

# FREE ENTERPRISE ACTION FUND

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## PROSPECTUS

APRIL 21, 2008

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1-800-766-3960

[www.freeenterpriseactionfund.com](http://www.freeenterpriseactionfund.com)

*This Prospectus provides important information about the Fund that you should know before investing. Please read it carefully and keep it for future reference.*

*These securities have not been approved or disapproved by the Securities and Exchange Commission nor has the Securities and Exchange Commission passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.*

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*See the Fund's Notice of its Privacy Policy on the last page of this Prospectus.*

## RISK/RETURN SUMMARY

This Prospectus describes the Free Enterprise Action Fund (the “Fund”), a series of Northern Lights Fund Trust, an open-end investment management company. This section briefly describes the investment objective, principal investment strategies, and principal risks of the Fund.

### Investment Objective

The Fund seeks long-term capital appreciation, which it attempts to achieve through investments and advocacy that promote the American system of free enterprise. The Fund’s investment objective is a non-fundamental policy and may be changed upon 60 days’ written notice to shareholders.

It is the philosophy of the Fund’s adviser, Action Fund Management, LLC (the “Adviser”) that companies that have changed policies and procedures based on pressure from social activists may have done so for other than prudent economic reasons. In other words, the changed policies or procedures may have had a negative economic impact on the company's performance. The Adviser will invest in companies it believes to have economically disadvantaged policies and attempt through shareholder activism, company dialogue, generating media stories and mobilizing other shareholders to reverse the companies' position with regard to a particular policy, thereby allowing management of these companies to pursue economically prudent decision making with regard to company policies and procedures. To the extent the Adviser is successful over the long-term, if management made decisions based on sound economic and business principles rather than yield to the pressure exerted by social activists, the Adviser believes that the companies' stock price could appreciate.

### Principal Investment Strategies

The Fund attempts to achieve its investment objective by investing, under normal market conditions, at least 65% of its assets in the common stocks of companies generally found among the Fortune 500 and in the Standard & Poor's 500 Index (“S&P500”). The Fund will seek to enhance the return of this portfolio with certain additional strategies, as identified below.

The Adviser begins with the universe of securities typically held within the S&P500 and other Fortune 500 companies, although securities outside of the S&P500 Index, including other investment companies (“Underlying Funds”), may also be purchased by the Fund. From this initial universe of eligible investments, the Adviser will then select companies that have policies or business objectives based on external pressure or influence from social or political activists. These securities, in the opinion of the Adviser, offer the greatest potential for price appreciation consistent with the Fund's investment objective. The Adviser may increase or reduce the Fund’s holdings in a company based on its assessment of the company’s response to the pressure exerted by social activists. The Adviser will attempt to make investment selections that will result in the Fund maintaining approximate, but not identical, sector weightings of the S&P500 Index. The Adviser may also make investments in companies that offer the opportunity for investment return without consideration of effects of social activism detailed above.

Because the companies that tend to be included in the Fund are market leaders and, oftentimes, trend-setters for other businesses, they are, in the opinion of the Adviser, the companies typically targeted by social activists. Accordingly, as a shareholder in the companies typically targeted by social activists, the Fund will be in a position to advocate for change as may be deemed appropriate by the Adviser. Specifically, the Fund may take an activist position with respect to one or more corporate managements if the Adviser believes advocacy may:

- Promote the American system of free enterprise;
- Ensure that corporate management makes sound business decisions based on long-term investor interests; and
- Protect businesses and their investors from what the Adviser believes is harmful social activism.

The Adviser defines “*harmful social activism*” as activism which seeks to persuade company management to make a decision based on anything other than sound economic or business principles. Alternatively, the Adviser's activism seeks to have the company disregard unsound or irresponsible policies for the sake of enhancing shareholder value. Examples of industries that have been targeted by social activists include, but are not limited to (i) financial institutions which have changed their lending policies and practices based on social activism rather than relying on traditional assessments of creditworthiness, (ii) energy companies that have foregone investment in power plants based on social and environmental activism rather than on the projected profitability of building such facilities, (iii) manufacturing companies that have foregone establishing plants and factories in foreign countries based on activists concerns regarding the foreign countries' treatment of its citizens rather than the economic feasibility of operating in such countries, and other companies that have made certain benefits available and other concessions to their employees based on activism rather than on sound management principles.

In general, the Fund intends to conduct its investment activities in a manner designed to carry out the principles and standards it considers consistent with promoting the American system of free enterprise. For more detail, see the sections entitled "Investment Evaluation Process: The Free Enterprise Guidelines" and "Shareholder Advocacy."

### **Principal Risks**

Adherence to the Free Enterprise Guidelines, which are discussed in further detail in the section titled "Investment Evaluation Process: The Free Enterprise Guidelines" below, may cause the Fund not to perform as well as other Funds that choose their investments based strictly on financial considerations. Some companies that are performing well financially but that no longer fit within the Free Enterprise Guidelines may be sold so as to provide an opportunity for the Fund to invest in other companies. This may have a negative impact on Fund performance.

Because the Fund invests primarily in common stocks, the Fund's share price will change daily based on changes in market conditions that affect the value of the Fund's portfolio.

The Adviser was formed for the purpose of managing the Fund, and accordingly has no prior experience directing the investment activities of a mutual fund. The Adviser's principals, however, have significant experience with respect to advocating the philosophical positions that serve as the basis for stock selection. The Adviser is compensated, in part, for its advocacy activities and, therefore, the Fund's expenses may be higher than other mutual funds.

The frequency of the Fund's transactions will vary from year to year. Increased portfolio turnover may result in higher brokerage commissions, dealer mark-ups and other transaction costs and may result in taxable capital gains. Higher costs associated with increased portfolio turnover may offset gains in a Fund's performance. The Fund's portfolio turnover is expected to be over 100% annually, as the Fund is actively traded.

The Fund is non-diversified for purposes of the 1940 Act. Therefore, it is permitted to have all of its assets invested in a limited number of companies. As a result, the rise or fall in the stock price of a single company may have a greater impact on the value of the Fund's portfolio than it would if the Fund was diversified.

# PERFORMANCE

## Risk/Return Bar Chart and Table

The bar chart and table set out below help show the returns and risks of investing in the Fund. The bar chart shows changes in the yearly performance of the Fund's shares over the lifetime of the Fund. The performance table compares the performance of the Fund over time to the performance of the Standard & Poor's 500 Composite Stock Price Index ("S&P 500 Index"), a widely recognized unmanaged index of common stocks. You should be aware that the Fund's past performance (before and after taxes) may not be an indication of how the Fund will perform in the future.

The Fund was reorganized on April 18, 2008 from a series of The Coventry Funds Trust, a Massachusetts business trust (the "Predecessor Fund") to a series of Northern Lights Fund Trust, a Delaware statutory trust (the "Reorganization"). The Fund is a continuation of the Predecessor Fund and, therefore, the performance information includes performance of the Predecessor Fund.

Performance Bar Chart For Calendar Years Ended December 31,

2006	10.88%
2007	4.05%

Best Quarter: 2<sup>nd</sup> Quarter 2007 5.75%  
 Worst Quarter: 4<sup>th</sup> Quarter 2007 -3.39%

For the period January 1, 2008 through March 31, 2008, the total return for the Fund was (9.22)%.

Performance Table  
 Average Annual Total Returns  
 (For periods ended December 31, 2007)

	One Year	Since Inception of the Fund <sup>(1)</sup>
FREE ENTERPRISE ACTION FUND		
Return before taxes	4.05%	6.03%
Return after taxes on distributions <sup>(2)</sup>	4.00%	5.98%
Return after taxes on distributions and sale of Fund shares <sup>(2)</sup>	2.70%	5.16%
S&P 500 Index <sup>(3)</sup>	5.49%	9.09%

(1) The inception date of the Fund is March 1, 2005.

(2) After-tax returns were 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 after-tax returns shown are not relevant to investors who hold shares of the Fund through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

(3) The S&P 500 Index is a widely recognized, unmanaged market capitalization-weighted index that contains 500 stocks chosen to be representative of the U.S. equity market by focusing on the stocks of publicly traded companies using factors such as market size, liquidity, and industry group representation. The index does not reflect the deduction of fees and expenses associated with a mutual fund or the impact of taxes. An investor cannot invest directly in an index.

## FEES AND EXPENSES

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

<b>Shareholder Fees</b> (fees paid directly from your investment)	
Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price)	None
Maximum Deferred Sales Charge (Load) (as a percentage of redemption proceeds)	None
Maximum Sales Charge (Load) Imposed on Reinvested Dividends and Other Distributions	None
Redemption Fee (as a percentage of amount redeemed) <sup>(1)</sup>	None
<b>Annual Fund Operating Expenses</b> (expenses that are deducted from Fund assets)	
Management Fees	1.25%
Distribution and/or Service (12b-1) Fees	None
Other Expenses <sup>(2)</sup>	1.80%
Acquired Fund Fees and Expenses <sup>(3)</sup>	0.06%
Total Annual Fund Operating Expenses	3.11%
Fee Waiver <sup>(4)</sup>	1.30%
Net Annual Fund Operating Expenses	1.81%

### Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year, you reinvest all dividends and capital gains distributions and that the Fund's operating expenses remain the same (except for year 1). Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

1 Year	3 Years	5 Years	10 Years
\$184	\$838	\$1,517	\$3,330

- (1) The Fund charges a \$15 wire transaction fee for redemptions effected by wire.
- (2) These expenses, which include custodian, transfer agency, shareholder servicing, and other direct fund expenses, as well as the dividend expense on securities sold short, are based on estimated amounts for the Fund's current fiscal year.
- (3) The operating expenses in this fee table will not correlate to the expense ratio in the Fund's financial statements (or the financial highlights in this Prospectus) because the financial statements include only the direct operating expenses incurred by the Fund, not the indirect costs of investing in the Underlying Funds.
- (4) The adviser has contractually agreed to reduce its fees and to reimburse expenses, at least until April 30, 2009, to ensure that Net Annual Fund Operating Expenses (exclusive of any front-end or contingent deferred loads, taxes, leverage interest, brokerage commissions, expenses incurred in connection with any merger or reorganization, indirect expenses such as dividend expense on securities sold short and expenses of other investment companies in which the Fund invests, or extraordinary expenses such as litigation) will not exceed 1.75%. Fee waivers and expense reimbursements are subject to possible recoupment from the Fund in future years on a rolling three year basis (within the three years after the fees have been waived or reimbursed) if such recoupment can be achieved within the foregoing expense limits.

# INVESTMENT OBJECTIVE, INVESTMENT EVALUATION PROCESS AND RELATED RISKS

## Investment Objective

The Fund seeks long-term capital appreciation, which it attempts to achieve through investments and advocacy that promote the American system of free enterprise. The Fund's investment objective is a non-fundamental policy and may be changed upon 60 days' written notice to shareholders.

## Investment Evaluation Process: The Free Enterprise Guidelines

The Free Enterprise Guidelines are intended to promote the American system of free enterprise. The Adviser will manage the investments of the Fund pursuant to three basic principles. The Adviser will:

1. Identify the universe of financially eligible investments;
2. Invest in companies the Adviser believes are potentially at risk from social activism; and
3. Conduct advocacy activities when the Adviser believes those activities will be in the best interests of the companies in which the Fund is a shareholder.

More specifically, from the universe of financially eligible investments, the Fund seeks to identify companies that, in the Adviser's view, have suffered or have the potential to suffer business harm as a result of social activism. Once the Fund becomes a shareholder of such a company, it may undertake measures that, in the Adviser's view, have the potential to protect the company from social activists who may harm the company. These goals are accomplished by evaluating companies according to the criteria identified below, also referred to as Free Enterprise Guidelines. A "yes" answer signals to the Adviser that the company is a potential investment for the Fund as well as a potential focus of the Adviser's advocacy efforts.

- Is the business' freedom to conduct its affairs within the scope of federal and state law and regulations at risk of being inhibited by social activists?
- Is the business at risk of being extorted, threatened, blackmailed or otherwise inappropriately interfered with by social activists?
- Is the business at risk of appeasing or otherwise supporting harmful social activists?
- Are the business' actions questionable from an economic perspective?
- Are the business' actions questionable from a scientific perspective?
- Is the business' freedom to innovate at risk of being infringed?
- Is the business being diverted from its primary purpose of increasing its profits toward engaging in inappropriate social activity that might be considered outside of the scope of the business?
- Is the business taking or considering taking actions that might dilute the long-term interests of profit-oriented investors?
- Is the business making or considering decisions that tend to ignore individual liberties relevant to the business' products?
- Is the business taking or considering private action on social issues that circumvents public debate and the American political process?
- Is the business willing to aggressively challenge unfounded government action that threatens its interests?

The Guidelines serve as criteria that the Adviser may choose to use in connection with the investment selection process. The Fund may make investments that do not meet some or all of the criteria identified above. Likewise, the exclusion of a company otherwise within the Fund's investment guidelines may cause the Adviser to pass up opportunities to buy certain securities when it is

otherwise advantageous to do so, or sell certain securities when it is otherwise disadvantageous to do so. The evaluation of any or all of these criteria is subjective in nature.

Following the identification of a business at risk of being harmed by social activists, the Adviser may, on behalf of the Fund, undertake any or all of the following activities:

- Communicate with corporate management to inform it of the Fund's position;
- Communicate with other institutional shareholders and significant individual investors of the company to educate them on what corporate management is doing and the Fund's position;
- Communicate with other affected or interested businesses;
- Conduct an educational outreach to individual investors and the general public;
- Conduct a media outreach campaign;
- Conduct an advertising campaign;
- Take legal action;
- Call a shareholder meeting;
- Nominate directors to the company's board;
- Offer shareholder proposals; and
- Take any other action deemed appropriate by the Advisor for the purpose of advancing the Fund's objective.

The costs of and risks associated with shareholder activism by the Fund will be borne by the Adviser.

### **Shareholder Advocacy**

The Fund intends to maintain a dialogue with representatives of the companies in which it is a shareholder. The goal of Fund communications would be to further the objectives stated in the Free Enterprise Guidelines.

At times, dialogue initiatives do not yield the intended result. On such occasions, it may be appropriate for the Fund to put forth a proposal for consideration by the entire shareholder body.

The Fund may also be presented with an opportunity each year to vote on various issues proposed by other shareholders. These matters may or may not be related to the Fund's investment strategy. The Adviser intends to vote all proxies consistent, in the opinion of the Adviser, with the principles and standards adopted by the Fund. The Adviser intends to provide updates about its advocacy efforts on its website, [www.freeenterpriseactionfund.com](http://www.freeenterpriseactionfund.com).

### **Who Should Invest In The Fund?**

The Fund may be appropriate for investors who seek to promote the American system of free enterprise while pursuing their long-term financial goals. The Fund's guiding principle is:

"The Social Responsibility Of Business Is To Increase Its Profits."

Milton Friedman  
The New York Times Magazine (September 13, 1970)  
(1976 recipient of the Nobel Prize for Economics)

Businesses should be free to operate according to that principal and otherwise in the best interests of their investors. Increasingly, however, some social activists are threatening and reducing the ability of businesses to so operate.



Under the guise of activist-defined "corporate social responsibility" and other similarly-rooted social behavior concepts, social activists often attempt to persuade, pressure and compel corporate managements to take actions that may not be based on sound business practices, sound economics or sound science. Many corporate managements resist such ill-advised actions, but many do not.

Social activist-inspired decisions by corporate management may not be in the best interests of a business and its investors. More generally, such actions may also adversely affect the entire American system of free enterprise by setting precedents that may tend to induce other corporate managements to take similarly unfounded and undesirable actions.

The advocacy efforts of the social activists and corresponding corporate management decisions may go unnoticed and unchallenged by investors. The long-term adverse impacts of social activist-inspired corporate actions may be underestimated or downplayed by corporate management.

The Fund will be a shareholder of some companies that, in the opinion of the Adviser, are at risk of being adversely impacted by social activists. As a shareholder, the Fund will work to help corporate managements make decisions based on sound business practices, sound economics and sound science. The Fund will work to ensure that businesses stay focused on meeting their true social responsibility, as articulated by Dr. Milton Friedman, thereby promoting the American system of free enterprise.

The Adviser exercises the rights of the Fund as a shareholder to attempt to achieve the following goals:

- Promote the American system of free enterprise;
- Ensure that corporate management makes decisions based on sound business practices, sound economics and sound science; and
- Protect businesses and their investors from social activists that are harmful in the Adviser's opinion.

Investment companies and investors can play a critical role in promoting sound decision-making by corporate managements and, thereby, the American system of free enterprise. The Fund gives you the opportunity to help promote these ideals while pursuing your long-term financial goals.

## Risks

Many factors affect performance and the Fund cannot guarantee that it will achieve its investment objectives. When you redeem your shares of the Fund, they could be worth more or less than what you paid for them. As a result, an investor could lose money on an investment in the Fund. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any government agency. The Fund is subject to the following principal risks:

- **Market Risk.** The Fund's share price changes daily based on changes in market conditions that affect the value of the Fund's portfolio. A stock market in which the Fund invests may go down in value in response to economic, political or financial developments. While stocks have historically been a leading choice of long-term investors, a stock market may go down quickly and unpredictably.
- **Issuer-Specific Risks.** The price of an individual security or a particular type of security can fluctuate differently than, or to a greater extent than, the market as a whole. An individual issuer's securities can fall, with little or no warning, based upon such things as a worse than expected earnings report, the loss of key management personnel, negative news about the development of a product or legal proceeding. There is also a risk that the price of a security may never reach the level that the Fund believes is representative of its full value.
- **Common Stock Risk.** Stock markets can be volatile. In other words, the prices of common stocks can fall rapidly in response to developments affecting a specific company or industry, or to changing economic, political or market conditions. The Fund's investments may decline in value if the stock markets perform poorly. There is also a risk that the Fund's investments will under perform either the securities markets generally or particular segments of the securities markets.
- **Leverage Risk:** The Fund may borrow money as a temporary measure for emergency and other purposes to facilitate redemption requests, or for other purposes consistent with the Fund's investment objectives and program. Such borrowings may be collateralized with Fund assets. To the extent that the Fund purchases securities while it has outstanding borrowings, it may be deemed to be using leverage, i.e., using borrowed funds for investment. Leveraging

will exaggerate the effect on net asset value of any increase or decrease in the market value of the Fund's portfolio. Money borrowed for leveraging will be subject to interest costs that may or may not be recovered by appreciation of the securities purchased; in certain cases, interest costs may exceed the return received on the securities purchased. The Fund may also be required to maintain minimum average balances in connection with such borrowing or to pay a commitment or other fee to maintain a line of credit; either of these requirements would increase the cost of borrowing over the stated interest rate.

- **Interest Rate Risk:** Although the Fund's primary investment focus is stocks, it may invest in debt securities and other types of fixed income securities for temporary defensive purposes. Generally, the value of these securities will change inversely with changes in interest rates. In addition, changes in interest rates may affect the operations of the issuers of stocks in which the Fund invests. Rising interest rates, which may be expected to lower the value of fixed income instruments and negatively impact the operations of many issuers, generally exist during periods of inflation or strong economic growth.
- **Credit Risk:** The Fund's investments, and particularly investments in debt securities, may be affected by the creditworthiness of issuers in which the Fund invests. Changes in the financial strength, or perceived financial strength, of company may affect the value of its securities and, therefore, impact the value of the Fund's shares.
- **Foreign Risk:** While the Fund has no present intention of doing so, the Fund may invest in stocks issued by foreign companies. The Fund generally will do so only if the stocks are traded in the U.S. or available through American Depositary Receipts. The stocks of foreign companies may pose risks in addition to, or to a greater degree than, the other risks described in this prospectus. Foreign companies may be subject to disclosure, accounting, auditing and financial reporting standards and practices that are different from those to which U.S. issuers are subject. Accordingly, the Fund may not have access to adequate or reliable company information. In addition, political, economic and social developments in foreign countries and fluctuations in currency exchange rates may affect the operations of foreign companies or the value of their stocks.
- **ADR Risk:** While ADRs are traded on U.S. securities exchanges, they may be available through "sponsored" or "unsponsored" facilities. The depository of an unsponsored facility frequently is under no obligation to distribute shareholder communications received from the issuer of the deposited security or to pass through voting rights with respect to the deposited security.
- **Risks Associated with Investing in Underlying Funds:** The Fund may invest in shares of Underlying Funds as a means to pursue its investment objectives. As a result, your cost of investing in the Fund may be substantially higher than the cost of investing directly in the Underlying Fund shares. You will indirectly bear fees and expenses charged by the Underlying Funds in addition to the Fund's direct fees and expenses. Furthermore, the strategy of investing in Underlying Funds could affect the timing, amount and character of distributions to you and therefore may increase the amount of taxes payable by you. In addition, certain prohibitions on the acquisition of mutual fund shares by the Fund may prevent the Fund from allocating its investments in the manner the Adviser considers optimal. The Fund intends to purchase Underlying Funds that are either no-load or waive the sales load for purchases made by the Fund. The Fund will not purchase Underlying Funds that charge a sales load upon redemption, but the Fund may purchase Underlying Funds that have an early redemption fee of up to 2%. In the event that an Underlying Fund charges a redemption fee, then you will indirectly bear the expense by investing in the Fund. Additional risks of investing in Underlying Funds are described below:
  - **Investment Management Risk** - When the Fund invests in Underlying Funds there is a risk that the investment advisers of those Underlying Funds may make investment decisions that are detrimental to the performance of the Fund.
  - **Underlying Fund Strategies** - When the Fund invests in Underlying Funds that use margin, leverage, short sales and other forms of financial derivatives, such as options and futures, an investment in the Fund may be more volatile than investments in other funds.

## Temporary Investments

To respond to adverse market, economic, political or other conditions, the Fund may invest 100% of its total assets, without limitation, in high-quality short-term debt securities and money market instruments. These short-term debt securities and money market instruments include shares of other mutual funds, commercial paper, certificates of deposit, bankers' acceptances, U.S. Government securities and repurchase agreements. While the Fund is in a defensive position, the opportunity to achieve its investment objective will be limited. Furthermore, to the extent that a Fund invests in money market mutual funds for its cash position, there will be some

duplication of expenses because the Fund would bear its pro- rata portion of such money market funds' advisory fees and operational fees. The Fund may also invest a substantial portion of its assets in such instruments at any time to maintain liquidity or pending selection of investments in accordance with its policies.

**Portfolio Holdings Disclosure**

A description of the Fund's policies and regarding the release of portfolio holdings information is available in the Fund's Statement of Additional Information.

## MANAGEMENT OF THE FUND

### Investment Adviser

Action Fund Management, LLC (the "Adviser"), located at 12309 Briarbush Lane, Potomac, Maryland 20854, served as the investment adviser to the Predecessor Fund and shall continue to serve as investment adviser to the Fund. Subject to the authority of the Board of Trustees, the Adviser is responsible for the overall management of the Fund's business affairs and the day-to-day investment decisions of the Fund. Investment decisions may include a determination to allocate all or a portion of the day-to-day management of the Fund's assets to an investment sub-adviser. The Adviser conducts research efforts relating to its advocacy activities, and is responsible for applying the Free Enterprise Guidelines to Fund investments. The Adviser conducts all advocacy efforts at its own expense and risk. The Adviser, which is owned and controlled by Steven J. Milloy and Thomas J. Borelli, was formed in 2003 for the purpose of providing investment advisory services to the Fund.

Pursuant to the Investment Advisory Agreement, the Fund pays the Adviser, on a monthly basis, an annual advisory fee of 1.25% of the Fund's average daily net assets. The agreement provides for "breakpoint" reductions in the advisory fee when certain Fund asset levels are reached. The Investment Advisory Agreement provides that the Adviser will furnish continuous investment advisory and other management and administrative services to the Fund. A discussion regarding the basis for the Board's approval of the Investment Advisory Agreement will be available in the Fund's semi-annual shareholder report dated June 30, 2008.

The Adviser has agreed contractually to waive its investment advisory fee and to reimburse expenses, other than dividends on securities sold short, extraordinary or non-recurring expenses and underlying fund fees and expenses, at least until April 30, 2009, such that the total annual fund operating expenses do not exceed 1.75% of average daily net assets, subject to possible recoupment from the Fund in future years on a rolling three year basis (within three years after the fees have been waived or reimbursed) if such recoupment can be achieved within the foregoing expense limits. Fee waiver and reimbursement arrangements can decrease the Fund's expenses and boost its performance.

Under the terms of the expense limitation agreement, the following examples of fees and expenses that would not be considered to be extraordinary or non-recurring include, but are not limited to, taxes, interest, loan commitment fees, brokerage fees and commissions, if any, fees of Board members who are not officers, directors, employees or holders of 5% or more of the outstanding voting securities of the Adviser, U.S. Securities and Exchange Commission fees, state Blue Sky qualification fees, advisory fees, charges of custodians, transfer and dividend disbursing agents' fees, certain insurance premiums, industry association fees, outside auditing and legal expenses, costs of maintaining the Fund's existence, costs of independent pricing services, costs attributable to investor services (including, without limitation, telephone and personnel expenses), costs of preparing and printing prospectuses and statements of additional information for regulatory purposes and for distribution to existing shareholders, costs of shareholders' reports and meetings.

The Adviser may pay certain financial intermediaries (which may include banks, brokers, securities dealers and other industry professionals) a fee for providing distribution related services and/or for performing certain administrative servicing functions for Fund shareholders to the extent these institutions are allowed to do so by applicable statute, rule or regulation. The Fund may from time to time purchase securities issued by financial intermediaries that provide such services; however, in selecting investments for the Fund, no preference will be shown for such securities.

### Portfolio Managers

The Fund's investment team is headed by Steven J. Milloy, M.H.S., J.D., L.L.M. Mr. Milloy is a lawyer, consultant, columnist, adjunct scholar with the Competitive Enterprise Institute and publisher of JunkScience.com. He has also served as president of Steven J. Milloy, Inc., which provides customized, internet-based daily news services for companies desiring comprehensive and timely news updates from around the world involving themselves, their industries and public policy issues relevant to their operations. Mr. Milloy holds a B.A. in Natural Sciences from the Johns Hopkins University, a Master of Health Science (Biostatistics) from the Johns Hopkins University School of Public Health, a J.D. from the University of Baltimore and a Master of Laws (Securities Regulation) from the Georgetown University Law Center.

Thomas J. Borelli, PhD is a corporate public affairs specialist and biochemist who worked for the operating companies of the Altria Group, Inc. for 25 years. Dr. Borelli directed an issues management group that supported the company's food, beer and tobacco units' legislative efforts on regulatory reform and economic analysis. Additional areas of focus included biotechnology, environmental issues, and privacy. He served as Science Fellow for the U.S. House of Representatives' Committee on Science, Space and Technology during the 100th Congress. Dr. Borelli has published scientific papers on interferon and human leukemia. He received his Bachelor of Science in Microbiology from Michigan State University and his Master of Science and Ph.D. in Biochemistry from New York Medical College.

Each Portfolio Manager has been an owner of the Adviser since 2003 and are jointly and primarily responsible for the day-to-day investment decisions of the Fund.

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

## NET ASSET VALUE

Shares of the Fund are sold at net asset value ("NAV"). The NAV of the Fund is determined at 4:00 p.m. (Eastern Time) on each day the New York Stock Exchange ("NYSE") is open for business and will be computed by determining the aggregate market value of all assets of the Fund less its liabilities divided by the total number of shares outstanding. The NYSE is closed on weekends and most national holidays. The NAV takes into account the expenses and fees of the Fund, including management, administration, and distribution fees, which are accrued daily. The determination of NAV for a particular day is applicable to all applications for the purchase of shares, as well as all requests for the redemption of shares, received by the Fund (or an authorized broker or agent, or its authorized designee) before the close of trading on the NYSE on that day.

Generally, the Fund's securities are valued each day at the last quoted sales price on the securities' principal exchange. If market quotations are not readily available, securities will be valued at their fair market value as determined in good faith and evaluated as to the reliability of the fair value method used by the Board on a quarterly basis, in accordance with procedures approved by the Board. Securities primarily traded in the NASDAQ National Market System for which market quotations are readily available shall be valued using the NASDAQ Official Closing Price. The Fund may use independent pricing services to assist in calculating the value of the Fund's securities. In addition, market prices for foreign securities are not determined at the same time of day as the NAV for the Fund. Although not part of the Adviser's principal investment strategy, the Fund may invest in foreign securities that are primarily listed on foreign exchanges that may trade on weekends or other days when the Fund does not price its shares, the value of the Fund's portfolio may change on days when you may not be able to buy or sell Fund shares. In computing the NAV the Fund values foreign securities held by the Fund at the latest closing price on the exchange in which they are traded immediately prior to closing of the NYSE. Prices of foreign securities quoted in foreign currencies are translated into U.S. dollars at current rates. If events materially affecting the values of a Fund's securities, particularly foreign securities, occur after the close of trading on a foreign market but before the Fund prices its shares, the securities will be valued at fair value. For example, if trading in a portfolio security is halted and does not resume before the Fund calculates its NAV, the Adviser may need to price the security using the Fund's fair value pricing guidelines. Without a fair value price, short-term traders could take advantage of the arbitrage opportunity and dilute the NAV of long-term investors. Fair valuation of the Fund's portfolio securities can serve to reduce arbitrage opportunities available to short-term traders, but there is no assurance that fair value pricing policies will prevent dilution of the Fund's NAV by short term traders. The determination of fair value involves subjective judgments. As a result, using fair value to price a security may result in a price materially different from the prices used by other mutual funds to determine net asset value or the price that may be realized upon the actual sale of the security.

With respect to any portion of the Fund's assets that are invested in one or more open-end management investment companies that are registered under the Investment Company Act of 1940, the Fund's net asset value is calculated based upon the net asset values of the registered open-end management investment companies in which the Fund invests, and the prospectuses for these companies explain the circumstances under which those companies will use fair value pricing and the effects of using fair value pricing.

## HOW TO PURCHASE SHARES

### Purchasing Shares

You may purchase shares of the Fund by sending a completed application form to the following address by either regular or overnight mail:

**Free Enterprise Action Fund**  
c/o Gemini Fund Services, LLC  
4020 South 147<sup>th</sup> Street, Suite 2  
Omaha, Nebraska 68137  
1-800-766-3960

## Minimum and Additional Investment Amounts

You can open an account with a minimum initial investment of \$2,500 in the Fund and make additional investments to the account at any time with as little as \$250. There is a \$100 minimum investment requirement for all automatic investment programs. There is no minimum investment requirement when you are buying shares by reinvesting dividends and distributions from the Fund. The Fund reserves the right to waive or reduce the investments under certain circumstances. The Fund may change the investment minimums at any time.

The Fund, however, reserves the right, in its sole discretion, to reject any application to purchase shares. Applications will not be accepted unless they are accompanied by a check drawn on a U.S. bank, savings and loan, or credit union in U.S. funds for the full amount of the shares to be purchased. After you open an account, you may purchase additional shares by sending a check together with a note stating the name(s) on the account and the account number, to the above address. **Make all checks payable to the “Free Enterprise Action Fund.”** The Fund will not accept payment in cash, including cashier’s checks or money orders. Also, to prevent check fraud, the Fund will not accept third party checks, U.S. Treasury checks, credit card checks, or starter checks for the purchase of shares.

Note: Gemini Fund Services, LLC (“GFS”), the Fund’s transfer agent, will charge a \$25 fee against a shareholder’s account, in addition to any loss sustained by the Fund, for any check returned to the transfer agent for insufficient funds.

The USA PATRIOT Act requires financial institutions, including the Fund, to adopt certain policies and programs to prevent money-laundering activities, including procedures to verify the identity of customers opening new accounts. As requested on the application, you should supply your full name, date of birth, social security number, and permanent street address. Mailing addresses containing a P.O. Box will not be accepted. This information will assist the Fund in verifying your identity. Until such verification is made, the Fund may temporarily limit additional share purchases. In addition, the Fund may limit additional share purchases or close an account if it is unable to verify a shareholder’s identity. As required by law, the Fund may employ various procedures, such as comparing the information to fraud databases or requesting additional information or documentation from you, to ensure that the information supplied by you is correct.

## When Order is Processed

All shares will be purchased at the NAV per share next determined after the Fund receives your application or request in good order. All requests received in good order by the Fund before 4:00 p.m. (Eastern time) will be executed on that same day. Requests received after 4:00 p.m. will be processed on the next business day.

**Good Order:** When making a purchase request, make sure your request is in good order. “Good order” means your purchase request includes:

- the *name* of the Fund;
- the *dollar* amount of shares to be purchased;
- a completed purchase application or investment stub; and
- check payable to “Free Enterprise Action Fund.”

## Purchase through Brokers

You may invest in the Fund through brokers or agents who have entered into selling agreements with the Fund’s distributor. These brokers and agents are authorized to designate other intermediaries to receive purchase and redemption orders on behalf of the Fund. The Fund will be deemed to have received a purchase or redemption order when an authorized broker or its designee receives the order. The broker or agent may set its own initial and subsequent investment minimums. You may be charged a fee if you use a broker or agent to buy or redeem shares of the Fund. Finally, various servicing agents use procedures and impose restrictions that may be in addition to, or different from those applicable to investors purchasing shares directly from the Fund. You should carefully read the program materials provided to you by your servicing agent.

## Purchase by Wire

If you wish to wire money to make an investment in the Fund, please call the Fund at 1-800-766-3960 for wiring instructions and to notify the Fund that a wire transfer is coming. Any commercial bank can transfer same-day funds via wire. The Fund will

normally accept wired funds for investment on the day received if they are received by the Fund's designated bank before the close of regular trading on the NYSE. Your bank may charge you a fee for wiring same-day funds.

### **Automatic Investment Plan**

You may participate in the Fund's Automatic Investment Plan, an investment plan that automatically takes money from your bank account and invests it in the Fund through the use of electronic funds transfers or automatic bank drafts. You may elect to make subsequent investments by transfers of a minimum of \$100 on specified days of each quarter into your established Fund account. Please contact the Fund at 1-800-766-3960 for more information about the Fund's Automatic Investment Plan.

### **Retirement Plans**

You may purchase shares of the Fund for your individual retirement plans. Please call the Fund at 1-800-766-3960 the most current listing and appropriate disclosure documentation on how to open a retirement account.

## **REDEMPTIONS**

### **Written Redemption Requests**

You will be entitled to redeem all or any portion of the shares credited to your accounts by submitting a written request for redemption to:

***Regular/Express/Overnight Mail***

Free Enterprise Action Fund  
c/o Gemini Fund Services, LLC  
4020 South 147<sup>th</sup> Street, Suite 2  
Omaha, Nebraska 68137  
1-800-766-3960

### **Redeeming by Telephone**

The telephone redemption privilege is automatically available to all new accounts, except retirement accounts. If you do not want the telephone redemption privilege, you must indicate this in the appropriate area on your account application or you must write to the Fund and instruct it to remove this privilege from your account.

The proceeds will be sent by mail to the address designated on your account or wired directly to your existing account in any commercial bank or brokerage firm in the United States as designated on your application. To redeem by telephone, call 1-800-766-3960. The redemption proceeds normally will be sent by mail or by wire within three business days after receipt of your telephone instructions. IRA accounts are not redeemable by telephone.

The Fund reserves the right to suspend the telephone redemption privileges with respect to your account if the name(s) or the address on the account has been changed within the previous 30 days. Neither the Fund, GFS, nor their respective affiliates will be liable for complying with telephone instructions they reasonably believe to be genuine or for any loss, damage, cost or expenses in acting on such telephone instructions and you will be required to bear the risk of any such loss. The Fund, GFS, or both, will employ reasonable procedures to determine that telephone instructions are genuine. If the Fund and/or GFS do not employ these procedures, they may be liable to you for losses due to unauthorized or fraudulent instructions. These procedures may include, among others, requiring forms of personal identification prior to acting upon telephone instructions, providing written confirmation of the transactions and/or tape recording telephone instructions.

### **Wire Redemptions**

If you request your redemption by wire transfer, you will be required to pay a \$15.00 wire transfer fee to GFS to cover costs associated with the transfer but GFS does not charge a fee when transferring redemption proceeds by electronic funds transfer. In addition, your bank may impose a charge for receiving wires.

## **Redemptions in Kind**

The Fund reserves the right to honor requests for redemption or repurchase orders by making payment in whole or in part in readily marketable securities (“redemption in kind”) if the amount of such a request is large enough to affect operations (for example, if the request is greater than \$250,000 or 1% of the Fund’s assets). The securities will be chosen by the Fund and valued at the Fund’s NAV. A shareholder may incur transaction expenses in converting these securities to cash.

## **Systematic Withdrawal Plan**

If your individual account, IRA, or other qualified plan account has a current account value of at least \$5,000, you may adopt a Systematic Withdrawal Plan to provide for monthly, quarterly or other periodic checks for any designated amount of \$100 or more. If you wish to open a Systematic Withdrawal Plan, please indicate on your application or contact the Fund at 1-800-766-3960.

## **When Redemptions are Sent**

Once the Fund receives your redemption request in “good order” (as described below), it will issue a check based on the next determined NAV following your redemption request. Before selling recently purchased shares, please note that if the Fund’s transfer agent has not yet collected payment for the shares you are selling, it may delay sending the proceeds until the payment is collected, which may take up to 10 calendar days from the purchase date. This procedure is intended to protect the Fund and its shareholders from loss.

## **Good Order**

Your redemption request will be processed if it is in “good order.” To be in good order, the following conditions must be satisfied:

- The request should be in writing, unless redeeming by telephone, indicating the number of shares or dollar amount to be redeemed;
- The request must identify your account number;
- The request should be signed by you and any other person listed on the account, exactly as the shares are registered; and
- If you request that the redemption proceeds to be sent to an address other than that of record be paid to someone other than the record owner(s), or if the address was changed within the last 30 days, or if the proceeds of a requested redemption exceed \$50,000, the signature(s) on the request must be medallion signature guaranteed by an eligible signature guarantor.

## **When You Need Medallion Signature Guarantees**

A medallion signature guarantee assures that a signature is genuine and protects you from unauthorized account transfers. You will need your signature guaranteed if:

- you wish to change the bank or brokerage account that you have designated on your account;
- you request a redemption to be made payable to a person not on record with the Fund;
- you request that a redemption be mailed to an address other than that on record with the Fund;
- the proceeds of a requested redemption exceed \$50,000; or
- any redemption is transmitted by federal wire transfer to a bank other than the bank of record; or
- your address was changed within 30 days of your redemption request.

Signatures may be guaranteed by any eligible guarantor institution (including banks, brokers and dealers, credit unions, national securities exchanges, registered securities associations, clearing agencies, and savings associations) or by completing a supplemental telephone redemption authorization form. Contact the Fund to obtain this form. Further documentation will be required to change the designated account if shares are held by a corporation, fiduciary, or other organization. *A notary public cannot guaranty signatures.*

## **Retirement Plans**

If you own an IRA or other retirement plan, you must indicate on your redemption request whether the Fund should withhold federal income tax. Unless you elect in your redemption request that you do not want to have federal tax withheld, the redemption will be subject to withholding.



## **Redeeming through Broker**

If shares of the Fund are held by a broker-dealer, financial institution, or other servicing agent, you must contact that servicing agent to redeem shares of the Fund. The servicing agent may charge a fee for this service.

## **Low Balances**

For regular accounts, if at any time your account balance falls below \$1,000 and there has been no shareholder activity in the account for the past 12 months, the Fund may notify you that, unless the account is brought up to at least \$1,000 or you initiate activity in the account; your account could be closed. This will not apply to any account balances that drop below \$1,000 due to a decline in NAV.

The Fund may, within 30 days, redeem all of your shares and close your account by sending you a check to the address of record.

## **TAX STATUS, DIVIDENDS AND DISTRIBUTIONS**

Any sale or exchange of the Fund's shares may generate tax liability (unless you are a tax-exempt investor or your investment is in a qualified retirement account). When you redeem your shares you may realize a taxable gain or loss. This is measured by the difference between the proceeds of the sale and the tax basis for the shares you sold. (To aid in computing your tax basis, you generally should retain your account statements for the period that you hold shares in the Fund.)

The Fund intends to distribute substantially all of its net investment income at least annually and net capital gain annually, typically in December. Due to the Adviser's investment strategy, it is anticipated that the Fund will realize no long-term capital gains. The distributions will be reinvested in shares of the Fund unless you elect to receive cash. Dividends from net investment income (including any excess of net short-term capital gain over net long-term capital loss) are taxable to investors as ordinary income, while distributions of net capital gain (the excess of net long-term capital gain over net short-term capital loss) are generally taxable as long-term capital gain, regardless of your holding period for the shares. Any dividends or capital gain distributions you receive from the Fund will normally be taxable to you when made, regardless of whether you reinvest dividends or capital gain distributions or receive them in cash. Certain dividends or distributions declared in October, November, or December will be taxed to shareholders as if received in December if they are paid during the following January. Each year the Fund will inform you of the amount and type of your distributions. IRAs and other qualified retirement plans are exempt from federal income taxation.

Your redemptions, including exchanges, may result in a capital gain or loss for federal tax purposes. A capital gain or loss on your investment is the difference between the cost of your shares, including any sales charges, and the amount you receive when you sell them.

On the account application, you will be asked to certify that your social security number or taxpayer identification number is correct and that you are not subject to backup withholding for failing to report income to the IRS. If you are subject to backup withholding or you did not certify your taxpayer identification number, the IRS requires each Fund to withhold a percentage of any dividend, redemption or exchange proceeds. The Fund reserves the right to reject any application that does not include a certified social security or taxpayer identification number. If you do not have a social security number, you should indicate on the purchase form that your application to obtain a number is pending. The Fund is required to withhold taxes if a number is not delivered to the Fund within seven days.

This summary is not intended to be and should not be construed to be legal or tax advice to any current holder of the Fund's shares. You should consult your own tax adviser to determine the tax consequences of owning the Fund's shares.

## **MARKET TIMING**

Frequent trading into and out of the Fund may harm all fund shareholders by disrupting the Fund's investment strategies, increasing Fund expenses, decreasing tax efficiency and diluting the value of shares held by long-term shareholders. The Fund is designed for long-term investors and is not intended for market timing or other potentially disruptive trading activities. Accordingly, the Fund's Board has approved policies that seek to curb these disruptive activities while recognizing that shareholders may have a legitimate need to adjust their Fund investments as their financial needs or circumstances change. The Fund currently commits staff to review, on a continuing basis, recent trading activity in order to identify trading activity that may be contrary to the Fund's "Market Timing Trading Policy."

Though this method involves judgments that are inherently subjective and involve some selectivity in their application, the Fund seeks to make judgments and applications that are consistent with the interests of the Fund's shareholders.

The Fund reserves the right to reject or restrict purchase or exchange requests for any reason, particularly when the shareholder's trading activity suggests that the shareholder may be engaged in market timing or other disruptive trading activities. Neither the Fund nor the Adviser will be liable for any losses resulting from rejected purchase or exchange orders. The Adviser may also bar an investor who has violated these policies (and the investor's financial adviser) from opening new accounts with the Fund.

Although the Fund attempts to uniformly limit disruptive trading activities, some investors use a variety of strategies to hide their identities and their trading practices. There can be no guarantee that the Fund will be able to identify or limit these activities. Omnibus account arrangements are common forms of holding shares of the Fund. While the Fund will encourage financial intermediaries to apply the Fund's Market Timing Trading Policy to their customers who invest indirectly in the Fund, the Fund is limited in its ability to monitor the trading activity or enforce the Fund's Market Timing Trading Policy with respect to customers of financial intermediaries. For example, should it occur, the Fund may not be able to detect market timing that may be facilitated by financial intermediaries or made difficult to identify in the omnibus accounts used by those intermediaries for aggregated purchases, exchanges, and redemptions on behalf of all their customers. More specifically, unless the financial intermediaries have the ability to apply the Fund's Market Timing Trading Policy to their customers through such methods as implementing short-term trading limitations or restrictions and monitoring trading activity for what might be market timing, the Fund may not be able to determine whether trading by customers of financial intermediaries is contrary to the Fund's Market Timing Trading Policy. If the Fund or its Transfer Agent or shareholder servicing agent suspects there is market timing activity in the account, the Fund will seek full cooperation from the service provider maintaining the account to identify the underlying participant. Upon instructions from the Adviser, the service providers will take immediate action to stop any further short-term trading by such participants.

## DISTRIBUTION OF SHARES

### **Distributor**

Aquarius Fund Distributors, LLC, 4020 South 147th Street, Omaha, Nebraska 68137, is the distributor for the shares of the Fund. Aquarius Fund Distributors, LLC is a registered broker-dealer and member of the Financial Industry Regulatory Authority, Inc. Shares of the Fund are offered on a continuous basis.

## FINANCIAL HIGHLIGHTS

The following table is intended to help you better understand the Fund's financial performance. The Fund is a continuation of the Predecessor Fund and, therefore, the financial information includes results of the Predecessor Fund. Certain information reflects financial results for a single Fund share. Total return represents the rate you would have earned (or lost) on an investment in a class of the Fund, assuming reinvestment of all dividends and distributions. This information has been audited by Ernst & Young LLP, whose report, along with the financial statements, is included in the Predecessor Fund's annual report, which is available upon request.

### Free Enterprise Action Fund

The table below sets forth financial data for one share outstanding throughout the period indicated

	Year Ended December 31, 2007	Year Ended December 31, 2006	March 1, 2005(a) to December 31, 2005
<b>Net Asset Value, Beginning of Period</b>	\$11.29	\$10.19	\$10.00
<b>Investment Activities:</b>			
Net investment income/(loss)	0.05	0.01	(0.02)
Net realized and unrealized gain on investments and options	0.41	1.10	0.25
Total from investment operations	0.46	1.11	0.23
<b>Distributions:</b>			
Net investment income	(0.04)	(0.01)	- <sup>(b)</sup>
Net realized gains	--	--	(0.04)
Return of Capital	--	-- <sup>(b)</sup>	--
Total distributions	(0.04)	(0.01)	(0.04)
<b>Change in Net Asset Value per Share</b>	0.42	1.10	0.19
<b>Net Asset Value, End of Period</b>	\$11.71	\$11.29	\$10.19
<b>Total Return</b>	4.05%	10.88%	2.32% <sup>(c)</sup>
<b>Ratios/Supplemental Data:</b>			
Net assets at end of period (000's omitted)	\$12,163	\$8,941	\$4,795
Ratio of net expenses to average net assets	1.75%	1.82%	2.00% <sup>(d)</sup>
Ratio of total expenses to average net assets (e)	3.09%	5.79%	8.42% <sup>(d)</sup>
Ratio of net investment income/(loss) to average net assets	0.35%	0.12%	(0.27)% <sup>(d)</sup>
Portfolio turnover rate	3.12%	182.66%	0.00% <sup>(c)(f)</sup>

(a) Commencement of operations.

(b) Amount is less than \$0.005.

(c) Not annualized for periods less than one year.

(d) Annualized for periods less than one year.

(e) During the period, certain fees were contractually reduced and/or reimbursed. If such contractual fee reductions and/or reimbursements had not occurred, the ratio would have been as indicated.

(f) Rate is less than 0.5%

## NOTICE OF PRIVACY POLICY & PRACTICES

*Your privacy is important to us. The Fund is committed to maintaining the confidentiality, integrity, and security of your personal information. When you provide personal information, the Fund believes that you should be aware of policies to protect the confidentiality of that information.*

*The Fund collects the following nonpublic personal information about you:*

- Information we receive from you on or in applications or other forms, correspondence, or conversations, including, but not limited to, your name, address, phone number, social security number, assets, income, and date of birth; and*
- Information about your transactions with us, our affiliates, or others, including, but not limited to, your account number and balance, payments history, parties to transactions, cost basis information, and other financial information.*

*The Fund does not disclose any nonpublic personal information about our current or former shareholders to nonaffiliated third parties, except as permitted by law. For example, the Fund is permitted by law to disclose all of the information we collect, as described above, to our transfer agent to process your transactions. Furthermore, the Fund restricts access to your nonpublic personal information to those persons who require such information to provide products or services to you. The Fund maintains physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.*

*In the event that you hold shares of the Fund through a financial intermediary, including, but not limited to, a broker-dealer, bank, or trust company, the privacy policy of your financial intermediary would govern how your nonpublic personal information would be shared with non-affiliated third parties.*

## FREE ENTERPRISE ACTION FUND

Adviser	<b>Action Fund Management, LLC</b> 12309 Briarbush Lane Potomac, Maryland 20854
Distributor	<b>Aquarius Fund Distributors, LLC</b> 4020 South 147th Street Omaha, Nebraska 68137
Legal Counsel	<b>Thompson Hine LLP</b> 312 Walnut Street, 14th Floor Cincinnati, Ohio 45202-4089
Transfer Agent	<b>Gemini Fund Services, LLC</b> 4020 South 147th Street, Suite 2 Omaha, NE 68137
Custodian	<b>The Huntington National Bank</b> 7 Easton Oval/EA4E72 Columbus, OH 43219

Additional information about the Fund, including the Fund's policies and procedures with respect to disclosure of the Fund's portfolio holdings, is included in the Fund's Statement of Additional Information dated April 21, 2008 (the "SAI"). The SAI is incorporated into this Prospectus by reference (i.e., legally made a part of this Prospectus). The SAI provides more details about the Fund's policies and management. Additional information about the Fund's investments will also be available in the Fund's Annual and Semi-Annual Reports to Shareholders.

To obtain a free copy of the SAI or other information about the Fund, or to make shareholder inquires about the Fund, please call 1-800-766-3960 or visit [www.freeenterpriseactionfund.com](http://www.freeenterpriseactionfund.com). You may also write to:

**Free Enterprise Action Fund**  
c/o Gemini Fund Services, LLC  
4020 South 147th Street, Suite 2  
Omaha, Nebraska 68137

You may review and obtain copies of the Fund's information at the SEC's Public Reference Room in Washington, D.C. Please call 1-202-551-8090 for information relating to the operation of the Public Reference Room. Reports and other information about the Fund are available on the EDGAR Database on the SEC's Internet site at <http://www.sec.gov>. Copies of the information may be obtained, after paying a duplicating fee, by electronic request at the following E-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov), or by writing the Public Reference Section, Securities and Exchange Commission, 100 F Street, N.E., Washington, D.C. 20549-0102.

Investment Company Act File #811-21720

**Free Enterprise Action Fund**  
**4020 South 147th St. • Suite 2 • Omaha, NE 68137**  
**1-800-766-3960**

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