



**MUTUAL FUNDS**  
Hedge Fund Strategies in a Mutual Fund<sup>SM</sup>

**ALPHA HEDGED STRATEGIES FUND**  
**Class C Shares**  
**TICKER SYMBOL: APHCX**

**PERFORMANCE as of 5/31/08**

Total Returns %	YTD	1 YR	3 YR*	5 Yr*	10 Yr*	Since Incept**
APHCX	-3.55	-1.85	5.07	6.28	N/A	5.39
HFRI FOF	-1.05	0.46	7.04	6.19	6.13	6.67
LB Agg Index	1.21	6.89	4.30	3.83	5.78	4.42
90 Day T-Bill	0.77	3.18	4.13	3.08	3.48	2.86
S&P 500	-3.80	-6.70	7.57	9.77	4.21	11.60

**PERFORMANCE as of 3/31/08**

Total Returns %	YTD	1 YR	3 YR*	5 Yr*	10 Yr*	Since Incept**
APHCX	-6.63	-1.97	3.98	5.44	N/A	4.94
HFRI FOF	-2.85	1.41	5.96	6.28	6.10	6.47
LB Agg Index	2.17	7.64	5.47	4.58	6.03	5.02
90 Day T-Bill	0.52	3.76	4.21	3.07	3.54	2.93
S&P 500	-9.45	-5.08	5.84	11.30	3.50	11.21

Performance data quoted represents past performance; past performance does not guarantee future results. The 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. Current performance of the Fund may be lower or higher than the performance quoted. Most recent month-end performance is available by calling 1.877.LOW.BETA.. \*Average Annualized Return. \*\*Average annual return since Fund inception on 9/23/02. C shares inception on 8/1/06. Performance figures for the C shares for periods prior to share class inception date represent the performance for no load shares, which have been restated to reflect the impact of the higher expense ratio of C shares, and with a 1% CDSC assessed on redemptions within one year of the date of purchase, for any periods of less than one year.

**FUND FACTS as of 5/31/08**

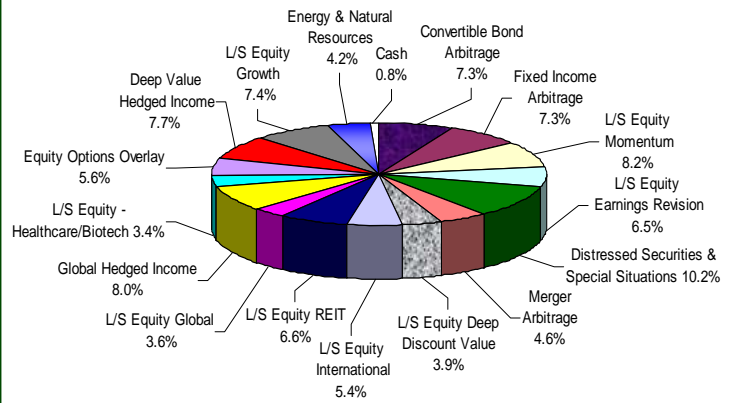
Inception Date	09/23/02		
Ticker Symbol	APHCX		
Total Net Assets	\$798 Million		
Total Long Securities	\$964 Million		
Total Long/Short Securities	\$1,302 Million		
Number of Holdings	3,546		
<b>Relative Risk Profile:</b>	<b>APHCX</b>	<b>LB Agg.</b>	<b>S&amp;P 500</b>
Correlation to S&P 500*	0.37	-0.26	1.00
R-Squared*	0.14	0.07	1.00
Beta vs. S&P*	0.13	-0.08	1.00
Annualized Standard Deviation*	5.17%	3.57%	15.24%
*since inception of the Fund			

Maximum Sales Charge	None
12b-1 Fee	1.00%

Total Annual Fund Operating Expenses	6.85%*
Net Fund Operating Expenses	4.74%**
Minimum Purchase	\$10,000***
Minimum Subsequent Purchase	\$250***

\* Includes dividends on short positions and interest on borrowing, which may vary greatly year to year, with portfolio composition and interest rates. \*\* Excludes dividends on short positions and interest on borrowing, other Fund Operating Expenses are contractually capped indefinitely at 3.99%. \*\*\* Various broker platforms may set their own minimums.

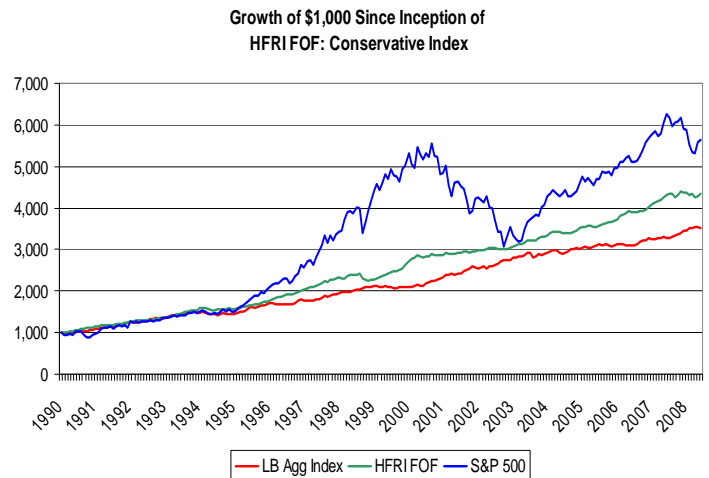
**PORTFOLIO COMPOSITION as of 5/31/08**



Portfolio composition is subject to change at any time.

**PERFORMANCE COMPARISON as of 5/31/08**

The chart below compares a hypothetical \$1,000 investment in three industry benchmarks (The HFRI Fund of Funds Conservative Index, the S&P 500 Index and Lehman Brothers Aggregate Bond Index) over the period from Jan 1990 to May 2008.



One cannot invest directly in an index. Benchmark performance should not be considered reflective of Fund performance.

\*Hedge Fund Research Inc. ©HFR, Inc. (5/31/08)  
www.hedgefundresearch.com

**FUND OBJECTIVE AND STRATEGY**

Alpha Hedged Strategies Fund is an open-end mutual fund combining the key attributes of alternative investment strategies with the appealing shareholder features of a mutual fund. The Fund is designed to minimize market exposure and volatility, and may play an important role in portfolio diversification. Alpha Hedged Strategies Fund seeks capital growth by engaging in a variety of hedging and arbitrage strategies, designed to produce low correlation to traditional financial market indices. The Fund allocates assets among a group of specialized hedge fund managers, who serve as its sub-advisors. The Fund's goal is to achieve consistent positive returns in both bull and bear markets.

## FUND MANAGEMENT

Investment Advisor :  
Alternative Investment Partners

Portfolio Research Consultant:  
Trust Advisors

## TOP 15 PORTFOLIO ALLOCATIONS

Investment Sub-Advisors	Strategy	Total Assets%
Smith Breeden Assoc.	Fixed Income Arbitrage	7.3
Alpha Equity Mgt. REIT	Long/Short Equity – REIT	6.6
Zacks Investment Mgt.	Long/Short Equity - Earnings Revision	6.5
Twin Capital Mgt.	Long/Short Equity – Momentum	5.5
Alpha Equity Mgt. Int'l	Long/Short Equity – International	5.4
Seagate Global Advisors	Global Hedged Income	4.7
GAMCO Asset Mgt.	Merger Arbitrage	4.6
Simran Capital Mgt.	Deep Value Hedged Income	3.9
Sage Capital Mgt.	Convertible Bond Arbitrage	3.7
Venus Capital Mgt.	Long/Short Equity – Global	3.6
Front Four Capital	Distressed Securities & Special Situations	3.6
Sunnymeath Asset Mgt.	Long/Short Equity – Deep Discount Value	3.6
Nicholas Investment Partners	Convertible Bond Arbitrage	3.6
Hovan Capital Mgt.	Long/Short Equity - Healthcare/Biotech	3.4
Deltec Asset Mgt.	Global Hedged Income	3.3

(For a complete list of all 27 Sub-Advisors go to [www.aipfunds.com](http://www.aipfunds.com))

## COMPARISON OF FUND PERFORMANCE

The Fund may from time to time use the following for performance comparison purposes (one cannot invest directly in an index):

- 90-day U.S. Treasury bill, constant maturity; are short-term loans to the U.S. government, are full-faith-and-credit obligations of the U.S. Treasury and are generally regarded as being free of any risk of default;
- S&P 500: The S&P 500 is a representative sample of 500 leading companies in leading industries of the U.S. economy. The S&P 500 focuses on the large-cap segment of the market. With over 80% coverage of U.S. equities, it also serves as a proxy for the total market. The list is maintained by Standard & Poor's Corporation. It is market capitalization weighted. There are always 500 issuers in the S&P 500. Changes are made by Standard & Poor's as needed;
- Lehman Brothers Aggregate Bond Index is composed of securities from Lehman Brothers Government/Corporate Bond Index, Mortgage-Backed Securities Index and the Asset-Backed Securities Index. The index's total return consists of price appreciation/depreciation plus income as a percentage of the original investment.
- HFRI (Hedge Funds Research, Inc.) Performance Indices, which are equally weighted hedge fund performance indices broken down into 37 different categories by strategy, such as "equity market neutral" investing and "conservative or market-neutral fund-of-funds" investing. Conservative Fund of Funds investing seeks to profit by investing in various absolute return, hedged strategies.
- **Correlation** measures the frequency with which a fund moves in the same direction as a general market benchmark. **Beta** measures the correlation and magnitude with which a fund moves in relation to a general market benchmark. **Standard Deviation** measures the historical volatility of a fund or benchmark, utilizing daily returns since the inception of ALPHX. **R-Squared** measures how closely a fund's performance correlates with an index. It can range between 0.00 and 1.00. A R-Squared of 1.00 indicates perfect correlation, while an R-Squared of 0.00 indicates no correlation.

## RISK DISCLOSURE

*The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company, and it may be obtained by calling 1.877.LOW.BETA (569-2382), or visiting [www.aipfunds.com](http://www.aipfunds.com). Read it carefully before investing.*

Certain hedging techniques and leverage employed in the management of the Fund may accelerate the velocity of possible losses. Short selling involves the risk of potentially unlimited increase in the market value of the security sold short, which could result in potentially unlimited loss for the Fund. Derivatives involve investment exposure that may exceed the original cost and a small investment in derivatives could have a large potential impact on the performance of the Fund. Options held in the Fund may be illiquid and the fund manager may have difficulty closing out a position. The Fund may also invest in: smaller capitalized companies that are subject to more abrupt or erratic market movements than larger, more established companies; foreign securities which involve currency risk, different accounting standards and are subject to political instability; securities limited to resale to qualified institutional investors, which can affect their degree of liquidity; and shares of other investment companies that invest in securities and styles similar to the Fund, resulting in a generally higher investment cost than from investing directly in the underlying shares of these funds.

The Fund intends to utilize these individual securities and hedging techniques in matched combinations that are designed to neutralize or offset the individual risks of employing these techniques separately. Some of these matched strategies include, merger arbitrage, long/short equity, convertible bond arbitrage and fixed-income arbitrage. There is no assurance that these strategies will protect against losses. The Fund is non-diversified and therefore may invest in the securities of fewer issuers than diversified funds at any one time; as a result, the gains and losses of a single security may have a greater impact on the Fund's share price.

*Because the Fund is a fund-of-funds, your cost of investing in the Fund will generally be higher than the cost of investing directly in the shares of the mutual funds in which it invests. By investing in the Fund, you will indirectly bear your share of any fees and expenses charged by the underlying funds, in addition to indirectly bearing the principal risks of the funds. Please refer to the prospectus for more information about the Fund, including risks, fees and expenses.*

Mutual fund investing involves risk; loss of principal is possible. Please consult an investment professional for advice regarding your particular circumstances. An investment in the Fund may not be suitable for all investors.