



YIELDQUEST

FUNDS

**YIELDQUEST CORE EQUITY FUND
YIELDQUEST TOTAL RETURN BOND FUND
YIELDQUEST TAX-EXEMPT BOND FUND**

**ANNUAL REPORT
OCTOBER 31, 2009**

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**Distributed by YieldQuest Securities, LLC
FINRA Member**

SHAREHOLDER LETTER – YIELDQUEST CORE EQUITY FUND

To Our Shareholders:

The YieldQuest Core Equity Fund (Institutional Class) had a total return of -6.34% for the fiscal year ended October 31, 2009, compared to +9.80% for the S&P 500 Index.

The Fund's underperformance relative to the benchmark index this fiscal year may be attributed, broadly speaking, to the severe market disruptions during the first quarter of this year, caused by the financial market crisis. Earlier this year, fear, panic selling and forced liquidations by individual investors and institutions essentially dominated the pricing of a broad range of equity market securities, driving their valuations to diverge, often dramatically so in our opinion, from their underlying fundamentals and credit quality. This volatility negatively impacted both the performance of equity assets in general, and our Fund's performance, in particular, during the early part of 2009. Indeed, we would highlight the following specific factors as playing a key role in our Fund's underperformance during this period of time:

- 1) The extreme widening in closed-end fund ("CEF") discounts to net asset value to historic extremes and, in some cases, to the widest levels ever in late 2008 and again in March of 2009. Indeed, CEF discount widening posed a headwind to Fund performance well into the first quarter of this year.
- 2) In addition, a number of domestic and international equity market sectors continued to suffer severe losses in the initial part of this fiscal year, providing a further headwind to our Fund's performance over this period.

Looking forward, because we have made a number of key adjustments to our overall investment approach as part of the lessons learned from the credit crisis, we believe the Fund may now be well positioned to avoid the type of volatility in returns that characterized our performance during the credit crisis. Perhaps most importantly, we have incorporated an enhanced risk management and hedging toolkit into our portfolio management strategy, with the objective of smoothing out Fund returns over time. Indeed, these risk-reduction strategies we put in place have helped smooth the Fund's performance in the latter portion of this fiscal year.

Moreover, while the Fund did underperform the benchmark index over the fiscal year, we would like to highlight the Fund's significant recovery on an NAV basis since March 2009, the month that marked not only the trough in our Fund NAV during this period, but also the trough in many risk asset prices for the recession that may have ended in the second quarter of this year. Specifically, in the period from 3/9/2009-10/31/2009, the YieldQuest Core Equity Fund had a total return of 89.21%, compared to 55.31% for the S&P 500 Index.

Thus, we believe the rebound in our Fund NAV during the latter part of this fiscal year provides compelling evidence that the strategies we put in place during the credit crisis, while they did create a short-term performance headwind for our portfolio and resulted in our Fund underperforming its benchmark both last and this fiscal year, have recently begun to bear fruit as both the economy and financial markets have stabilized. Specifically, as the combination of panic selling and forced liquidations during the crisis period pushed securities' prices to levels that, in our estimation, were "disconnected" from their underlying fundamentals, we mindfully implemented a "dollar-cost" averaging strategy to purchase many securities at what represented historically attractive valuations.

This year, our Fund has begun to reap the benefits of this strategy, as the global economy has found its footing, credit markets have stabilized, investors' risk appetites have begun to return and many of the equity securities we purchased opportunistically during the credit crisis period have risen in price, providing a nice tailwind to our Fund's performance over the last several months. The significant rallies in a number of equity sectors, including Financials, Consumer Discretionary, Materials, Technology, International and Equity CEFs, in particular, have all contributed to the recovery in our Fund's NAV over this period. At the same time, our shareholders should be aware that because the hedging strategies put in place in order to smooth Fund returns over time have costs associated with them these strategies have also had the effect of somewhat dampening the Fund's upside performance potential. This should help to explain why the Fund, despite the strong performance during most of 2009, has not been able to fully make-up its underperformance this fiscal year. We believe, however, that it may be a prudent risk/reward trade off – whereby the Fund may take a bit longer to make up the relative underperformance, but should provide for much smoother returns in the future.

SHAREHOLDER LETTER – YIELDQUEST CORE EQUITY FUND (Continued)

Looking ahead, while many of these securities and sectors have rebounded off their crisis troughs, we believe that many of the securities held within the Fund remain at price levels that are still below long term historical valuations, implying that the Fund may continue to enjoy a performance tailwind going forward, if global economic growth takes firmer hold and the continued reversal in temporary crisis-driven dislocations helps drive these securities/sector prices over time to levels more in line with their underlying fundamentals.

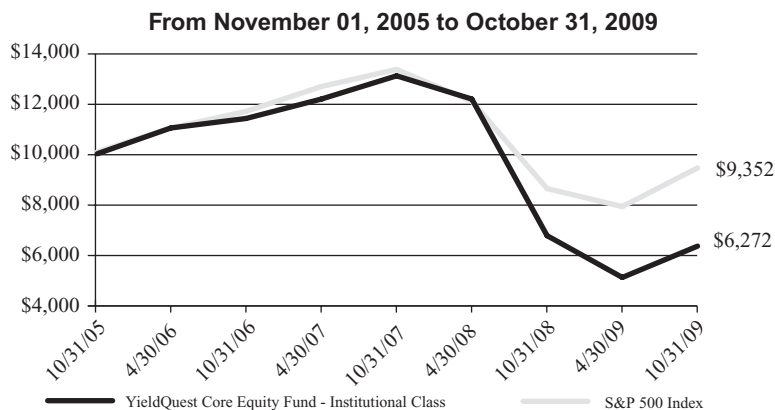
In summary, we believe our opportunistic, “dollar-cost averaging” strategy, which allowed us to capitalize on the dramatic pricing aberrations across a number of equity market sectors during the credit crisis, in combination with our enhanced risk management approach, has placed us in good stead to potentially capture intermediate to longer-term outperformance going forward. We emphasize, moreover, that the eventual return of securities and sector prices to levels more in line with their underlying fundamentals is a process that not only has played out following every prior financial crisis, but one that, in 2009, appears to be well underway for this recovery cycle.

We thank you for your continued confidence in our firm as a shareholder of the YieldQuest Core Equity Fund.

As always, we welcome your comments and questions.

PORTFOLIO REVIEW

COMPARISON OF THE CHANGE IN VALUE OF \$10,000 INVESTED IN THE YIELDQUEST CORE EQUITY FUND VS. BENCHMARK



Average Annual Total Returns as of October 31, 2009

	Inception Date	1-Year	Since Inception
YieldQuest Core Equity Fund - Institutional Class	11/01/2005	-6.34%	-11.02%
S&P 500 Index		9.80%	-1.66%

	Inception Date	1-Year	Since Inception
YieldQuest Core Equity Fund - Investor Class	02/28/2008	-6.82%	-32.04%
S&P 500 Index		9.80%	-11.81%

The performance quoted represents past performance, which 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. The returns shown do not reflect deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-877-497-3634.

Return figures reflect any change in price per share and assume the reinvestment of all distributions.

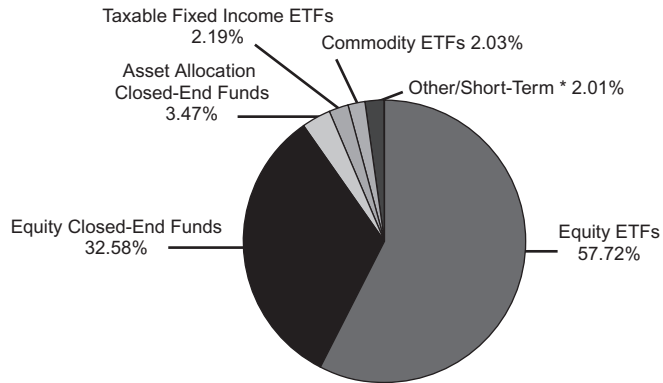
Index returns assume reinvestment of dividends. Investors may not invest in the index directly; unlike the Fund's returns, the index does not reflect any fees or expenses.

The S&P 500™ Index is an unmanaged index of 500 selected common stocks, most of which are listed on the New York Stock Exchange, that is a measure of the U.S. stock market as a whole.

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 Fund and may be obtained by calling the same number as above. Please read it carefully before investing. The Fund is distributed by YieldQuest Securities, LLC (Member FINRA and SIPC).

PORTFOLIO REVIEW (Continued)

SIGNIFICANT AREAS OF INVESTMENT AS A PERCENTAGE OF TOTAL INVESTMENTS



* "Other/Short-Term" includes short-term investments, plus other investments not included in the categories in the pie chart that comprised less than 2% of the Fund's total investments.

SHAREHOLDER LETTER – YIELDQUEST TOTAL RETURN BOND FUND

To Our Shareholders:

The YieldQuest Total Return Bond Fund (Institutional Class) had a total return of +7.00% for the fiscal year ended October 31, 2009, compared to +13.79% for the Barclays Capital Aggregate Bond Index.

The Fund's underperformance relative to the benchmark index this fiscal year may be attributed, broadly speaking, to the severe market disruptions during the first quarter of this year, caused by the financial market crisis. Earlier this year, fear, panic selling and forced liquidations by individual investors and institutions essentially dominated the pricing of a broad range of fixed income and equity market securities, driving their valuations to diverge, often dramatically so in our opinion, from their underlying fundamentals and credit quality. This volatility negatively impacted both the performance of fixed income assets in general (with the notable exception of U.S. Treasury securities), and our Fund's performance, in particular, during the early part of 2009. Indeed, we would highlight the following specific factors as playing a key role in our Fund underperformance during this period of time:

- 1) The severe widening in corporate credit spreads to historical extremes during the fourth quarter 2008 and continuing into Q1 2009. High quality corporate credit spreads, in particular, widened to levels not seen since the Great Depression, creating a strong performance headwind for our Fund.
- 2) The extreme widening in closed-end fund discounts to net asset value to historic extremes and, in some cases, to the widest levels ever in late 2008 and again in March of 2009. Indeed, closed-end fund ("CEF") discount widening posed a headwind to Fund performance well into the first quarter of this year.
- 3) In addition, our interest rate hedge position via a short Treasury allocation also hurt the Fund's performance over this fiscal year, as investors' severe flight to safety drove yields to record lows in late 2008.

Looking forward, because we have made a number of key adjustments to our overall investment approach as part of the lessons learned from the credit crisis, we believe the Fund may now be well positioned to avoid the type of volatility in returns that characterized our performance during the credit crisis. Perhaps most importantly, we have incorporated an enhanced risk management and hedging toolkit into our portfolio management strategy, with the objective of smoothing out Fund returns over time. Indeed, these risk-reduction strategies we put in place have helped smooth the Fund's performance in the latter portion of this fiscal year.

Moreover, while the Fund did underperform the benchmark index over the fiscal year, we would like to highlight the Fund's significant recovery on an NAV basis since March 2009, the month that marked not only the trough in our Fund NAV during this period, but also the trough in many risk asset prices for the recession that may have ended in the second quarter of this year. Specifically, in the period from 3/9/2009-10/31/2009, the YieldQuest Total Return Bond Fund had a total return of 34.74%, compared to 7.52% for the Barclays Capital Aggregate Bond Index.

Thus, we believe the rebound in our Fund NAV during the latter part of this fiscal year provides compelling evidence that the strategies we put in place during the credit crisis, while they did create a short-term performance headwind for our portfolio and resulted in our Fund underperforming its benchmark both last and this fiscal year, have recently begun to bear fruit as both the economy and financial markets have stabilized. Specifically, as the combination of panic selling and forced liquidations during the crisis period pushed securities' prices to levels that, in our estimation, were "disconnected" from their underlying fundamentals, we mindfully implemented a "dollar-cost" averaging strategy to purchase many securities at what represented historically attractive valuations.

This year, our Fund has begun to reap the benefits of this strategy, as the global economy has found its footing, credit markets have stabilized, investors' risk appetites have begun to return and many of the fixed income securities we purchased opportunistically during the credit crisis period have risen in price, providing a nice tailwind to our Fund's performance over the last several months. The significant rallies in the corporate credit, preferred, commodities, REITS, muni bonds, and CEF sectors, in particular, have all contributed to the recovery in our Fund's NAV over this period. At the same time, our shareholders should be aware that because the hedging strategies put in place in order to smooth Fund returns over time have costs associated with them these strategies have also had the effect of somewhat dampening the Fund's upside performance potential. This should help to explain why the Fund, despite the strong performance during most of 2009, has not been able to fully make-up its underperformance this fiscal year.

SHAREHOLDER LETTER – YIELDQUEST TOTAL RETURN BOND FUND (Continued)

We believe, however, that it may be a prudent risk/reward trade off – whereby the Fund may take a bit longer to make up the relative underperformance, but should provide for much smoother returns in the future.

Looking ahead, while many of these securities and sectors have rebounded off their crisis troughs, we believe that many of the securities held within the Fund remain at price levels that are still below long term historical valuations, implying that the Fund may continue to enjoy a performance tailwind going forward, if global economic growth takes firmer hold and the continued reversal in temporary crisis-driven dislocations helps drive these securities/sector prices over time to levels more in line with their underlying fundamentals.

In addition, we believe that our Fund may be positioned to perform well in a rising interest rate and/or rising inflation environment – one of the scenarios most feared by investors currently, given the massive and growing U.S. budget deficit - as securities held in the Fund may be expected to rise in price as Treasury bond yields increase.

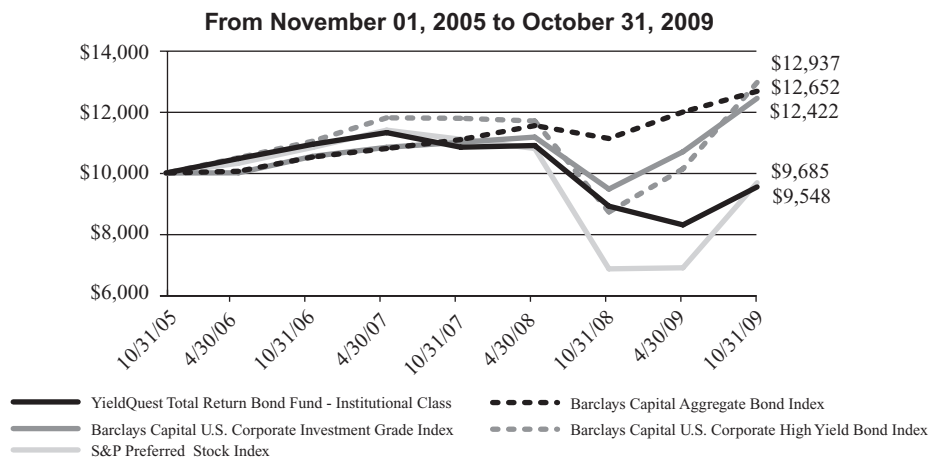
In summary, we believe our opportunistic, “dollar-cost averaging” strategy, which allowed us to capitalize on the dramatic pricing aberrations across a number of fixed income sectors during the credit crisis, in combination with our enhanced risk management approach, has placed us in good stead to potentially capture intermediate to longer-term outperformance going forward. We emphasize, moreover, that the eventual return of securities and sector prices to levels more in line with their underlying fundamentals is a process that not only has played out following every prior financial crisis, but one that, in 2009, appears to be well underway for this recovery cycle.

We thank you for your continued confidence in our firm as a shareholder of the YieldQuest Total Return Bond Fund.

As always, we welcome your comments and questions.

PORTFOLIO REVIEW

COMPARISON OF THE CHANGE IN VALUE OF \$10,000 INVESTED IN THE YIELDQUEST TOTAL RETURN BOND FUND VS. BENCHMARK



Average Annual Total Returns as of October 31, 2009

	Inception Date	1-Year	Since Inception
YieldQuest Total Return Bond Fund - Institutional Class	11/01/2005	7.00%	-1.15%
Barclays Capital Aggregate Bond Index		13.79%	6.06%
Barclays Capital U.S. Corporate Investment Grade Index		31.07%	5.57%
Barclays Capital U.S. Corporate High Yield Bond Index		48.10%	6.65%
S&P Preferred Stock Index		40.54%	-0.80%

	Inception Date	1-Year	Since Inception
YieldQuest Total Return Bond Fund - Investor Class	02/28/2008	6.62%	-7.53%
Barclays Capital Aggregate Bond Index		13.79%	5.77%
Barclays Capital U.S. Corporate Investment Grade Index		31.07%	6.38%
Barclays Capital U.S. Corporate High Yield Bond Index		48.10%	8.79%
S&P Preferred Stock Index		40.54%	-6.42%

The performance quoted represents past performance, which 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. The returns shown do not reflect deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-877-497-3634.

Return figures reflect any change in price per share and assume the reinvestment of all distributions.

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 Fund and may be obtained by calling the same number as above. Please read it carefully before investing. The Fund is distributed by YieldQuest Securities, LLC (Member FINRA and SIPC).

PORTFOLIO REVIEW (Continued)

Index returns assume reinvestment of dividends. Investors may not invest in the index directly; unlike the Fund's returns, the index does not reflect any fees or expenses.

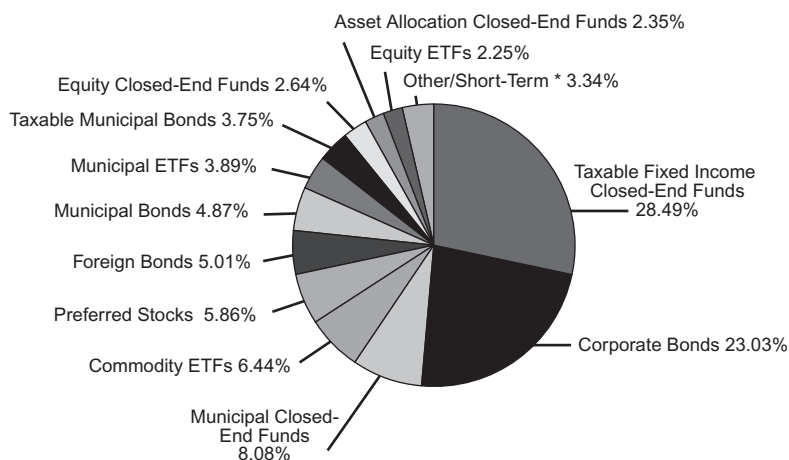
The Barclays Capital Aggregate Bond Index is an unmanaged index which represents the U.S. investment-grade fixed-rate bond market (including government and corporate securities, mortgage pass-through securities and asset-backed securities).

Barclays Capital U.S. Corporate Investment Grade Index includes issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered. The corporate sectors are Industrial, Utility, and Finance, which include both U.S. and non-U.S. corporations. Must be an investment grade credit security.

Barclays Capital U.S. Corporate High Yield Bond Index covers the universe of fixed rate, non-investment grade debt. Pay-in-kind (PIK) bonds, Eurobonds, and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, and 144-As are also included.

S&P Preferred Stock Index is designed to serve the investment community's need for an investable benchmark representing the U.S. preferred stock market. The index includes all preferred stocks issued by US corporations and those trading in major exchanges, subject to related criteria.

SIGNIFICANT AREAS OF INVESTMENT AS A PERCENTAGE OF TOTAL INVESTMENTS



* "Other/Short-Term" includes short-term investments, plus other investments not included in the categories in the pie chart that comprised less than 2% of the Fund's total investments.

SHAREHOLDER LETTER – YIELDQUEST TAX-EXEMPT BOND FUND

To Our Shareholders:

The YieldQuest Tax Exempt Bond Fund (Institutional Class) had a total return of +4.46% for the fiscal year ended October 31, 2009, compared to +10.73% for the Barclays Capital 7-Year Municipal Bond Index.

The Fund's underperformance relative to the benchmark index this fiscal year may be attributed, broadly speaking, to the severe market disruptions during the first quarter of this year, caused by the financial market crisis. Earlier this year, fear, panic selling and forced liquidations by individual investors and institutions essentially dominated the pricing of a broad range of fixed income and equity market securities, driving their valuations to diverge, often dramatically so in our opinion, from their underlying fundamentals and credit quality. This volatility negatively impacted both the performance of fixed income assets in general (with the notable exception of U.S. Treasury securities), and our Fund's performance, in particular, during the early part of 2009. Indeed, we would highlight the following specific factors as playing a key role in our Fund underperformance during this period of time:

- 1) The severe widening in muni/Treasury yield ratios, which soared to levels well over 100%, as investors' severe flight to safety drove Treasury yields to record lows. For comparison purposes, this ratio has typically averaged about 80% over the past decade.
- 2) The extreme widening in muni closed-end fund discounts to net asset value to historic extremes and, in some cases, to the widest levels ever in late 2008 and again in March of 2009. Indeed, closed-end fund ("CEF") discount widening posed a headwind to Fund performance well into the first quarter of this year.
- 3) In addition, our interest rate hedge position via a short Treasury allocation also hurt the Fund's performance over this fiscal year, as investors' severe flight to safety drove yields to record lows in late 2008.

Looking forward, because we have made a number of key adjustments to our overall investment approach as part of the lessons learned from the credit crisis, we believe the Fund may now be well positioned to avoid the type of volatility in returns that characterized our performance during the credit crisis. Perhaps most importantly, we have incorporated an enhanced risk management and hedging toolkit into our portfolio management strategy, with the objective of smoothing out Fund returns over time. Indeed, these risk-reduction strategies we put in place have helped smooth the Fund's performance in the latter portion of this fiscal year.

Moreover, while the Fund did underperform the benchmark index over the fiscal year, we would like to highlight the Fund's significant recovery on an NAV basis since December 16, 2008, the date that marked a trough in the municipal bond market during this period. Indeed, in the period from 12/16/2008-10/31/2009, the YieldQuest Tax Exempt Bond Fund had a total return of 20.32%, compared to 9.29% for the Barclays Capital 7-Year Municipal Bond Index.

Thus, we believe the rebound in our Fund NAV during the latter part of this fiscal year provides compelling evidence that the strategies we put in place during the credit crisis, while they did create a short-term performance headwind for our portfolio and resulted in our Fund underperforming its benchmark both last and this fiscal year, have recently begun to bear fruit as both the economy and financial markets have stabilized. Specifically, as the combination of panic selling and forced liquidations during the crisis period pushed securities' prices to levels that, in our estimation, were "disconnected" from their underlying fundamentals, we mindfully implemented a "dollar-cost" averaging strategy to purchase many securities at what represented historically attractive valuations.

This year, our Fund has begun to reap the benefits of this strategy, as the global economy has found its footing, credit markets have stabilized, investors' risk appetites have begun to return and many of the fixed income securities we purchased opportunistically during the credit crisis period have risen in price, providing a nice tailwind to our Fund's performance over the last several months. The significant rallies in the muni bond and muni CEF sectors, in particular, have contributed to the recovery in our Fund's NAV over this period. At the same time, our shareholders should be aware that because the hedging strategies put in place in order to smooth Fund returns over time have costs associated with them these strategies have also had the effect of somewhat dampening the Fund's upside performance potential. This should help to explain why the Fund, despite the strong performance during most of 2009, has not been able to fully make-up its underperformance this fiscal year. We believe, however, that it may be a prudent risk/reward trade off – whereby the Fund may take a bit longer to make up the relative underperformance, but should provide for much smoother returns in the future.

SHAREHOLDER LETTER – YIELDQUEST TAX-EXEMPT BOND FUND (Continued)

Looking ahead, while many of these securities and sectors have rebounded off their crisis troughs, we believe that many of the securities held within the Fund remain at price levels that are still below long term historical valuations, implying that the Fund may continue to enjoy a performance tailwind going forward, if global economic growth takes firmer hold and the continued reversal in temporary crisis-driven dislocations helps drive these securities/sector prices over time to levels more in line with their underlying fundamentals.

In addition, we believe that our Fund may be positioned to perform well in a rising interest rate and/or rising inflation environment – one of the scenarios most feared by investors currently, given the massive and growing U.S. budget deficit - as securities held in the Fund may be expected to rise in price as Treasury bond yields increase.

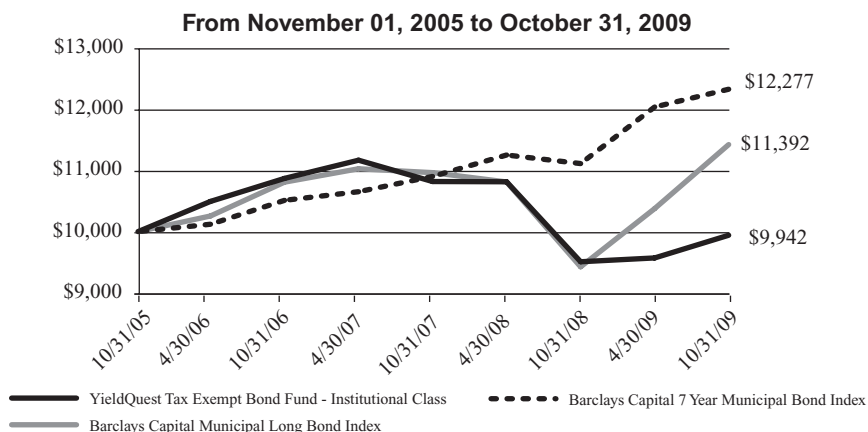
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We thank you for your continued confidence in our firm as a shareholder of the YieldQuest Tax Exempt Bond Fund.

As always, we welcome your comments and questions.

PORTFOLIO REVIEW

COMPARISON OF THE CHANGE IN VALUE OF \$10,000 INVESTED IN THE YIELDQUEST TAX-EXEMPT BOND FUND VS. BENCHMARK



Average Annual Total Returns as of October 31, 2009

	Inception Date	1-Year	Since Inception
YieldQuest Tax-Exempt Bond Fund - Institutional Class	11/01/2005	4.46%	-0.14%
Barclays Capital 7 Year Municipal Bond Index		10.73%	5.26%
Barclays Capital Municipal Long Bond Index		20.71%	3.31%

	Inception Date	1-Year	Since Inception
YieldQuest Tax-Exempt Bond Fund - Investor Class . . .	02/28/2008	3.98%	-4.54%
Barclays Capital 7 Year Municipal Bond Index		10.73%	7.09%
Barclays Capital Municipal Long Bond Index		20.71%	7.61%

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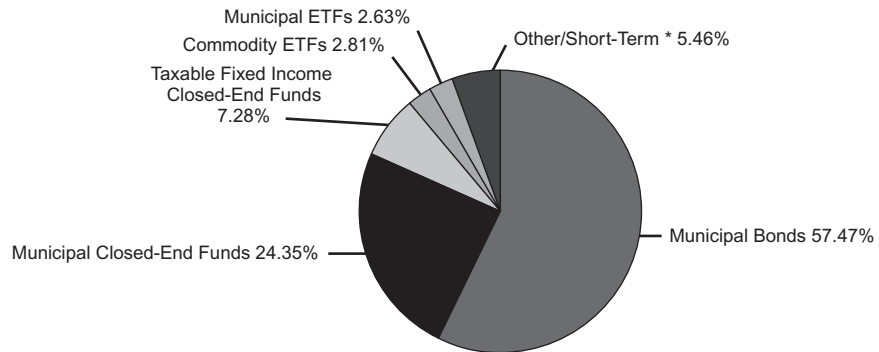
The Barclays Capital 7 Year Municipal Bond Index is an unmanaged index comprised of investment grade municipal bonds with maturities close to seven years.

The Barclays Capital Municipal Long Bond Index is the Long Bond (22+) component of the Municipal Bond Index. The Barclays Capital Municipal Bond Index is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. To be included in the index, bonds must be rated investment-grade.

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PORTFOLIO REVIEW (Continued)

SIGNIFICANT AREAS OF INVESTMENT AS A PERCENTAGE OF TOTAL INVESTMENTS



* "Other/Short-Term" includes short-term investments, plus other investments not included in the categories in the pie chart that comprised less than 2% of the Fund's total investments.

YIELDQUEST CORE EQUITY FUND
SCHEDULE OF INVESTMENTS

October 31, 2009

% of Net Assets	Description	Shares	Value
1.85%	COMMON STOCKS		
0.36%	Apparel		
	Christian Dior SA	100	\$ 10,004
	Hermes International	50	6,975
			<u>16,979</u>
0.67%	Holding Companies		
	LVMH Moet Hennessy Louis Vuitton SA	300	31,192
0.13%	Lodging		
	Orient-Express Hotels Ltd., Class A (a)	700	6,020
0.69%	Retail		
	Bulgari SpA	500	4,106
	Compagnie Financiere Richemont SA	600	16,879
	PPR	100	10,943
			<u>31,928</u>
	Total Common Stocks (Cost \$55,149)		<u>86,119</u>
111.39%	EXCHANGE TRADED/CLOSED-END FUNDS		
3.94%	Asset Allocation Closed-End Funds		
	Clough Global Allocation Fund (b)	2,500	34,150
	Clough Global Opportunities Fund	1,000	12,000
	Evergreen International Balanced Income Fund	2,000	27,680
	Gabelli Dividend & Income Trust (b)	4,400	52,448
	NFJ Dividend, Interest & Premium Strategy Fund (b)	4,350	57,377
			<u>183,655</u>
2.31%	Commodity Exchange Traded Funds		
	iPath Dow Jones-UBS Commodity Index Total Return ETN (a)	2,300	91,793
	ProShares Ultra DJ-AIG Commodity (a)	600	15,576
			<u>107,369</u>
37.04%	Equity Closed-End Funds		
	BlackRock Health Sciences Trust	750	16,957
	Blue Chip Value Fund, Inc.	22,100	63,206
	Boulder Growth & Income Fund, Inc. (a)	5,450	29,266
	Boulder Total Return Fund, Inc. (a) (b)	4,550	54,691
	Central Securities Corp.	1,500	25,635
	Clough Global Equity Fund	2,500	32,800
	Cohen & Steers Closed-End Opportunity Fund, Inc. (c)	23,800	262,276
	Cohen & Steers Dividend Majors Fund, Inc.	3,200	29,280
	First Opportunity Fund, Inc. (b)	5,000	31,550
	First Trust Enhanced Equity Income Fund (b)	2,600	25,922
	H&Q Healthcare Investors (b)	1,550	16,740
	H&Q Life Sciences Investors (b)	1,700	14,501
	Japan Equity Fund, Inc. (b)	20,200	103,020
	Japan Smaller Capitalization Fund, Inc. (b)	7,900	57,196
	John Hancock Bank and Thrift Opportunity Fund (b)	4,575	60,848
	Liberty All-Star Equity Fund (b)	33,870	136,496
	Liberty All-Star Growth Fund, Inc. (b)	40,125	121,980
	Macquarie Global Infrastructure Total Return Fund, Inc. (b)	2,450	35,035
	Macquarie/First Trust Global Infrastructure/Utilities Dividend & Income Fund (b)	3,350	37,353
	Madison Strategic Sector Premium Fund	4,900	55,762
	Madison/Claymore Covered Call & Equity Strategy Fund (b)	2,460	20,467
	Morgan Stanley China A Share Fund (b)	4,500	141,975
	Nuveen Diversified Dividend and Income Fund (b)	1,900	17,043
	RiverSource LaSalle International Real Estate Fund, Inc. (b)	2,900	20,358
	Royce Micro-Cap Trust, Inc.	11,400	76,950
	Royce Value Trust, Inc.	7,500	72,600

See accompanying notes to financial statements.

YIELDQUEST CORE EQUITY FUND
SCHEDULE OF INVESTMENTS (Continued)

October 31, 2009

% of Net Assets	Description	Shares	Value
	Equity Closed-End Funds (Continued)		
	SunAmerica Focused Alpha Growth Fund, Inc. (b)	6,050	\$ 72,116
	SunAmerica Focused Alpha Large-Cap Fund, Inc. (b)	4,650	55,010
	Tri-Continental Corp.	3,500	37,205
			<u>1,724,238</u>
65.61%	Equity Exchange Traded Funds		
	Consumer Staples Select Sector SPDR Fund (b)	7,500	193,725
	Direxionshares Large Cap Bear 3X Shares (a)	6,700	149,276
	Energy Select Sector SPDR Fund	1,800	99,648
	Financial Select Sector SPDR Fund	28,200	395,364
	Health Care Select Sector SPDR Fund (b)	10,100	283,305
	Industrial Select Sector SPDR Fund (b)	11,100	280,497
	iShares Dow Jones U.S. Consumer Services Sector Index Fund (b)	1,800	91,818
	iShares Dow Jones U.S. Healthcare Providers Index Fund (a)	950	39,757
	iShares Dow Jones U.S. Home Construction Index Fund (b)	7,900	88,164
	iShares Dow Jones U.S. Transportation Average Index Fund	1,350	87,358
	iShares MSCI Australia Index Fund (b)	3,800	83,334
	iShares MSCI Emerging Markets Index Fund (b)	2,750	103,290
	iShares MSCI Hong Kong Index Fund (b)	5,100	79,203
	iShares MSCI Japan Index Fund	300	2,868
	iShares MSCI Singapore Index Fund (b)	4,000	41,920
	iShares Nasdaq Biotechnology Index Fund (a)	650	47,697
	Market Vectors Steel Index Fund	500	25,450
	Materials Select Sector SPDR Trust	1,300	38,077
	Oil Services HOLDRs Trust (b)	900	105,354
	Powershares Golden Dragon Halter USX China Portfolio (b)	10,200	225,522
	ProShares Ultra Oil & Gas	2,700	89,154
	ProShares UltraShort MSCI Emerging Markets (a)	3,400	47,634
	SPDR Metals & Mining ETF	300	12,750
	Technology Select Sector SPDR Fund (b)	19,700	406,017
	Utilities Select Sector SPDR Fund	1,300	36,907
			<u>3,054,089</u>
2.49%	Taxable Fixed Income Exchange Traded Funds		
	ProShares UltraShort 20+ Year Treasury (a)	1,400	63,924
	ProShares UltraShort 7-10 Year Treasury	1,000	52,170
			<u>116,094</u>
	Total Exchange Traded/Closed-End Funds (Cost \$4,466,965)		<u>5,185,445</u>
		<u>Contracts</u>	
0.43%	PURCHASED OPTIONS (a)		
	iShares MSCI Emerging Markets, Inc.:		
	11/21/2009, Put @ \$36	75	6,375
	11/21/2009, Put @ \$37	47	5,640
	Powershares QQQ:		
	11/21/2009, Put @ \$40	62	4,588
	11/21/2009, Put @ \$41	31	3,410
	Total Purchased Options (Cost \$14,632)		<u>20,013</u>
113.67%	Total Investments (Cost \$4,536,746)		<u>5,291,577</u>
(13.67)%	Net other assets (liabilities)		<u>(636,541)</u>
100.00%	NET ASSETS		<u>\$ 4,655,036</u>

See accompanying notes to financial statements.

YIELDQUEST CORE EQUITY FUND

SCHEDULE OF INVESTMENTS (Continued)

October 31, 2009

% of Net Assets	Description	Shares	Value	
0.81%	COMMON STOCKS SOLD SHORT			
0.81%	Computers			
	Apple, Inc. (a)	200	\$	37,700
	Total Common Stocks Sold Short (Proceeds \$37,194)			37,700
22.66%	EXCHANGE TRADED/CLOSED-END FUNDS SOLD SHORT			
	iShares MSCI Brazil Index Fund	950		65,389
	iShares MSCI South Korea Index Fund	2,200		94,336
	Powershares Golden Dragon Halter USX China Portfolio	21,500		475,365
	Rydex S&P Equal Weight ETF	4,950		177,804
	SPDR Trust Series 1	1,550		160,518
	Vanguard Emerging Markets ETF	2,170		81,592
	Total Exchange Traded/Closed-End Funds Sold Short (Proceeds \$1,365,777)		\$	1,055,004
				Unrealized Gain/(Loss)
		<u>Local Currency</u>	<u>Market Value</u>	<u>Settlement Date</u>
	FOREIGN CURRENCY			
	TO BUY:			
	Japanese Yen	4,215,900	\$	46,837
	Japanese Yen	4,392,480		46,799
				11/06/2009
				\$
				(163)
				799
				636
	TO SELL:			
	Australian Dollar	157,917		142,056
	Japanese Yen	26,002,996		288,884
				11/06/2009
				(3,089)
				1,652
				(1,437)
	Total Net Unrealized Gain (Loss) on open Forward Foreign Currency Contracts			\$
				(801)
		<u>Contracts</u>	<u>Notional Value</u>	<u>Unrealized Gain/(Loss)</u>
	FUTURES CONTRACTS PURCHASED			
	DJIA Mini E-CBOT, expires 12/18/2009	3	\$	144,960
	Dollar Index, expires 12/14/2009	2		152,950
	Nasdaq 100 E-Mini, expires 12/18/2009	14		466,340
	S&P 500 E-Mini, expires 12/18/2009	49		2,530,850
				\$
				(68,875)
	FUTURES CONTRACTS SOLD SHORT			
	E-Mini Crude Oil, expires 11/19/2009	4		154,000
	Russell 2000 Mini, expires 12/18/2009	5		280,200
				2,078
				20,835
				22,913
	Total			\$
				(45,962)

(a) Non-income producing security.

(b) All or a portion of the security is pledged as collateral for securities sold short.

(c) All or a portion of the security is segregated in connection with forward currency and futures contracts.

CBOT Chicago Board of Trade

ETF Exchange-Traded Fund

ETN Exchange-Traded Note

HOLDERS Holding Company Depository Receipts

SPDR S&P Depository Receipts

YIELDQUEST TOTAL RETURN BOND FUND
SCHEDULE OF INVESTMENTS

October 31, 2009

% of Net Assets	Description	Principal	Value
24.54%	CORPORATE BONDS		
8.68%	Airlines		
	American Airlines, Inc.:		
	6.817%, 05/23/2011, Series 01-1 (a)	\$ 402,000	\$ 383,910
	6.977%, 05/23/2021, Series 01-1	805,748	658,699
	7.377%, 05/23/2019, Series 01-1 (a)	791,513	609,465
	7.379%, 05/23/2016, Series 01-1 (a)	451,813	347,896
	7.858%, 10/01/2011, Series 01-2 (a)	100,000	99,500
	AMR Corp.:		
	9.750%, 08/15/2021 (a)	469,000	283,745
	9.880%, 06/15/2020 (a)	343,000	217,805
	10.550%, 03/12/2021, MTN (a)	100,000	60,000
	Continental Airlines, Inc.:		
	6.648%, 09/15/2017, Series 981A (a)	234,899	220,805
	6.703%, 06/15/2021, Series 01A1 (a)	117,134	108,349
	6.748%, 03/15/2017, Series 981B (a)	207,899	188,148
	6.795%, 08/02/2018, Series 991B (a)	183,335	163,627
	7.033%, 06/15/2011, Series 011C (a)	193,549	174,195
	7.339%, 04/19/2014, Series 071C	200,000	179,750
	7.461%, 04/01/2013, Series 971B (a)	32,967	30,494
	7.566%, 03/15/2020, Series 992B (a)	148,769	135,975
	8.388%, 11/01/2020, Series 001B (a)	300,242	267,215
	8.560%, 07/02/2014, Series 962B	65,650	61,711
	Delta Airlines, Inc.:		
	6.718%, 01/02/2023, Series 02G1	724,366	644,685
	7.570%, 11/18/2010, Series 00A2	75,000	75,000
	7.711%, 09/18/2011, Series 011B	925,000	888,000
	7.920%, 11/18/2010, Series 001B (a)	850,000	833,000
	Northwest Airlines, Inc.:		
	6.841%, 04/01/2011, Series 1A-2	250,000	243,750
	7.691%, 04/01/2017, Series 01-B (a)	443,669	348,280
	7.950%, 03/01/2015, Series 992B	961,071	624,696
	Southwest Airlines Co., 7.220%, 07/01/2013, Series 95A3, Callable 12/07/2009 @ 100 (a)	108,676	112,766
	United Airlines, Inc.:		
	7.336%, 07/02/2019 (b)	918,366	642,857
	7.730%, 07/01/2010, Series 00A2 (a)	105,511	104,456
			<u>8,708,779</u>
0.05%	Automotive		
	Motors Liquidation Co. 8.375%, 07/15/2033 (a) (c)	320,000	49,600
0.21%	Entertainment		
	Comcast Corp. 6.950%, 08/15/2037 (a)	195,000	213,302
14.55%	Financial Services		
	American Express Co. 8.125%, 05/20/2019	1,000,000	1,197,966
	American Express Credit Co., 5.875%, 05/02/2013, Series C, MTN (a)	1,170,000	1,256,249
	Bank of America Corp.:		
	4.750%, 08/01/2015 (a)	750,000	755,155
	4.750%, 03/15/2016, Callable 03/15/2010 @ 100, MTN	10,000	9,693
	5.750%, 08/15/2016 (a)	600,000	602,254
	7.800%, 09/15/2016 (a)	220,000	241,250
	Bank One Corp. 5.250%, 01/30/2013 (a)	500,000	530,941
	Bear, Stearns & Co., Inc. 5.550%, 01/22/2017 (a)	790,000	810,787
	CIT Group, Inc. 7.625%, 11/30/2012 (c)	195,000	126,393
	Citigroup, Inc. 5.500%, 02/15/2017 (a)	975,000	947,342
	Deutsche Bank Trust Corp. 7.500%, 11/15/2015	4,000	4,149
	Ford Motor Credit Co., LLC 9.875%, 08/10/2011	1,325,000	1,355,949

YIELDQUEST TOTAL RETURN BOND FUND**SCHEDULE OF INVESTMENTS (Continued)**

October 31, 2009

% of Net Assets	Description	Principal	Value
	Financial Services (Continued)		
	General Electric Capital Corp.:		
	4.375%, 11/21/2011, MTN (a)	\$ 230,000	\$ 239,661
	6.875%, 11/15/2010, MTN (a)	250,000	265,174
	General Motors Acceptance Corp. 7.000%, 02/01/2012 (a) (b)	658,000	634,970
	Goldman Sachs Group, Inc.:		
	0.583%, 06/28/2010 (a) (d)	250,000	250,287
	5.250%, 04/01/2013 (a)	300,000	321,920
	5.625%, 01/15/2017 (a)	1,695,000	1,737,314
	Lehman Brothers Holdings:		
	5.625%, 01/24/2013, MTN (c)	500,000	82,500
	6.500%, 07/19/2017 (a) (c)	1,370,000	137
	MBIA Insurance Co., 14.000%, 01/15/2033, Callable 01/15/2013 @ 100 (b) (d)	1,505,000	669,725
	Merrill Lynch & Co., Inc.:		
	5.700%, 05/02/2017 (a)	1,000,000	989,677
	6.050%, 08/15/2012, Series C, MTN (a)	800,000	857,804
	Morgan Stanley & Co., Inc., 5.450%, 01/09/2017, EMTN	50,000	50,480
	Motors Liquidation Co. 9.400%, 07/15/2021 (a) (c)	800,000	116,000
	Nuveen Investments 5.500%, 09/15/2015 (a)	400,000	280,000
	Principal Life, Inc., Funding 0.600%, 11/15/2010 (a) (d)	250,000	244,774
	Washington Mutual Bank NV, 6.875%, 06/15/2011, Series 11 (a) (c)	1,000,000	7,500
			<u>14,586,051</u>
0.01%	Industrials		
	Occidental Petroleum Corp. 8.750%, 01/15/2023	10,000	12,320
1.04%	Metals & Mining		
	Alcoa, Inc. 5.375%, 01/15/2013 (a)	1,000,000	1,039,451
	Total Corporate Bonds (Cost \$29,569,875)		<u>24,609,503</u>
0.02%	COLLATERALIZED MORTGAGE OBLIGATIONS		
0.02%	U.S. Government & Agency		
	Federal National Mortgage Association 4.500%, 05/25/2019	23,091	23,316
	Total Collateralized Mortgage Obligations (Cost \$21,270)		<u>23,316</u>
0.31%	U.S. GOVERNMENT & AGENCY		
	Federal Farm Credit Bank, 5.750%, 12/07/2028, MTN	43,000	46,944
	Federal Home Loan Bank:		
	5.685%, 09/17/2018, Series AR18	25,000	28,731
	7.125%, 02/15/2030, Series C30 (a)	90,000	115,458
	Federal National Mortgage Association, 8.280%, 01/10/2025, MTN	20,000	28,626
	Tennessee Valley Authority 7.125%, 05/01/2030 (a)	75,000	94,257
	Total U.S. Government & Agency (Cost \$284,547)		<u>314,016</u>
5.34%	FOREIGN BONDS		
2.54%	Banks		
	Bank of Scotland PLC 10.500%, 02/16/2018	GBP 920,000	1,722,106
	Inter-American Development Bank, 6.250%, 06/22/2016, MTN (e)	NZD 1,150,000	829,377
			<u>2,551,483</u>
0.60%	Sovereign Bonds		
	Federal Republic of Brazil:		
	7.875%, 03/07/2015 (e)	\$ 475,000	555,038
	12.500%, 01/05/2016	BRL 40,000	25,772
	Mexican Bonos de Desarrollo, 7.250%, 12/15/2016, Series M10	MXN 220,000	16,220
			<u>597,030</u>

See accompanying notes to financial statements.

YIELDQUEST TOTAL RETURN BOND FUND**SCHEDULE OF INVESTMENTS (Continued)****October 31, 2009**

% of Net Assets	Description	Principal	Value
2.20%	Financial Services		
	General Electric Capital Corp., 7.500%, 02/28/2011, EMTN (e)	NZD 3,000,000	\$ 2,202,747
	Total Foreign Bonds		5,351,260
	(Cost \$5,731,244)		
5.19%	MUNICIPAL BONDS		
3.33%	California		
	California State:		
	4.500%, 08/01/2030, National-RE-IBC, GO, Callable 02/01/2017 @ 100 (a)	\$ 1,000,000	875,220
	4.500%, 08/01/2030, GO, Callable 02/01/2017 @ 100 (a)	2,135,000	1,868,595
	5.000%, 04/01/2038, GO, Callable 04/01/2018 @ 100 (a)	500,000	458,480
	Howell Mountain Elementary School District Election, Zero Coupon:		
	08/01/2028, GO (a)	190,000	79,112
	08/01/2029, GO (a)	150,000	59,147
			3,340,554
1.16%	Florida		
	Auburndale Florida Water & Sewer, 4.375%, 12/01/2037, AMBAC, Revenue, Callable 12/01/2017 @ 100 (a)	1,275,000	1,164,381
0.47%	Illinois		
	Regional Transportation Authority, 4.500%, 07/01/2035, Series A, National-RE, Revenue, Callable 07/01/2016 @ 100 (a)	500,000	474,440
0.23%	Pennsylvania		
	Conneaut School District, Zero Coupon, 11/01/2030, Series B, FSA State Aid Withholding, GO (a)	690,000	228,714
	Total Municipal Bonds		5,208,089
	(Cost \$5,516,015)		
4.00%	TAXABLE MUNICIPAL BONDS		
0.17%	Alabama		
	Alabaster, 5.340%, 04/01/2017, Series A, XLCA, GO (a)	170,000	170,228
1.78%	California		
	Kern County Pension Obligation, Zero Coupon, 08/15/2020, National-RE, Revenue	100,000	37,687
	Monrovia Redevelopment Agency Tax Allocation, 5.600%, 05/01/2023, AMBAC, Revenue, Callable 05/01/2013 @ 102 (a)	35,000	29,130
	Pinole Redevelopment Agency, 5.600%, 08/01/2020, AMBAC, Tax Allocation, Callable 08/01/2014 @ 102	25,000	24,291
	San Bernardino JT Powers, 6.150%, 05/01/2027, AMBAC, Tax Allocation, Callable 05/01/2016 @ 100	15,000	13,223
	Santa Fe Springs Community Development, 5.350%, 09/01/2018, National-RE, Tax Allocation, Callable 09/01/2016 @ 100	25,000	23,206
	Solano County, 5.140%, 01/15/2014, XLCA, Revenue (a)	1,330,000	1,350,442
	Thousand Oaks Redevelopment Agency, 5.000%, 12/01/2009, Series B, AMBAC, Tax Allocation (a)	250,000	250,362
	Watsonville Redevelopment Agency, 5.200%, 09/01/2012, National-RE FGIC, Tax Allocation (a)	60,000	60,465
			1,788,806
0.03%	District of Columbia		
	Metropolitan Washington Airports Authority Airport System, 5.590%, 10/01/2025, Series C, National-RE, Revenue, Callable 10/01/2015 @ 100 (a)	30,000	29,166
0.02%	Florida		
	Pembroke Pines Communication Services, 4.750%, 10/01/2019, AMBAC, Revenue, Callable 10/01/2014 @ 100	25,000	23,112

YIELDQUEST TOTAL RETURN BOND FUND

SCHEDULE OF INVESTMENTS (Continued)

October 31, 2009

% of Net Assets	Description	Principal	Value
0.36%	Georgia		
	College Park, 5.868%, 01/01/2021, National-RE FGIC, Revenue (a)	\$ 70,000	\$ 66,994
	College Park Business & Industrial Development Authority, 5.750%, 09/01/2015, FSA, Revenue (a)	250,000	267,690
	Savannah Hospital Authority, 6.625%, 07/01/2018, FSA, Revenue, Callable 07/01/2013 @ 100 (a)	25,000	25,415
			<u>360,099</u>
0.01%	Illinois		
	Development Finance Authority, 6.000%, 03/01/2012, National-RE, Revenue	5,000	5,225
0.03%	Indiana		
	Pike County School Corp., 5.000%, 01/05/2020, XLCA State Aid Withholding, GO, Callable 01/05/2015 @ 100 (a)	30,000	28,905
0.15%	Maine		
	City of Auburn, 5.125%, 08/01/2011, National-RE, GO (a)	145,000	147,629
0.03%	Maryland		
	State Transportation Authority, 6.480%, 07/01/2022, National-RE, Revenue (a)	35,000	35,929
0.07%	Michigan		
	Flat Rock Tax Increment, 5.375%, 10/01/2011, GO	65,000	67,803
0.22%	New Jersey		
	City of Linden, 5.950%, 04/01/2033, National-RE, GO	20,000	18,202
	Orange Township, 5.170%, 12/01/2011, Series C, FSA, GO (a)	35,000	36,495
	Union County Improvement Authority Sewer System Lease, 6.640%, 04/01/2022, AMBAC, Revenue (a)	165,000	168,402
			<u>223,099</u>
0.04%	Oregon		
	School Boards Association, 5.680%, 06/30/2028, Series B, National-RE, FGIC, GO (a)	40,000	37,631
0.24%	Pennsylvania		
	Beaver County, 5.000%, 12/15/2011, FSA, GO (a)	60,000	61,965
	Duquesne, 5.000%, 12/15/2013, Series B, FSA, GO (a)	170,000	176,253
			<u>238,218</u>
0.32%	South Carolina		
	Richland Lexington Airport District, 6.590%, 01/01/2017, FSA, Revenue (a)	300,000	324,312
0.40%	Tennessee		
	Alcoa, 5.550%, 06/01/2020, AMBAC, GO, Callable 06/01/2015 @ 100 (a)	400,000	397,840
0.11%	Texas		
	Gatesville Texas, 5.700%, 09/01/2019, CIFG, GO, Callable 09/01/2017 @ 100 (a)	115,000	113,292
0.02%	Wisconsin		
	Menasha Steam Utility, 4.350%, 09/01/2010, Revenue	23,569	16,263
	Total Taxable Municipal Bonds (Cost \$3,972,986)		<u>4,007,557</u>
		Shares	
6.25%	PREFERRED STOCKS		
6.03%	Financial Services		
	American International Group, Inc.:		
	6.450%, Series A-4, Callable 06/15/2012 @ \$25 (d) (e)	16,426	193,334
	7.700%, Series A-5, Callable 12/18/2012 @ \$25 (d) (e)	15,665	219,310
	Barclays Bank PLC, 8.125%, Series 5, Callable 06/15/2013 @ \$25 (a)	32,298	760,618
	BB&T Capital Trust V, 8.950%, Callable 09/15/2013 @ \$25 (d) (e)	16,673	429,496
	Citigroup Capital XVI, 6.450%, Series W, Callable 12/31/2011 @ \$25 (e)	23,625	413,438
	Countrywide Capital IV, 6.750%, Callable 12/07/2009 @ \$25	15,526	306,949

See accompanying notes to financial statements.

YIELDQUEST TOTAL RETURN BOND FUND**SCHEDULE OF INVESTMENTS (Continued)**

October 31, 2009

% of Net Assets	Description	Shares	Value
	Financial Services (Continued)		
	Countrywide Capital V, 7.000%, Callable 11/01/2011 @ \$25 (e)	42,005	\$ 835,900
	JPMorgan Chase & Co., 8.625%, Series J, Callable 09/01/2013 @ \$25 (e)	3,220	85,716
	JPMorgan Chase Capital XXVI, 8.000%, Callable 05/15/2013 @ \$25 (a) (d) (e)	16,722	446,812
	National City Capital Trust II, 6.625%, Callable 11/15/2011 @ \$25 (a)	32,091	680,008
	PNC Financial Services Group, Inc., 9.875%, Series F, Callable 02/01/2013 @ \$25 (a) (d)	34,709	963,175
	Preferred Blocker, Inc., 7.000%, Callable 12/31/2011 @ \$1,000 (a) (b)	139	84,890
	U.S. Bancorp, 7.875%, Series D, Callable 04/15/2013 @ \$25 (e)	5,867	156,825
	Wells Fargo Capital Trust IV, 7.000%, Callable 12/07/2009 @ \$25 (e)	12,271	295,977
	Wells Fargo Capital XIV, 8.625%, Callable 09/15/2013 @ \$25 (e)	6,535	174,615
			6,047,063
0.22%	U.S. Government & Agency (f)		
	Fannie Mae:		
	0.000% Series G, Callable 09/30/2010 @ \$50 (d)	12,630	18,313
	0.000% Series S, Callable 12/31/2010 @ \$25 (d)	42,940	49,381
	5.375%, Series I, Callable 12/07/2009 @ \$50	435	687
	5.810%, Series H, Callable 12/07/2009 @ \$50	14,300	24,310
	6.750%, Series Q, Callable 9/30/2010 @ \$25	8,000	7,200
	Freddie Mac:		
	5.100%, Series H, Callable 12/07/2009 @ \$50	23,700	41,949
	5.570%, Series V, Callable 12/31/2011 @ \$25	55,295	55,295
	5.700%, Series R, Callable 12/07/2009 @ \$50	7,038	10,909
	5.790%, Series K, Callable 12/07/2009 @ \$50	5,000	9,550
			217,594
	Total Preferred Stocks (Cost \$4,843,624)		6,264,657
58.05%	EXCHANGE TRADED/CLOSED-END FUNDS		
2.50%	Asset Allocation Closed-End Funds		
	Advent Claymore Convertible Securities and Income Fund	25,980	369,955
	Alpine Global Premier Properties Fund (e)	79,813	462,117
	Cohen & Steers REIT and Preferred Income Fund, Inc.	29,435	265,798
	Nicholas-Applegate Equity & Convertible Income Fund	21,000	314,580
	TCW Strategic Income Fund, Inc.	238,143	1,097,839
			2,510,289
6.87%	Commodity Exchange Traded Funds		
	iPath Dow Jones-UBS Commodity Index Total Return ETN (a) (f)	145,420	5,803,712
	iShares S&P GSCI Commodity-Indexed Trust (e) (f)	34,803	1,082,721
			6,886,433
2.81%	Equity Closed-End Funds		
	BlackRock Strategic Dividend Achievers Trust	4,368	36,560
	Cohen & Steers Advantage Income Realty Fund, Inc. (e)	55,122	288,839
	Cohen & Steers Premium Income Realty Fund, Inc. (e)	98,937	471,930
	Cohen & Steers Quality Income Realty Fund, Inc.	25,500	131,835
	Cohen & Steers Worldwide Realty Income Fund, Inc.	7,770	45,299
	DWS Dreman Value Income Edge Fund	46,683	513,046
	First Trust Enhanced Equity Income Fund (a)	4,508	44,945
	Liberty All-Star Equity Fund	27,134	109,350
	Liberty All-Star Growth Fund, Inc.	21,185	64,402
	LMP Capital and Income Fund, Inc.	34,220	321,668
	Madison Strategic Sector Premium Fund (a)	5,646	64,252
	Nuveen Diversified Dividend and Income Fund	30,000	269,100
	Nuveen Tax-Advantage Dividend Growth Fund	30,043	313,649
	RiverSource LaSalle International Real Estate Fund, Inc.	20,645	144,928
	RMR Asia Pacific Real Estate Fund	1	8
			2,819,811

See accompanying notes to financial statements.

YIELDQUEST TOTAL RETURN BOND FUND**SCHEDULE OF INVESTMENTS (Continued)****October 31, 2009**

% of Net Assets	Description	Shares	Value
2.40%	Equity Exchange Traded Funds		
	iShares Cohen & Steers Realty Majors Index Fund (e)	13,476	\$ 622,861
	iShares Dow Jones U.S. Real Estate Index Fund (a)	28,037	1,136,900
	Market Vectors Gold Miners ETF (f)	11,790	497,184
	PowerShares Financial Preferred Portfolio	9,473	145,032
			2,401,977
8.62%	Municipal Closed-End Funds		
	BlackRock Apex Municipal Fund, Inc.	7,898	66,185
	BlackRock California Municipal Income Trust	9,282	121,687
	BlackRock California Municipal Income Trust II	10,121	130,662
	BlackRock Long-Term Municipal Advantage Trust	17,495	172,851
	BlackRock Muni Intermediate Duration Fund, Inc.	20,659	267,534
	BlackRock MuniHoldings California Insured Fund, Inc.	7,755	98,178
	BlackRock MuniHoldings Fund II, Inc.	3,438	45,588
	BlackRock MuniHoldings Fund, Inc.	3,096	45,387
	BlackRock MuniYield California Insured Fund, Inc. (e)	49,292	624,037
	BlackRock MuniYield Fund, Inc.	5,216	65,148
	BlackRock MuniYield Insured Fund, Inc.	15,036	181,635
	BlackRock MuniYield Michigan Insured Fund II, Inc.	21,521	256,100
	BlackRock MuniYield Michigan Insured Fund, Inc. (e)	9,013	116,268
	BlackRock MuniYield New York Insured Fund, Inc.	32,266	379,771
	BlackRock MuniYield Pennsylvania Insured Fund	8,455	111,521
	BlackRock MuniYield Quality Fund II, Inc. (a)	9,502	110,033
	BlackRock Pennsylvania Strategic Municipal Trust	700	8,344
	Dreyfus Municipal Income, Inc.	56,022	466,103
	Dreyfus Strategic Municipal Bond Fund, Inc.	16,318	119,121
	Dreyfus Strategic Municipals, Inc.	15,071	113,033
	DTF Tax-Free Income, Inc.	6,270	88,407
	Eaton Vance National Municipal Opportunities Trust	10,000	196,500
	Morgan Stanley California Insured Municipal Income Trust (e)	19,583	247,725
	Morgan Stanley California Quality Municipal Securities	19,571	232,504
	Morgan Stanley Insured Municipal Income Trust	6,720	89,914
	Morgan Stanley Insured Municipal Securities	5,695	75,459
	Morgan Stanley Insured Municipal Trust	14,684	189,277
	Morgan Stanley Municipal Income Opportunities Trust	36,899	232,464
	Morgan Stanley Municipal Income Opportunities Trust II	21,927	151,735
	Morgan Stanley Municipal Income Opportunities Trust III	16,271	125,124
	Morgan Stanley Quality Municipal Income Trust	8,900	105,020
	Morgan Stanley Quality Municipal Investment Trust	9,463	113,745
	Nuveen California Dividend Advantage Municipal Fund II	7,137	93,852
	Nuveen California Investment Quality Municipal Fund	6,270	79,629
	Nuveen California Municipal Market Opportunity Fund	5,068	66,036
	Nuveen California Performance Plus Municipal Fund, Inc.	9,200	116,840
	Nuveen California Premium Income Municipal Fund	10,470	126,373
	Nuveen Insured California Premium Income Municipal Fund	6,869	90,327
	Nuveen Insured Dividend Advantage Municipal Fund	4,227	58,544
	Nuveen Insured Municipal Opportunity Fund, Inc.	20,388	264,636
	Nuveen Insured New York Dividend Advantage Municipal Fund	4,982	65,762
	Nuveen Insured New York Premium Income Municipal Fund	6,270	81,886
	Nuveen Investment Quality Municipal Fund, Inc.	5,814	76,222
	Nuveen Michigan Premium Income Fund	11,156	136,661
	Nuveen Michigan Quality Income Fund	14,054	179,610
	Nuveen New Jersey Dividend Advantage Municipal Fund	884	11,262
	Nuveen New Jersey Premium Income Municipal Fund, Inc.	5,000	67,050
	Nuveen New York Dividend Advantage Municipal Fund	16,035	208,455
	Nuveen New York Performance Plus Municipal Fund	10,000	137,800
	Nuveen New York Quality Income Municipal Fund, Inc.	14,402	188,810

See accompanying notes to financial statements.

YIELDQUEST TOTAL RETURN BOND FUND

SCHEDULE OF INVESTMENTS (Continued)

October 31, 2009

% of Net Assets	Description	Shares	Value
	Municipal Closed-End Funds (Continued)		
	Nuveen New York Select Quality Municipal Fund (a)	22,698	\$ 299,387
	Nuveen Pennsylvania Premium Income Municipal Fund II	11,027	134,970
	Nuveen Premier Insured Municipal Income Fund, Inc.	13,299	174,217
	Nuveen Premier Municipal Income Fund, Inc.	4,200	52,080
	Nuveen Premium Income Municipal Fund II	32,672	425,389
	Van Kampen Pennsylvania Value Municipal Income Trust	12,867	158,264
			8,641,122
4.14%	Municipal Exchange Traded Funds		
	iShares S&P National AMT-Free Bond Fund	21,730	2,232,540
	SPDR Barclays Capital Municipal Bond ETF	85,161	1,922,084
			4,154,624
30.36%	Taxable Fixed Income Closed-End Funds		
	BlackRock Core Bond Trust	26,034	307,201
	BlackRock High Income Shares	83,013	146,103
	BlackRock Income Trust, Inc. (a)	662,057	4,217,303
	BlackRock Limited Duration Income Trust	10,000	139,200
	BlackRock Preferred and Corporate Income Strategies Fund, Inc.	96,979	799,107
	BlackRock Preferred Income Strategies Fund, Inc.	109,668	976,045
	BlackRock Preferred Opportunity Trust	57,000	566,580
	Dreyfus High Yield Strategies Fund (e)	40,953	142,107
	DWS Global High Income Fund, Inc.	33,732	227,691
	DWS Strategic Income Trust (a)	8,704	95,222
	Eaton Vance Senior Income Trust	36,043	199,678
	Eaton Vance Short Duration Diversified Income Fund (a)	208,631	3,248,385
	Evergreen Multi-Sector Income Fund (a)	125,563	1,722,724
	First Trust/FIDAC Mortgage Income Fund	28,533	511,026
	First Trust/Four Corners Senior Floating Rate Income Fund II (e)	99,810	1,087,929
	Flaherty & Crumrine/Claymore Preferred Securities Income Fund, Inc.	25,000	309,250
	Fort Dearborn Income Securities, Inc.	52,791	758,607
	Global High Income Fund, Inc.	42,167	484,921
	Global Income & Currency Fund, Inc. (a)	48,110	678,832
	MFS Charter Income Trust (e)	59,372	509,412
	MFS InterMarket Income Trust I	48,861	386,002
	MFS Intermediate Income Trust	60,000	398,400
	MFS Multimarket Income Trust (e)	421,085	2,551,775
	Montgomery Street Income Securities, Inc. (a)	105,556	1,539,007
	Morgan Stanley Emerging Markets Debt Fund, Inc. (a) (e)	116,031	1,103,455
	Morgan Stanley Emerging Markets Domestic Debt Fund, Inc. (a)	101,792	1,399,640
	Neuberger Berman High Yield Strategies Fund	9,500	103,360
	Nuveen Floating Rate Income Fund (e)	119,937	1,090,227
	Nuveen Floating Rate Income Opportunity Fund	79,254	716,456
	Nuveen Global Government Enhanced Income Fund	3,400	55,080
	Nuveen Quality Preferred Income Fund III	15,000	99,000
	Putnam Premier Income Trust	48,287	284,893
	Rivus Bond Fund	122,700	1,985,286
	Transamerica Income Shares, Inc. (e)	19,642	391,072
	Van Kampen Senior Income Trust	88,268	345,128
	Western Asset Inflation Management Fund, Inc.	815	13,032
	Western Asset Investment Grade Defined Opportunity Trust, Inc.	10,000	190,400
	Western Asset Worldwide Income Fund, Inc. (e)	56,056	669,869
			30,449,405
0.35%	Taxable Fixed Income Exchange Traded Funds		
	Market Vectors High Yield Municipal Index ETF	11,391	350,387
	Total Exchange Traded/Closed-End Funds (Cost \$52,837,426)		58,214,048

See accompanying notes to financial statements.

YIELDQUEST TOTAL RETURN BOND FUND

SCHEDULE OF INVESTMENTS (Continued)

October 31, 2009

% of Net Assets	Description	Contracts	Value
0.51%	PURCHASED OPTIONS (f)		
	iShares Barclays 20+ Year Treasury, 11/21/2009, Put @ \$95	780	\$ 97,500
	iShares MSCI Emerging Market, Inc.:		
	11/21/2009, Put @ \$36	1,559	132,515
	11/21/2009, Put @ \$37	958	114,960
	Powershares QQQ:		
	11/21/2009, Put @ \$40	1,278	94,572
	11/21/2009, Put @ \$41	641	70,510
	Total Purchased Options (Cost \$404,766)		510,057
		Shares	
2.36%	SHORT-TERM INVESTMENT		
	Dreyfus Institutional Reserves Money Market Fund 0.00% (g)	2,371,159	2,371,159
	Total Short-Term Investment (Cost \$2,371,159)		2,371,159
106.57%	Total Investments (Cost \$105,552,912)		106,873,662
(6.57)%	Net other assets (liabilities)		(6,584,885)
100.00%	NET ASSETS		\$ 100,288,777
7.21%	EXCHANGE TRADED/CLOSED-END FUNDS SOLD SHORT		
	SPDR Barclays Capital High Yield Bond ETF	190,433	7,234,550
	Total Exchange Traded/Closed-End Funds Sold Short (Proceeds \$6,700,078)		7,234,550
		Principal	
5.00%	U.S. TREASURY SECURITIES SOLD SHORT		
	U.S. Treasury Note 1.000%, 09/30/2011	\$ 5,000,000	5,016,020
	Total U.S. Treasury Securities Sold Short (Proceeds \$5,002,271)		\$ 5,016,020
			Unrealized Gain/(Loss)
		Local Currency	Market Value
		Settlement Date	
	FOREIGN CURRENCY TO BUY:		
	Canadian Dollar	809,248	\$ 747,887
	Icelandic Krona	94,634,900	752,773
	Japanese Yen	181,238,911	2,013,502
			11/06/2009
			\$ (12,113)
			10/10/2008 (h)
			(277,402)
			11/06/2009
			24,108
			(265,407)
	TO SELL:		
	Brazilian Real	1,039,375	589,163
	British Sterling Pound	582,623	956,188
	Japanese Yen	181,238,911	2,013,502
	Mexican Peso	2,773,627	209,872
	New Zealand Dollar	5,660,887	4,059,979
			11/06/2009
			(6,554)
			11/06/2009
			(23,410)
			11/06/2009
			11,513
			11/06/2009
			(5,251)
			11/06/2009
			27,181
			3,479
	Total Net Unrealized Gain (Loss) on open Forward Foreign Currency Contracts		\$ (261,928)

YIELDQUEST TOTAL RETURN BOND FUND
SCHEDULE OF INVESTMENTS (Continued)

October 31, 2009

	<u>Contracts</u>	<u>Notional Value</u>	<u>Unrealized Gain/(Loss)</u>
FUTURES CONTRACTS PURCHASED			
Dollar Index, expires 12/14/2009	94	\$ 7,188,650	\$ (34,762)
			<u>(34,762)</u>
FUTURES CONTRACTS SOLD SHORT			
E-Mini Crude Oil, expires 11/19/2009	60	2,310,000	(6,798)
S&P 500 E-Mini, expires 12/18/2009	97	5,010,050	1,730
U.S. 2 Year Note, expires 12/31/2009	32	6,963,500	(48,066)
U.S. 5 Year Note, expires 12/31/2009	105	12,227,578	(128,663)
U.S. 10 Year Note, expires 12/21/2009	44	5,218,813	(31,466)
U.S. Long Bond, expires 12/21/2009	61	7,329,531	59,155
			<u>(154,108)</u>
Total			\$ (188,870)

- (a) All or a portion of the security is pledged as collateral for securities sold short.
(b) Rule 144A Section 4(2) or other security which is restricted as to resale to institutional investors. At October 31, 2009, these securities amounted to \$2,032,442 or 2.03% of net assets. The Investment Advisor, using board approved procedures has deemed these securities or a portion of these securities liquid.
(c) Default Resolution.
(d) Variable rate security.
(e) All or a portion of the security is segregated in connection with forward currency and futures contracts.
(f) Non-income producing securities.
(g) Rate represents effective yield.
(h) Counterparty in default.

AMBAC	Insured by American Municipal Bond Assurance Corp.
BRL	Brazilian Real
ETF	Exchange-Traded Fund
ETN	Exchange-Traded Note
FGIC	Insured by Financial Guaranty Insurance Co.
FSA	Insured by Financial Security Assurance
GBP	British Sterling Pound
GO	General Obligation
LLC	Limited Liability Co.
MBIA	Insured by Municipal Bond Insurance Organization Association
MTN	Medium Term Note
MXN	Mexican Peso
NZD	New Zealand Dollar
PLC	Public Liability Co.
REIT	Real Estate Investment Trust
SPX	S&P 500 Index
XLCA	Insured by XL Capital Assurance

YIELDQUEST TAX-EXEMPT BOND FUND
SCHEDULE OF INVESTMENTS

October 31, 2009

% of Net Assets	Description	Shares	Value
0.00%	COMMON STOCKS		
0.00%	Airlines		
	Delta Air Lines, Inc. (a)	161	\$ 1,150
	Total Common Stocks (Cost \$923)		1,150
		Principal	
0.39%	CORPORATE BONDS		
0.39%	Financial Services		
	MBIA Insurance Co., 14.000%, 01/15/2033, Callable 01/15/2013 @ 100 (b) (c)	\$ 440,000	195,800
	Total Corporate Bonds (Cost \$435,821)		195,800
65.03%	MUNICIPAL BONDS		
1.07%	Alabama		
	Alabama Agriculture & Mechanical, 5.000%, 11/01/2017, AMBAC, Revenue, Callable 05/01/2017 @ 100 (d)	500,000	462,335
	Birmingham Jefferson Civic Center Authority, 4.125%, 07/01/2017, Series A, AMBAC, Special Tax, Callable 12/10/2009 @ 100	100,000	74,645
			536,980
5.50%	California		
	Antioch California Union School District, 4.250%, 09/01/2021, COP, National-RE FGIC, Callable 09/01/2015 @ 100 (d)	685,000	653,997
	California State:		
	4.500%, 08/01/2026, GO, Callable 02/01/2017 @ 100 (e)	1,000,000	907,390
	6.000%, 04/01/2035, GO, Callable 04/01/2019 @ 100	1,000,000	1,066,540
	Oakland Redevelopment Agency, 5.500%, 02/01/2014, AMBAC, Tax Allocation (d)	125,000	127,595
			2,755,522
0.61%	Colorado		
	Arkansas River Power Authority, 5.250%, 10/01/2016, XLCA, Revenue (d)	300,000	305,550
5.68%	Florida		
	Dunedin Utility System, 6.250%, 10/01/2011, National-RE FGIC, Revenue Lakeland, Florida Energy System, 5.000%, 10/01/2024, XLCA, Revenue, Callable 10/01/2016 @ 100 (e)	50,000 1,045,000	54,223 1,077,562
	Miami-Dade County Public Facilities, 4.375%, 06/01/2037, Series A, National-RE, Revenue, Callable 06/01/2015 @ 100 (d)	500,000	418,700
	Nassau County Public Improvement, 5.000%, 05/01/2021, National-RE, Revenue (d)	1,260,000	1,298,909
			2,849,394
0.00%	Georgia		
	Fulton County, Georgia Development Authority, Zero Coupon , 05/01/2033 (f)	105,000	1,313
2.60%	Illinois		
	Chicago O'Hare International Airport:		
	4.000%, 01/01/2012, Series A, FSA, Revenue (e)	500,000	523,390
	5.250%, 01/01/2016, Series B, National-RE, Revenue (d)	260,000	285,602
	City of Bellwood, 4.450%, 12/01/2020, Series B, National-RE, GO, Callable 12/01/2015 @ 100	100,000	103,001
	Cook County Community School District No. 97 Oak Park, 9.000%, 12/01/2015, Series B, National-RE FGIC, GO (d)	300,000	393,036
			1,305,029

YIELDQUEST TAX-EXEMPT BOND FUND
SCHEDULE OF INVESTMENTS (Continued)

October 31, 2009

% of Net Assets	Description	Principal	Value
1.85%	Indiana		
	Hammond Local Public Improvement Bond Bank, 4.500%, 08/15/2017, Series A, XCLA, Revenue, Callable 08/15/2011 @ 100 (d)	\$ 520,000	\$ 513,256
	Indiana State Fair Common Fairgrounds, 4.200%, 01/01/2014, AMBAC, Revenue, Callable 01/01/2013 @ 100 (d)	390,000	411,949
			<u>925,205</u>
2.24%	Kansas		
	Miami County Unified School District No. 416, 5.000%, 09/01/2016, National-RE, GO (d)	1,000,000	1,121,250
1.49%	Massachusetts		
	Massachusetts State Health & Educational Facilities Authority, 4.500%, 10/01/2031, Series F, National-RE FGIC, Revenue, Callable 10/01/2016 @ 100 (d)	750,000	748,935
5.11%	Michigan		
	City of Detroit, 5.000%, 04/01/2012, Series C, FSA, GO	50,000	52,329
	Michigan State, 6.250%, 11/01/2012, GO, Prerefunded 11/01/2009 @ 100 (e)	2,000,000	2,128,140
	Plymouth-Canton Community School District, 5.250%, 05/01/2015, Q-SBLF, GO, Callable 05/01/2013 @ 100 (d)	350,000	383,957
			<u>2,564,426</u>
0.10%	Mississippi		
	Itawamba Community College District, 5.000%, 02/01/2011, XLCA-ICR, GO	50,000	52,410
4.14%	Missouri		
	Joint Municipal Electric Utility Commission Power Project: 5.000%, 01/01/2015, National-RE, Revenue (d)	620,000	626,132
	5.000%, 01/01/2042, Series A, AMBAC, Revenue, Callable 01/01/2017 @ 100 (d)	585,000	586,006
	St. Louis Airport, 5.000%, 07/01/2015, Series A, FSA, Revenue (d)	825,000	865,507
			<u>2,077,645</u>
1.04%	Nevada		
	Clark County, 4.500%, 06/01/2018, FSA, GO, Callable 06/01/2016 @ 100 (d)	275,000	284,804
	North Las Vegas Local Improvement, 4.125%, 12/01/2014, AMBAC, Special Assessment (d)	255,000	237,186
			<u>521,990</u>
2.25%	New Jersey		
	Hoboken Municipal Hospital Authority, 4.450%, 07/01/2021, Series A, FSA Municipal Government Guaranteed, Revenue, Callable 07/01/2017 @ 100 (d)	1,000,000	1,035,390
	Jersey City, 5.625%, 03/01/2020, Series A, GO, FSA, Prerefunded 03/01/2010 @101	90,000	92,424
			<u>1,127,814</u>
1.03%	New Mexico		
	Tucumcari Municipal Gross Receipt Lodgers Tax Revenue, 4.625%, 06/01/2017, National-RE, Revenue, Callable 06/01/2010 @ 100 (e)	510,000	513,835
1.52%	New York		
	City of Utica Public Improvement, 4.750%, 04/01/2015, FSA, GO (d)	335,000	362,668
	Erie County Public Improvement, 5.000%, 12/01/2015, Series A, National-RE, GO	100,000	104,739
	Troy Industrial Development Authority Civic Facility, 4.050%, 04/01/2037, Series E, Revenue, Callable 09/01/2011 @ 100 (c) (d)	290,000	295,411
			<u>762,818</u>
1.24%	Ohio		
	City of Cleveland Various Purpose, 5.500%, 12/01/2013, National-RE, GO, Callable 12/01/2012 @ 100 (d)	570,000	621,534

See accompanying notes to financial statements.

YIELDQUEST TAX-EXEMPT BOND FUND**SCHEDULE OF INVESTMENTS (Continued)****October 31, 2009**

% of Net Assets	Description	Principal	Value
0.98%	Pennsylvania Philadelphia Authority for Industrial Development, 5.000%, 12/01/2016, National-RE FGIC, Revenue (d)	\$ 500,000	\$ 492,670
2.22%	South Carolina Beaufort County, 8.000%, 03/01/2016, National-RE State Aid Withholding, GO (d)	850,000	1,112,590
16.52%	Texas Austin Electric Utility System, 5.500%, 11/15/2015, Series A, AMBAC, Revenue (d)	500,000	567,600
	Brazoria County Municipal Utility District No. 26, 4.600%, 09/01/2028, FGIC, GO, Callable 09/01/2013 @ 100	100,000	95,621
	City of Midlothian, 5.500%, 08/15/2013, National-RE, GO (d)	175,000	195,226
	City of Rowlett, 4.500%, 02/15/2014, National-RE, GO (d)	715,000	773,895
	Dallas Area Rapid Transit, 5.250%, 12/01/2043, Revenue, Callable 12/01/2018 @ 100 (e)	1,500,000	1,581,870
	Dallas-Fort Worth International Airport Facility Improvement Corp., 6.000%, 11/01/2014, Revenue, Callable 12/10/2009 @ 100	140,000	123,712
	Laguna-Madre Water District, 4.500%, 03/01/2024, AMBAC, Revenue, Callable 03/01/2016 @ 100 (d)	595,000	607,447
	Lubbock Municipal Drainage Utilities, 4.750%, 02/15/2022, Series D, National-RE, GO, Prerefunded 02/15/2012 @ 100	500,000	542,755
	Municipal Power Agency, Zero Coupon, 09/01/2010, AMBAC, Revenue (d)	250,000	245,728
	Northwest Harris County Municipal Utility District No. 5, 5.500%, 05/01/2016, Series A, AMBAC, GO (d)	585,000	618,626
	Pearland Waterworks & Sewer Systems, 6.000%, 09/01/2011, AMBAC, Revenue (d)	135,000	147,149
	Port Arthur Independent School District, 5.000%, 02/15/2014, AMBAC, GO (d)	840,000	917,221
	State Turnpike Authority, Zero Coupon, 08/15/2015, Series A, AMBAC, Revenue (d)	705,000	533,220
	Tarrant County, Texas Health Facilities, 5.000%, 12/01/2019, FSA, Revenue, Callable 12/01/2017 @ 100 (d)	250,000	260,613
	Upper Trinity Regional Water District, 4.000%, 08/01/2020, XCLA, Revenue, Callable 02/01/2017 @ 100 (d)	1,100,000	1,070,872
			<u>8,281,555</u>
0.71%	U.S. Territories Northern Mariana Islands Commonwealth, 6.750%, 10/01/2033, Series A, GO, Prerefunded 10/01/2013 @ 100	300,000	354,054
1.50%	Virginia Virginia Public School Authority, School Financing, 5.000%, 08/01/2010, Series C, Revenue	725,000	749,831
5.63%	Washington Cowlitz County School District No. 122 Longview, 5.500%, 12/01/2017, FSA School Board Guaranty, GO, Prerefunded 12/01/2011 @ 100	620,000	681,194
	Energy Northwest Wind Project, 5.000%, 07/01/2015, Series A, AMBAC, Revenue (d)	700,000	761,691
	Washington State Higher Education Facilities Authority, 5.000%, 11/01/2020, RADIAN, Revenue (d)	200,000	194,238
	Washington State University Athletic Facilities: 4.000%, 10/01/2016, AMBAC, Revenue (d)	570,000	613,793
	4.000%, 10/01/2017, AMBAC, Revenue, Callable 04/01/2017 @ 100 (d)	555,000	573,692
			<u>2,824,608</u>
	Total Municipal Bonds (Cost \$31,754,450)		<u>32,606,958</u>

YIELDQUEST TAX-EXEMPT BOND FUND**SCHEDULE OF INVESTMENTS (Continued)****October 31, 2009**

% of Net Assets	Description	Principal	Value
0.34%	FOREIGN BONDS		
0.34%	Financial Services		
	General Electric Capital Corp., 6.750%, 09/26/2016, EMTN	NZD 250,000	\$ 171,877
	Total Foreign Bonds (Cost \$174,478)		171,877
		Shares	
45.23%	EXCHANGE TRADED/CLOSED-END FUNDS		
0.75%	Asset Allocation Closed-End Funds		
	Advent Claymore Convertible Securities and Income Fund	4,710	67,070
	Nicholas-Applegate Equity & Convertible Income Fund	4,450	66,661
	TCW Strategic Income Fund, Inc.	37,483	172,797
	TS&W/Claymore Tax-Advantaged Balanced Fund	7,300	66,941
			373,469
3.18%	Commodity Exchange Traded Funds		
	iPath Dow Jones-UBS Commodity Index Total Return ETN (a)	33,507	1,337,264
	iShares S&P GSCI Commodity-Indexed Trust (a)	8,324	258,960
			1,596,224
0.58%	Equity Closed-End Funds		
	DWS Dreman Value Income Edge Fund	6,200	68,138
	LMP Capital and Income Fund, Inc.	7,120	66,928
	Nuveen Diversified Dividend and Income Fund	7,400	66,378
	Nuveen Tax-Advantage Dividend Growth Fund	8,763	91,486
			292,930
1.56%	Equity Exchange Traded Funds		
	iShares Cohen & Steers Realty Majors Index Fund	8,834	408,307
	iShares Dow Jones U.S. Real Estate Index Fund	7,505	304,328
	PowerShares Financial Preferred Portfolio	4,644	71,100
			783,735
27.56%	Municipal Closed-End Funds		
	BlackRock Apex Municipal Fund, Inc.	4,011	33,612
	BlackRock California Municipal Income Trust	2,530	33,168
	BlackRock California Municipal Income Trust II	5,140	66,357
	BlackRock Insured Municipal Income Investment Trust	12,138	157,794
	BlackRock Long-Term Municipal Advantage Trust	12,498	123,480
	BlackRock Muni Intermediate Duration Fund, Inc.	12,458	161,331
	BlackRock MuniHoldings California Insured Fund, Inc.	18,547	234,805
	BlackRock MuniHoldings Fund II, Inc.	1,745	23,139
	BlackRock MuniHoldings Fund, Inc.	1,208	17,709
	BlackRock MuniYield California Fund, Inc.	11,946	154,462
	BlackRock MuniYield California Insured Fund, Inc. (e)	59,748	756,410
	BlackRock MuniYield Fund, Inc.	2,649	33,086
	BlackRock MuniYield Insured Fund, Inc.	7,603	91,844
	BlackRock MuniYield Investment Fund	12,816	156,483
	BlackRock MuniYield Michigan Insured Fund II, Inc. (e)	24,890	296,191
	BlackRock MuniYield Michigan Insured Fund, Inc. (e)	48,568	626,527
	BlackRock MuniYield New York Insured Fund, Inc.	54,040	636,051
	BlackRock MuniYield Pennsylvania Insured Fund (e)	20,826	274,695
	BlackRock MuniYield Quality Fund II, Inc. (e)	27,818	322,132
	BlackRock Pennsylvania Strategic Municipal Trust	8,104	96,600
	Dreyfus Municipal Income, Inc.	51,444	428,014
	Dreyfus Strategic Municipal Bond Fund, Inc.	7,978	58,239
	Dreyfus Strategic Municipals, Inc.	7,853	58,897
	DTF Tax-Free Income, Inc. (e)	23,832	336,031
	Eaton Vance National Municipal Opportunities Trust	5,500	108,075

See accompanying notes to financial statements.

YIELDQUEST TAX-EXEMPT BOND FUND
SCHEDULE OF INVESTMENTS (Continued)

October 31, 2009

% of Net Assets	Description	Shares	Value
	Municipal Closed-End Funds (Continued)		
	Morgan Stanley California Insured Municipal Income Trust	24,731	\$ 312,847
	Morgan Stanley California Quality Municipal Securities	23,995	285,061
	Morgan Stanley Insured Municipal Income Trust	6,975	93,326
	Morgan Stanley Insured Municipal Securities	2,986	39,565
	Morgan Stanley Insured Municipal Trust (e)	18,841	242,860
	Morgan Stanley Municipal Income Opportunities Trust	16,505	103,981
	Morgan Stanley Municipal Income Opportunities Trust II	17,635	122,034
	Morgan Stanley Municipal Income Opportunities Trust III	15,503	119,218
	Morgan Stanley Quality Municipal Investment Trust	4,773	57,371
	Morgan Stanley Quality Municipal Securities	25,039	320,499
	Nuveen California Dividend Advantage Municipal Fund II (e)	7,332	96,416
	Nuveen California Investment Quality Municipal Fund (e)	7,608	96,622
	Nuveen California Municipal Market Opportunity Fund	3,833	49,944
	Nuveen California Performance Plus Municipal Fund, Inc. (e)	25,814	327,838
	Nuveen California Premium Income Municipal Fund	14,833	179,034
	Nuveen Insured California Premium Income Municipal Fund	7,486	98,441
	Nuveen Insured Dividend Advantage Municipal Fund (e)	16,172	223,982
	Nuveen Insured Municipal Opportunity Fund, Inc. (e)	34,520	448,070
	Nuveen Insured New York Dividend Advantage Municipal Fund	31,407	414,572
	Nuveen Insured New York Premium Income Municipal Fund	44,968	587,282
	Nuveen Investment Quality Municipal Fund, Inc.	12,345	161,843
	Nuveen Michigan Premium Income Fund (e)	9,822	120,320
	Nuveen Michigan Quality Income Fund (e)	41,451	529,744
	Nuveen New York Dividend Advantage Municipal Fund (e)	39,041	507,533
	Nuveen New York Quality Income Municipal Fund, Inc. (e)	42,118	552,167
	Nuveen New York Select Quality Municipal Fund (e)	33,093	436,497
	Nuveen Pennsylvania Investment Quality Municipal Fund (e)	22,423	286,566
	Nuveen Pennsylvania Premium Income Municipal Fund II (e)	49,047	600,335
	Nuveen Premier Insured Municipal Income Fund, Inc.	6,688	87,613
	Nuveen Premier Municipal Income Fund, Inc.	6,885	85,374
	Nuveen Premium Income Municipal Fund II	48,608	632,876
	Van Kampen Pennsylvania Value Municipal Income Trust	8,175	100,553
	Western Asset Municipal Partners Fund, Inc. (e)	15,902	211,497
			13,817,013
2.97%	Municipal Exchange Traded Funds		
	iShares S&P National AMT-Free Bond Fund	6,548	672,742
	SPDR Barclays Capital Municipal Bond ETF	36,267	818,546
			1,491,288
8.23%	Taxable Fixed Income Closed-End Funds		
	BlackRock Income Trust, Inc. (e)	124,894	795,575
	BlackRock Preferred Opportunity Trust	2,000	19,880
	DWS Strategic Income Trust	2,750	30,085
	Eaton Vance Short Duration Diversified Income Fund (e)	40,127	624,777
	Evergreen Multi-Sector Income Fund (e)	17,770	243,804
	First Trust/FIDAC Mortgage Income Fund	7,774	139,232
	First Trust/Four Corners Senior Floating Rate Income Fund II	9,831	107,158
	Fort Dearborn Income Securities, Inc.	7,380	106,051
	Global High Income Fund, Inc.	3,000	34,500
	Global Income & Currency Fund, Inc.	4,700	66,317
	LMP Corporate Loan Fund, Inc.	2,850	27,303
	Managed High Yield Plus Fund, Inc.	7,000	12,460
	MFS Charter Income Trust (e)	4,543	38,979
	MFS InterMarket Income Trust I	14,438	114,060
	MFS Multimarket Income Trust (e)	85,804	519,972
	Montgomery Street Income Securities, Inc.	24,313	354,484
	Morgan Stanley Emerging Markets Debt Fund, Inc.	8,009	76,166

See accompanying notes to financial statements.

YIELDQUEST TAX-EXEMPT BOND FUND**SCHEDULE OF INVESTMENTS (Continued)**

October 31, 2009

% of Net Assets	Description	Shares	Value
	Taxable Fixed Income Closed-End Funds (Continued)		
	Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.	17,834	\$ 245,218
	Nuveen Floating Rate Income Fund	8,827	80,237
	Nuveen Floating Rate Income Opportunity Fund	5,459	49,349
	Rivus Bond Fund	16,973	274,623
	Transamerica Income Shares, Inc.	2,046	40,736
	Van Kampen Senior Income Trust	10,000	39,100
	Western Asset Inflation Management Fund, Inc.	5,500	87,945
			<u>4,128,011</u>
0.40%	Taxable Fixed Income Exchange Traded Fund		
	Market Vectors High Yield Municipal Index ETF	6,442	198,156
	Total Exchange Traded/Closed-End Funds (Cost \$20,580,516)		<u>22,680,826</u>
1.56%	PREFERRED STOCKS		
1.49%	Financial Services		
	American International Group, Inc.:		
	6.450%, Series A-4, Callable 06/15/2012 @ \$25 (c)	4,529	53,306
	7.700%, Series A-5, Callable 12/18/2012 @ \$25 (c)	4,135	57,890
	BB&T Capital Trust V, 8.950%, Callable 09/15/2013 @ \$25 (c)	4,464	114,993
	Citigroup Capital XVI, 6.450%, Series W, Callable 12/31/2011 @ \$25	4,035	70,612
	Countrywide Capital IV, 6.750%, Callable 12/07/2009 @ \$25	1,485	29,358
	Countrywide Capital V, 7.000%, Callable 11/01/2011 @ \$25	10,774	214,403
	National City Capital Trust II, 6.625%, Callable 11/15/2011 @ \$25	4,005	84,866
	PNC Financial Services Group, Inc., 9.875%, Series F, Callable 02/01/2013 @ \$25 (c)	4,297	119,242
			<u>744,670</u>
0.07%	U.S. Government & Agency (a)		
	Fannie Mae:		
	0.000%, Series G, Callable 09/30/2010 @ \$50 (c)	5,470	7,931
	0.000%, Series S, Callable 12/31/2010 @ \$25 (c)	6,680	7,682
	Freddie Mac:		
	5.570%, Series V, Callable 12/31/2011 @ \$25	10,295	10,295
	5.700%, Series R, Callable 12/07/2009 @ \$50	6,730	10,432
			<u>36,340</u>
	Total Preferred Stocks (Cost \$604,853)		<u>781,010</u>
		Contracts	
0.53%	PURCHASED OPTIONS(a)		
	iShares Barclays 20+ Year Treasury, 11/21/2009, Put @ \$95	420	52,500
	iShares MSCI Emerging Market, Inc.:		
	11/21/2009, Put @ \$36	804	68,340
	11/21/2009, Put @ \$37	495	59,400
	Powershares QQQ:		
	11/21/2009, Put @ \$40	660	48,840
	11/21/2009, Put @ \$41	328	36,080
	Total Purchased Options (Cost \$211,092)		<u>265,160</u>
		Shares	
0.07%	SHORT-TERM INVESTMENT		
	Dreyfus Tax Exempt Cash Management Fund, 0.12% (g)	34,252	34,252
	Total Short-Term Investment (Cost \$34,252)		<u>34,252</u>

See accompanying notes to financial statements.

YIELDQUEST TAX-EXEMPT BOND FUND
SCHEDULE OF INVESTMENTS (Continued)

October 31, 2009

% of Net Assets	Description			Value
113.15%	Total Investments (Cost \$53,796,385)			\$ 56,737,033
(13.15)%	Net other assets (liabilities)			(6,594,286)
100.00%	NET ASSETS			\$ 50,142,747
			<u>Shares</u>	
3.95%	EXCHANGE TRADED/CLOSED-END FUNDS SOLD SHORT SPDR Barclays Capital High Yield Bond ETF	52,090		\$ 1,978,899
	Total Exchange Traded/Closed-End Funds Sold Short (Proceeds \$1,804,538)			1,978,899
			<u>Principal</u>	
17.48%	U.S. TREASURY SECURITIES SOLD SHORT U.S. Treasury Note 1.000%, 09/30/2011 U.S. Treasury Note 2.625%, 05/31/2010	\$ 750,000 7,900,000		752,403 8,012,022
	Total U.S. Treasury Securities Sold Short (Proceeds \$8,640,662)			\$ 8,764,425
		<u>Local Currency</u>	<u>Market Value</u>	<u>Settlement Date</u>
	FOREIGN CURRENCY			<u>Unrealized Gain/(Loss)</u>
	TO BUY:			
	Canadian Dollar	223,608	\$ 206,653	11/06/2009
	Japanese Yen	28,325,250	314,684	11/06/2009
				\$ (3,347) 3,768
				<u>421</u>
	TO SELL:			
	Japanese Yen	28,325,250	314,684	11/06/2009
	New Zealand Dollar	307,212	220,332	11/06/2009
				1,799 1,475
				<u>3,274</u>
	Total Net Unrealized Gain (Loss) on open Forward Foreign Currency Contracts			\$ 3,695
		<u>Contracts</u>	<u>Notional Value</u>	<u>Unrealized Gain/(Loss)</u>
	FUTURES CONTRACTS PURCHASED			
	Dollar Index, expires 12/14/2009	27	\$ 2,064,825	\$ (6,508)
				<u>(6,508)</u>
	FUTURES CONTRACTS SOLD SHORT			
	E-Mini Crude Oil, expires 11/19/2009	13	500,500	6,743
	U.S. 2 Year Note, expires 12/31/2009	16	3,481,750	(13,283)
	U.S. 5 Year Note, expires 12/31/2009	127	14,789,547	(118,286)
	U.S. 10 Year Note, expires 12/21/2009	27	3,202,453	(25,775)
	U.S. Long Bond, expires 12/21/2009	31	3,724,844	24,123
				<u>(126,478)</u>
	Total			\$ (132,986)

YIELDQUEST TAX-EXEMPT BOND FUND
SCHEDULE OF INVESTMENTS (Continued)

October 31, 2009

- (a) Non-income producing securities.
(b) Rule 144A Section 4(2) or other security which is restricted as to resale to institutional investors. At October 31, 2009, these securities amounted to \$195,800 or 0.39% of net assets. The Investment Advisor, using board approved procedures has deemed these securities or a portion of these securities liquid.
(c) Variable rate security.
(d) All or a portion of the security is pledged as collateral for securities sold short.
(e) All or a portion of the security is segregated in connection with forward currency and futures contracts.
(f) Default Resolution.
(g) Rate represents effective yield.

AMBAC Insured by American Municipal Bond Assurance Corp.
CBOT Chicago Board of Trade
COP Certificate of Participation
ETF Exchange-Traded Fund
ETN Exchange-Traded Note
FGIC Insured by Financial Guaranty Insurance Co.
FSA Insured by Financial Security Assurance
GO General Obligation
ICR Issuer Credit Rating
MBIA Insured by Municipal Bond Insurance Organization Association
NZD New Zealand Dollar
Q-SBLF Qualified School Bond Loan Fund
RADIAN Insured by Radian Asset Assurance, Inc.
SPDR S&P Depository Receipts
SPX S&P 500 Index
XLCA Insured by XL Capital Assurance

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STATEMENTS OF ASSETS AND LIABILITIES

October 31, 2009

	YieldQuest Core Equity Fund	YieldQuest Total Return Bond Fund	YieldQuest Tax-Exempt Bond Fund
Assets:			
Investment, at cost	\$ 4,536,746	\$ 105,552,912	\$ 53,796,385
Investments in securities, at value	\$ 5,291,577	\$ 106,873,662	\$ 56,737,033
Cash	5,857	470,232	647,897
Cash held as collateral	376,405	1,687,855	971,623
Foreign currency, at value (Cost \$120, \$424 and \$6,285, respectively)	122	450	6,308
Unrealized gain on forward foreign exchange contracts	2,451	62,802	7,042
Interest and dividends receivable	356	1,058,215	576,702
Receivable for fund shares sold	1,980	—	—
Receivable for securities sold	324,419	9,644,455	2,826,835
Reclaims receivable	283	—	—
Receivable due from investment advisor, net	7,307	33,834	9,929
Prepaid expenses and other assets	12,241	39,084	37,549
Total Assets	6,022,998	119,870,589	61,820,918
Liabilities:			
Payable for fund shares redeemed	—	102,051	414,800
Payable for securities purchased	154,831	6,509,323	55,427
Payable for interest and dividends on securities sold short	977	15,588	94,030
Variation margin on futures contracts	98,679	337,102	318,186
Securities sold short, at value (proceeds \$1,402,971, \$11,702,349, and \$10,445,200, respectively)	1,092,704	12,250,570	10,743,324
Unrealized loss on forward foreign exchange contracts	3,252	324,730	3,347
Accrued expenses and other payables:			
Distribution and service fees - Investor Class	435	1,704	142
Other accrued expenses	17,084	40,744	48,915
Total Liabilities	1,367,962	19,581,812	11,678,171
Net Assets	\$ 4,655,036	\$ 100,288,777	\$ 50,142,747
Net Assets Consist of:			
Paid capital	19,587,423	199,034,087	85,602,074
Undistributed net investment income (loss)	—	91,913	28,625
Accumulated net realized loss on investments, short positions, swaps, futures, written options, forward foreign currency contracts and translation of assets and liabilities denominated in foreign currency	(15,950,714)	(99,178,256)	(38,001,188)
Net unrealized appreciation (depreciation) on investments, short positions, futures, written options, forward foreign currency contracts and translation of assets and liabilities denominated in foreign currency	1,018,327	341,033	2,513,236
Net Assets	\$ 4,655,036	\$ 100,288,777	\$ 50,142,747
Net Assets			
Institutional Class	\$ 3,231,299	\$ 94,617,971	\$ 49,670,594
Investor Class	1,423,737	5,670,806	472,153
Total	\$ 4,655,036	\$ 100,288,777	\$ 50,142,747
Shares of Beneficial Interest Outstanding (unlimited number authorized, no par value)			
Institutional Class	614,663	12,741,732	5,884,030
Investor Class	271,991	763,013	55,855
Total	886,654	13,504,745	5,939,885
Net Asset Value, Offering & Redemption Price Per share (Net Assets Divided by shares outstanding)			
Institutional Class	\$ 5.26	\$ 7.43	\$ 8.44
Investor Class	\$ 5.23	\$ 7.43	\$ 8.45

See accompanying notes to financial statements.

STATEMENTS OF OPERATIONS

For the Year Ended October 31, 2009

	YieldQuest Core Equity Fund	YieldQuest Total Return Bond Fund	YieldQuest Tax-Exempt Bond Fund
Investment Income:			
Dividend income	\$ 368,190	\$ 7,829,510	\$ 2,205,922
Interest income	5,606	4,095,498	1,795,655
Less: Foreign withholding taxes	(498)	—	—
Total Investment Income	373,298	11,925,008	4,001,577
Operating Expenses:			
Investment advisory fees	64,959	784,054	378,192
Administration fees	1,805	36,545	17,628
Distribution and Service fees - Investor Class	2,216	30,112	2,511
Fund accounting fees	15,069	186,695	102,188
Custodian fees	40,675	66,207	43,218
Transfer agent fees	35,150	125,036	58,227
Trustees' fees	1,986	33,837	16,779
Registration fees	45,741	37,500	29,999
Audit fees	1,162	43,492	21,370
Legal fees	6,133	114,415	101,390
Printing and mailing expenses	1,802	62,943	21,686
Interest and dividend expense securities sold short	93,545	805,751	589,315
Other expenses	8,226	72,416	38,461
Total Operating Expenses	318,469	2,399,003	1,420,964
Less: Expenses waived and reimbursed	(143,657)	(508,415)	(316,694)
Net Operating Expenses	174,812	1,890,588	1,104,270
Net Investment Income	198,486	10,034,420	2,897,307
Realized and Unrealized Gain (Loss)			
Net realized gain (loss) from:			
Security transactions	(3,188,068)	(41,781,204)	(15,831,424)
Futures contracts	(525,710)	205,391	239,989
Securities sold short	1,026,685	(648,187)	(268,950)
Distributions of realized gains from other investment companies	149,946	27,119	39,787
Swap agreements	(80,582)	(14,967,797)	(2,198,106)
Forward and foreign currency transactions	(21,210)	3,208,132	706,712
Written option transactions	1,340	—	—
Net realized gain (loss)	(2,637,599)	(53,956,546)	(17,311,992)
Net change in unrealized appreciation (depreciation) on:			
Security transactions	1,032,707	45,561,310	14,965,375
Futures contracts	(445,637)	(1,253,505)	(1,279,488)
Securities sold short	(1,458,377)	(218,984)	58,662
Swap agreements	49,042	1,244,533	388,636
Forward currency contracts	(12,284)	(691,695)	(7,149)
Translation of assets and liabilities in foreign currencies	1,874	65,599	733
Net change in unrealized appreciation (depreciation)	(832,675)	44,707,258*	14,126,769
Net Realized and Unrealized (Loss)	(3,470,274)	(9,249,288)	(3,185,223)
Net Increase (Decrease) in Net Assets Resulting From Operations	\$ (3,271,788)	\$ 785,132	\$ (287,916)

* Change in unrealized appreciation (depreciation) does not include unrealized appreciation (depreciation) in connection with the Reorganization (See Note 6 in the Notes to Financial Statements).

STATEMENTS OF CHANGES IN NET ASSETS

October 31, 2009

	YieldQuest Core Equity Fund		YieldQuest Total Return Bond Fund	
	Year Ended October 31, 2009	Year Ended October 31, 2008	Year Ended October 31, 2009	Year Ended October 31, 2008
Operations:				
Net investment income	\$ 198,486	\$ 886,211	\$ 10,034,420	\$ 18,191,676
Net realized loss from investments, futures contracts, securities sold short, swaps, forward and foreign currency transactions and written options	(2,637,599)	(12,895,278)	(53,956,546)	(23,936,571)
Net change in unrealized appreciation (depreciation) on investments, futures contracts, securities sold short, swaps, forward currency contracts and translation of assets and liabilities in foreign currency	(832,675)	(1,727,584)	44,707,258	(40,896,062)
Change in Net Assets Resulting From Operations	(3,271,788)	(13,736,651)	785,132	(46,640,957)
Distributions to Shareholders:				
From net investment income:				
Institutional Class	(1,174,396)	(679,745)	(11,585,594)	(18,945,143)
Investor Class	(21,775)	—	(905,073)	(129,366)
Total Distributions to Shareholders	(1,196,171)	(679,745)	(12,490,667)	(19,074,509)
Share Transactions of Beneficial Interest:				
Institutional Class				
Net proceeds from shares sold	1,681,816	9,239,626	16,598,001	109,853,507
Net proceeds from reorganization (Note 6)	—	—	6,128,551	—
Reinvestment of distributions	1,174,396	678,660	11,471,198	18,893,675
Cost of shares redeemed	(7,830,385)	(8,167,228)	(114,587,348)	(205,286,839)
Total Institutional Class	(4,974,173)	1,751,058	(80,389,598)	(76,539,657)
Investor Class				
Net proceeds from shares sold	1,368,071	274,895	11,842,662	7,284,473
Net proceeds from reorganization (Note 6)	—	—	326,742	—
Reinvestment of distributions	20,845	—	554,675	125,608
Cost of shares redeemed	(174,877)	(96,469)	(12,598,069)	(1,393,078)
Total Investor Class	1,214,039	178,426	126,010	6,017,003
Change in Net Assets From Share Transactions of Beneficial Interest	(3,760,134)	1,929,484	(80,263,588)	(70,522,654)
Change in Net Assets	(8,228,093)	(12,486,912)	(91,969,123)	(136,238,120)
Net Assets:				
Beginning of period	12,883,129	25,370,041	192,257,900	328,496,020
End of period	\$ 4,655,036	\$ 12,883,129	\$ 100,288,777	\$ 192,257,900
Undistributed net investment income (loss)	\$ —	\$ 997,570	\$ 91,913	\$ 1,337,110
Share Transactions:				
Institutional Class				
Issued	329,020	937,924	2,376,309	11,767,763
Issued from reorganization (Note 6)	—	—	870,252	—
Reinvested	265,101	56,744	1,688,077	2,066,662
Redeemed	(1,976,189)	(966,490)	(16,781,625)	(22,314,669)
Total Institutional Class Shares	(1,382,068)	28,178	(11,846,987)	(8,480,244)
Investor Class				
Issued	285,179	28,679	1,835,091	864,290
Issued from reorganization (Note 6)	—	—	46,359	—
Reinvested	4,716	—	82,128	15,054
Redeemed	(36,737)	(9,846)	(1,900,018)	(179,891)
Total Investor Class Shares	253,158	18,833	63,560	699,453
Change in Shares	(1,128,910)	47,011	(11,783,427)	(7,780,791)

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN NET ASSETS

YieldQuest Tax-Exempt Bond Fund	
Year Ended October 31, 2009	Year Ended October 31, 2008
\$ 2,897,307	\$ 6,399,123
(17,311,992)	(15,608,719)
14,126,769	(9,346,576)
(287,916)	(18,556,172)
(3,235,352)	(6,649,713)
(39,840)	(7,261)
(3,275,192)	(6,656,974)
11,332,051	100,895,800
3,203,770	6,627,915
(64,436,113)	(170,161,549)
(49,900,292)	(62,637,834)
989,598	370,394
30,811	7,242
(923,311)	(24,120)
97,098	353,516
(49,803,194)	(62,284,318)
(53,366,302)	(87,497,464)
103,509,049	191,006,513
\$ 50,142,747	\$ 103,509,049
\$ 28,625	\$ 255,629
1,380,317	10,279,698
390,699	690,501
(8,027,380)	(17,754,421)
(6,256,364)	(6,784,222)
127,187	38,578
3,769	779
(111,851)	(2,607)
19,105	36,750
(6,237,259)	(6,747,472)

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

For the Year Ended October 31, 2009

	YieldQuest Core Equity Fund	YieldQuest Total Return Bond Fund	YieldQuest Tax-Exempt Bond Fund
Cash Flows Provided by Operating Activities			
Net investment income	\$ 198,486	\$ 10,034,420	\$ 2,897,307
Adjustments to Reconcile Net Investment Income to Net Cash and Foreign Currency Provided by Operating Activities			
Purchase of investment securities	(23,880,808)	(467,174,525)	(135,500,347)
Proceeds from disposition of investment securities	29,773,668	601,779,000	205,707,769
Net sales/purchases of short term securities	437,011	(15,262,645)	(7,987,528)
Net amortization	—	(112,240)	318,803
Return of capital from investments	69,211	64,639	4,362
Decrease in cash held as collateral	766,150	2,462,037	1,438,440
Decrease in cash due from merger	—	714,605	—
Decrease in interest and dividends receivable	4,937	649,781	699,596
Increase in reclaims receivable	(283)	—	—
Increase in receivable for securities sold	(324,419)	(7,963,986)	(2,533,211)
Decrease in variation margin on futures contracts	152,245	577,570	606,652
Increase/Decrease in receivable due from advisor, net	(6,102)	21,224	(9,929)
Increase in receivable for swaps (a)	(346,533)	(19,782,589)	(3,656,218)
Increase/Decrease in prepaid expenses and other assets	14,248	(3,526)	(8,547)
Decrease in securities sold short	(1,297,111)	(12,999,351)	(8,646,985)
Increase in distribution and service fees	404	348	55
Increase in payable for securities purchased	65,555	6,412,070	55,427
Mark-to-market on realized and unrealized gain/(loss) on forward and foreign currency transactions	(19,336)	3,273,730	707,445
Increase in unrealized appreciation/(depreciation) and realized gain/(loss) on securities sold short	(431,692)	(867,171)	(210,288)
Decrease in unrealized appreciation/(depreciation) and realized gain/(loss) on futures contracts	(971,347)	(1,048,114)	(1,039,499)
Increase in realized gain/(loss) on written options	1,340	—	—
Increase in realized gain (loss) of distributions from other investment companies	149,946	27,119	39,787
Decrease in payable for interest and dividend expense on securities sold short	(21,336)	(231,111)	(134,204)
Decrease in payable for investment advisor fee	—	(29,278)	(10,706)
Increase/Decrease in other accrued expenses	273	(22,767)	21,590
Net cash and foreign currency used by operating activities	\$ 4,334,507	\$ 100,519,240	\$ 52,759,771
Cash Flows Used by Financing Activities			
Proceeds from shares sold	3,070,884	28,502,035	13,224,458
Proceeds from reinvestments of distributions	1,195,241	12,025,873	3,234,581
Payment of shares redeemed	(8,005,262)	(128,115,858)	(65,004,307)
Distributions paid in cash	(1,196,171)	(12,490,667)	(3,275,192)
Net cash flow provided by financing activities	\$ (4,935,308)	\$ (100,078,617)	\$ (51,820,460)
Net increase in cash and foreign currency	\$ (600,801)	\$ 440,623	\$ 939,311
Cash and Foreign Currency			
Beginning of the period	606,780	30,059	(285,106)
End of the period	\$ 5,979	\$ 470,682	\$ 654,205

(a) Includes realized gain/(loss) on swaps.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION

YieldQuest Funds Trust (the "Trust") is registered as an open-end management investment company under the Investment Company Act of 1940, as amended (the "Act"). The Trust was organized as a Delaware business trust on May 9, 2005 and is authorized to issue an unlimited number of shares of beneficial interest of no par value which may be issued in more than one series and classes. These notes to financial statements relate to the three portfolios of the Trust (individually referred to as "Fund", or collectively as the "Funds") which are presented herein:

Portfolio Name	Diversification	Investment Objective
YieldQuest Core Equity Fund ¹ ("Core Equity Fund")	diversified	Long-term capital appreciation and, secondarily, income
YieldQuest Total Return Bond Fund ¹ ("Total Return Bond Fund")	diversified	Total return, comprised of both income and capital appreciation
YieldQuest Tax-Exempt Bond Fund ¹ ("Tax-Exempt Bond Fund")	diversified	Maximize current tax-exempt income

¹ Commenced operations on November 1, 2005.

The Core Equity Fund, Total Return Bond Fund and Tax-Exempt Bond Fund each offer two classes of shares: Institutional Class Shares and Investor Class Shares. Each class of shares has identical rights and privileges except with respect to distribution and administrative service fees. The Investor Class Shares commenced operations on February 28, 2008.

The Low Duration Bond Fund and Low Duration Tax-Exempt Bond Fund closed on July 14, 2009.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the Trust in the preparation of its financial statements. These policies are designed to be in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the period. Actual results could differ from these estimates.

Security Valuation - Portfolio securities and other assets for which market quotes are readily available are stated at market value. Market value is generally determined on the basis of last reported sales prices, or if no sales prices are reported, based on the quotes obtained from a quotation reporting system, established market makers, or pricing services. NASDAQ traded securities are valued at the NASDAQ Official Closing Price. Certain securities or investments for which daily market quotations are not readily available may be valued by YieldQuest Advisors, LLC (the "Advisor"), pursuant to guidelines established by the Board of Trustees of the Trust (the "Board"). Short-term investments having a maturity of 60 days or less are generally valued at amortized cost. Exchange-traded options, futures contracts and options on futures contracts are valued at the settlement price determined by the applicable exchange. Securities for which market quotes are not readily available are valued at a fair value as determined in good faith by the Advisor. Investments initially valued in currencies other than the U.S. dollar are converted to U.S. dollars using exchange rates obtained from independent pricing services.

In unusual circumstances, instead of valuing securities in the usual manner, the Funds may value securities at a fair value as determined in good faith by the Advisor, according to procedures approved by the Board. Fair value pricing may also be used if extraordinary events occur after the close of the relevant market but prior to the NYSE close. Fair value pricing requires subjective determinations about the value of a security. The Valuation Committee of the Board acts as a liaison between the full Board and the Advisor, with respect to the fair value pricing of securities held in the Funds' portfolios. The Valuation Committee is responsible for reviewing and approving the Advisor's pricing methodology for any security that is fair value priced.

As a general principle, a "fair value" of a security is an amount that a Fund might reasonably expect to realize upon its current sale. There is no single standard for determining a fair value of a security. Rather, in determining a fair value

NOTES TO FINANCIAL STATEMENTS (Continued)

of a security, the Advisor may take into account the relevant factors and surrounding circumstances, which may include: (i) the nature and pricing history (if any) of the security; (ii) whether any dealer quotations for the security are available; (iii) possible valuation methodologies that could be used to determine a fair value of the security; (iv) the recommendation of the Portfolio Manager of the Fund with respect to the valuation of the security; (v) whether the same or similar securities are held by other funds managed by the Advisor or other funds and the method used to price the security in those funds; (vi) the extent to which a fair value to be determined for the security will result from the use of data or formula produced by third parties independent of the Advisor, and (vii) the liquidity or illiquidity of the market for the security.

Fair Value Measurements - The inputs and valuations techniques used to measure fair value of the Funds' net assets are summarized into three levels as described in the hierarchy below:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.
- Level 2 – Observable inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs or methodologies used for valuing the Funds' holdings are not necessarily an indication of the risks associated with investing in those holdings. For example, money market holdings are valued using amortized cost in accordance with the rules under the 1940 Act. Generally, amortized cost approximates the current value of a holding, but since the value is not obtained from a quoted price in an active market, such holdings are reflected as Level 2. Foreign holdings that are fair valued with the assistance of a statistical research service, are reflected as Level 2.

The following is a summary of the Funds' holdings as of October 31, 2009, as categorized under the three-tier hierarchy of inputs:

Funds	Total	Level1 Quoted Price	Level 2 Significant Observable Input	Level 3 Significant Unobservable Input
Core Equity				
Investments in Securities*	\$5,291,577	\$5,291,577	\$—	\$—
Other Financial Instruments**	25,364	22,913	2,451	—
Total Assets	5,316,941	5,314,490	2,451	—
Securities Sold Short	(1,092,704)	(1,092,704)	—	—
Other Financial Instruments**	(72,127)	(68,875)	(3,252)	—
Total Liabilities	(1,164,831)	(1,161,579)	(3,252)	—
Total	\$4,152,110	\$4,152,911	\$(801)	\$—
Total Return Bond				
Corporate Bonds	\$24,609,503	\$—	\$24,609,503	\$—
Collateralized Mortgage Obligations	23,316	—	23,316	—
U.S. Government & Agency	314,016	—	314,016	—
Foreign Bonds	5,351,260	—	5,351,260	—
Municipal Bonds	5,208,089	—	5,208,089	—
Taxable Municipal Bonds	4,007,557	—	4,007,557	—
Preferred Stocks*	6,264,657	6,264,657	—	—

NOTES TO FINANCIAL STATEMENTS (Continued)

Funds	Total	Level 1 Quoted Price	Level 2 Significant Observable Input	Level 3 Significant Unobservable Input
Total Return Bond (continued)				
Exchange Traded/Closed-End Funds*	\$58,214,048	\$58,214,048	\$—	—
Purchased Options	510,057	510,057	—	—
Short-Term Investment	2,371,159	2,371,159	—	—
Other Financial Instruments**	123,687	60,885	62,802	—
Total Assets	<u>106,997,349</u>	<u>67,420,806</u>	<u>\$39,576,543</u>	<u>—</u>
Securities Sold Short	(12,250,570)	(7,234,550)	(5,016,020)	—
Other Financial Instruments**	(574,485)	(249,755)	(324,730)	—
Total Liabilities	<u>(12,825,055)</u>	<u>(7,484,305)</u>	<u>(5,340,750)</u>	<u>—</u>
Total	<u>\$94,172,294</u>	<u>\$59,936,501</u>	<u>\$34,235,793</u>	<u>\$—</u>
Tax-Exempt Bond Fund				
Common Stocks*	\$1,150	\$1,150	\$—	\$—
Corporate Bonds	195,800	—	195,800	—
Municipal Bonds	32,606,958	—	32,606,958	—
Foreign Bonds	171,877	—	171,877	—
Exchange Traded/Closed-End Funds*	22,680,826	22,680,826	—	—
Preferred Stocks*	781,010	781,010	—	—
Purchased Options	265,160	265,160	—	—
Short-Term Investment	34,252	34,252	—	—
Other Financial Instruments**	37,908	30,866	7,042	—
Total Assets	<u>56,774,941</u>	<u>23,793,264</u>	<u>32,981,677</u>	<u>—</u>
Securities Sold Short	(10,743,324)	(1,978,899)	(8,764,425)	—
Other Financial Instruments**	(167,199)	(163,852)	(3,347)	—
Total Liabilities	<u>(10,910,523)</u>	<u>(2,142,751)</u>	<u>(8,767,772)</u>	<u>—</u>
Total	<u>\$45,864,418</u>	<u>\$21,650,513</u>	<u>\$24,213,905</u>	<u>\$—</u>

* See Schedule of Investments for industry and security type breakout.

** Other financial instruments include derivative instruments such as futures and forwards that are not reflected in the Schedule of Investments. Futures and forwards are valued at the unrealized appreciation/depreciation on the instrument.

Disclosures about Derivative Instruments and Hedging Activities - The Fund has adopted Disclosures about Derivative Instruments and Hedging Activities. The following is a table summarizing the fair value of derivatives held at October 31, 2009 by primary risk exposure:

The following is a summary of the location of derivatives on the Fund's Statements of Assets and Liabilities as of October 31, 2009:

Derivative Type	Location on the Statements of Assets and Liabilities	
	Asset Derivatives	Liability Derivatives
Equity contracts	Investments in securities, at value	Payable: Variation margin
Interest rate contracts	Investments in securities, at value	Payable: Variation margin
Foreign exchange contracts	Unrealized gain on forward foreign exchange contracts	Payable: Variation margin Unrealized loss on forward foreign exchange contracts
Other contracts		Payable: Variation margin

NOTES TO FINANCIAL STATEMENTS (Continued)

The following is a summary of the Fund's derivative instrument holdings categorized by primary risk exposure as of October 31, 2009:

Asset Derivative Investments Value						
Fund	Total Value at October 31, 2009	Equity Contracts	Interest Rate Contracts	Credit Contracts	Foreign Exchange Contracts	Other Contracts
Core Equity	\$45,377	\$40,848*	\$—	\$—	\$2,451	\$2,078*
Total Return Bond	633,744	414,287*	156,655*	—	62,802	—
Tax-Exempt Bond	303,068	212,660	76,623*	—	7,042	6,743*
Total	\$982,189	\$667,795	\$233,278	\$—	\$72,295	\$8,821

Liability Derivative Investments Value						
Fund	Total Value at October 31, 2009	Equity Contracts	Interest Rate Contracts	Credit Contracts	Foreign Exchange Contracts	Other Contracts
Core Equity	\$(72,127)	\$(66,629)*	\$—	\$—	\$(5,498)*	\$—
Total Return Bond	(574,485)	—	(208,195)*	—	(359,492)*	(6,798)*
Tax-Exempt Bond	(167,199)	—	(157,344)*	—	(9,855)*	—
Total	\$(813,811)	\$(66,629)	\$(365,539)	\$—	\$(374,845)	\$(6,798)

* Includes cumulative appreciation/depreciation of futures contracts as reported in Schedule of Investments/footnotes. Only current day's variation margin is reported within the Statement of Assets & Liabilities.

The following is a summary of the location of derivative investments on the Funds' Statements of Operations as of October 31, 2009:

Derivative Type	Location of Gain (Loss) on Derivatives Recognized in Income
Equity contracts	Net realized gain (loss) on Security transactions Net realized gain (loss) on Futures contracts Net realized gain (loss) on Written option transactions Change in net unrealized appreciation (depreciation) on Security transactions Change in net unrealized appreciation (depreciation) on Futures contracts
Interest rate contracts	Net realized gain (loss) on Security transactions Net realized gain (loss) on Futures contracts Change in net unrealized appreciation (depreciation) on Futures contracts
Credit contracts	Net realized gain (loss) on Swap agreements Change in net unrealized appreciation (depreciation) on Swap agreements
Foreign exchange contracts	Net realized gain (loss) of Futures contracts Net realized gain (loss) on Forward and foreign currency transactions Change in net unrealized appreciation (depreciation) of Futures contracts Change in net unrealized appreciation (depreciation) Forward currency contracts
Other contracts	Net realized gain (loss) of Futures contracts Change in net unrealized appreciation (depreciation) of Futures contracts

NOTES TO FINANCIAL STATEMENTS (Continued)

The following is a summary of the Funds' realized gain (loss) and change in unrealized appreciation (depreciation) on derivative investments recognized in the Statements of Operations categorized by primary risk exposure for the year ended October 31, 2009:

Realized Gain (Loss) on Derivative Investments Recognized in the Statements of Operations						
Funds	Total	Equity Contracts	Interest Rate Contracts	Credit Contracts	Foreign Exchange Contracts	Other Contracts
Core Equity	\$(1,665,379)	\$(1,614,190)	\$—	\$(80,582)	\$19,039	\$10,354
Total Return Bond	(32,806,383)	(19,659,750)	(1,407,527)	(14,967,797)	3,493,581	(264,890)
Tax-Exempt Bond	(10,378,144)	(7,667,702)	(1,125,509)	(2,198,106)	969,410	(356,237)
Total	\$(44,849,906)	\$(28,941,642)	\$(2,533,036)	\$(17,246,485)	\$4,482,030	\$(610,773)

Change in Unrealized Appreciation (Depreciation) on Derivative Investments Recognized in the Statements of Operations						
Funds	Total	Equity Contracts	Interest Rate Contracts	Credit Contracts	Foreign Exchange Contracts	Other Contracts
Core Equity	\$(453,546)	\$(490,136)	\$—	\$49,042	\$(14,530)	\$2,078
Total Return Bond	(1,167,512)	(586,175)	(1,046,253)	1,244,533	(724,428)	(55,189)
Tax-Exempt Bond	(1,184,461)	(338,960)	(1,227,223)	388,636	(13,657)	6,743
Total	\$(2,805,519)	\$(1,415,271)	\$(2,273,476)	\$1,682,211	\$(752,615)	\$(46,368)

Investment Transactions and Investment Income - Investment transactions are recorded no later than one business day after trade date throughout the period. For financial reporting purposes, investment transactions are recorded on trade dates on the last business day of the reporting period. In determining net realized gain or loss from the sale of securities, the cost of securities sold is determined on the identified cost basis. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis. Purchase discounts and premiums on securities are accreted and amortized over the life of the respective securities.

Expenses - Expenses of the Trust which can be directly attributed to a Fund are charged to that Fund. Expenses which are not attributed to a specific Fund are allocated among the Funds in proportion to each Fund's relative net assets or other manner as deemed equitable, taking into consideration the nature and type of expense and the relative sizes of the Funds.

Federal Income Taxes - It is the Trust's policy to comply with Subchapter M provisions of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income and any realized capital gains to its shareholders. Accordingly, no federal income tax provision is required. Each Fund is treated as a separate taxpayer for federal income tax purposes.

Management has analyzed the Funds' tax positions taken on federal income tax returns for all open tax years (tax years October 31, 2006 - 2009), and has concluded that no provision for federal income tax is required in the Funds' financial statements. The Fund's federal and state income and federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state departments of revenue.

Dividends and Distributions - The Core Equity Fund will pay dividends from net investment income, if any, on an annual basis and will declare and pay distributions from net realized capital gains, if any, at least annually. The Total Return Bond Fund and Tax-Exempt Bond Fund will pay dividends from net investment income on a monthly basis and will declare and pay distributions from net realized capital gains, if any, at least annually. The amounts of distributions from net investment income and capital gains are determined in accordance with federal income tax regulations, which may differ from those amounts determined under GAAP. These "book/tax" differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature (e.g. reclassification of

NOTES TO FINANCIAL STATEMENTS (Continued)

market discounts, net operating loss, gain/loss, paydowns and distributions), such amounts are reclassified within the composition of net assets based on their federal tax-basis treatment; temporary differences (e.g. wash sales) do not require reclassification. Dividends to shareholders which exceed net investment income and net realized gains for tax purposes are reported as distributions of capital.

Foreign Currency Translations - Foreign currency transactions are translated into U.S. dollars on the following basis (i) market value of investment securities, assets and liabilities at the daily rates of exchange, and (ii) purchases and sales of investment securities, dividend and interest income and certain expenses at the rates of exchange prevailing on the respective dates of such transactions. For financial reporting purposes, the Funds do not isolate changes in the exchange rate of investment securities from the fluctuations arising from changes in the market prices of securities. For federal income tax purposes, the Funds treat as ordinary income the effect of changes in foreign exchange rates on payables and receivables arising from trade-date and settlement-date differences.

Foreign Currency Contracts - The Funds are subject to foreign exchange risk in the normal course of pursuing its investment objective. The Funds may invest in forward currency contracts for investment or risk management purposes. A forward currency contract is an obligation to buy or sell a specific currency at a future date, which may be any fixed number of days from the date of the contract agreed upon by the parties, at a price set at the time of the contract. Fluctuations in the value of the forward contracts are recorded as unrealized gains or losses by the Funds. The gains or losses realized upon the closing of such contracts are included in the Statement of Operations. The use of forward currency contracts by a Fund involves risks including the potential inability of counterparties to meet the terms of their contracts and unanticipated movements in the value of the foreign currency relative to the U.S. dollar. For open contracts, see the Schedule of Investments, which is also indicative of the activity for the year ended October 31, 2009. The market value of securities segregated for foreign currency contracts at October 31, 2009 is as follows:

Total Return Bond Fund	\$555,038
Tax-Exempt Bond Fund	111,774

Futures Contracts - Each Fund is subject to equity, interest, foreign exchange and other risk exposure in the normal course of pursuing its investment objectives. Each Fund may use futures contracts for hedging or speculative purposes consistent with its investment objective. Upon entering into a futures contract, a Fund must deposit initial margin in addition to segregating cash or liquid assets sufficient to meet its obligation to purchase or provide securities, or to pay the amount owed at the expiration of an index-based futures contract. Such liquid assets may consist of cash, cash equivalents, liquid debt or equity securities or other acceptable assets. Pursuant to the futures contract, the Fund agrees to receive from, or pay to the broker, an amount of cash equal to the daily fluctuation in value of the contract. Such a receipt of payment is known as a "variation margin" and is recorded by each Fund as an unrealized gain or loss. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transactions and the Fund's basis in the contract. Futures contracts have market risks, including the risk that the change in the value of the contract may not correlate with changes in the value of the underlying securities. Use of long futures contracts subjects a Fund to risk of loss in excess of the amount shown on the Statement of Assets and Liabilities, up to the notional value of the futures contract. Use of short futures contracts subjects a Fund to unlimited risk of loss. For open futures contracts, see the Schedule of Investments, which is also indicative of the activity for the year ended October 31, 2009. Cash segregated for futures is shown in the Statement of Assets and Liabilities as cash held as collateral. The market value of securities segregated for futures at October 31, 2009 is as follows:

Core Equity Fund	\$ 171,912
Total Return Bond Fund	14,920,952
Tax-Exempt Bond Fund	10,363,169

Option Contracts - The Funds are subject to equity and other risk exposure in the normal course of pursuing its investment objectives. The Funds may write or purchase option contracts. These transactions are used to hedge against changes in interest rates, security prices, currency fluctuations, and other market developments, or for the purposes of earning additional income (i.e. speculation). The risk associated with purchasing an option is that the Fund pays a premium whether or not the option is exercised. Additionally, the Funds bear the risk of loss of premium and change in market value should the counterparty not perform under the contract. Put and call options are

NOTES TO FINANCIAL STATEMENTS (Continued)

accounted for in the same manner as other securities owned. The cost of securities acquired through the exercise of call options is increased by the premiums paid. The proceeds from securities sold through the exercise of put options are decreased by the premiums paid.

In writing an option, a Fund contracts with a specified counterparty to purchase (written put option) or sell (written call option) a specified quantity (notional amount) of an underlying asset at a specified price during a specified period upon demand of the counterparty. The risk associated with writing an option is that the applicable Fund bears the market risk of an unfavorable change in the price of an underlying asset, and may be required to buy or sell an underlying asset under the contractual terms of the option at a price different from the current market value. Written options involve financial risk which may exceed amounts reflected in the financial statements.

For open purchased options, see the Schedule of Investments, which is also indicative of the activity for the year ended October 31, 2009.

The number of option contracts written and the premiums received during the year ended October 31, 2009, were as follows:

	YieldQuest Core Equity Fund	
	Number of Contracts	Premiums Received
Options outstanding, beginning of period	—	\$—
Options written during period	40	1,340
Options closed during period	(40)	(1,340)
Options outstanding, end of period	—	\$—

Swap Agreements - Each Fund may enter into swap agreements for the purpose of attempting to obtain, enhance, or preserve a particular desired return or spread at a lower cost to the Fund than if the Fund had invested directly in an instrument that yielded that desired return or spread. The value of swap agreements are equal to the Fund's obligation (or rights) under swap agreements, which will generally be equal to the net amounts to be paid or received under the agreements based upon the relative values of the position held by each party to the agreements. A Fund's obligation under a swap agreement will be accrued daily (offset against amounts owed to that Fund) and any accrued but unpaid net amounts owed to a swap counterparty will be covered by designating liquid assets on that Fund's books and records.

Each Fund may enter into credit default swaps ("CDS"), bilateral financial contracts that transfer the credit risk of a third party reference entity or a group of entities from one party to another. A buyer of a CDS receives credit protection or sheds credit risk, whereas the seller of a CDS is selling credit protection or assuming credit risk. The seller typically receives a predetermined periodic payment from the other party in consideration for guaranteeing to make a specific payment to the buyer should the third party reference entity suffer a default event. If a default event occurs, the seller would be required to pay the par value of a referenced debt obligation to the counterparty in exchange for a default debt obligation. The quoted market prices and resulting values for credit default swap agreements on credit indices serve as an indicator of the current status of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative if the notional amount of the swap agreement had been closed/sold as of the period end. CDS are marked-to-market daily based on the mean of bid and asked quotes as obtained from multiple dealers, and changes in value, as well as the accrual of the periodic coupon payments, are recorded as "unrealized gain or loss on credit default swap agreements". Gains or losses on swap agreements are realized upon termination of the swap contract and the periodic coupon payments. In addition to being exposed to the credit risk of the underlying reference entity, CDS are subject to counterparty risk, market risk and interest rate risk. CDS utilized by the Funds may not perform as expected or in a manner similar to the high-yield bond markets. A Fund will enter into CDS only with counterparties that the Advisor reasonably believes are capable of performing under the CDS. The Funds did not hold any swap agreements as of October 31, 2009.

NOTES TO FINANCIAL STATEMENTS (Continued)

Short Sales - Each Fund may make short sales as part of its overall portfolio management strategy or to offset a potential decline in the value of a security. A short sale involves the sale of a security that is borrowed from a broker or other institution. A gain, limited to the price at which the Funds sold the security short, or a loss, unlimited in size, will be recognized upon closing a short sale. Short sales expose a Fund to the risk that it will be required to acquire, convert or exchange securities to replace the borrowed securities at a time when the securities sold short have appreciated in value, thus resulting in a loss to the Fund. A Fund making a short sale must segregate assets determined to be liquid by the Advisor in accordance with procedures established by the Board of Trustees or otherwise cover its position in a permissible manner. Cash segregated for short sales is shown in the Statement of Assets and Liabilities as cash held as collateral. The market value of securities segregated for short sales at October 31, 2009 is as follows:

Core Equity Fund	\$2,617,344
Total Return Bond Fund	35,946,533
Tax-Exempt Bond Fund	21,725,980

NOTE 3. INVESTMENT ADVISORY FEES AND OTHER RELATED PARTY TRANSACTIONS

The Trust has entered into an investment advisory agreement with the Advisor on behalf of each Fund. The Advisor has overall supervisory responsibility for the general management and investment of each Fund and its securities portfolio, subject to the authority of the Board. The following table sets forth the annual investment advisory fee rates payable by each Fund to the Advisor pursuant to the investment advisory agreement, expressed as a percentage of the Fund's average daily net assets, along with the investment advisory fees earned during the year ended October 31, 2009.

	<u>Investment Advisory Fee Rate</u>	<u>Investment Advisory Fees Earned*</u>	<u>Investment Advisory Fees Paid**</u>
Core Equity Fund	0.99%	\$64,959	\$—
Total Return Bond Fund	0.59%	784,054	275,639
Tax-Exempt Bond Fund	0.59%	378,192	61,498

* These figures represent the investment advisory fees accrued, excluding the effects of any fee waivers/reimbursements.

** Net of fees waived/expenses of the Funds reimbursed by the Advisor.

The Advisor has contractually agreed to waive its investment advisory fees and/or make payments to limit certain Fund operating expenses, other than brokerage fees and commissions, borrowing costs (such as interest and dividend expenses on securities sold short, if any), 12b-1 expenses, administration expense, taxes, indirect expenses of investing in other investment companies and extraordinary or non-recurring expenses, to the amount described below under "Expense Limitation", until February 28, 2010. The expense limitations, expressed as a percentage of each Fund's average daily net assets, along with the actual investment advisory fee waivers and expense reimbursements for the year ended October 31, 2009, are disclosed in the following table:

	<u>Expense Limitation</u>	<u>Investment Advisory Fee Waivers/ Reimbursements</u>
Core Equity Fund		
Institutional Class	1.19%	\$129,793
Investor Class	1.19%	13,864
Total Return Bond Fund		
Institutional Class	0.79%	475,500
Investor Class	0.79%	32,915
Tax-Exempt Bond Fund		
Institutional Class	0.79%	313,150
Investor Class	0.79%	3,544

NOTES TO FINANCIAL STATEMENTS (Continued)

Each waiver or reimbursement by the Advisor is subject to repayment by a Fund within three fiscal years following the fiscal year in which that particular expense was incurred; provided that the Fund is able to make repayment without exceeding its expense limitation in effect at the time of the waiver or reimbursement.

The cumulative waiver and reimbursement amounts, if any, as of October 31, 2009 that are subject to repayment for each Fund are as follows:

	<u>Expiration 10/31/2010</u>	<u>Expiration 10/31/2011</u>	<u>Expiration 10/31/2012</u>	<u>Total Available for Repayment</u>
Core Equity Fund	\$120,628	\$68,701	\$143,657	\$332,986
Total Return Bond Fund	—	109,585	508,415	618,000
Tax-Exempt Bond Fund	—	157,375	316,694	474,069

Under the Distribution and Shareholder Services Plan, adopted by the Board of Trustees pursuant to Rule 12b-1 under the Act, each Fund will pay YieldQuest Securities, LLC (the "Distributor") an annual distribution fee of 0.25% of the average daily net assets of Investor Class Shares of such Fund as compensation for the promotion and distribution of Investor Class Shares. These fees may be used by the Distributor to pay broker-dealers, investment advisors, banks, trust companies, retirement plan administrators and other services providers which provide distribution services and shareholder and administrative support. The Funds have adopted an Administration Plan with respect to Investor Class shares, pursuant to which each Fund pays an annual fee equal to 0.10% of the average daily net assets of each Fund's Investor Class to the Distributor to compensate financial intermediaries that provide administrative services to the Investor Class shareholders pursuant to a written agreement with the Distributor. Financial intermediaries eligible to receive payments under the Administration Plan include mutual fund supermarkets and other platforms sponsored by any 401(k) plan, bank, trust company or broker-dealer that have entered into agreements with the Distributor or the Trust. For the year ended October 31, 2009, the Distributor received \$24,885 in distribution fees and \$9,954 in administrative service fees paid by the Investor Class of the Funds, of which 100% of the fees were re-allowed to broker-dealers.

Subject to policies established by the Board, the Advisor is responsible for each Fund's portfolio decisions and the placing of each Fund's portfolio transactions. The Advisor typically executes each Fund's portfolio transactions through its affiliated broker-dealer, YieldQuest Securities, LLC, on an agency basis; while principal trades on behalf of the Funds are executed solely through independent broker-dealers. In placing portfolio transactions, the Advisor seeks the best qualitative execution for the Funds, taking into account such factors as price (including the applicable brokerage commission or dealer spread), the execution capability, financial responsibility, responsiveness of the broker-dealer, clearance procedures, wire service quotations, statistical information, market and economic analysis provided by the broker or dealer to the Funds and the Advisor. The Advisor generally seeks favorable prices and commission rates that are reasonable in relation to the benefits received. Under the Investment Company Act of 1940, persons affiliated with an affiliate of the Advisor (such as YieldQuest Securities, LLC) are prohibited from dealing with the Funds as a principal in the purchase and sale of securities. Therefore, YieldQuest Securities, LLC will not serve as dealer in connection with the Fund's over-the-counter transactions. However, YieldQuest Securities, LLC may serve as broker in the Funds' over-the-counter transactions conducted on an agency basis and may receive brokerage commissions in connection with such transactions. Such transactions will be executed on a fully disclosed basis through its clearing firm. For the year ended October 31, 2009, YieldQuest Securities, LLC had received brokerage commissions of \$102,414, \$1,785,499 and \$593,423, respectively, for the Core Equity Fund, Total Return Bond Fund and Tax-Exempt Bond Fund. The total value of transactions generating brokerage commissions were \$55,077,974, \$935,442,105 and \$326,779,989, respectively, for the Core Equity Fund, Total Return Bond Fund and Tax-Exempt Bond Fund.

Jay K. Chitnis, Chairman and President of the Trust, and the other officers of the Trust are also officers of the Advisor and the Distributor. The Trust does not compensate its officers or interested Trustees who are affiliated with the Advisor or Distributor. The Trust pays each non-interested Trustee an annual retainer of \$19,000 and reimburses for out-of-pocket expenses.

Effective September 8, 2008, pursuant to an Administration and Accounting Service Agreement (the "Administration Agreement"), PNC Global Investment Servicing (U.S.) Inc. ("PNC") provides administration and accounting services

NOTES TO FINANCIAL STATEMENTS (Continued)

to the Funds. Under the Administration Agreement, the Funds pay PNC a monthly fee for their services. Pursuant to a Transfer Agency Services Agreement, PNC also provides transfer agency services to the Funds.

Contingencies and Commitments - In the normal course of business, the Funds enter into contracts that contain various representations and warranties and provide general indemnifications. The Funds' maximum exposure under these arrangements is dependent on future claims against the Funds and is presently unknown. However, based on experience, the Funds consider the risk of loss from such potential claims to be remote.

NOTE 4. INVESTMENT TRANSACTIONS

The cost of investment purchases and the proceeds from the sale of securities (excluding securities maturing less than one year from acquisition), for the year ended October 31, 2009 were as follows:

	U.S. Government Securities		Other Securities	
	<u>Purchases</u>	<u>Sales</u>	<u>Purchases</u>	<u>Sales</u>
Core Equity Fund	\$—	\$—	\$23,880,808	\$29,773,668
Total Return Bond Fund	13,082,108	22,267,830	453,737,222	579,511,170
Tax-Exempt Bond Fund	—	—	135,500,347	205,707,769

* The cost of purchases excludes securities received from the Fund Reorganization (Note 6).

NOTE 5. DISTRIBUTIONS TO SHAREHOLDERS AND TAX COMPONENTS OF CAPITAL

The tax components of dividends paid during the year ended October 31, 2009 and period ended October 31, 2008 were as follows:

	<u>Ordinary Income</u>	<u>Tax-Exempt Income</u>	<u>Long-Term Capital Gains</u>	<u>Return of Capital</u>	<u>Total</u>
Core Equity Fund					
2009	\$1,196,171	\$—	\$—	\$—	\$1,196,171
2008	679,745	—	—	—	679,745
Total Return Bond Fund					
2009	12,490,667	—	—	—	12,490,667
2008	19,074,509	—	—	—	19,074,509
Tax-Exempt Bond Fund					
2009	400,174	2,875,018	—	—	3,275,192
2008	1,543,509	5,113,465	—	—	6,656,974

As of October 31, 2009 (the Fund's latest tax year end), the components of distributable earnings on a tax basis were as follows:

	<u>Capital Loss Carry Forwards</u>	<u>Undistributed Ordinary Income</u>	<u>Undistributed Tax-Exempt Income</u>	<u>Unrealized Appreciation (Depreciation)</u>	<u>Other Accumulated Differences</u>	<u>Total</u>
Core Equity Fund	\$(15,697,550)	\$—	\$—	\$740,097	\$25,066	\$(14,932,387)
Total Return Bond Fund	(95,364,411)	136,954	—	(3,449,999)	(67,854)	(98,745,310)
Tax-Exempt Bond Fund	(37,097,437)	—	34,521	1,562,027	41,562	(35,459,327)

The difference between book basis unrealized appreciation and depreciation is attributable primarily to tax deferral of losses on wash sales and on investments in Passive Foreign Investment Companies, futures, options and forward currency contracts.

NOTES TO FINANCIAL STATEMENTS (Continued)

Permanent book and tax differences resulted in reclassifications for the period ended October 31, 2009 as follows:

	Increase (Decrease) <u>Paid in Capital</u>	Increase (Decrease) Undistributed Net Investment <u>Income (Loss)</u>	Increase (Decrease) Accumulated Net <u>Realized Gain (Loss)</u>
Core Equity Fund	\$(706)	\$115	\$591
Total Return Fund	2,665,321	1,211,050	(3,876,371)
Tax-Exempt Bond Fund	63,241	150,881	(214,122)

These reclassifications, related to the differing treatment of short term capital gains, dividends on short sales, foreign forward currency gains, swap gains and losses and partnerships activity have no effect on net assets and net asset value per share.

At October 31, 2009, the cost, gross unrealized appreciation and gross unrealized depreciation on securities, for federal income tax purposes, were as follows:

	<u>Tax Cost</u>	<u>Tax Unrealized Appreciation</u>	<u>Tax Unrealized (Depreciation)</u>	<u>Net Tax Unrealized Appreciation (Depreciation)</u>
Core Equity Fund	\$4,814,976	\$761,216	\$(284,615)	\$476,601
Total Return Fund	109,343,944	8,544,088	(11,014,370)	(2,470,282)
Tax-Exempt Bond Fund	54,747,594	3,574,622	(1,585,183)	1,989,439

At October 31, 2009, the following Funds had net capital loss carryforwards for federal income tax purposes, which will expire in the following years:

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Core Equity Fund	\$82,732	\$ —	\$11,895,697	\$3,719,121
Total Return Bond Fund	200,854	14,598,251	22,710,383*	57,854,923
Tax-Exempt Bond Fund	303,684	4,248,042	12,628,904	19,916,807

* Capital loss carryforward amount of \$2,157,045 was inherited from YieldQuest Flexible Income Fund (see Note 6) and may be subject to IRS limitations in a given year.

NOTE 6. FUND REORGANIZATION

The Board of Trustees of the Trust approved a plan of reorganization pursuant to which the assets and identified liabilities of the YieldQuest Flexible Income Fund were transferred into the YieldQuest Total Return Bond Fund (shown below) in exchange for newly issued Institutional and Investor shares as noted below. The reorganization was a tax-free event and took place on July 15, 2009.

The following information relates to the Funds immediately prior and immediately after the consummation of the reorganization:

<u>Acquired Fund</u>	<u>Acquiring Fund</u>	<u>Institutional Shares Issued</u>	<u>Institutional Net Asset Value</u>	<u>Investor Shares Issued</u>	<u>Investor Net Asset Value</u>
YieldQuest Flexible Income Fund	YieldQuest Total Return Bond Fund	870,252	\$ 7.04	46,359	\$ 7.05

NOTES TO FINANCIAL STATEMENTS (Continued)
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The conversion ratios for each Share class issued in the reorganization were as follows:

Acquired Fund	Acquiring Fund	Institutional Class	Investor Class
YieldQuest Flexible Income Fund	YieldQuest Total Return Bond Fund	0.6625	0.6626

The following information relates to the Merging and the corresponding Fund immediately prior and immediately after the consummation of the reorganization:

Fund	Net Assets	Shares Outstanding	Unrealized App/(Dep)
YieldQuest Flexible Income Fund (before reorganization)	\$6,455,293	1,383,538	\$(843,046)
YieldQuest Total Return Bond Fund (before reorganization)	113,810,729	16,160,421	N/A
YieldQuest Total Return Bond Fund (after reorganization)	120,266,022	17,077,032	N/A

NOTE 7. SUBSEQUENT EVENTS

Management has evaluated the impact of all subsequent events on the Fund through December 22, 2009, the date the financial statements were issued, and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

FINANCIAL HIGHLIGHTS

The table sets forth financial data for one share of beneficial interest outstanding throughout the entire period.

	YieldQuest Core Equity Fund			
	Institutional Class			
	Year ended 10/31/2009	Year ended 10/31/2008	Year ended 10/31/2007	Year ended 10/31/2006^(a)
Net Asset Value, beginning of period	\$ 6.39	\$ 12.89	\$ 11.36	\$ 10.00
Change in net assets from operations:				
Net investment income	0.14 ^(b)	0.44	0.28	0.13
Net realized and unrealized gains (losses) on investments ^(c)	<u>(0.66) ^(b)</u>	<u>(6.60)</u>	<u>1.41</u>	<u>1.29</u>
Total from investment operations	<u>(0.52)</u>	<u>(6.16)</u>	<u>1.69</u>	<u>1.42</u>
Distributions:				
Net investment income	(0.61)	(0.34)	(0.16)	(0.06)
Net realized capital gains from investments	—	—	—	— ^(d)
Total Distributions	<u>(0.61)</u>	<u>(0.34)</u>	<u>(0.16)</u>	<u>(0.06)</u>
Paid-in capital from redemption fees	—	—	— ^(d)	— ^(d)
Net Asset Value, end of period	<u>\$ 5.26</u>	<u>\$ 6.39</u>	<u>\$ 12.89</u>	<u>\$ 11.36</u>
Net assets, end of period (000's)	\$ 3,231	\$ 12,763	\$ 25,370	\$ 18,782
Total Return ^{(e) (f)}	(6.34)%	(49.06)%	14.98%	14.24%
Ratios/Supplemental Data:				
Ratios of expenses to average net assets: ^(g)				
Before expense waivers/reimbursements	4.82%	2.88%	1.80%	2.85%
After expense waivers/reimbursements	2.63%	2.58%	1.24%	1.19%
After expense waivers/reimbursements excluding interest and dividend expense for securities sold short, if any	1.19%	1.19%	1.19%	1.19%
Ratios of net investment income (loss) to average net assets: ^(g)				
Before expense waivers/reimbursements	0.87%	3.60%	1.90%	(0.29)%
After expense waivers/reimbursements	3.06%	3.90%	2.46%	1.37%
Portfolio turnover rate ^{(f) (h)}	338%	499%	568%	455%

(a) Commenced operations on November 1, 2005.

(b) Per share data was calculated using weighted average shares outstanding method for the period.

(c) Includes distributions of capital gains from underlying mutual funds.

(d) Amount represents less than \$0.01 per share.

(e) Assumes reinvestment of all dividends and distributions, if any. Total return does not reflect the deductions of taxes that a shareholder would pay on distributions or on the redemption of shares.

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

(g) Annualized for periods less than one year.

(h) Portfolio turnover rate is calculated on the basis of the Fund as a whole without distinguishing between classes of shares issued.

FINANCIAL HIGHLIGHTS

The table sets forth financial data for one share of beneficial interest outstanding throughout the entire period.

	YieldQuest Core Equity Fund	
	Investor Class	
	Year ended 10/31/2009	Period ended 10/31/2008^(a)
Net Asset Value, beginning of period	\$ 6.38	\$ 11.36
Change in net assets from operations:		
Net investment income	0.13 ^(b)	0.09
Net realized and unrealized gains (losses) on investments ^(c)	<u>(0.68) ^(b)</u>	<u>(5.07)</u>
Total from investment operations	<u>(0.55)</u>	<u>(4.98)</u>
Distributions:		
Net investment income	<u>(0.60)</u>	<u>—</u>
Total Distributions	<u>(0.60)</u>	<u>—</u>
Net Asset Value, end of period	<u>\$ 5.23</u>	<u>\$ 6.38</u>
Net assets, end of period (000's)	\$ 1,424	\$ 120
Total Return ^{(d) (e)}	(6.82)%	(43.84)%
Ratios/Supplemental Data:		
Ratios of expenses to average net assets: ^(f)		
Before expense waivers/reimbursements	5.17%	2.92%
After expense waivers/reimbursements	2.98%	2.56%
After expense waivers/reimbursements excluding interest and dividend expense for securities sold short, if any	1.54%	1.54%
Ratios of net investment income (loss) to average net assets: ^(f)		
Before expense waivers/reimbursements	0.52%	2.89%
After expense waivers/reimbursements	2.71%	3.25%
Portfolio turnover rate ^{(e) (g)}	338%	499%

(a) Commenced operations on February 28, 2008.

(b) Per share data was calculated using weighted average shares outstanding method for the period.

(c) Includes distributions of capital gains from underlying mutual funds.

(d) Assumes reinvestment of all dividends and distributions, if any. Total return does not reflect the deductions of taxes that a shareholder would pay on distributions or on the redemption of shares.

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

(f) Annualized for periods less than one year.

(g) Portfolio turnover rate is calculated on the basis of the Fund as a whole without distinguishing between classes of shares issued.

FINANCIAL HIGHLIGHTS (Continued)

The table sets forth financial data for one share of beneficial interest outstanding throughout the entire period.

	YieldQuest Total Return Bond Fund			
	Institutional Class			
	Year ended 10/31/2009	Year ended 10/31/2008	Year ended 10/31/2007	Year ended 10/31/2006 ^(a)
Net Asset Value, beginning of period	\$ 7.60	\$ 9.93	\$ 10.51	\$ 10.00
Change in net assets from operations:				
Net investment income	0.53 ^(b)	0.63	0.54	0.41
Net realized and unrealized gains (losses) on investments ^(c)	(0.08) ^(b)	(2.29)	(0.62)	0.51
Total from investment operations	0.45	(1.66)	(0.08)	0.92
Distributions:				
Net investment income	(0.62)	(0.67)	(0.50)	(0.41)
Net realized capital gains from investments	—	—	—	— ^(d)
Total Distributions	(0.62)	(0.67)	(0.50)	(0.41)
Paid-in capital from redemption fees	—	—	— ^(d)	— ^(d)
Net Asset Value, end of period	<u>\$ 7.43</u>	<u>\$ 7.60</u>	<u>\$ 9.93</u>	<u>\$ 10.51</u>
Net assets, end of period (000's)	\$ 94,618	\$ 186,944	\$ 328,496	\$ 138,239
Total Return ^{(e) (f)}	7.00%	(17.66)%	(0.86)%	9.31%
Ratios/Supplemental Data:				
Ratios of expenses to average net assets: ^(g)				
Before expense waivers/reimbursements	1.78%	1.44%	0.83%	0.94%
After expense waivers/reimbursements	1.40%	1.40%	0.83%	0.79%
After expense waivers/reimbursements excluding interest and dividend expense for securities sold short, if any	0.79%	0.80% ^(h)	0.79%	0.79%
Ratios of net investment income (loss) to average net assets: ^(g)				
Before expense waivers/reimbursements	7.19%	6.75%	5.53%	4.70%
After expense waivers/reimbursements	7.57%	6.79%	5.53%	4.85%
Portfolio turnover rate ^{(f) (i)}	331%	165%	220%	137%

(a) Commenced operations on November 1, 2005.

(b) Per share data was calculated using weighted average shares outstanding method for the period.

(c) Includes distributions of capital gains from underlying mutual funds.

(d) Amount represents less than \$0.01 per share.

(e) Assumes reinvestment of all dividends and distributions, if any. Total return does not reflect the deductions of taxes that a shareholder would pay on distributions or on the redemption of shares.

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

(g) Annualized for periods less than one year.

(h) Includes excise tax expense of 0.01% for the year end October 31, 2008, which is not included in the contractual expense limitation.

(i) Portfolio turnover rate is calculated on the basis of the Fund as a whole without distinguishing between classes of shares issued.

FINANCIAL HIGHLIGHTS (Continued)

The table sets forth financial data for one share of beneficial interest outstanding throughout the entire period.

	YieldQuest Total Return Bond Fund	
	Investor Class	
	Year ended 10/31/2009	Period ended 10/31/2008 ^(a)
Net Asset Value, beginning of period	\$ 7.60	\$ 9.72
Change in net assets from operations:		
Net investment income	0.50 ^(b)	0.41
Net realized and unrealized gains (losses) on investments ^(c)	<u>(0.08) ^(b)</u>	<u>(2.08)</u>
Total from investment operations	<u>0.42</u>	<u>(1.67)</u>
Distributions:		
Net investment income	<u>(0.59)</u>	<u>(0.45)</u>
Total Distributions	<u>(0.59)</u>	<u>(0.45)</u>
Net Asset Value, end of period	<u>\$ 7.43</u>	<u>\$ 7.60</u>
Net assets, end of period (000's)	\$ 5,671	\$ 5,314
Total Return ^{(d) (e)}	6.62%	(17.76)%
Ratios/Supplemental Data:		
Ratios of expenses to average net assets: ^(f)		
Before expense waivers/reimbursements	2.13%	1.62%
After expense waivers/reimbursements	1.75%	1.56%
After expense waivers/reimbursements excluding interest and dividend expense for securities sold short, if any	1.14%	1.15% ^(g)
Ratios of net investment income (loss) to average net assets: ^(f)		
Before expense waivers/reimbursements	6.84%	6.78%
After expense waivers/reimbursements	7.22%	6.84%
Portfolio turnover rate ^{(e) (h)}	331%	165%

(a) Commenced operations on February 28, 2008.

(b) Per share data was calculated using weighted average shares outstanding method for the period.

(c) Includes distributions of capital gains from underlying mutual funds.

(d) Assumes reinvestment of all dividends and distributions, if any. Total return does not reflect the deductions of taxes that a shareholder would pay on distributions or on the redemption of shares.

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

(f) Annualized for periods less than one year.

(g) Includes excise tax expense of 0.01% for the year end October 31, 2008, which is not included in the contractual expense limitation.

(h) Portfolio turnover rate is calculated on the basis of the Fund as a whole without distinguishing between classes of shares issued.

FINANCIAL HIGHLIGHTS (Continued)

The table sets forth financial data for one share of beneficial interest outstanding throughout the entire period.

	YieldQuest Tax-Exempt Bond Fund			
	Institutional Class			
	Year ended 10/31/2009	Year ended 10/31/2008	Year ended 10/31/2007	Year ended 10/31/2006 ^(a)
Net Asset Value, beginning of period	\$ 8.50	\$ 10.09	\$ 10.53	\$ 10.00
Change in net assets from operations:				
Net investment income	0.38 ^(b)	0.42	0.40	0.31
Net realized and unrealized gains (losses) on investments ^(c)	(0.02) ^(b)	(1.58)	(0.44)	0.53
Total from investment operations	0.36	(1.16)	(0.04)	0.84
Distributions:				
Net investment income	(0.42)	(0.43)	(0.40)	(0.31)
Net realized capital gains from investments	—	—	—	— ^(d)
Total Distributions	(0.42)	(0.43)	(0.40)	(0.31)
Paid-in capital from redemption fees	—	—	— ^(d)	— ^(d)
Net Asset Value, end of period	<u>\$ 8.44</u>	<u>\$ 8.50</u>	<u>\$ 10.09</u>	<u>\$ 10.53</u>
Net assets, end of period (000's)	\$ 49,671	\$ 103,196	\$ 191,007	\$ 86,199
Total Return ^{(e) (f)}	4.46%	(11.88)%	(0.46)%	8.51%
Ratios/Supplemental Data:				
Ratios of expenses to average net assets: ^(g)				
Before expense waivers/reimbursements	2.21%	1.70%	0.81%	1.09%
After expense waivers/reimbursements	1.72%	1.60%	0.81%	0.79%
After expense waivers/reimbursements excluding interest and dividend expense for securities sold short, if any	0.79%	0.79%	0.79%	0.79%
Ratios of net investment income (loss) to average net assets: ^(g)				
Before expense waivers/reimbursements	4.03%	4.16%	3.91%	3.25%
After expense waivers/reimbursements	4.52%	4.26%	3.91%	3.55%
Portfolio turnover rate ^{(f) (h)}	184%	158%	152%	72%

(a) Commenced operations on November 1, 2005.

(b) Per share data was calculated using weighted average shares outstanding method for the period.

(c) Includes distributions of capital gains from underlying mutual funds.

(d) Amount represents less than \$0.01 per share.

(e) Assumes reinvestment of all dividends and distributions, if any. Total return does not reflect the deductions of taxes that a shareholder would pay on distributions or on the redemption of shares.

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

(g) Annualized for periods less than one year.

(h) Portfolio turnover rate is calculated on the basis of the Fund as a whole without distinguishing between classes of shares issued.

FINANCIAL HIGHLIGHTS (Continued)

The table sets forth financial data for one share of beneficial interest outstanding throughout the entire period.

	YieldQuest Tax-Exempt Bond Fund	
	Investor Class	
	Year ended 10/31/2009	Period ended 10/31/2008^(a)
Net Asset Value, beginning of period	\$ 8.52	\$ 9.85
Change in net assets from operations:		
Net investment income	0.35 ^(b)	0.26
Net realized and unrealized gains (losses) on investments ^(c)	<u>(0.03) ^(b)</u>	<u>(1.33)</u>
Total from investment operations	<u>0.32</u>	<u>(1.07)</u>
Distributions:		
Net investment income	<u>(0.39)</u>	<u>(0.26)</u>
Total Distributions	<u>(0.39)</u>	<u>(0.26)</u>
Net Asset Value, end of period	<u>\$ 8.45</u>	<u>\$ 8.52</u>
Net assets, end of period (000's)	\$ 472	\$ 313
Total Return ^{(d) (e)}	3.98%	(11.04)%
Ratios/Supplemental Data:		
Ratios of expenses to average net assets: ^(f)		
Before expense waivers/reimbursements	2.56%	1.84%
After expense waivers/reimbursements	2.07%	1.72%
After expense waivers/reimbursements excluding interest and dividend expense for securities sold short, if any	1.14%	1.14%
Ratios of net investment income (loss) to average net assets: ^(f)		
Before expense waivers/reimbursements	3.68%	4.05%
After expense waivers/reimbursements	4.17%	4.17%
Portfolio turnover rate ^{(e) (g)}	184%	158%

(a) Commenced operations on February 28, 2008.

(b) Per share data was calculated using weighted average shares outstanding method for the period.

(c) Includes distributions of capital gains from underlying mutual funds.

(d) Assumes reinvestment of all dividends and distributions, if any. Total return does not reflect the deductions of taxes that a shareholder would pay on distributions or on the redemption of shares.

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

(f) Annualized for periods less than one year.

(g) Portfolio turnover rate is calculated on the basis of the Fund as a whole without distinguishing between classes of shares issued.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**To the Board of Trustees and Shareholders of
YieldQuest Funds Trust
Atlanta, Georgia**

We have audited the accompanying statements of assets and liabilities of Core Equity Fund, Total Return Bond Fund and Tax-Exempt Bond Fund, each a series of shares of YieldQuest Funds Trust, (the "Funds"), including the schedules of investments, as of October 31, 2009, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights, for each of four years in the period then ended. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Funds are not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of October 31, 2009, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Funds as of October 31, 2009, the results of their operations, the changes in their net assets, and the financial highlights for the periods indicated above, in conformity with accounting principles generally accepted in the United States of America.

**TAIT, WELLER & BAKER LLP
Philadelphia, Pennsylvania
December 22, 2009**

SUPPLEMENTAL INFORMATION (Unaudited)

Shareholders of the YieldQuest Funds pay ongoing expenses, such as advisory fees, ongoing operating expenses, and distribution and administration expenses with respect to Investor Class shares. The following examples are intended to help the shareholder understand the ongoing cost (in dollars) of investing in a Fund and to compare these costs with the ongoing costs in investing in other mutual funds. **This example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period as indicated below.**

Actual Expenses: The first set of tables provides information about actual account values and actual expenses. The shareholder may use the information in this table, together with the amount invested, to estimate the expenses that you would have paid over the period. Simply divide the account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number under the heading entitled “Expenses Paid” to estimate the expenses paid on the account during the period.

Institutional Class	Beginning Account Value 5/1/09	Ending Account Value 10/31/09	Expense Paid During Period^(a) 5/1/09 - 10/31/09	Expense Ratio During Period^(a) 5/1/09 - 10/31/09
Actual Expenses				
Core Equity Fund	\$1,000.00	\$1,252.40	\$10.73	1.89%
Total Return Bond Fund	1,000.00	1,148.00	9.04	1.67%
Tax-Exempt Bond Fund	1,000.00	1,037.90	9.50	1.85%

Excluding interest expense and dividends on short positions, your actual cost of investment in the Institutional Class of the Core Equity Fund, Total Return Bond Fund and Tax-Exempt Bond Fund would be \$6.76, \$4.28, and \$4.06, respectively.

(a) Expenses are equal to each Fund’s annualized expense ratio, including interest expense and dividends on short positions if any, multiplied by the average account value over the period, multiplied by 184/365. If interest expense and dividends on short positions were excluded, the Institutional Class annualized expense ratios of the Core Equity Fund, Total Return Bond Fund, and Tax-Exempt Bond Fund would have been 1.19%, 0.79%, and 0.79%, respectively.

Investor Class	Beginning Account Value 5/1/09	Ending Account Value 10/31/09	Expense Paid During Period^(b) 5/1/09 - 10/31/09	Expense Ratio During Period^(b) 5/1/09 - 10/31/09
Actual Expenses				
Core Equity Fund	\$1,000.00	\$1,248.20	\$12.69	2.24%
Total Return Bond Fund	1,000.00	1,145.80	10.93	2.02%
Tax-Exempt Bond Fund	1,000.00	1,036.00	11.29	2.20%

Excluding interest expense and dividends on short positions, your actual cost of investment in the Investor Class of the Core Equity Fund, Total Return Bond Fund, and Tax-Exempt Bond Fund would be \$8.73, \$6.17, and \$5.85, respectively.

(b) Expenses are equal to each Fund’s annualized expense ratio, including interest expense and dividends on short positions if any, multiplied by the average account value over the period, multiplied by 184/365. If interest expense and dividends on short positions were excluded, the Investor Class annualized expense ratios of the Core Equity Fund, Total Return Bond Fund, and Tax-Exempt Bond Fund would have been 1.54%, 1.14% and 1.14%, respectively.

SUPPLEMENTAL INFORMATION (Unaudited) (Continued)

Hypothetical Example for Comparison Purposes: The second set of tables below provides information about hypothetical account values and hypothetical expenses based on each Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses paid for the period. This information may be used to compare the ongoing costs of investing in a Fund and other mutual funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other mutual funds. Please note, the expenses shown in the tables are meant to highlight ongoing costs only and do not reflect any transactional costs, such as sales charges, redemption fees, or exchange fees. Therefore, the second set of tables is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. In addition, if these transaction costs were included, your costs would have been higher.

Institutional Class	Beginning Account Value 5/1/09	Ending Account Value 10/31/09	Expense Paid During Period^(a) 5/1/09 - 10/31/09	Expense Ratio During Period^(a) 5/1/09 - 10/31/09
Hypothetical Expenses				
Core Equity Fund	\$1,000.00	\$1,015.68	\$9.60	1.89%
Total Return Bond Fund	1,000.00	1,016.79	8.49	1.67%
Tax-Exempt Bond Fund	1,000.00	1,015.88	9.40	1.85%

Excluding interest expense and dividends on short positions, your actual cost of investment in the Institutional Class of the Core Equity Fund, Total Return Bond Fund, and Tax-Exempt Bond Fund would be \$6.06, \$4.02, and \$4.02, respectively.

(a) Expenses are equal to each Fund's annualized expense ratio, including interest expense and dividends on short positions if any, multiplied by the average account value over the period, multiplied by 184/365. If interest expense and dividends on short positions were excluded, the Institutional Class annualized expense ratios of the Core Equity Fund, Total Return Bond Fund, and Tax-Exempt Bond Fund would have been 1.19%, 0.79%, and 0.79%, respectively.

Investor Class	Beginning Account Value 5/1/09	Ending Account Value 10/31/09	Expense Paid During Period^(b) 5/1/09 - 10/31/09	Expense Ratio During Period^(b) 5/1/09 - 10/31/09
Hypothetical Expenses				
Core Equity Fund	\$1,000.00	\$1,013.91	\$11.37	2.24%
Total Return Bond Fund	1,000.00	1,015.02	10.26	2.02%
Tax-Exempt Bond Fund	1,000.00	1,014.12	11.17	2.20%

Excluding interest expense and dividends on short positions, your actual cost of investment in the Investor class of the Core Equity Fund, Total Return Bond Fund, and Tax-Exempt Bond Fund would be \$7.83, \$5.80, and \$5.80, respectively.

(b) Expenses are equal to each Fund's annualized expense ratio, including interest expense and dividends on short positions if any, multiplied by the average account value over the period, multiplied by 184/365. If interest expense and dividends on short positions were excluded, the Investor Class annualized expense ratios of the Core Equity Fund, Total Return Bond Fund, and Tax-Exempt Bond Fund would have been 1.54%, 1.14%, and 1.14%, respectively.

ADDITIONAL INFORMATION (Unaudited)

NOTICE TO SHAREHOLDERS

The tax information set forth below for the fiscal period November 1, 2008 through October 31, 2009 is being provided to shareholders in compliance with Federal income tax law.

Each Fund designates 100%, or if subsequently different, of ordinary income dividends ("QDI") to qualify for the lower tax rates applicable to individual shareholders; and 100%, or if subsequently different, of ordinary income dividends to qualify for the dividends received deduction ("DRD") for corporate shareholders. The actual percentage of QDI and DRD for the calendar year will be designated in year-end tax statements.

For Federal income tax purposes, 88% of the income dividends paid by the Tax-Exempt Bond Fund qualify as exempt-interest dividends.

CONTROL OWNERSHIP

A principal shareholder is any person who owns (either of record or beneficially) 5% or more of the outstanding shares of a Fund. A control person is one who owns, either directly or indirectly, more than 25% of the voting securities of a Fund or acknowledges the existence of such control. A controlling shareholder could control the outcome of any proposal submitted to the shareholders for approval. As of the fiscal year end, the following persons were controlling persons or principal shareholders:

	<u>Core Equity Fund</u>	<u>Total Return Bond Fund</u>	<u>Tax-Exempt Bond Fund</u>
Charles Schwab & Co., Inc.	48%	50%	55%
Prudential Investment Management Services LLC	7%	—	—
TD Ameritrade, Inc.	14%	15%	16%
National Financial Services LLC	—	18%	20%
SEI Investments Distribution Co.	—	13%	7%
Raymond James Financial	26%	—	—

APPROVAL OF INVESTMENT ADVISORY AGREEMENT (Unaudited)

At an in person meeting held on June 4, 2009, the Board of Trustees of the YieldQuest Funds considered the renewal of the Investment Advisory Agreement dated August 12, 2005 ("Agreement") between the Funds and YieldQuest Advisors, LLC (the "Advisor"). The Trustees noted that no changes to the Agreement had been proposed. The Trustees also noted that the Advisor voluntarily had agreed to cap certain operating expenses of the Funds through February 28, 2010.

In considering the renewal of the Agreement, the Trustees considered and evaluated the following factors: (i) the investment performance of the Funds and the Advisor; (ii) the nature, extent and quality of the services provided by the Advisor to the Funds; (iii) the cost of the services to be provided and the profits realized by the Advisor and its affiliates from their relationship with the Funds; (iv) the extent to which economies of scale will be realized as the Funds grow; and (v) whether the fee levels reflect these economies of scale to the benefit of the Funds' shareholders. The Trustees reviewed each Fund's advisory fee compared to advisory fees paid by other mutual funds in the Fund's respective Morningstar category that have comparable investment objectives and that are of a similar size (each a "peer group"), as well as the effect of fee waivers and expense reimbursements by the Advisor. The Trustees also considered the aggregate brokerage commissions earned by YieldQuest Securities, LLC, the Funds' Distributor and an affiliate of the Advisor, in connection with executing portfolio securities transactions on behalf of the Funds.

In determining whether to renew the Advisory Agreement, the Trustees noted that the Funds' legal counsel had presented on their behalf a detailed request for information to the Advisor. The Trustees reviewed the responses and materials provided by the Advisor, including current financial statements for the Advisor and the Distributor, a profitability analysis of the Agreement, and the Advisor's Form ADV Part I and II and accompanying schedules. The Trustees reviewed Performance Reports for the Funds through June 3, 2009. The Trustees also reviewed the Advisor's analyses of each Fund's performance, advisory fee and total expense ratio compared to those of its respective peer group. The Trustees also reviewed a description of the Advisor's business and personnel, information about its policies and practices regarding best execution, trade allocation, and proxy voting, and assurances from the Advisor's CCO that the Advisor has adopted a comprehensive compliance program, including a Code of Ethics and proxy voting policy, reasonably designed to ensure that the Advisor complies with federal securities laws.

The Board gave careful consideration to the nature, extent and quality of the services provided by the Advisor. The Board reviewed the resources provided by the Advisor to each Fund, and considered the adequacy of such resources in light of the expected growth in the level of the Funds' assets, and whether the resources are sufficient to sustain positive performance, compliance and other needs. The Trustees noted that the Advisor has continued to make available experienced portfolio managers to assist Mr. Jay K. Chitnis, CFA in managing the Funds, which the Board perceived as a benefit to the Funds. The Board focused on the Advisor's experience and capabilities of its advisory, research and trading staff, as well as the quality of the reports and other materials provided by the Advisor to YieldQuest Select advisors. The Board recognized the Advisor's expertise in, and the time-intensive nature of, closed-end fund trading. The Board also noted that the Advisor expends considerable time and effort in providing market analyses and other information via webinars, telephone calls and e-mail alerts, and through the YieldQuest Portal, to YieldQuest Select advisors. The Board noted that it was satisfied with the quality of services provided by the Advisor, based on the personnel involved in servicing the Funds, as well as the materials and services provided by the Advisor.

The Board also considered each Fund's performance relative to other mutual funds in its respective peer group. The Board noted that while the Funds' trailing one-year returns as of June 3, 2009 were lower than their respective benchmarks, each Fund's performance on a year-to-date and one month basis significantly had improved through June 3, 2009.

The Board also reviewed analyses of each Fund's advisory fee compared to advisory fees paid by its respective peer group, before and after fee waivers and expense reimbursements by the Advisor. The analyses also included comparisons of each Fund's Institutional Class expense ratios to the minimum, maximum and average ratios of their respective peer groups. The Board noted that even though the Core Equity Fund's advisory fee rate of 0.99% (0.69% after fee waivers/expense reimbursements) was higher than the average for the peer group, the Equity Fund's expense cap of 1.19% was consistent with the average expense ratio for its peer group. Similarly, the Board noted that although the advisory fees of the Total Return Fund and Tax-Exempt Fund were higher than their respective peer group's average fee rate, each Fund's expense cap was in-line with the average total expense ratio for its respective

APPROVAL OF INVESTMENT ADVISORY AGREEMENT (Unaudited) (Continued)

peer group. The Board also noted that they had authorized the closure of the Low Duration Funds, and the merger of the Flexible Income Fund into the Total Return Fund. The Trustees observed that the advisory fee rate paid by the Flexible Income Fund's shareholders of 0.75% would be reduced to 0.59% after the merger.

In determining the reasonableness of the advisory fees, the Board also considered whether economies of scale would be realized as the Funds grow larger, and the extent to which this is reflected in the advisory fees. The Board anticipates that, as the Funds' assets grow, each Fund's overall expense ratio would decline as economies of scale are realized. The Board determined that the Advisor had yet begun to realize any significant economies of scale from managing the Funds.

The Board next reviewed the Advisor's and Distributor's current financial statements, as well as a profitability analysis prepared by the Advisor. The profitability analysis detailed the fees received by the Advisor from the Funds after deducting the direct and indirect expenses incurred by the Advisor in providing services to the Funds. The Board observed that the Advisor had waived significant amounts of fees since the Funds' commenced operations and had also reimbursed the Funds for additional operating expenses. The Board noted that the Advisor provided the CCO's services at no cost to the Funds, and also paid other compliance expenses which were substantial. The Board noted that the Advisor had not received any profits from its relationship with the Funds due to the contractual agreement to cap certain operating expenses of the Funds through February 28, 2010. Finally, the Trustees noted the Advisor's representations that it has not entered into any agreements that would require the Advisor to direct the Funds' brokerage to a broker in exchange for research or brokerage services that would benefit the Advisor (so-called "soft dollar arrangements"), and that the Advisor would not cause the Funds to "pay up" for research or brokerage services.

The Board next considered that the Distributor, an affiliate of the Advisor, received benefits in the form of brokerage commissions paid by the Funds. The Board noted from the Advisor's financial statements that the Distributor had contributed to the Advisor (subject to repayment) to support the Advisor's balance sheet. The Board noted that the Distributor's profit margins on the brokerage commissions tended to be lower than average, and also noted that the commission rates charged by the Distributor were lower than, or equal to, the rates charged to the Funds by independent broker-dealers. The Trustees also considered that all 12b-1 and administration fees received by the Distributor had been passed through by the Distributor to mutual fund supermarkets that made available the Funds' shares, which is a benefit to the Funds.

The Trustees noted that they had received and evaluated such information as they deemed necessary to make their decision. They also noted that they had taken into account a number of factors that they believed, in light of advice provided by legal counsel to the Funds, and their own business judgment, to be relevant. As a result, the Trustees, including the Trustees who are not "interested persons" (as defined in the Investment Company Act of 1940, as amended), of the Funds, the Advisor or the Distributor, unanimously determined that the advisory fees payable under the Agreement are fair and reasonable with respect to each Fund, in light of the services provided (and the assumption of certain expenses) by the Advisor, and such other matters as the Trustees considered relevant in the exercise of their reasonable business judgment and, thus, authorized the continuation of the currently effective Agreement through June 30, 2010.

BOARD OF TRUSTEES & OFFICERS (Unaudited)

Board of Trustees & Officers

The Trust is governed by a Board of Trustees, which oversees the Funds' operations. Officers are appointed by the Trustees and serve at the pleasure of the Board. The table below shows, for each Trustee and Officer, his or her name, address, and age, the position held with the Trust, the length of time served as Trustee and Officer of the Trust, the Trustee's or Officer's principal occupations during the last five years, the number of funds in the YieldQuest Funds Trust overseen by the Trustee or Officer, and other directorships held by the Trustee or Officer.

Name, Address*, Age, Position with Fund Complex,** Term of Position with Trust	Principal Occupation During Past 5 Years and Other Trusteeships
Jay K. Chitnis, CFA*** Age 42 Trustee, President and Chief Executive Officer, Since 2005	Managing Director of YieldQuest Advisors, LLC, since June 2004; Managing Director of YieldQuest Securities, LLC, a registered broker dealer and member FINRA, since September 2004; Managing Director of YieldQuest Investment Group, a division (firm within a firm) of Register & Akers Investments, Inc., since June 2004, of McDonald Investments, from September 2001 to June 2004; and of First Union Securities (Wachovia Securities), from 1998 to September 2001, all FINRA registered broker-dealers and members SIPC; Senior Vice President of CIBC/Oppenheimer Corp., from 1996 to 1998.
David Summers*** Age 41 Treasurer, Chief Financial Officer and Secretary, Since 2005	Managing Director of YieldQuest Advisors, LLC and YieldQuest Securities, LLC, since 2005; Senior Vice President and Chief Compliance Officer of YieldQuest Advisors, LLC, since June 2004; Senior Vice President and Chief Compliance Officer of YieldQuest Investment Group, a division (firm within a firm) of Register & Akers Investments, Inc., since June 2004; Chief Compliance Officer of the Trust, from 2005 to 2007; Senior Vice President and Chief Compliance Officer of YieldQuest Securities, LLC, September 2004 until October 2006; Vice President of YieldQuest Investment Group, a division of McDonald Investments, from September 2001 to June 2004; and Investment Associate at First Union Securities (Wachovia Securities), from 1998 to September 2001, all FINRA registered broker-dealers and members SIPC.
Gary Schwartz*** Age 43 Chief Compliance Officer, Since 2006	Compliance Officer for YieldQuest Advisors, LLC since 2005; Chief Compliance Officer for YieldQuest Securities, LLC, since 2006; Assistant Compliance Officer of the Trust from 2006 to 2007; Compliance Officer for YieldQuest Securities, LLC from 2005 to 2006; Nasdaq/OTC Trader, Riverstar Trading, 2002 through 2005; Regional Manager, Atlanta Branch Manager and Registered Options Principal for Protrader Securities, an Instinet Company, from 1998 through 2002.
Joseph Patire*** Age 32 Assistant Secretary, Since 2008	Managing Director of YieldQuest Advisors, LLC, since 2004; Managing Director of YieldQuest Securities, LLC since 2005; Senior Vice President of the YieldQuest Investment Group of an independent broker-dealer firm, Register & Akers Investments, Inc., from 2004 to 2005; Vice President of McDonald Investments, a registered broker-dealer and FINRA member, from 2001 to 2004.

* The address for each officer is 3280 Peachtree Road, Suite 2600, Atlanta, Georgia 30305

** Fund Complex refers to YieldQuest Funds Trust. The Fund Complex currently consists of five series.

*** Messrs. Chitnis, Summers, Schwartz and Patire are deemed to be "interested persons" of the Trust because they are officers of the Advisor and Distributor.

BOARD OF TRUSTEES & OFFICERS (Unaudited) (Continued)

Name, Address*, Age, Position with Fund Complex,** Term of Position with Trust	Principal Occupation During Past 5 Years and Other Trusteeships
Denise M. Buchanan Age 47 Independent Trustee, Since 2005	Chief Compliance Officer of CapFinancial Partners, LLC (doing business as CAPTRUST Financial Advisors), a federally registered investment adviser and broker-dealer and member of FINRA/SIPC since 2007; President of Broker/Dealer Sales & Consulting, Inc., a consulting group specializing in compliance guidance for broker-dealers and investment advisers, since 1996; Director of Compliance, CapFinancial Partners, LLC from 2003 until 2007; Chief Compliance Officer of Hatteras Investment Partners, LLC and its affiliates, and the Hatteras Funds (investment companies registered under the 1940 Act), from 2003 until December 2007.
Gary D. Campbell, CFA® Age 57 Independent Trustee, Since 2005	President of Presbyterian Church in America, Retirement & Benefits, since 2006; Retired July 2005 through July 2006; President and Chief Investment Officer of Kennedy Capital Management, Inc., an SEC-registered investment advisor based in St. Louis, Missouri, 2001 to 2005; Executive Vice President and Chief Investment Officer, Commerce Bancshares, Inc./The Commerce Trust Company, an asset management, trust, private banking and other financial advisory services firm with over \$10 billion in assets under management; Senior Vice President/ Director of Institutional Portfolio Management, Wachovia (First Union Corp.), 1985 to 1990.
Craig Ruff, Ph.D, CFA® Age 49 Independent Trustee, Since 2005	Clinical Assistant Professor of Finance at Georgia State University in Atlanta, GA, 2003 to 2007; Clinical Associate Professor of Finance and Assistant Dean, Executive Education, Georgia State University August 2007 to present; Vice President in the Educational Products department at the Association for Investment Management and Research (AIMR, now known as the CFA Institute) and Associate Editor of the <i>Financial Analysts Journal</i> from July 1998 to July 2003; Senior Economist at the Federal Home Loan Bank of Atlanta from June 1988 to June 1991.

* The address for each Trustee is 3280 Peachtree Road, Suite 2600, Atlanta, Georgia 30305

** Fund Complex refers to YieldQuest Funds Trust. The Fund Complex currently consists of five series.

The Trust's Statement of Additional Information contains additional information about the Trustees and Officers and is available without charge, upon request, by calling 1-877-497-3634.

Each Trustee will serve an indefinite term until his successor, if any, is duly elected and qualified. Officers of the Trust are elected annually.

This report and the financial statements contained herein are submitted for the general information of the shareholders of the YieldQuest Funds. This report is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.

Proxy Voting Policy: Information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 as well as a description of the policies and procedures that the Funds use to determine how to vote proxies will be available without charge, upon request, by calling 1-877-497-3634 or by referring to the Securities and Exchange Commission's ("SEC") website at <http://www.sec.gov>.

Portfolio Holding Disclosure: Each Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. Each Fund's Form N-Q is available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC (1-800-SEC-0330). Each Fund makes the information on Form N-Q available to shareholders without charge, upon request, by calling 1-877-497-3634.