

PEARL MUTUAL FUNDS

PEARL TOTAL RETURN FUND — PFTRX

PEARL AGGRESSIVE GROWTH FUND — PFAGX

THIRD QUARTER REPORT

SEPTEMBER 30, 2011

www.pearlfunds.com



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PEARL MUTUAL FUNDS

PFTRX — Pearl Total Return Fund

P FAGX — Pearl Aggressive Growth Fund

2011 Third Quarter Report

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IRA CONTRIBUTION LIMITS FOR 2011

(IRA — INDIVIDUAL RETIREMENT ACCOUNT, ALL TYPES)

- You may contribute \$5,000 to your IRA in 2011.
- The 2011 limit is \$6,000 if you are age 50 or over. The extra \$1,000 is called a catch-up contribution.
- These limits apply to both Roth and Traditional IRAs.

IRA contribution limits may be different in future years.

MORE GOOD NEWS:

- You can use Pearl Funds (either or both) for all types of IRAs and IRA rollovers.
- **No maintenance fee** for your **Pearl** IRA — or for any Pearl Funds account.

Did you know?

We are shareholders too!

All our Trustees, Officers, and employees, plus our Manager and all its shareholders, are Pearl Funds shareholders.

Together we own more than \$6.6 million of Pearl Funds shares at 9-30-11.

We eat our own cooking!

When your Pearl Funds investment goes up or down, so does ours!

Chairman of the Board
DR. JAMES P. STEIN

November 22, 2011

NEWS FOR PEARL SHAREHOLDERS:

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- **UPDATE:** At **November 21, 2011:** **Pearl Total Return Fund** was down **8.62%** year-to-date. **Pearl Aggressive Growth Fund** was down **18.25%** year-to-date.
- During the first 9 months of 2011: **Pearl Total Return Fund** was down **12.02%**. **Pearl Aggressive Growth Fund** was down **22.28%**.
- During the **5 years** through September 30, 2011, **Pearl Total Return Fund** was down **6.50%**; **Pearl Aggressive Growth Fund** was down **9.81%**; and the 3 comparison indexes were down 6.41% on average: Dow Jones Wilshire 5000 down 2.82%, MSCI World down 10.66%, S&P 500 down 5.76% (not annualized).
- During the **10 years** through September 30, 2011, **Pearl Total Return Fund** was up **85.69%**; **Pearl Aggressive Growth Fund** was up **96.57%**; and the 3 comparison indexes were up 41.01% on average: Dow Jones Wilshire 5000 up 47.03%, MSCI World up 43.95%, and S&P 500 up 32.06% (not annualized).
- **Pearl Total Return Fund** outperformed all 3 comparison indexes for the 10 years through September 30, 2011.
- **Pearl Aggressive Growth Fund** outperformed all 3 comparison indexes for the 10 years through September 30, 2011.
- All Pearl performance figures are **net** — **after** deducting **all expenses** of each Pearl Fund and all expenses of all the mutual funds in its portfolio.
- Both Pearl Funds are **no-load**: no sales charge, commission, or redemption fee (except each Fund receives a 2% fee on redemption of shares owned for 30 days or less). Also, both Funds are **no-load investors**; they make all of their investments with **no transaction costs**. See pages 3 and 6.

Please consider all of the Prospectus and this report. Figures above are not annualized. Past performance does not guarantee future results.

Thank you for your confidence in Pearl Mutual Funds. www.pearlfunds.com has more information. **Please call, e-mail, or write to us. We are here to help you.**

Sincerely,

YOUR INVESTMENT MANAGEMENT TEAM:



Richard R. Phillips



David M. Stanley



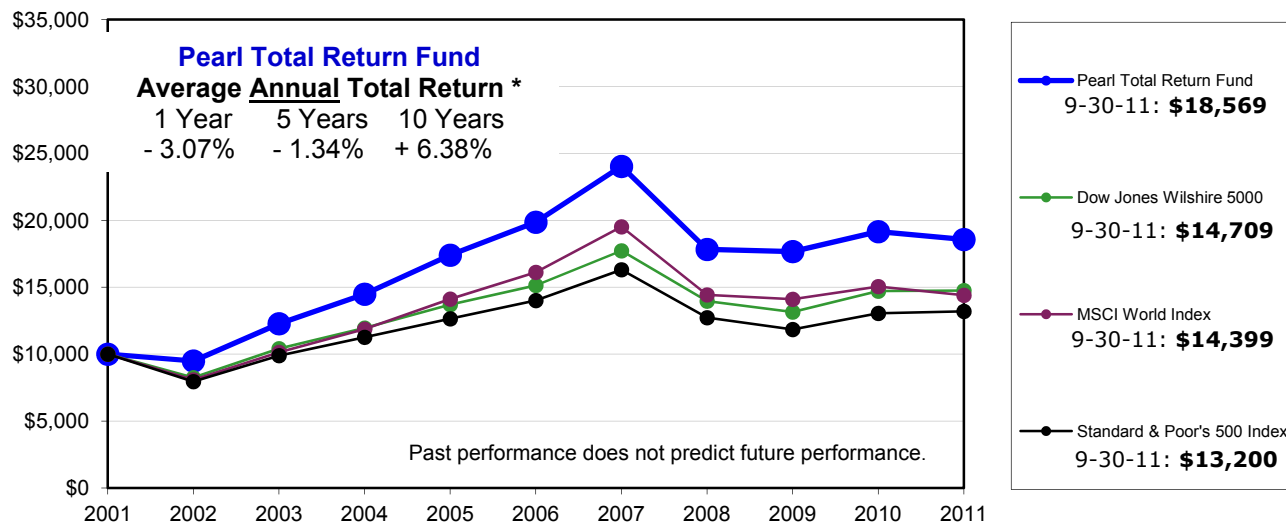
Robert H. Solt

Pearl Total Return Fund

Pearl Total Return Fund's 10-Year Performance Record is summarized in this graph:

COMPARISON OF CHANGE IN VALUE OF \$10,000 INVESTMENT IN PEARL TOTAL RETURN FUND AND ITS COMPARISON INDEXES *

(as of September 30 each year — with dividends reinvested)



* The Fund's total returns in this report, including the graph and tables, do not reflect the deduction of taxes that a shareholder would pay on Fund dividends or on redemption of Fund shares. Likewise, the total returns of indexes do not reflect the deduction of taxes that an investor in stocks would pay on dividends or on sale of stocks.

* **All Pearl Funds total returns are net, after deducting all expenses** (all fees, transaction costs, etc.) — including all expenses of the Fund and all expenses of all the mutual funds in the Fund's portfolio. In contrast, the total returns of indexes do not reflect any deduction of expenses.

- Through September 30, 2011, the value of an investment in **Pearl Total Return Fund** grew **85.69%** over the last 10 years (not annualized). The Fund outperformed all 3 comparison indexes during that period.

Performance of Pearl Total Return Fund and Comparison Indexes through September 30, 2011:

Average Annual Total Returns for periods ended September 30, 2011 with dividends reinvested:	Year-to-Date, not annualized	1 year	3 years	5 years	10 years
Pearl Total Return Fund	-12.02%	-3.07%	+1.37%	-1.34%	+6.38%
Dow Jones Wilshire 5000 Index	-10.23%	+0.31%	+1.75%	-0.57%	+3.93%
MSCI World Index	-12.20%	-4.35%	-0.07%	-2.23%	+3.71%
Standard & Poor's 500 Index	-8.68%	+1.14%	+1.23%	-1.18%	+2.82%

* See page 9 for information on expenses. See page 10 for a description of each index. Past performance does not predict future performance.

Did you know?

Your Pearl Investment Management Team — Rich Phillips, Dave Stanley, and Rob Solt — together have over 55 years of experience in mutual funds investment management.

Pearl Total Return Fund

Performance Summary. Past performance does not predict future performance.

- **Pearl Total Return Fund** had a - **3.07%** total return for the 1 year ended September 30, 2011.
- During the **5 years** through September 30, 2011, **Pearl Total Return Fund** was **down 6.50%** while the 3 comparison indexes were down 6.41% on average: Dow Jones Wilshire 5000 down 2.82%, MSCI World down 10.66%, S&P 500 down 5.76% (not annualized).
- During the **10 years** through September 30, 2011, **Pearl Total Return Fund** was **up 85.69%** while the 3 comparison indexes were up 41.01% on average (not annualized): Dow Jones Wilshire 5000 up 47.03%, MSCI World up 43.95%, and S&P 500 up 32.06% (not annualized).
- Your Fund outperformed all 3 comparison indexes during the 10 years ended September 30, 2011. We believe this outperformance is significant because (a) it was achieved during both rising and falling stock markets, and (b) usually less than 80% of **Pearl Total Return Fund's** total assets were invested in stocks, as measured by the holdings of the mutual funds in the Fund's portfolio. The 3 comparison indexes always consist of 100% stocks.
- Your Fund's total return was **+ 14.69%** in 2010, **+ 26.05%** in 2009, **- 38.67%** in 2008, **+ 10.37%** in 2007, **+ 20.67%** in 2006, **+ 11.55%** in 2005, **+ 16.83%** in 2004, **+ 35.73%** in 2003, **- 10.75%** in 2002, and **+ 3.13%** in 2001.
- **All Pearl Funds performance figures are after deducting all expenses** (all fees, transaction costs, etc.) — including all expenses of your Fund and all expenses of all the mutual funds in its portfolio. In contrast, the total returns of indexes do not reflect any expenses.

Net Asset Value and Net Assets of **Pearl Total Return Fund** at September 30, 2011:

NAV (net asset value) per share: \$10.10 — down from \$11.48 at 12-31-10

Net assets: \$70,347,072 — down from \$84,131,609 at 12-31-10

No-Load Investing. No Transaction Costs. Your **no-load** Fund is a **no-load** investor, seeking to **prevent all transaction costs** for you and all our shareholders. When the Fund invests in a load fund, the purchase is large enough to receive a 100% waiver of sales load, so the Fund buys without paying any load. The Fund is authorized to pay a low sales load or redemption fee (not exceeding 2%, combined), but we work hard to avoid this. The Fund does **not** impose any distribution fee (12b-1 fee). Some mutual funds in which the Fund may invest may impose a 12b-1 fee.

Pearl Total Return Fund has not paid any sales charge, commission, or redemption fee since 1998. **All** of its investments in the years 1999 through 2011 to date were made on a **no-load** basis.

Access to Many Funds. Your Fund's investments in most mutual funds have been consistently large enough to take advantage of 100% sales load waivers on large purchases. Thus, the Fund is able to select its investments from a very wide range of funds, without paying any sales load — even though many of those funds would require many investors to pay a sales load.

Pearl Total Return Fund

Investments. **Pearl Total Return Fund** is a **diversified fund of funds** that seeks **long-term total return** by being primarily invested (80% or more of net assets) in equity mutual funds, except when Management believes a lower percentage is justified by high risks affecting stock markets. This Fund seeks to limit shareholders' risk by usually holding a modest defensive position and by selecting some mutual funds that have had relatively low volatility in the past.

At September 30, 2011, 58.4% of **Pearl Total Return Fund's** total assets were invested in a diversified group of equity mutual funds, 15.4% in a high-quality bond fund, and 26.2% in cash. Nearly all of the cash was held in money market mutual funds.

A more precise way to measure your Fund's asset allocation is its **investment portfolio assets breakdown**, which counts the Fund's indirect investments through the mutual funds held in its portfolio, using recent information on the portfolio assets of those mutual funds (obtained from Morningstar, Inc., an independent source).

At September 30, 2011, **Pearl Total Return Fund's** investment portfolio assets breakdown was: 54% stocks (including 38% U.S. and 16% foreign stocks), 14% bonds, 30% cash, and 2% other (source: Morningstar, Inc.). Your Fund's asset allocation varies when the Fund changes its investments in mutual funds and when those funds change their investments. This allocation – 44% in bonds and cash – is more defensive than usual.

Pearl Total Return Fund continues to be primarily invested in a broad, diversified mixture of equity mutual funds which own a variety of U.S. and foreign stocks; small-cap, mid-cap, and large-cap stocks; and value-style, blend-style, and growth-style stocks.

This Fund also continues to be in a more defensive position than usual, through the date of this report. This larger defensive position reflects Management's view of stock markets risks.

Recent month-end portfolio holdings are listed at www.pearlfunds.com. Portfolio holdings are subject to change at any time without notice, and some changes have been made since September 30, 2011. The Fund's portfolio holdings will be at least slightly different, and may be significantly different, by the time you read this report.

Did you know?

Pearl Funds offer you an **Automatic Investment Plan** that allows you to make regular monthly investments by electronic transfer from your bank account in the amount you choose.

To begin this plan, the minimum investment is \$1,000; then the minimum monthly investment is \$100.

For information, call 866-747-9030 (toll-free)
or go to www.pearlfunds.com/application_information.htm

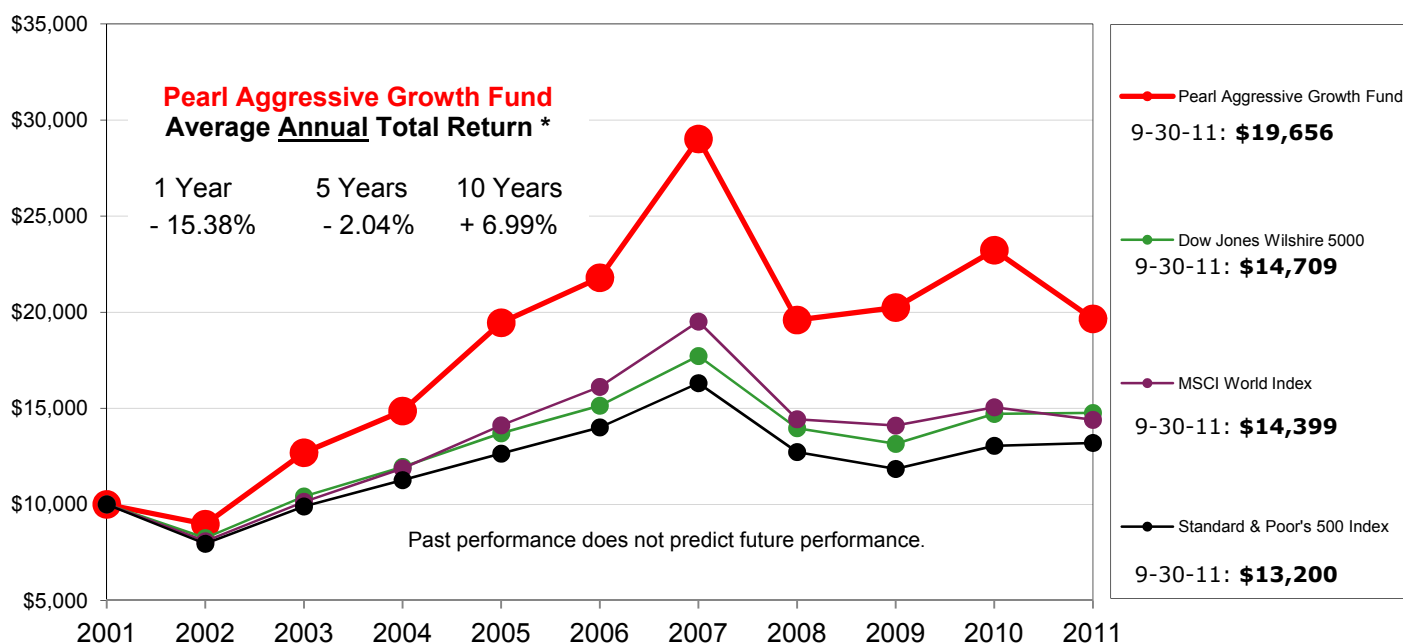
Systematic investing does not ensure a profit.

Pearl Aggressive Growth Fund

Pearl Aggressive Growth Fund's 10-Year Performance Record is summarized in this graph:

COMPARISON OF CHANGE IN VALUE OF \$10,000 INVESTMENT IN PEARL AGGRESSIVE GROWTH FUND AND ITS COMPARISON INDEXES *

(as of September 30 each year — with dividends reinvested)



* The Fund's total returns in this report, including the graph and tables, do not reflect the deduction of taxes that a shareholder would pay on Fund dividends or on redemption of Fund shares. Likewise, the total returns of indexes do not reflect the deduction of taxes that an investor in stocks would pay on dividends or on sale of stocks.

* **All Pearl Funds total returns are net, after deducting all expenses** (all fees, transaction costs, etc.) — including all expenses of the Fund and all expenses of all the mutual funds in the Fund's portfolio. In contrast, the total returns of indexes do not reflect any deduction of expenses.

- Through September 30, 2011, the value of an investment in **Pearl Aggressive Growth Fund** grew **96.57%** over the 10 years (not annualized). The Fund outperformed all 3 comparison indexes during that period.

Performance of Pearl Aggressive Growth Fund and Comparison Indexes through September 30, 2011:

Average Annual Total Returns for periods ended September 30, 2011 with dividends reinvested:	Year-to-Date, not annualized	1 year	3 years	5 years	10 years
Pearl Aggressive Growth Fund	- 22.28%	- 15.38%	+ 0.10%	- 2.04%	+ 6.99%
Dow Jones Wilshire 5000 Index	- 10.23%	+ 0.31%	+ 1.75%	- 0.57%	+ 3.93%
MSCI World Index	- 12.20%	- 4.35%	- 0.07%	- 2.23%	+ 3.71%
Standard & Poor's 500 Index	- 8.68%	+ 1.14%	+ 1.23%	- 1.18%	+ 2.82%

* See page 9 for information on expenses. See page 10 for a description of each index. Past performance does not predict future performance.

Long-term Investing, Not Trading. Both Pearl Funds are long-term investors, not traders.

Pearl Aggressive Growth Fund

Performance Summary. Past performance does not predict future performance.

- **Pearl Aggressive Growth Fund** had a - **15.38%** total return for the 1 year ended September 30, 2011.
- During the **5 years** through September 30, 2011, **Pearl Aggressive Growth Fund** was **down 9.81%** while the 3 comparison indexes were down 6.41% on average: Dow Jones Wilshire 5000 down 2.82%, MSCI World down 10.66%, S&P 500 down 5.76% (not annualized).
- During the **10 years** through September 30, 2011, **Pearl Aggressive Growth Fund** was **up 96.57%** while the 3 comparison indexes were up 41.01% on average: Dow Jones Wilshire 5000 up 47.03%, MSCI World up 43.95%, S&P 500 up 32.06% (not annualized).
- Your Fund outperformed all 3 comparison indexes during the 10 years ended September 30, 2011. We believe this outperformance is significant because (a) it was achieved during both rising and falling stock markets, and (b) usually less than 95% of the Fund's total assets were invested in stocks, as measured by the holdings of the mutual funds in the Fund's portfolio. The 3 comparison indexes always consist of 100% stocks.
- Your Fund's annual total return was + **18.71%** in 2010, + **54.34%** in 2009, - **52.83%** in 2008, + **19.11%** in 2007, + **22.10%** in 2006, + **18.01%** in 2005, + **17.60%** in 2004, + **53.36%** in 2003, - **17.27%** in 2002, and + **0.60%** in the last 6 months of 2001.
- **All Pearl Funds performance figures are after deducting all expenses** (all fees, transaction costs, etc.) — including all expenses of your Fund and all expenses of all the mutual funds in its portfolio. In contrast, the total returns of indexes do not reflect any expenses.

Net Asset Value and Net Assets of **Pearl Aggressive Growth Fund** at September 30, 2011:

NAV (net asset value) per share: \$10.01 — down from \$12.88 at 12-31-10

Net assets: \$34,803,976 — down from \$45,989,019 at 12-31-10

No-Load Investing. No Transaction Costs. Your **no-load** Fund is a **no-load** investor, seeking to **prevent all transaction costs** for you and all our shareholders. When the Fund invests in a load fund, the purchase is large enough to receive a 100% waiver of sales load, so the Fund buys without paying any load. The Fund is authorized to pay a low sales load or redemption fee (not exceeding 2%, combined), but we work hard to avoid this. The Fund does **not** impose any distribution fee (12b-1 fee). Some mutual funds in which the Fund may invest may impose a 12b-1 fee.

Pearl Aggressive Growth Fund has never paid any sales charge, commission, or redemption fee. All of its investments to date were made on a **no-load** basis.

Access to Many Funds. Your Fund's investments in most mutual funds have been consistently large enough to take advantage of 100% sales load waivers on large purchases. Thus, the Fund is able to select its investments from a very wide range of funds, without paying any sales load — even though many of those funds would require many investors to pay a sales load.

Pearl Aggressive Growth Fund

Investments. **Pearl Aggressive Growth Fund** is a **diversified fund of funds** that seeks **long-term aggressive growth of capital** by being fully invested (95% or more) in equity mutual funds at all times. This Fund almost never takes a temporary defensive position, although it has the ability to do so if Management determines that extreme circumstances exist.

At September 30, 2011, 95.7% of this Fund's total assets were invested in a diversified group of equity mutual funds, and 4.3% in cash (mostly in money market mutual funds).

In comparison with **Pearl Total Return Fund**, **Pearl Aggressive Growth Fund's** portfolio as a whole is more volatile and is more heavily weighted toward stocks.

Pearl Aggressive Growth Fund's investment portfolio assets breakdown counts the Fund's indirect investments through the mutual funds held in its portfolio, using recent information on the portfolio assets of those mutual funds (obtained from Morningstar, Inc., an independent source).

At September 30, 2011, **Pearl Aggressive Growth Fund's** investment portfolio assets breakdown was: 92% stocks (including 64% U.S. and 28% foreign stocks) and 8% cash (source: Morningstar, Inc.). Your Fund's asset allocation varies when the Fund changes its investments in mutual funds and when those funds change their investments.

Pearl Aggressive Growth Fund continues to be fully invested in a broad, diversified mixture of equity mutual funds which own a variety of U.S. and foreign stocks; small-cap, mid-cap, and large-cap stocks; and value-style, blend-style, and growth-style stocks.

Recent month-end portfolio holdings are listed at www.pearlfunds.com. Portfolio holdings are subject to change at any time without notice, and some changes have been made since September 30, 2011. The Fund's portfolio holdings will be at least slightly different, and may be significantly different, by the time you read this report.

Did you know?

Pearl Management Company, the Funds' Manager, receives compensation **only** from Pearl Funds. Pearl Management Company does not manage any other funds or accounts except Pearl Management Company's own investment assets.

We believe this **single focus on Pearl Funds** helps your Management to avoid conflicts of interest and give Pearl shareholders the top-priority service you deserve.

We give you **prompt, personal service**. When you call us, a **real, live person** will take your call. You can talk with one of our Officers or Portfolio Managers. You will get a straight answer. If we don't know the answer, we will find it and get back to you fast.

Your calls, e-mails, and faxes come directly into our office, to help us respond to you quickly. We handle all inquiries, shareholder accounts, and transactions within our office in Muscatine, Iowa. Because you and your concerns are important to us, **we do this work ourselves instead of hiring it out to some big, faceless company that puts you on hold.**

General Information

This report is provided for the shareholders of Pearl Mutual Funds. This report is not an offer of or a solicitation of an offer to buy either Fund, nor shall either Fund be offered or sold to any person, in any jurisdiction in which the offer, solicitation, purchase, or sale would be unlawful under its securities laws. The Funds are offered only to residents of the United States. This report is not authorized for distribution to prospective investors unless preceded or accompanied by a current Prospectus.

Before investing, an investor should read the Prospectus and carefully consider a Fund's objectives, risks, charges, and expenses. To obtain a Prospectus containing this and other information, please visit our Website at www.pearlfunds.com or call toll-free 866-747-9030.

Pearl Funds shares are available to residents of 37 states plus the District of Columbia, and Pearl Total Return Fund is also registered and available in Alaska. Please go to www.pearlfunds.com or call toll-free 866-747-9030 to determine whether Pearl Funds shares are available in your state.

We Invite and Welcome Your Calls. A real, live person will talk with you, **promptly**. He or she will be one of our Officers or key Staff persons. You will get a straight answer. If we don't know the answer, we will find it and get back to you quickly. Toll-free **866-747-9030**.

If we break this promise, tell us and you will receive our personal apology.

We Also Invite You to E-mail, Fax, or Write to Us:

E-mail: info@pearlfunds.com

Fax: 563-288-4101

Write to: Pearl Mutual Funds, 2610 Park Avenue, PO Box 209, Muscatine, IA 52761

You May Send a Message to the Funds' Board of Trustees on any subject. Send your message to the Pearl office, addressed to the Board of Trustees. We will promptly send it to all of the Trustees.

Communications Invited on Accounting and Auditing. Any person may communicate, confidentially and anonymously, any concerns regarding accounting or auditing matters to David L. Evans, Chairman of the Audit Committee of the Board of Trustees, by either of these two means:

1. Mail to 32500 El Diente Court, Evergreen, CO 80439 (preferred method)
2. Telephone 303-679-9689

Performance is historical and does not guarantee future results. Investment return and principal value of an investment in each Pearl Fund will fluctuate, so an investor's shares in the Fund, when redeemed, may be worth more or less than their original cost. Performance changes over time and may be materially different by the time you read this report. For recent information on performance, prices, and portfolio holdings, go to www.pearlfunds.com or call toll-free 866-747-9030.

All investments involve risk. Even though **Pearl Total Return Fund** and **Pearl Aggressive Growth Fund** each invest in many mutual funds, that investment strategy cannot eliminate risk.

Many factors affect risks of mutual funds that invest in various kinds of stocks. For example:

Stocks of small and mid-sized companies may be more volatile or less liquid than stocks of larger companies. Smaller companies may have a shorter history of operations, may not have the ability to raise capital as easily as large companies, and may have a less diversified product line, making them more susceptible to market pressure.

Value stocks include stocks of companies that may have experienced adverse business or industry developments or may be subject to special risks that have caused the stocks to be out of

favor and undervalued. Growth stocks are stocks of companies believed to have above-average potential for growth of revenue and earnings. Prices of growth stocks may be more sensitive to changes in current or expected earnings than prices of other stocks. Growth stocks may not perform as well as value stocks or the stock market in general.

Investments in foreign securities involve risks, including currency fluctuation, different regulation, accounting standards, trading practices, levels of available information, generally higher transaction costs, and political risks. The risks of foreign investments are typically increased in less developed countries, which are sometimes referred to as emerging markets. For example, political and economic structures in these countries may be new and developing rapidly, which may cause instability. These countries are also more likely to experience high levels of inflation, deflation, or currency devaluations, which could hurt their economies and securities markets.

For more detailed information on the risks of investing in the Funds, please read the Prospectus, available at www.pearlfunds.com or by calling toll-free 866-747-9030.

Total return means total growth of the investment, with all dividends (including capital gains dividends) reinvested.

Expenses. Each Pearl Fund is a fund of funds which bears its allocable share of the expenses of the mutual funds in which it invests. Each Fund is thus subject to two levels of fees and a potentially higher expense ratio than would be associated with an investment in a fund that invests directly in stocks or other financial instruments. However, **all Pearl Funds performance and total return figures are net, after deducting all expenses (all fees, transaction costs, etc.) — including all expenses of all the mutual funds in your Fund's portfolio.**

For the year 2010, each Fund's total annual fund operating expenses, including the Fund's share of all expenses of all the mutual funds in its portfolio, were: **Pearl Total Return Fund** 2.20%, which was reduced to 2.19% by the Manager's reimbursement due to the Limit on Expenses; and **Pearl Aggressive Growth Fund** 2.44%, reduced to 2.39% by the Manager's reimbursement. However, **all Pearl Funds performance and total return figures are net, after deducting all expenses** (all fees, transaction costs, etc.) — including all expenses of all the mutual funds in your Fund's portfolio.

Limit on Expenses. Pearl Management Company, the Funds' Manager, has contractually agreed to reimburse each Pearl Fund for all ordinary operating expenses (including all management, advisory, and administrative fees) exceeding 1.20% of a Fund's average net assets. When the Manager has reimbursed a Fund for expenses in excess of this limit, the Manager may recover the reimbursed amounts, for a period that does not exceed five years, to the extent this can be done without exceeding the expense limit. The Manager may continue to recover amounts reimbursed under the Funds' previous contractual expense limit, but only to the extent this can be done without exceeding the previous expense limit. The expense limit applies to each Fund's direct ordinary operating expenses and does not apply to the indirect expenses incurred by a Fund through its investment in the mutual funds in its portfolio. The expense limit does not have an expiration date, and will continue unless a change is approved by the Funds' Board of Trustees.

The Manager's reimbursement of expenses that exceed the expense limit lowers the expense ratio and increases the overall return to investors.

Disclosure of Portfolio Holdings. Pearl Funds' most recent month-end portfolio holdings are disclosed to the public at www.pearlfunds.com. The Funds also file a complete schedule of portfolio holdings with the SEC for the first and third quarters of each year on Form N-Q, and for the half-year and full year on Form N-CSR. The Forms N-Q and N-CSR are available on the SEC's Website at

www.sec.gov and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Proxy Votes by the Funds. A description of each Fund's proxy voting policies and procedures and a record of each Fund's proxy votes for the most recent 12-months period ended June 30 are available without charge at www.pearlfunds.com or by calling toll-free 866-747-9030, and are also available on the SEC's Website at www.sec.gov.

Privacy Policy. Because we consider the preservation of your privacy a priority, Pearl Mutual Funds has a privacy policy. You may view the privacy policy at www.pearlfunds.com (click on Privacy Policy) or by calling toll-free 866-747-9030. The privacy policy is sent to shareholders annually.

Comparison Indexes. The Dow Jones Wilshire 5000 Composite Index, often referred to as Dow Jones Wilshire 5000, is an unmanaged index, is market-capitalization weighted, includes all publicly-traded U.S. common stocks headquartered in the U.S. with readily available price data, and is generally representative of the performance of the average dollar invested in U.S. common stocks. The MSCI World Index is an unmanaged index, is market-capitalization weighted, and is generally representative of the performance of the global (U.S. and international) market for common stocks. The Standard & Poor's (S & P) 500 Index is an unmanaged index of 500 stocks, is market-capitalization weighted, and is generally representative of the performance of larger companies in the U.S.

The Funds' holdings are not the same as the indexes. Each Pearl Fund's performance will not mirror the returns of any particular index. It is not possible to invest directly in an index. Trademarks and copyrights relating to the indexes are owned by: Dow Jones Wilshire 5000: Dow Jones Indexes and Wilshire Associates, Inc; MSCI World Index: Morgan Stanley Capital International; Standard & Poor's 500 Index: The McGraw Hill Companies.

Other Information. Please consult your tax advisor regarding the tax consequences of owning shares of the Funds in your particular circumstances.

From July 1, 1972 through July 1, 2001, **Pearl Total Return Fund's** shares were not registered under the Securities Act of 1933 and only private sales were made. The Fund began offering its shares to the public pursuant to an effective registration statement on July 2, 2001.

Did you know?

Current performance, daily prices (net asset value), and recent portfolio holdings of both Pearl Funds are available at www.pearlfunds.com.

www.pearlfunds.com
E-mail: info@pearlfunds.com

2610 Park Avenue PO Box 209 Muscatine IA 52761
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