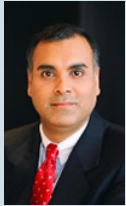


**LOW DURATION TAX-EXEMPT BOND FUND (YQSMX)**



**Jay K. Chitnis, CFA**

**Portfolio Manager & Chief Investment Officer**

"In the last quarter, we believe we have seen the movie we scripted several months ago begin to play out, as financial markets appear to have made solid progress on the 'return to normalcy' and credit conditions have stabilized somewhat. This has led to good performance over the short term as compared to benchmarks."

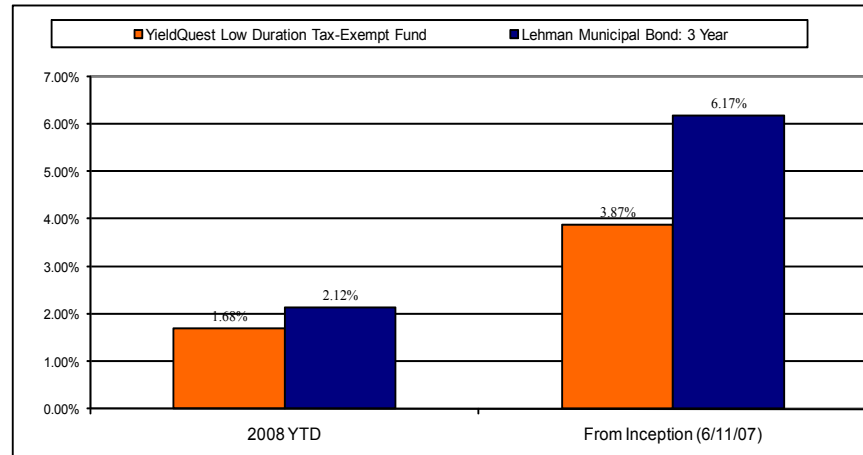
**Portfolio Attributes**

Symbol	YQSMX
CUSIP	98584A600
Fund Inception	06/11/2007
Total Net Assets	5,408,806
Net Asset Value	10.10
Gross Expense Ratio	6.66
Net Expense Ratio	0.65
Duration	3.43
Current Yield as of 4/30/08	3.37%
Turnover (as of 10/31/07)	30%

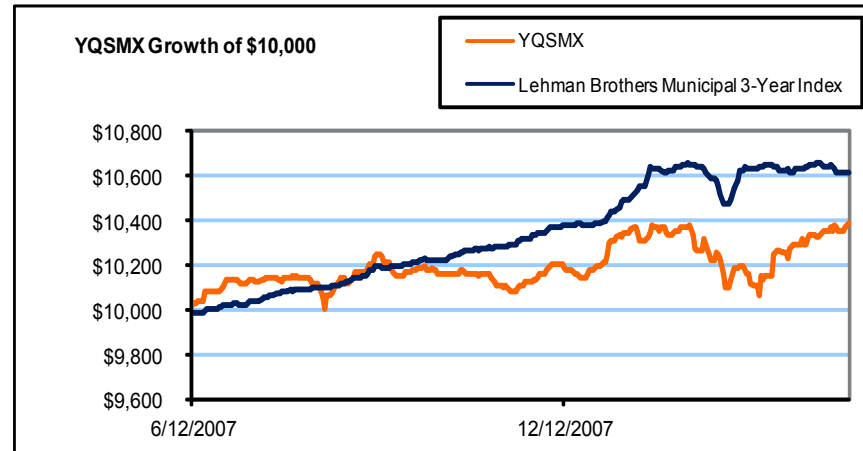
**Top 10 Holdings (%) (as of 1/31/08)**

BlackRock Florida Insured Municipal 2008 Term Trust	5.69%
BlackRock Insured Municipal Term Trust Inc	5.04%
De Kalb County Hospital Authority VRN 9/1/2031	3.90%
Arizona State University/AZ VRN 7/1/2034	2.82%
Atlanta Downtown Development Authority VRN 10/1/2016	2.82%
City of Brownsville VRN 9/1/2027	2.82%
Charlotte-Mecklenburg Hospital Authority/NC VRN 1/15/2043	2.82%
Denver City & County CO VRN 9/1/2025	2.82%
North Slope Boro AK VRN 6/30/2010	2.82%
Indiana Transportation Finance Authority/IN 5 6/1/2028	2.61%

**Performance**



**YQSMX Growth of \$10,000 Since Inception**



The performance data shown represents past performance. Past performance does not guarantee future results and current performance may be lower or higher than the performance data quoted. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Investors can obtain performance data current to the most recent month-end by calling 1-866-973-8637.

**Quality Distribution (%)**

AAA	28.36%
AA	50.72%
A	6.35%
BBB	10.37%
BB and lower	4.20%
Average Credit Quality*	AA

**Industry Distribution (%)**

Municipals	51.28%
ETF	45.26%
Preferred	1.95%
Other	0.61%
Cash	0.90%

**Maturity Distribution (%)**

0	4.19%
1	8.54%
2	10.95%
3	8.32%
4	10.67%
5	4.40%
6	0.58%
7	5.29%
8	0.00%
9	0.00%
10 or greater	1.75%
NA	45.30%

## LOW DURATION TAX-EXEMPT BOND FUND (YQSMX)

### Investment Objective

The primary investment objective of the YieldQuest Low Duration Tax-Exempt Bond Fund (the "Low Duration Tax-Exempt Fund" or "Fund") is to deliver maximize total return. Total return which the Fund seeks is comprised of both income and capital appreciation.

Under normal circumstances, the Low Duration Tax-Exempt Fund generally invests at least 80% of its assets in investments the income from which is exempt from both regular federal income tax and federal alternative minimum tax ("AMT"). This investment policy may not be changed without shareholder approval. The Fund primarily invests in tax-exempt securities and in other investment companies (including other mutual funds, closed-end funds and exchange-traded funds ("ETFs")) whose interest income from underlying investments is tax-exempt. The Fund's Advisor, YieldQuest Advisors, LLC, seeks to manage volatility, or "duration," by investing in short-term tax-exempt bonds with low to moderate interest rate risk. "Duration" measures the sensitivity of a security's price to changes in interest rates. Debt securities in the Fund's portfolio typically will have maturities of up to five years, with durations ranging from three months to five years. The Fund's weighted average duration typically will range from one to three years. The Advisor determines a security's duration based on its forecast for interest rates. The Advisor considers a variety of factors in formulating its interest rate outlook, including current and expected U.S. economic growth; current and expected interest rates and inflation; the Federal Reserve's monetary policy; and supply and demand factors related to the municipal market and the effect they may have on the returns offered for various bond maturities.

### Important Information About Our Fund

There is no guarantee the fund will meet its objectives.

Shares in the fund carry risks including possible loss of principal. Shares in the fund are not deposits, or obligations of, or endorsed by, any bank, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any government agency.

*Carefully consider the Fund's investment objectives, risks, sales charges, and expenses; these are found in the prospectus. This and other information about the YieldQuest Funds is contained in the prospectus and should be read carefully before investing. The prospectus is available from your financial advisor or at [www.yieldquest.com](http://www.yieldquest.com). You may also call (866) 973-8637 to request a copy.*

There are risks associated with fixed income securities which could include, but are not limited to, the same interest rate, inflation and credit risks associated with the underlying bond in the portfolio. High-yield securities may be subject to greater fluctuations in value and risk of loss of income and principal. The Fund may invest in the shares of other mutual and exchange traded funds. These underlying funds may be subject to their own operating fees and expenses. There are special risks associated with international and emerging investing, including currency fluctuations, economic conditions and different governmental and accounting standards. The Fund may utilize short sales or invest in options and futures which may subject the portfolio to higher risk and volatility.

*The Funds charged a 2% redemption fee on shares held less than 90 days until June 18th, 2007. The performance shown does not reflect the deduction of this fee. Had it been reflected, it would have reduced the performance shown. The Fund's management has waived or is currently waiving a portion of its management fees. The performance shown reflects the waivers without which the performance would have been lower. Investors should note that mutual fund values may fluctuate and the fund's price may rise or fall. Accordingly, investors may receive back less than originally invested*

The YieldQuest Funds are distributed by YieldQuest Securities, LLC. (Member FINRA and SIPC). YieldQuest Advisors, LLC is the Advisor to the YieldQuest Funds.

ADV-0141-001-222

### Relative Price Stability

As with direct bond ownership, Funds that invest in bonds are subject to certain risks including interest-rate risk, credit risk, and inflation risk. The principal value of bond funds will fluctuate relative to changes in interest rates, decreasing when interest rates rise. Unlike bonds, bond funds have ongoing fees and expenses. Investments with shorter average maturities are less exposed to interest rate risk than investments with longer average maturities. The Fund currently maintains an average maturity of no more than seven years.

\*Credit hedges are used to manage credit risk and to increase or decrease credit exposure without buying or selling securities outright. Bond equivalent exposure is included in portfolio credit risk measures.

Industry Distribution is listed as a percentage of long assets.