

IMS Dividend Growth Fund

as of March 31, 2010

INVESTMENT OBJECTIVE

Long term growth through capital appreciation and the compounding effect of dividend income.

PHILOSOPHY AND PROCESS

We believe investing in financially strong companies with a history of growing dividends will result in above-average returns and less volatility over time than a typical stock portfolio.

We seek high quality companies with dividend yields and dividend growth rates that exceed the average of the S&P 500 Index. We look for opportunities across the board, selecting from both growth and value stocks as well as large cap, mid cap, small cap and international stocks.

We focus on companies with stable and growing dividends, as well as several other financial metrics including low debt to capital, high relative return on equity and significant cash flow production.

WHAT SETS THIS FUND APART?

- Veteran portfolio management team with 14 years average industry experience and over 42 years combined experience
- All-cap, global “go-anywhere” approach including both value and growth stocks, as well as large-cap, mid-cap, and small-cap holdings.
- Defensive characteristics—multiple studies confirm that dividend-paying stocks tend to hold up better in down markets than non-dividend-paying stocks.
- A portfolio of approximately 40 dividend growth stocks should be less volatile than the typical concentrated fund and less likely to simply mirror the market, than a typical equity fund, with an average of 160 stocks.
- One of the few funds of its kind, truly all cap and global with a focus on financial strength, dividend yield and a history of dividend growth.

WHY CONSIDER A DIVIDEND FUND?

A fund investing in companies that pay steady and rising dividends can potentially provide above average returns, higher income and reduced volatility .

PORTFOLIO MANAGER QUARTERLY COMMENTARY

The IMS Dividend Growth Fund gained 4.08% during the quarter as high quality companies, as measured by balance sheet strength, tended to trail the overall market, which was led by the strong performance of technology and financial stocks.

Two sectors in the Fund that held back relative returns were the financials and healthcare. During the quarter, the fund was underweighted in financials which returned 11.1%, as measured by the S & P 500 index, while the Fund's financial holdings gained 2%. The fund's over-weighted position in healthcare also did not perform well relative to the the index, which was largely due to the performance of the Fund's holdings in big pharma including Abbott Labs, Pfizer, Eli Lilly, Johnson & Johnson and Glaxo Smith Kline. Consistent with the fund's philosophy, however, three of our pharmaceutical companies have raised their dividends so far this year.

The fund did have its bright spots throughout the quarter. The over weighted materials sector (7% weighting to the benchmark's 3.4%) rose 16.4%, while the S&P's sector gained only 2.9%. One stand out performer was Carpenter Technology, which rose 36% in the first quarter.

The technology sector also helped the fund during the quarter, rising 8%, in the face of the benchmark's 1.9% gain for the sector. Nokia Corp. provided most of the out performance, adding 21% to its share price after an encouraging year-end report. In addition to materials and technology, the utilities sector of the fund added to the upside. The over weighted sector, within the fund, returned 5.2%, while the utilities sector of the S&P dropped 3.5%

It is important to remember the goal of this strategy. We are seeking to deliver a lower risk return to our shareholders, by investing in higher quality , dividend-paying companies that reward us as shareholders through dividend payment and dividend growth. We feel these types of companies will be able to protect shareholders better on the downside. The values we are finding in this space right now are astounding.

PORTFOLIO CHARACTERISTICS

Average Payout Ratio	57%	Large Cap	60.6%	International	19.7%
Average 5yr. Dvd Growth	15%	Mid Cap	22.4%	Domestic	77.1%
Average Debt to Capital	29%	Small Cap	13.7%		

Average payout ratio—percentage of earnings paid to shareholders in dividends.

Average 5-year dividend growth—annualized percentage of each company's 5yr growth rate.

Average debt to capital—measurement of financial leverage of the companies in the portfolio.

PERFORMANCE

Average annual total returns as of 3/31/10

	4Q '09	1-YR	3-YR	5-YR	Life of Fund
IMSAX	4.08%	37.23%	-6.88%	-0.68%	2.45%
S&P 500 Index	5.39%	49.72%	-4.15%	1.92%	5.14%

2.58% — Total/Gross Expense Ratio as 9/1/2009

Effective September 1, 2009, the IMS Strategic Allocation Fund became the IMS Dividend Growth Fund, resulting in a new fund objective and a new portfolio management team. FINRA requires disclosures stating one year performance occurred in unusual market conditions for the entire market. **The performance data shown above represents past performance, and is no guarantee of future results. Current and monthly returns are available at www.imscapital.com, and may be lower or higher than that above. Investment return and principal value will fluctuate so that your shares, when redeemed, may be worth more or less than original cost.** The S&P 500 is a widely recognized unmanaged index of common stock prices and is representative of a broader market and range of securities than are found in the Fund's portfolio. Figures include changes in principal value, reinvested dividends and capital gain distributions.

PORTFOLIO MANAGEMENT TEAM

Carl W. Marker, 47, is the founder and president of IMS Capital Management. He received a B.S. from the University of Oregon and has 22 years portfolio management experience. He is a member of the Portland Society of Financial Analysts and is frequently interviewed by national television and print media.

Cameron Martin, 40, is a portfolio manager at IMS Capital Management. Prior to joining IMS, Mr. Martin worked at Smith Barney where he managed discretionary portfolios of primarily dividend-paying stocks and served as a Financial Advisor since 1996. He graduated from the University of Oregon.

Reid Weaver is a portfolio manager and research analyst with IMS Capital Management. He has eight years industry experience. A Level III CFA candidate, Mr. Weaver has a Bachelor of Science degree from the University of Oregon.

INVESTMENT ADVISOR

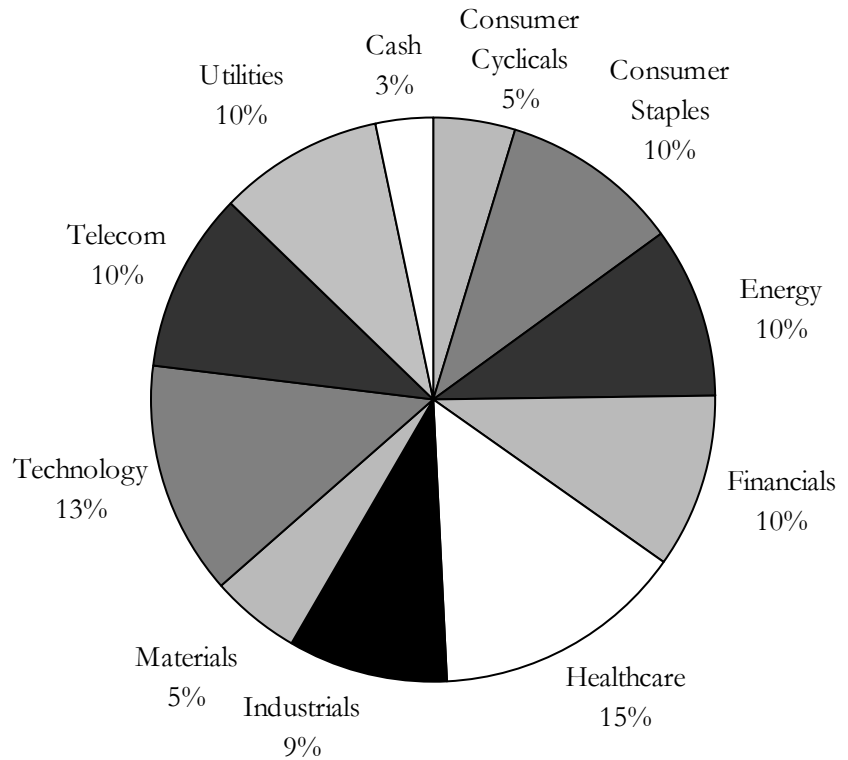
IMS Capital Management is the investment advisor to the IMS Capital Value Fund, the IMS Strategic Income Fund and the IMS Dividend Growth Fund. Established in 1988, IMS has been recognized in major publications and national media such as *Barron's*, *Forbes*, *New York Times*, *The Wall Street Journal*, *Business Week*, *USA Today*, *Smart Money*, *Nightly Business Report* and *CNBC*.

IMS DIVIDEND GROWTH FUND

as of March 31, 2010

CURRENT WEIGHTINGS

Market Sectors



LARGEST FUND HOLDINGS

Intel Corp.	2.98%
Nokia Corp.	2.81%
Verizon Communications Inc.	2.71%
Coca-Cola	2.70%
Carpenter Technology	2.67%
First American Financial	2.67%
Johnson & Johnson	2.66%
WalMart	2.64%
Linear Technology	2.61%
First Energy Corp.	2.60%

Weightings and holdings as of 12/31/09, subject to change.

FUND FACTS

Assets:	\$12.2 million
Ticker Symbol:	IMSAX
Number of Holdings:	40
CUSIP:	90470K784
Minimum Initial Investment:	\$5,000 (regular)
90-Day Early Redemption Fee:	0.5%
Inception Date:	November 5, 2002
Manager Tenure:	Since Inception
Turnover:	60%
Distributor:	Forside Distribution Services, LP
Investment Advisor & Contact:	IMS Capital Management 8995 S. E. Otty Road Portland, Oregon 97086 503-788-4200

Small- and mid-cap stocks are riskier than large-cap stocks and value and growth stocks may under perform during a given time period. Investing in income trusts such as REITs involves the risk that the underlying business or property may go down in value. Investing in foreign securities involves currency fluctuation risk and political uncertainty.

The Fund's investment objectives, risks, charges and ongoing expenses must be considered carefully before investing. The prospectus contains this and other important information about the Fund. The prospectus is available at www.imscapital.com. Read it carefully.