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|---------|------|-------|------|-------|---------|-------|
| ACECX | 5.0 | 9 | 55.0 | 45.0 | +10.0 | ACECX |
| ACMLNX | 10.3 | 10.32 | 8.34 | +1.94 | ACMLNX | |
| AARX | 3.2 | 3.21 | 2.22 | +0.99 | AARX | |
| ABMX | 2.2 | 11 | 2.24 | +0.04 | ABMX | |
| ABN AX | 3.4 | 16 | 3.45 | +0.05 | ABN AX | |
| ACE LX2 | 8.4 | 8.48 | 4.39 | +4.09 | ACE LX2 | |
| ACMX | 8.3 | 8.30 | 6.33 | +1.97 | ACMX | |

Don't Just Invest... Seek Performance



**YieldQuest Funds Trust
INCOME FROM U.S. GOVERNMENT SECURITIES
CALENDAR YEAR 2007**

During the calendar year, certain funds invested in securities issued by the United States government or other federal agencies (collectively, "U.S. Government Securities"). Under federal law, the interest on these securities is exempt from state taxation. Certain states also exempt from state income tax the dividend income a mutual fund shareholder receives that is derived from the fund's investment in these U.S. Government Securities.

The table below provides the percentages of calendar year 2007 ordinary income dividends derived from investments in U.S. Government Securities. To determine the amount which may be exempt from state income tax, multiply the amount reported in box 1a of Form 1099-DIV by the percentage below.

California, Connecticut, and New York require that a mutual fund maintain certain minimum investments in U.S. Government Securities in order for the dividend income derived from these obligations to be exempt from state income tax. None of the Funds listed below met these requirements for calendar year 2007.

This notice is provided to you for informational purposes only, and should not be considered tax advice. Please consult your tax advisor for further assistance.

For any other questions, please contact the Fund(s) at 1-877-497-3634.

| FUND | PERCENTAGE OF INCOME DERIVED FROM U.S. GOVERNMENT SECURITIES DURING 2007 |
|--|---|
| YieldQuest Core Equity Fund | 0.16% |
| YieldQuest Total Return Bond Fund | 7.19% |
| YieldQuest Tax-Exempt Bond Fund | 0.26% |
| YieldQuest Flexible Income Bond Fund | 2.61% |
| YieldQuest Low Duration Bond Fund | 8.45% |
| YieldQuest Low Duration Tax-Exempt Bond Fund | 0.00% |

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|--------|-----|-------|-------|--------|-------|--------|
| ATT NX | 3.2 | 32 | 3.24 | 2.25 | +0.99 | ATT NX |
| ATT DX | 2.2 | 16 | 2.27 | 1.37 | +0.90 | ATT DX |
| AVX | 3.4 | 43.40 | 27.22 | +16.18 | AVX | |

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|---------|------|-------|------|-------|---------|--------|
| ACECX | 5.0 | 9 | 85.0 | 45.0 | +15.0 | ACECX |
| ACMLNX | 10.3 | 10.32 | 8.34 | +1.94 | ACMLNX | |
| AARX | 3.2 | 3.21 | 2.22 | +2.22 | AARX | |
| ABMX | 2.2 | 11 | 2.24 | 2.21 | +0.21 | ABMX |
| ABN AX | 3.4 | 16 | 3.45 | 2.25 | +0.25 | ABN AX |
| ACE LX2 | 8.4 | 8.48 | 4.39 | +4.39 | ACE LX2 | |
| ACMX | 8.3 | 8.30 | 6.33 | +6.33 | ACMX | |

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Important Disclaimers & Disclosures

Investors should carefully consider the investment objectives, risks, charges and expenses of the YieldQuest Funds. This and other information about the YieldQuest Funds is contained in the prospectus and should be read carefully before investing. The Fund's prospectus can be obtained by calling 866-973-8637. The YieldQuest Funds are distributed by YieldQuest Securities, LLC. Investors should note that mutual fund values may fluctuate and that the funds price or value may rise or fall. Accordingly, investors may receive back less than originally invested.

Tax information contained herein is general in nature, it is provided for informational purposes only, and should not be construed as legal or tax advice. The YieldQuest Funds do not provide legal or tax advice. YieldQuest cannot guarantee that such information is accurate, complete, or timely. The laws of a particular state or laws which may be applicable to a particular situation may have an impact on the applicability, accuracy, or completeness of such information. Federal and state laws and regulations are complex and are subject to change. Changes in such laws and regulations may have a material impact on pre- and/or after-tax investment results. YieldQuest makes no warranties with regard to such information or results obtained by its use. YieldQuest disclaims any liability arising out of your use of, or any tax position taken in reliance on, such information. Always consult an attorney or tax professional regarding your specific legal or tax situation.

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|--------|-----|-------|-------|-------|-------|--------|
| ATT NX | 3.2 | 32 | 3.24 | 2.29 | +4.38 | ATT NX |
| ATT DX | 2.2 | 16 | 2.27 | 1.37 | +6.33 | ATT DX |
| AVX | 3.4 | 43.40 | 27.22 | +6.96 | AVX | |