees, seminars for the public, advertising campaigns regarding the Funds, and/or other dealer-sponsored special events. In some instances, this compensation may be made available only to certain dealers whose representatives have sold or are expected to sell a significant amount of such shares. Compensation may include payment for travel expenses, including lodging, incurred in connection with trips taken by invited registered representatives and members of their

families to locations within or outside of the United States for meetings or seminars of a business nature. Dealers may not use sales of the Fund shares to qualify for this compensation to the extent such may be prohibited by the laws of any state or any self-regulatory agency, such as the Financial Industries Regulatory Authority. None of the aforementioned compensation is paid directly by the Funds or their shareholders although the Distributor may use a portion of the payment it receives under the Plan to pay these expenses.

DISCLOSURE OF PORTFOLIO HOLDINGS

The Trustees have adopted a policy that governs the disclosure of portfolio holdings. This policy is intended to ensure that such disclosure is in the best interests of the shareholders of the Funds and to address possible conflicts of interest. Under the Funds' policy, the Funds and Advisor generally will not disclose the Funds' portfolio holdings to a third party unless such information is made available to the public. The policy provides that the Funds and Advisor may disclose non-public portfolio holdings information as required by law and under other limited circumstances that are set forth in more detail below.

The Funds will make available to the public a complete schedule of the Funds' portfolio holdings, as reported on a fiscal quarter basis. This information is generally available within 60 days of the Funds' fiscal quarter end and will remain available until the next fiscal quarter's portfolio holdings report becomes available. You may obtain a copy of these quarterly portfolio holdings reports by calling the Funds at 1-800-773-3863. The Funds will also file these quarterly portfolio holdings reports with the SEC on Form N-CSR or Form N-Q, as applicable. The Funds' Form N-CSR and Form N-Q are available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. The first and third quarter portfolio holdings reports will be filed with the SEC on Form N-Q and the second and fourth fiscal quarter portfolio holdings reports will be included with the semi-annual and annual financial statements, respectively, which are sent to shareholders and filed with the SEC on Form N-CSR.

The Funds and/or Advisor may, from time to time, provide additional portfolio holdings information, including lists of the ten largest holdings and complete portfolio holdings from the previous business day. The Funds will make this information available to the public on web pages found at www.ncfunds.com. The web pages can be reached selecting the link "Fund Search" found in the top right-hand corner of www.ncfunds.com. By searching for the Funds using key words such as "FMX" and then selecting the link for a Fund on the Fund Search Results page, one will be led to the information page for that Fund. Under the section entitled "Portfolio Holdings" on the web page, there will be a link to the Fund's complete portfolio holdings entitled "Click To View." This information is generally posted at the end of each business day and remains available until new information is posted. The Funds may also send this information to shareholders of the Funds and to mutual fund analysts and rating and trading entities; provided that the Funds will not send this information to shareholders of the Funds or analysts or rating and/or trading entities until one day after such information has been publicly disclosed on the Funds' website.

Consistent with policies approved by the Board, the officers of the Funds and/or Advisor may share non-public portfolio holdings information with the Funds' service providers that require such information for legitimate business and Fund oversight purposes, such as the Funds' fund accountant and administrator, transfer agent, distributor, custodian, compliance services administrator, independent registered public accounting firm, and legal counsel as identified in the Funds' prospectuses and statement of additional information, and V.G. Reed & Sons, PrintGrafix (a division of Sunbelt Graphic Systems, Inc.), Riverside Printing, Inc., and PrinterLink Communications Group, Inc., financial printers the Funds may engage for, among other things, the printing and/or distribution of regulatory and compliance documents. The Funds and/or Advisor may also provide non-public portfolio holdings information to appropriate regulatory agencies as required by applicable laws and regulations. The Funds' service providers receiving such non-public information are subject to confidentiality obligations requiring such service providers to keep non-public portfolio holdings information confidential. In some, but not all, cases by these confidentiality obligations are established by written agreements. The Board of Trustees has concluded that the confidentiality obligations in place are adequate to safeguard the Fund from unauthorized disclosure of non-public portfolio holdings information. In addition, persons receiving non non-public portfolio holdings information are subject to a duty not to trade on such information. Certain of the service providers have codes of ethics that prohibit trading based on, among other things, non-public portfolio holdings information.

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The Funds currently do not provide non-public portfolio holdings information to any other third parties. In the future, the Funds may elect to disclose such information to other third parties if the Advisor determines that the Funds have a legitimate business purpose for doing so, determines that the disclosure is in the shareholders' best interest, and the recipient is subject to a duty of confidentiality. The Advisor is responsible for determining which other third parties have a legitimate business purpose for receiving the Funds' portfolio holdings information.

The Funds' policy regarding disclosure of portfolio holdings is subject to the continuing oversight and direction of the Trustees. Oversight includes: (i) review of the policy on disclosure of portfolio holdings as necessary and periodic assessment of compliance in connection with a report from the Trust's Chief Compliance Officer, (ii) receipt of reports on any conflicts of interest where disclosure of information about portfolio holdings may conflict or appear to conflict with the interests of the Funds' investment advisor, any principal underwriter for the Trust or an affiliated person of the Trust, and (iii) receipt of reports on any known disclosure of the Funds' portfolio holdings to unauthorized third parties. The Funds have not (and do not intend to) enter into any arrangement providing for the receipt of compensation or other consideration in exchange for the disclosure of non-public portfolio holdings information, other than the benefits that result to the Funds and their shareholders from providing such information, which include the publication of Fund ratings and rankings.

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NET ASSET VALUE

The net asset value and net asset value per share of each class of shares of the Funds normally is determined at the time regular trading closes on the NYSE (currently 4:00 p.m., New York time, Monday through Friday), except when the NYSE closes earlier. The Funds' net asset value for each class of shares is not calculated on business holidays when the NYSE is closed. The NYSE generally recognizes the following holidays: New Year's Day, Martin Luther King, Jr. Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Any other holiday recognized by the NYSE will be deemed a business holiday on which the net asset value of each class of shares of the Funds will not be calculated.

The net asset value per share of each class of shares of the Funds is calculated separately by adding the value of a Fund's securities and other assets belonging to the Fund and attributable to a class of shares, subtracting the liabilities charged to the Fund and to the class of shares, and dividing the result by the number of outstanding shares of such class of shares. "Assets belonging to" a Fund consist of the consideration received upon the issuance of shares of the Fund together with all net investment income, realized gains/losses and proceeds derived from the investment thereof, including any proceeds from the sale of such investments, any funds or payments derived from any reinvestment of such proceeds, and a portion of any general assets of the Trust not belonging to a particular Fund. Income, realized and unrealized capital gains and losses, and any expenses of a Fund not allocated to a particular class of shares will be allocated to each class on the basis of the net asset value of that class in relation to the net asset value of the Fund. Assets belonging to a Fund are charged with the direct liabilities of the Fund and with a share of the general liabilities of the Trust, which are normally allocated in proportion to the number of or the relative net asset values of all of the Trust's series at the time of allocation or in accordance with other allocation methods approved by the Trustees. Certain expenses attributable to a particular class of shares (such as the distribution and service fees) will be charged against that class. Certain other expenses attributable to a particular class of shares (such as registration fees, professional fees, and certain printing and postage expenses) may be charged against that class if such expenses are actually incurred in a different amount by that class or if the class receives services of a different kind or to a different degree than other classes, and the Trustees approve such allocation. Subject to the provisions of the Trust Instrument, determinations by the Trustees as to the direct and allocable liabilities, and the allocable portion of any general assets, with respect to the Fund and the classes of the Funds are conclusive.

Values of portfolio securities are determined according to accepted accounting practices and all laws and regulations that apply. The assets of the Funds are valued as follows:

- Securities that are listed on a securities exchange are valued at the last quoted sales price at the time the valuation is made. Price information on listed securities is taken from the exchange where the security is primarily traded by the Funds.

- Securities that are listed on an exchange and which are not traded on the valuation date are valued at the bid price.
- Unlisted securities for which market quotations are readily available are valued at the latest quoted sales price, if available, at the time of valuation, otherwise, at the latest quoted bid price.
- Temporary cash investments with maturities of 60 days or less will be valued at amortized cost, which approximates market value.
- Securities for which no current quotations are readily available are valued at fair value as determined in good faith using methods approved by the Trustees. Securities may be valued on the basis of prices provided by a pricing service when such prices are believed to reflect the fair market value of such securities.

The pricing and valuation of portfolio securities is determined in good faith in accordance with procedures established by, and under the direction of, the Trustees. In valuing the Funds' total assets, portfolio securities are generally valued at their market value. Instruments with maturities of sixty days or less are valued at amortized cost, which approximates market value. Securities and assets for which representative market quotations are not readily available are valued at fair value as determined in good faith under policies approved by the Trustees.

ADDITIONAL TAX INFORMATION

The following summarizes certain additional tax considerations generally affecting each Fund and its shareholders that are not described in the Prospectuses. No attempt is made to present a detailed explanation of the tax treatment of each Fund, its shareholders, or any special category of shareholders. The discussions here and in the Prospectuses are not intended as a substitute for careful tax planning and are based on United States federal income tax laws and regulations that are in effect on the date hereof, and which may be changed by legislative, judicial, or administrative action. In addition, no attempt is made to address tax concerns applicable to an investor with a special tax status such as a financial institution, REIT, insurance company, regulated investment company, individual retirement account, other tax-exempt entity, dealer in securities or non-U.S. investor. Furthermore, this discussion does not reflect possible application of the alternative minimum tax. Unless otherwise noted, this discussion assumes the common shares are held by U.S. persons and that such shares are held as capital assets. Investors are advised to consult their tax advisors with specific reference to their own tax situations.

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Each series of the Trust, including each Fund, will be treated as a separate corporate entity under the Internal Revenue Code of 1986, as amended ("Code"), and intends to qualify or remain qualified as a regulated investment company under Subchapter M of the Code. In order to so qualify, each series must elect to be a regulated investment company or have made such an election for a previous year and must satisfy certain requirements relating to the amount of distributions and source of its income for a taxable year. At least 90% of the gross income of each series must be derived from dividends, interest, payments with respect to securities loans, gains from the sale or other disposition of stocks, securities or foreign currencies, and other income derived with respect to the series' business of investing in such stock, securities, currencies and net income derived from an interest in a qualified publicly traded partnership. Any income derived by a series from a partnership (other than a qualified publicly traded partnership) or trust is treated as derived with respect to the series' business of investing in stock, securities or currencies only to the extent that such income is attributable to items of income that would have been qualifying income if realized by the series in the same manner as by the partnership or trust.

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An investment company may not qualify as a regulated investment company for any taxable year unless it satisfies certain requirements with respect to the diversification of its investments at the close of each quarter of the taxable year. In general, at least 50% of the value of its total assets must be represented by cash, cash items, government securities, securities of other regulated investment companies and other securities which, with respect to any one issuer, do not represent more than 5% of the total assets of the fund nor more than 10% of the outstanding voting securities of such issuer. In addition, not more than 25% of the value of the fund's total assets may be invested in the securities (other than government securities or the securities of other regulated investment companies) of any one issuer; the securities of two or more issuers (other than securities of another regulated investment company) if

the issuers are controlled by the Fund and they are, pursuant to Internal Revenue Service Regulations, engaged in the same or similar or related trades or businesses; or the securities of one or more publicly traded partnerships. Each Fund intends to satisfy all requirements on an ongoing basis for continued qualification as a regulated investment company.

The 2003 Jobs and Growth Tax Relief Reconciliation Act reduced the federal tax rate on most dividends paid by U.S. corporations to individuals after December 31, 2002. Through December 31, 2012, these qualifying corporate dividends are taxable at long-term capital gains tax rates. Some, but not all, of the dividends paid by the Funds may be taxable at the reduced long-term capital gains tax rate for individual shareholders. If a Fund designates a dividend as qualified dividend income, it generally will be taxable to individual shareholders at the long-term capital gains tax rate, provided certain holding period requirements are met.

Taxable dividends paid by the Funds to corporate shareholders will be taxed at corporate income tax rates. Corporate shareholders may be entitled to a dividends received deduction ("DRD") for a portion of the dividends paid and designated by the Funds as qualifying for the DRD.

If a Fund designates a dividend as a capital gains distribution, it generally will be taxable to shareholders as long-term capital gains, regardless of how long the shareholders have held their Fund shares or whether received in cash or reinvested in additional shares. All taxable dividends paid by the Funds other than those designated as qualified dividend income or capital gains distributions will be taxable as ordinary income to shareholders, whether received in cash or reinvested in additional shares. To the extent the Funds engage in increased portfolio turnover, short-term capital gains may be realized, and any distribution resulting from such gains will be considered ordinary income for federal tax purposes.

Shareholders who hold Fund shares in a tax-deferred account, such as a retirement plan, generally will not have to pay tax on Fund distributions until they receive distributions from their account.

Each series of the Trust, including each Fund, will designate (i) any dividend of qualified dividend income as qualified dividend income; (ii) any tax-exempt dividend as an exempt-interest dividend; (iii) any distribution of long-term capital gains as a capital gain dividend; and (iv) any dividend eligible for the corporate DRD as such in a written notice mailed to shareholders within 60 days after the close of the series' taxable year. Shareholders should note that, upon the sale or exchange of series shares, if the shareholder has not held such shares for at least six months, any loss on the sale or exchange of those shares will be treated as long-term capital loss to the extent of the capital gain dividends received with respect to the shares.

To the extent that a distribution from the Fund is taxable, it is generally included in a shareholder's gross income for the taxable year in which the shareholder receives the distribution. However, if the Funds declare a dividend in October, November, or December but pay it in January, it will be taxable to shareholders as if they received it in the year it was declared. Every year, each shareholder will receive a statement detailing the tax status of any Fund distributions for that year.

A 4% nondeductible excise tax is imposed on regulated investment companies that fail to currently distribute an amount equal to specified percentages of their ordinary taxable income and capital gain net income (excess of capital gains over capital losses). Each series of the Trust, including each Fund, intends to make sufficient distributions or deemed distributions of its ordinary taxable income and any capital gain net income prior to the end of each calendar year to avoid liability for this excise tax.

If for any taxable year a series does not qualify for the special federal income tax treatment afforded regulated investment companies, all of its taxable income will be subject to federal income tax at regular corporate rates (without any deduction for distributions to its shareholders). In such event, dividend distributions (whether or not derived from interest on tax-exempt securities) would be taxable as qualified dividends to individual shareholders in taxable years beginning on or before December 31, 2012, to the extent of the Fund's current and accumulated earnings and profits, and would be eligible for the DRD for corporations, provided in each case that certain holding period and other requirements are met.

In general, a shareholder who sells or redeems shares will realize a capital gain or loss, which will be long-term or short-term, depending upon the shareholder's holding period for the Fund shares. An exchange of shares may be treated as a sale and any gain may be subject to tax.

The Funds will be required in certain cases to withhold and remit to the U.S. Treasury a percentage equal to the fourth lowest tax rate for unmarried individuals (presently 28%) of taxable dividends or of gross proceeds realized upon sale paid to shareholders who (i) have failed to provide a correct taxpayer identification number in the manner required; (ii) are subject to back-up withholding by the Internal Revenue Service for failure to include properly on their return payments of taxable interest or dividends; or (iii) have failed to certify to the Funds that they are not subject to backup withholding when required to do so. Back-up withholding is not an additional tax. Any amounts withheld from payments to you may be refunded or credited against your U.S. federal income tax liability, if any, provided that the required information is furnished to the Internal Revenue Service.

Depending upon the extent of each Fund's activities in states and localities in which its offices are maintained, in which its agents or independent contractors are located, or in which it is otherwise deemed to be conducting business, the Fund may be subject to the tax laws of such states or localities. In addition, in those states and localities that have income tax laws, the treatment of the Fund and its shareholders under such laws may differ from their treatment under federal income tax laws.

Dividends paid by the Funds to non-U.S. shareholders may be subject to U.S. withholding tax at the rate of 30% unless reduced by treaty (and the shareholder files a valid Internal Revenue Service Form W-8BEN, or other applicable form, with the Fund certifying foreign status and treaty eligibility) or the non-U.S. shareholder files an Internal Revenue Service Form W-8ECI, or other applicable form, with the Fund certifying that the investment to which the distribution relates is effectively connected to a United States trade or business of such non-U.S. shareholder (and, if certain tax treaties apply, is attributable to a United States permanent establishment maintained by such non-U.S. shareholder). The Funds may elect not to withhold the applicable withholding tax on any distribution representing a capital gain dividend to a non-U.S. shareholder. Special rules may apply to non-U.S. shareholders with respect to the information reporting requirements and withholding taxes and non-U.S. shareholders should consult their tax advisors with respect to the application of such reporting requirements and withholding taxes.

The Funds will send shareholders information each year on the tax status of dividends and distributions. A dividend or capital gains distribution paid shortly after shares have been purchased, although in effect a return of investment, is subject to federal income taxation. Dividends from net investment income, along with capital gains, will be taxable to shareholders, whether received in cash or Fund shares and no matter how long the shareholder has held Fund shares, even if they reduce the net asset value of shares below the shareholder's cost and thus, in effect, result in a return of a part of the shareholder's investment.

FINANCIAL STATEMENTS

The audited financial statements of the ISM Dynamic Equity Fund and ISM Dynamic Fixed Income Fund for the fiscal year ended May 31, 2012, including the financial highlights appearing in the Annual Report to shareholders, are incorporated by reference and made a part of this document. Because the rest of the Funds are newly organized, there is no financial information for them in this Statement of Additional Information. You may request a copy of the Funds' annual and semi-annual reports, once available, at no charge by calling the Fund at 1-800-773-3863.

Deleted: Each Fund will be required in certain cases to withhold and remit to the U.S. Treasury a percentage equal to the fourth lowest tax rate for unmarried individuals (presently 28%) of taxable dividends or of gross proceeds realized upon sale paid to shareholders who have failed to provide a correct taxpayer identification number in the manner required, or who are subject to withholding by the Internal Revenue Service for failure to include properly on their return payments of taxable interest or dividends, or who have failed to certify to the Funds that they are not subject to backup withholding when required to do so, or that they are "exempt recipients."

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APPENDIX A – DESCRIPTION OF RATINGS

The Funds may acquire from time to time certain securities that meet the following minimum rating criteria (“Investment-Grade Debt Securities”) (or if not rated, of equivalent quality as determined by the Advisor). The various ratings used by the nationally recognized securities rating services are described below.

A rating by a rating service represents the service’s opinion as to the credit quality of the security being rated. However, the ratings are general and are not absolute standards of quality or guarantees as to the creditworthiness of an issuer. Consequently, the Advisor believes that the quality of Investment-Grade Debt Securities in which the Funds may invest should be continuously reviewed and that individual analysts give different weightings to the various factors involved in credit analysis. A rating is not a recommendation to purchase, sell, or hold a security, because it does not take into account market value or suitability for a particular investor. When a security has received a rating from more than one service, each rating is evaluated independently. Ratings are based on current information furnished by the issuer or obtained by the rating services from other sources that they consider reliable. Ratings may be changed, suspended, or withdrawn as a result of changes in or unavailability of such information, or for other reasons.

Standard & Poor’s Ratings Services. The following summarizes the highest four ratings used by Standard & Poor’s Ratings Services (“S&P”), a division of McGraw-Hill Companies, Inc., for bonds which are deemed to be Investment-Grade Debt Securities by the Advisor:

AAA – This is the highest rating assigned by S&P to a debt obligation and indicates an extremely strong capacity of the obligor to meet its financial commitment on the obligation.

AA – Debt rated AA differs from AAA issues only in a small degree. The obligor’s capacity to meet its financial commitment on the obligation is very strong.

A – Debt rated A is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than debt in higher-rated categories. However, the obligor’s capacity to meet its financial commitment on the obligation is still strong.

BBB – Debt rated BBB exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

To provide more detailed indications of credit quality, the AA, A, and BBB ratings may be modified by the addition of a plus or minus sign to show relative standing within these major rating categories.

Bonds rated BB, B, CCC, CC, and C are not considered by the Advisor to be Investment-Grade Debt Securities and are regarded as having significant speculative characteristics. BB indicates the lowest degree of speculation and C the highest degree of speculation. While such bonds may have some quality and protective characteristics, these may be outweighed by large uncertainties or major risk exposures to adverse conditions.

Commercial paper rated A-1 by S&P indicates that the degree of safety regarding timely payment is strong. Those issues determined to possess extremely strong safety characteristics are denoted A-1+. Capacity for timely payment on commercial paper rated A-2 is satisfactory, but the relative degree of safety is not as high as for issues designated A-1.

The rating SP-1 is the highest rating assigned by S&P to short term notes and indicates strong capacity to pay principal and interest. An issue determined to possess a very strong capacity to pay debt service is given a plus (+) designation. The rating SP-2 indicates a satisfactory capacity to pay principal and interest, with some vulnerability to adverse financial and economic changes over the term of the notes. The rating SP-3 indicates a speculative capacity to pay principal and interest.

Moody's Investor Service, Inc. The following summarizes the highest four ratings used by Moody's Investors Service, Inc. ("Moody's") for fixed-income obligations with an original maturity of one year or more, which are deemed to be Investment-Grade Securities by the Advisor:

Aaa – Bond obligations rated Aaa are judged to be of the highest quality, with minimal credit risk.

Aa – Bond obligations rated Aa are judged to be of high quality and are subject to very low credit risk.

A – Bond obligations rated A are considered upper-medium grade and are subject to low credit risk.

Baa – Bond obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.

Obligations that are rated Ba, B, Caa, Ca, or C by Moody's are not considered "Investment-Grade Debt Securities" by the Advisor. Obligations rated Ba are judged to have speculative elements and are subject to substantial credit risk. Obligations rated B are considered speculative and are subject to high credit risk. Obligations rated Caa are judged to be of poor standing and are subject to very high credit risk.

Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Short-Term Ratings.

Moody's short-term ratings are opinions of the ability of issuers to honor short-term financial obligations. Ratings may be assigned to issuers, short-term programs, or individual short-term debt instruments. Such obligations generally have an original maturity not exceeding thirteen months, unless explicitly noted.

Moody's employs the following designations to indicate the relative repayment ability of rated issuers:

P-1 – Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.

P-2 – Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

P-3 – Issuers (or supporting institutions) rated Prime-3 have an acceptable ability to repay short-term debt obligations.

NP – Issuers (or supporting institutions) rated Not Prime do not fall within any of the Prime rating categories.

Note: Canadian issuers rated P-1 or P-2 have their short-term ratings enhanced by the senior-most long-term rating of the issuer, its guarantor, or support-provider.

US Municipal Short-Term Debt And Demand Obligation Ratings.

Short-Term Debt Ratings. There are three rating categories for short-term municipal obligations that are considered investment grade. These ratings are designated as Municipal Investment Grade (MIG) and are divided into three levels – MIG 1 through MIG 3. In addition, those short-term obligations that are of speculative quality are designated SG, or speculative grade. MIG ratings expire at the maturity of the obligation.

MIG 1 – This designation denotes superior credit quality. Excellent protection is afforded by established cash flows, highly reliable liquidity support, or demonstrated broad-based access to the market for refinancing.

MIG 2 – This designation denotes strong credit quality. Margins of protection are ample, although not as large as in the preceding group.

MIG 3 – This designation denotes acceptable credit quality. Liquidity and cash-flow protection may be narrow, and market access for refinancing is likely to be less well-established.

SG – This designation denotes speculative-grade credit quality. Debt instruments in this category may lack sufficient margins of protection.

Demand Obligation Ratings. In the case of variable rate demand obligations (VRDOs), a two-component rating is assigned; a long or short-term debt rating and a demand obligation rating. The first element represents Moody's evaluation of the degree of risk associated with scheduled principal and interest payments. The second element represents Moody's evaluation of the degree of risk associated with the ability to receive purchase price upon demand ("demand feature"), using a variation of the MIG rating scale, the Variable Municipal Investment Grade or VMIG rating.

When either the long- or short-term aspect of a VRDO is not rated, that piece is designated NR, e.g., Aaa/NR or NR/VMIG 1.

VMIG rating expirations are a function of each issue's specific structural or credit features.

VMIG 1 – This designation denotes superior credit quality. Excellent protection is afforded by the superior short-term credit strength of the liquidity provider and structural and legal protections that ensure the timely payment of purchase price upon demand.

VMIG 2 – This designation denotes strong credit quality. Good protection is afforded by the strong short-term credit strength of the liquidity provider and structural and legal protections that ensure the timely payment of purchase price upon demand.

VMIG 3 – This designation denotes acceptable credit quality. Adequate protection is afforded by the satisfactory short-term credit strength of the liquidity provider and structural and legal protections that ensure the timely payment of purchase price upon demand.

SG – This designation denotes speculative-grade credit quality. Demand features rated in this category may be supported by a liquidity provider that does not have an investment grade short-term rating or may lack the structural and/or legal protections necessary to ensure the timely payment of purchase price upon demand.

Fitch Ratings. The following summarizes the highest four ratings used by Fitch, Inc. ("Fitch"):

Long-Term Ratings.

AAA – Highest credit quality. The rating AAA denotes that the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for timely payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

AA – Very high credit quality. The rating AA denotes a very low expectation of credit risk. They indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A – High credit quality. The rating A denotes a low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher rating.

BBB – Good credit quality. The rating BBB indicates that there is currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity. This is the lowest investment grade category.

Long-term securities rated below BBB by Fitch are not considered by the Advisor to be investment-grade securities. Securities rated BB and B are regarded as speculative with regard to a possible credit risk developing. BB is considered speculative and B is considered highly speculative. Securities rated CCC, CC, and C are regarded as a high default risk. A rating CC indicates that default of some kind appears probable, while a rating C signals imminent default. Securities rated DDD, D, and D indicate a default has occurred.

Short-Term Ratings.

F1 – Highest credit quality. The rating F1 indicates the strongest capacity for timely payment of financial commitments; may have an added (+) to denote any exceptionally strong credit feature.

F2 – Good credit quality. The rating F2 indicates a satisfactory capacity for timely payment of financial commitment, but the margin of safety is not as great as in the case of the higher ratings.

F3 – Fair credit quality. The rating F3 indicates the capacity for timely payment of financial commitments is adequate; however, near-term adverse changes could result in a reduction to non-investment grade.

B – Speculative. The rating B indicates minimal capacity for timely payment of financial commitments, plus vulnerability to near-term adverse changes in financial and economic conditions.

Short-term rates B, C, and D by Fitch are considered by the Advisor to be below investment-grade securities. Short-term securities rated B are considered speculative, securities rated C have a high default risk, and securities rated D denote actual or imminent payment default.

(+) or (-) suffixes may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to long-term ratings “AAA” category, categories below “CCC”, or short-term ratings other than “F1”. The suffix “NR” indicates that Fitch does not publicly rate the issuer or issue in question.

APPENDIX B – PROXY VOTING POLICIES

The following proxy voting policies are provided:

- (1) The Trust's Proxy Voting and Disclosure Policy; and
- (2) The Advisor's Proxy Voting and Disclosure Policy, including a detailed description of the Advisor's specific proxy voting guidelines.

Trust's Proxy Voting Disclosure Policy

The Securities and Exchange Commission has adopted rules and forms under the Securities Act of 1933, the Securities Exchange Act of 1934, and the Investment Company Act of 1940 to require registered investment companies to provide disclosure about how they vote proxies for their portfolio securities. Each series of shares of the Trust (individually and collectively referred to as the "Fund") is required to disclose the policies and procedures used to determine how to vote proxies for portfolio securities. The Fund is also required to file with the Securities and Exchange Commission and to make available to their shareholders the specific proxy votes cast for portfolio securities. This policy is designed to ensure that the Fund complies with these requirements and otherwise fulfills its obligations with respect to proxy voting, disclosure, and recordkeeping. The overall goal is to ensure that the Fund's proxy voting is managed in an effort to act in the best interests of its shareholders. While decisions about how to vote must be determined on a case-by-case basis, proxy voting decisions will be made considering these guidelines and following the procedures recited herein.

Specific Proxy Voting Policies and Procedures

A. General

The Board of Trustees believes that the voting of proxies is an important part of portfolio management as it represents an opportunity for shareholders to make their voices heard and to influence the direction of a company. The Trust and Fund are committed to voting corporate proxies in the manner that best serves the interests of the Fund's shareholders.

B. Delegation to Fund's Investment Advisor

The Board of Trustees believes that the Fund's investment advisor is in the best position to make individual voting decisions for the Fund consistent with this policy. Therefore, subject to the oversight of the Board of Trustees, the Fund's investment advisor is delegated the following duties:

1. To make the proxy voting decisions for the Fund; and
2. To assist the Fund in disclosing the Fund's proxy voting record as required by Rule 30b1-4 under the Investment Company Act of 1940, including providing the following information for each matter with respect to which the Fund was entitled to vote: (a) information identifying the matter voted on; (b) whether the matter was proposed by the issuer or by a security holder; (c) whether and how the Fund cast its vote; and (d) whether the Fund cast its vote for or against management.

The Board of Trustees, including a majority of the Independent Trustees, shall approve the Proxy Voting and Disclosure Policy of the Fund's investment advisor as it relates to the Fund. The Board of Trustees shall also approve any material changes to such policy no later than six (6) months after adoption by the Fund's investment advisor.

C. Conflicts

In cases where a matter with respect to which a Fund is entitled to vote presents a conflict between the interest of the Fund's shareholders, on the one hand, and those of the Fund's investment advisor, principal underwriter, or an affiliated person of the Fund, its investment advisor or principal underwriter, on the other hand, the Fund shall always vote in the best interest of the Fund's shareholders. For purposes of this Policy, a vote shall be considered in the best interest of the Fund's shareholders (i) when a vote is cast consistent with a specific voting policy set forth in the Proxy Voting and Disclosure Policy of the Fund's investment advisor, provided such specific voting policy was approved by the Board of Trustees, or (ii) when a vote is cast consistent with the decision of the Trust's Proxy Voting Committee. In addition, provided the Fund's investment advisor is not affiliated with the Fund's principal underwriter or an affiliated person of the principal underwriter and neither the Fund's principal underwriter nor an affiliated person of the principal underwriter has influenced the advisor with respect to a matter to which the Fund is entitled to vote, a vote by the advisor shall not be considered a conflict between the Fund's shareholders and the Fund's principal underwriter or affiliated person of the principal underwriter.

D. Other Investment Companies

To the extent the Fund invests in shares of other investment companies in accordance with the safe harbor provisions of Section 12(d)(1)(F) of the Investment Company Act of 1940, the Fund's investment advisor shall vote proxies with respect to such investment company securities in the same proportion as the vote of all other holders of such securities.

Fund Disclosure

A. Disclosure of Fund Policies and Procedures With Respect to Voting Proxies Relating to Portfolio Securities

The Fund shall disclose this policy, or a description of the policy, to its shareholders by including it as an appendix to its Statement of Additional Information on Form N-1A. The Fund will also notify its shareholders in the Fund's shareholder reports that a description of this policy is available upon request, without charge, by calling a specified toll-free telephone number. The Fund will send this description of the policy within three business days of receipt of any shareholder request, by first-class mail, or other means designed to ensure equally prompt delivery.

B. Disclosure of the Fund's Complete Proxy Voting Record

In accordance with Rule 30b1-4 of the Investment Company Act of 1940, the Fund will file Form N-PX with the Securities and Exchange Commission no later than August 31 of each year, even if August 31 falls on a non-business day. The Fund shall disclose to its shareholders on Form N-PX the Fund's complete proxy voting record for the twelve-month period ended June 30.

The Fund shall disclose the following information on Form N-PX for each matter relating to a portfolio security considered at any shareholder meeting held during the period covered by the report and with respect to which to the Fund was entitled to vote:

- (i) The name of the issuer of the portfolio security;
- (ii) The exchange ticker symbol of the portfolio security (if available through reasonably practicable means);
- (iii) The Council on Uniform Security Identification Procedures ("CUSIP") number for the portfolio security (if available through reasonably practicable means);
- (iv) The shareholder meeting date;
- (v) A brief identification of the matter voted on;
- (vi) Whether the matter was proposed by the issuer or by a security holder;
- (vii) Whether the Fund cast its vote on the matter;
- (viii) How the Fund cast its vote (e.g., for or against proposal, or abstain; for or withhold regarding election of directors); and
- (ix) Whether the Fund cast its vote for or against management.

The Fund shall make its proxy voting record available to shareholders either upon request or by making available an electronic version on or through the Fund's website, if applicable. If the Fund discloses its proxy voting record on or through its website, the Fund shall post the information disclosed in the Fund's most recently filed report on Form N-PX on the website beginning the same day it files such information with the Securities and Exchange Commission.

The Fund shall also include a statement in its annual reports, semi-annual reports, and Statement of Additional Information that information regarding how the Fund voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 is available (i) without charge upon request, by calling a specified toll-free (or collect) telephone number, or (if applicable) on or through the Fund's website at a specified internet address; and (ii) on the website of the Securities and Exchange Commission. If the Fund discloses that its proxy voting record is available by calling a toll-free (or collect) telephone number, it shall send the information disclosed in the Fund's most recently filed report on Form N-PX within three business days of receipt of a request for this information, by first-class mail or other means designed to ensure equally prompt delivery.

Recordkeeping

The Trust shall keep the following records for a period of at least five years, the first two in an easily accessible place:

- (i) A copy of this Policy;
- (ii) Proxy statements received regarding the Fund's securities;
- (iii) Records of votes cast on behalf of the Fund; and
- (iv) A record of each shareholder request for proxy voting information and the Fund's response, including the date of the request, the name of the shareholder, and the date of the response.

The foregoing records may be kept as part of the records of the Fund's investment advisor.

A Fund may rely on proxy statements filed on the SEC EDGAR system instead of keeping its own copies, and may rely on proxy statements and records of proxy votes cast by the Fund's investment advisor that are maintained with a third party such as a proxy voting service, provided that an undertaking is obtained from the third party to provide a copy of the documents promptly upon request.

Proxy Voting Committee

A. General

The Trust's Proxy Voting Committee shall be composed entirely of Independent Trustees and may be comprised of one or more such Independent Trustees as the Board of Trustees may, from time to time, decide. The purpose of the Proxy Voting Committee shall be to determine how the Fund should cast its vote, if called upon by the Board of Trustees or the Fund's investment advisor, when a matter with respect to which the Fund is entitled to vote presents a conflict between the interest of the Fund's shareholders, on the one hand, and those of the Fund's investment advisor, principal underwriter, or an affiliated person of the Fund, its investment advisor, or principal underwriter, on the other hand.

B. Powers and Methods of Operation

The Proxy Voting Committee shall have all the powers necessary to fulfill its purpose as set forth above and such other powers and perform such other duties as the Board of Trustees may, from time to time, grant or assign to the Proxy Voting Committee. The Proxy Voting Committee shall meet at such times and places as the Proxy Voting Committee or the Board of Trustees may, from time to time, determine. The act of a majority of the members of the Proxy Voting Committee in person, by telephone conference, or by consent in writing without a meeting shall be the act of the Proxy Voting Committee. The Proxy Voting Committee shall have the authority to utilize Trust counsel at the expense of the Trust if necessary. The Proxy Voting Committee shall prepare minutes of each meeting and keep such minutes with the Trust's records. The Proxy Voting Committee shall review this Policy and recommend any changes to the Board of Trustees as it deems necessary or advisable.

Other

This policy may be amended, from time to time, as determined by the Board of Trustees.

Proxy Voting Policies and Procedures of FolioMetrix, LLC

Adopted: July 16, 2009

1. Background

The act of managing assets in client portfolios consisting of common stock normally includes the important function of voting proxies related to the stock. Investment advisors with such responsibility should implement procedures designed to ensure that proxies are voted in an appropriate manner.

Where FolioMetrix, LLC (the "Advisor") has proxy voting authority, the Advisor has a fiduciary responsibility for voting the proxies in a manner that is in the best interests of its clients. The policies and procedures of the Advisor for voting proxies received by accounts managed by the Advisor are set forth below.

2. Proxy Voting Policies

The Advisor shall vote proxies related to securities held by any client in a manner solely in the interest of the client. In general, the Advisor considers factors that relate to the client's investment, including how its vote will affect the value of the client's investment. Proxy votes generally will be cast in favor of proposals that the Advisor believes maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders; proxy votes generally will be cast against proposals having the opposite effect. In voting on each issue, the Advisor and its employees shall vote in a prudent and diligent fashion and only after a careful evaluation of the issue presented on the ballot.

Specific guidelines for voting proxies are set forth in the Voting Guidelines on Exhibit A attached to this policy.

3. Proxy Voting Procedures

- A. Unless the power to vote proxies for a client is reserved to that client (or in the case of an employee benefit plan, the plan's trustee or other fiduciaries), the Advisor's representative for the client account will be responsible for voting the proxies related to that account.
- B. All proxies and ballots will be logged in upon receipt and the materials will be forwarded to the appropriate representative.
- C. The representative will promptly vote proxies received in a manner consistent with this policy, including the Voting Guidelines.
- D. The representative will note on the cover page of the proxy how he or she voted on each issue. The proxy will then be filed and become a part of the records of the Advisor.

4. Delegation of Proxy Voting

The Advisor may delegate its responsibilities under these Proxy Voting Policies and Procedures to a third party proxy voting service, provided that the Advisor retains final authority and fiduciary responsibility for all proxy voting on behalf of the clients that are registered investment companies. In the event that the Advisor so delegates its proxy voting responsibilities, the Advisor shall continually monitor the delegate's compliance with these Proxy Voting Policies and Procedures.

The Advisor's delegate shall vote proxies in a prudent and timely fashion, only after careful evaluation of the issue(s) presented on the ballot and in a manner consistent with the terms of conditions of these Proxy Voting Policies and Procedures.

5. Conflicts

While the nature of the Advisor's business is unlikely to result in a conflict of interest (e.g. the Advisor is not engaged in brokerage, underwriting, investment banking activities, etc.), if the Advisor is aware of a conflict between the interests of a client and the interests of the Advisor or an affiliated person of the Advisor (e.g., a portfolio company is a client or an affiliate of a client of the Advisor), the Advisor will take the following steps:

- A. With respect to clients that are registered investment companies, the Advisor will notify the client of the conflict and will vote the client's shares in accordance with the client's instructions; and
- B. With respect to other clients, the Advisor will vote the proxy in accordance with the specifics of the Voting Guidelines (if addressed in the Voting Guidelines) or may abstain (if not addressed in the Voting Guidelines).

6. Disclosure of How to Obtain Voting Information

Rule 206(4)-6 of the Investment Advisers Act of 1940 requires the Advisor to disclose in response to any client request how the client can obtain information from the Advisor on how its securities were voted. The Advisor will disclose in Part II of its Form ADV that clients can obtain information on how their securities were voted by making a written request to the Advisor. Upon receiving a written request from a client, the Advisor will provide the information requested by the client within a reasonable amount of time.

Rule 206(4)-6 of the Investment Advisers Act also requires the Advisor to describe its proxy voting policies and procedures to clients, and upon request, to provide clients with a copy of those policies and procedures. The Advisor will provide such a description in Part II of its Form ADV. Upon receiving a written request from a client, the Advisor will provide a copy of this policy within a reasonable amount of time.

If approved by the client, this policy and any requested records may be provided electronically.

7. Recordkeeping

The Advisor shall keep the following records for a period of at least five years, the first two in an easily accessible place:

- A. A copy of this Policy;
- B. Proxy Statements received regarding client securities;
- C. Records of votes cast on behalf of clients;
- D. Any documents prepared by the Advisor that were material to making a decision how to vote, or that memorialized the basis for the decision;
- E. Records of client requests for proxy voting information; and
- F. A record of each shareholder request for proxy voting information and the Advisor's response, including the date of the request, the name of the shareholder, and the date of the response.

The Advisor shall maintain a copy of each of the foregoing records that is related to proxy votes on behalf of the investment company by the Advisor and shall provide a copy of such record to the investment company upon request.

The Advisor may rely on proxy statements filed on the SEC EDGAR system instead of keeping its own copies, and may rely on proxy statements and records of proxy votes cast by the Advisor that are

maintained with a third party such as a proxy voting service, provided that the Advisor has obtained an undertaking from the third party to provide a copy of the documents promptly upon request the Advisor reserves the right to amend this policy without notice at anytime.

Exhibit A
Proxy Voting Guidelines

The following are the proxy voting guidelines adopted by FolioMetrix, LLC (the “Advisor”) with respect to voting of proxies for private clients and voting of proxies for the Starboard Investment Trust. The effective date of these proxy voting guidelines is July 16, 2009

1. It is the policy of the Advisor to vote proxies in what we believe is the best interest of our clients.
2. It is the policy of the Advisor to review all corporate actions outlined in proxy statements of companies that our clients own and to vote all proxies for clients that have elected to have us vote their proxies. The Starboard Investment Trust has delegated responsibility for voting securities owned by the FMX Funds to the Advisor.
3. In corporate governance matters, it is the policy of the Advisor to vote for resolutions and board members that we perceive as strengthening independent corporate governance (e.g. separating the roles of chairman of the board of directors and CEO, voting for independent board members and a lead director, etc.) and against provisions and directors that in our determination weaken the independence of corporate governance (e.g. staggering of board elections, “poison-pill” arrangements, requiring supermajority votes, board members that are relatives of management, changes in state of incorporation if we view the reincorporation as solely an attempt to move to a venue that weakens shareholder rights, etc.). If we believe that incumbent members of the board of directors have been or are currently ineffective, it is generally the policy of the Advisor to withhold our votes for such incumbent directors.
4. In matters of board compensation, it is generally the policy of the Advisor to vote against compensation structures that grant options to directors, because it is our belief that option holders have different incentives from those of the shareholders they should represent.
5. In matters of executive compensation, it is generally the policy of the Advisor to vote for provisions that truly align long-term incentives of executives and shareholders. It is generally our policy to vote against option plans that grant fixed price options.
6. It is the policy of the Advisor to review proposals for capital structure changes, mergers, recapitalizations, etc., of the companies our clients own, and to assess each proposal on its merits.
7. It is the policy of the Advisor to vote against shareholder resolutions seeking to address social issues. We believe these types of issues should be addressed in a different forum.

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|---|------------------|-------|
| Pershing LLC PO Box 2052 Jersey City, NJ 07303-9998 | 4,269.855 shares | 5.62% |
| Pershing LLC PO Box 2052 Jersey City, NJ 07303-9998 | 4,261.315 shares | 5.61% |