

PEARL MUTUAL FUNDS PROSPECTUS

MAY 1, 2006

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PEARL...
FUNDS

The Securities and Exchange Commission has not approved or disapproved these securities or determined whether this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

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At a Glance

INVESTMENT OBJECTIVES

*Pearl Total Return Fund*SM seeks long-term total return.

*Pearl Aggressive Growth Fund*SM seeks long-term aggressive growth of capital.

There is no assurance that a Fund will achieve its investment objective.

PRINCIPAL INVESTMENT STRATEGY

Each Fund is a diversified fund of funds that invests in shares of other registered investment companies, including mutual funds (and potentially including closed-end funds). The investment companies in which the Funds may invest are referred to as “portfolio funds” throughout this prospectus. Pearl Total Return Fund is referred to as “Total Return Fund” and Pearl Aggressive Growth Fund is referred to as “Aggressive Growth Fund.” Each Fund may invest up to 25% of its total assets in any one portfolio fund.

Total Return Fund seeks to achieve its objective by investing 80% or more of its net assets in equity portfolio funds whose objective is growth or capital appreciation, including portfolio funds that invest in U.S. or foreign securities (including emerging markets), or both. However, Total Return Fund may invest less than 80% of its net assets in equity portfolio funds when Management believes there are high risks affecting stock markets. Because Total Return Fund seeks to limit risk and preserve capital, it often takes a partial defensive position. Under those circumstances, Management will invest part of the Fund’s net assets (often up to 20%) in money market, bond, and other fixed-income portfolio funds. The Fund may take a larger defensive position (up to 100% of net assets) on a temporary basis when Management believes there are high risks affecting stock markets. When the Fund takes such a temporary defensive position, the Fund might not be able to meet its investment objective. Management determines the Fund’s allocation among the various types of authorized investments.

Aggressive Growth Fund seeks to achieve its objective by being fully invested (meaning 95% or more of the Fund’s net assets) in equity portfolio funds whose objective is growth or capital appreciation, including portfolio funds that invest in U.S. or foreign securities (including emerging markets), or both. The Fund invests in money market funds only to meet its cash flow needs. Aggressive Growth Fund almost never takes a temporary defensive position, although it has the ability to do so if Management determines that extreme circumstances exist. The Fund might not be able to meet its investment objective during any period in which it takes such a temporary defensive position. Management intends that any temporary defensive position would be rare. Management determines the Fund’s allocation among the various types of authorized investments.

Each Fund invests only in:

- mutual fund shares that the Fund can buy no-load (with no applicable sales charge or redemption fee);
- “low-load” mutual fund shares that the Fund can buy with a sales load or redemption fee that together do not exceed 2% of the purchase price (however, each Fund expects that all or nearly all of its investments in mutual funds will be on a no-load basis);

- closed-end fund shares with a sales commission or sales load that does not exceed 2% of the purchase price (although neither Fund has yet invested in closed-end funds); and
- cash and cash equivalents.

Each Fund seeks to make all of its investments on a no-load basis and to avoid completely all sales charges, commissions, and redemption fees. This is an important goal but is not a requirement. This goal will continue unless and until the Fund begins to invest in closed-end fund shares.

“No-load basis,” with respect to Pearl Funds’ investments, means that a Fund does not pay any sales charge, commission, or redemption fee when purchasing or selling shares of a mutual fund; and if that mutual fund has any redemption fee, it is for short-term trading, it does not exceed 2%. Management intends that the Fund will hold the shares long enough to avoid paying any redemption fee, and the Fund does so. (Although a Fund purchases and sells shares of portfolio mutual funds on a no-load basis, some portfolio funds may impose a 12b-1 distribution fee; any such fee is reflected in the portfolio fund’s expenses. Both Funds do not directly impose any 12b-1 fee.)

Each Fund is a fund of funds, investing only in various kinds of portfolio funds (including money market funds) except for cash and cash equivalents. Each Fund may also invest in portfolio funds which invest in foreign securities. From time to time, the portfolio funds in which the Funds invest may invest in emerging markets securities and in high yield, high risk “junk bonds.” Aggressive Growth Fund usually does not invest in bond funds, but the equity portfolio funds in which it invests may hold some bonds.

Under normal market conditions, each Fund will hold equity portfolio funds with value, growth, or blend investment styles. There is no limit on the investment styles of the portfolio funds in which the Funds may invest. Each Fund may also hold equity portfolio funds with small-, mid-, or large-cap investment styles. There is no limit on the capitalization ranges of the portfolio funds in which the Funds may invest. The allocation among portfolio funds using various investment styles and having various capitalization ranges may vary greatly depending upon Management’s assessment of the stock markets. In addition, Total Return Fund may hold greater or lesser positions in portfolio bond, income, and money market funds based on Management’s overall assessment of market conditions and movements.

PRINCIPAL INVESTMENT RISKS

All investments involve risk. Even though the Funds invest in many portfolio funds, that investment strategy cannot eliminate investment risk. Each Fund may be subject to the following risks:

Securities Markets In General – As with any investment whose performance is tied to these markets, the value of your investment in a Fund will fluctuate, which means that you could lose money.

Stock Markets – The same factors that affect stock market performance generally affect portfolio stock funds. Political and economic news can influence marketwide trends; the outcome may be positive or negative, short-term or long-term. Any type of stock can temporarily fall out of favor with the market. The values of certain types of stocks, such as small-cap stocks and foreign stocks, may fluctuate more widely than others. Because Aggressive Growth Fund stays fully invested and almost never takes a defensive position, the impact of stock market changes on Aggressive Growth Fund is expected to be even greater than the impact on Total Return Fund.

Bond Markets – Bond prices generally fall when interest rates rise. Portfolio bond funds that focus on bonds with longer maturities tend to be more sensitive to this risk. Portfolio performance also could be affected if bonds held by portfolio funds go into default. Some bonds may be paid off (“called”) substantially earlier or later than expected, forcing a portfolio fund to reinvest at what may be an undesirable time. The Funds (particularly Total Return Fund) will be affected by these risks to the extent of their investments in portfolio funds investing in bonds. Aggressive Growth Fund usually does not invest in bond funds, but the equity portfolio funds in which it invests may hold some bonds.

Characteristics of Portfolio Funds and Related Risks – The Funds may invest in portfolio funds that have any or all of these characteristics and related risks:

- Non-diversified investments. The performance of large positions in certain stocks may significantly impact the performance of a portfolio fund, resulting in greater volatility.
- Concentration. Concentration of investments within one industry or market sector may subject a portfolio fund to greater market fluctuations. The Funds will not knowingly concentrate their investments, directly or indirectly, in an industry.
- Investments in foreign securities. A portfolio fund’s investments in foreign securities may be subject to additional risks not typically associated with U.S. securities, such as changes in currency rates; less available public information about the issuers of the securities; less stringent regulatory standards; lack of uniform accounting, auditing, and financial reporting standards; and country risks including less liquidity, high inflation rates, unfavorable economic practices, and political instability. Foreign securities also tend to be more volatile than U.S. securities.
- Emerging markets securities. The risks of foreign securities are typically increased in emerging markets. For example, political and economic structures in these less developed countries may be new and changing rapidly, which may cause instability. The securities markets may also be less developed. These countries are also more likely to experience high levels of inflation, deflation, or currency devaluations, which could hurt their economies and securities markets.
- Investments in high yield, high risk “junk bonds.” A portfolio fund’s investments in high yield, high risk “junk bonds” may be subject to additional risks such as increased possibility of default, illiquidity of the security, and changes in value based on public perception of the issuer.
- Investments in small-, mid-, and large-cap securities. Stocks of small- and medium-sized companies tend to be more volatile and less liquid than stocks of large companies.

Portfolio Management of Portfolio Funds – Management has no control over the managers or investment decisions of the portfolio funds. However, decisions made by the portfolio funds’ managers will have a substantial effect on the Funds’ performance.

PERFORMANCE

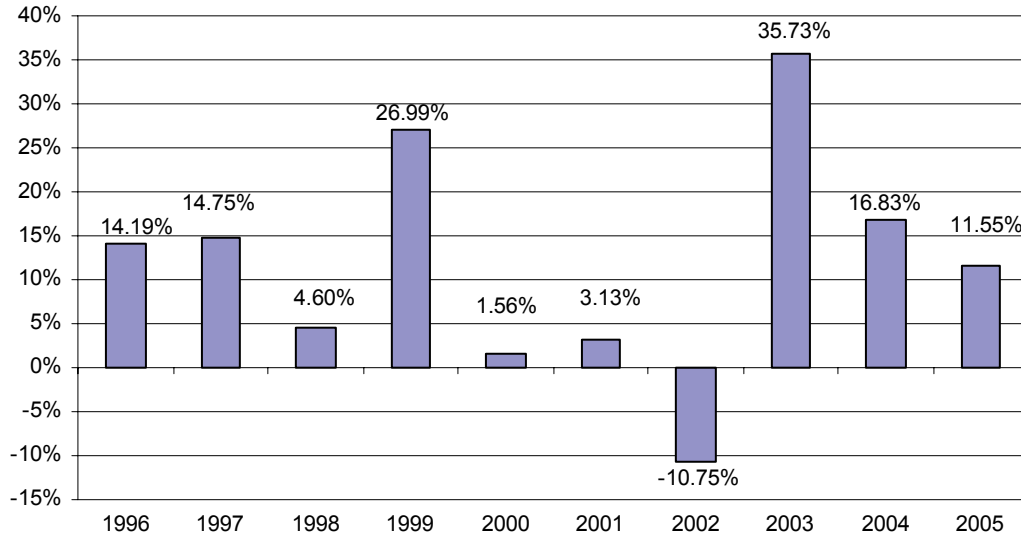
The following bar charts show the calendar year-by-year returns for Total Return Fund and Aggressive Growth Fund. This information helps you assess the variability of a Fund’s returns and the potential risks. *A Fund’s past performance (before and after taxes) is not an indication of future performance.*

Performance may be materially different by the time you receive this prospectus. For more current performance information, call 866-747-9030 (toll-free) or visit www.pearlfunds.com.

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

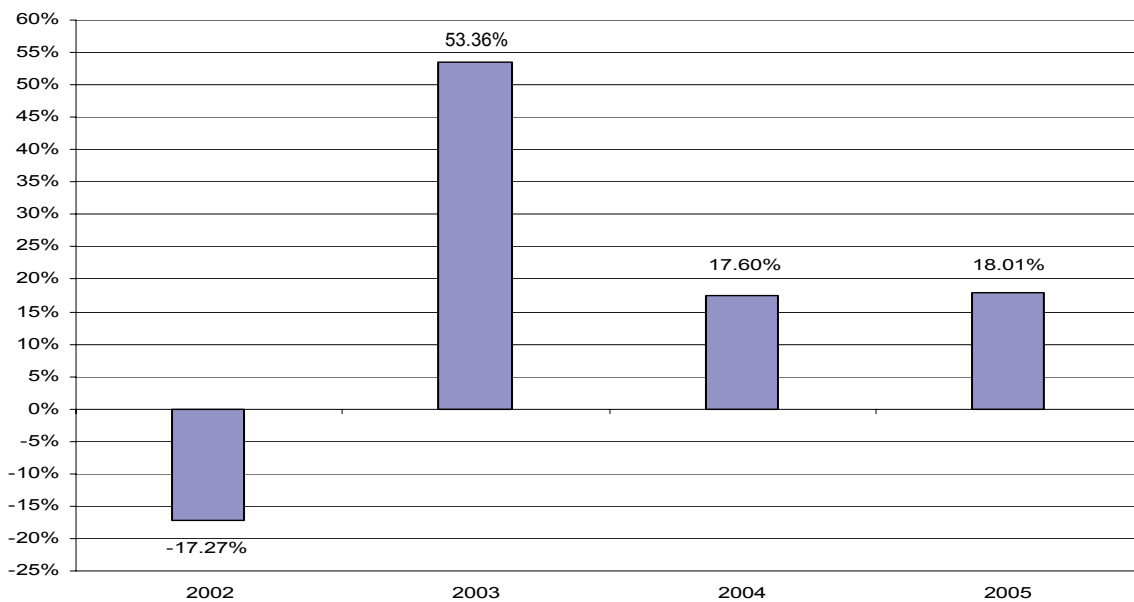
Aggressive Growth Fund's inception date was July 2, 2001.

Total Return Fund's Total Return*



* During the period shown in the bar chart, the highest return for a quarter was +17.36% during the quarter ended 6-30-03 and the lowest return for a quarter was -17.11% during the quarter ended 9-30-02.

Aggressive Growth Fund's Total Return*



*During the period shown in the bar chart, the highest return for a quarter was +26.55% during the quarter ended 6-30-03 and the lowest return for a quarter was -20.06% during the quarter ended 9-30-02.

Average Annual Total Returns for Years Ended 12-31-05

The tables below show the Funds' average annual total returns (before and after taxes) and a comparison of returns of several indexes, over various periods ended December 31, 2005. This information helps you compare each Fund's performance to a broad measure of market performance.

The Funds' total returns are net – after deduction of all expenses (all fees, transaction costs, etc.), including all expenses of each Fund and all expenses of all the mutual funds in its portfolio. In contrast, the total returns of the indexes do not reflect any deduction for expenses (fees, transaction costs, etc.).

The after-tax returns are intended to show the impact of assumed federal income taxes on an investment in a Fund. A Fund's "Return after taxes on distributions" shows the effect of taxable distributions (dividends and capital gain distributions), but assumes that you still hold the Fund shares at the end of the period and therefore do not have any taxable gain or loss on your investment in Fund shares. A Fund's "Return after taxes on distributions and sale of Fund shares" shows the effect of both taxable distributions and any taxable gain or loss that would be realized if the Fund shares were purchased at the beginning and sold at the end of the specified period. In contrast, the total returns of the indexes do not reflect any deduction for taxes.

After-tax returns are calculated using the highest individual federal marginal income tax rate in effect at the time of each distribution and assumed sale, but do not include the impact of state and local taxes. In some instances, the "Return after taxes on distributions and sale of Fund shares" may be greater than the "Return before taxes" because you are assumed to be able to use any capital loss on the sale of Fund shares to offset other taxable capital gains.

Your actual after-tax returns depend on your own tax situation and may differ from those shown. After-tax returns reflect past tax effects and do not predict future tax effects. After-tax returns are not relevant to investors who hold their Fund shares in a tax-deferred account (including a 401(k) or IRA account), or to investors that are tax-exempt.

	<u>Average Annual Total Returns*</u>		
Total Return Fund	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Return before taxes	+11.55%	+10.24%	+11.15%
Return after taxes on distributions	+9.60%	+9.29%	+9.00%
Return after taxes on distributions and sale of Fund shares	+9.48%	+8.55%	+8.62%
Dow Jones Wilshire 5000 (Full Cap)	+6.32%	+2.14%	+9.16%
MSCI World Index	+9.49%	+2.19%	+7.04%
Standard & Poor's 500 Index	+4.91%	+0.54%	+9.07%
		Since	
Aggressive Growth Fund (inception date July 2, 2001)	<u>1 Year</u>	<u>Inception</u>	
Return before taxes	+18.01%	+13.54%	
Return after taxes on distributions	+14.85%	+8.48%	
Return after taxes on distributions and sale of Fund shares	+14.86%	+7.65%	
Dow Jones Wilshire 5000 (Full Cap)	+6.32%	+3.73%	
MSCI World Index	+9.49%	+5.00%	
Standard & Poor's 500 Index	+4.91%	+2.16%	

* Total returns of the Funds are net – after deduction of all expenses (all fees, transaction costs, etc.), including all expenses of each Fund and all expenses of all the mutual funds in its portfolio.

* Total returns of the indexes do not reflect any deduction for taxes or for expenses (fees, transaction costs, etc.).

The Dow Jones Wilshire 5000 Composite Index (Full Cap), commonly referred to as Dow Jones Wilshire 5000 (Full Cap), is an unmanaged index that 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 that is market-capitalization weighted and is generally representative of the performance of the global (including U.S. and international) market for common stocks. The Standard & Poor's 500 Index is an unmanaged index of 500 stocks that is market-capitalization weighted and is generally representative of the performance of larger companies in the U.S. The Funds' holdings are not identical to the indexes. Therefore, the performance of each Fund will not mirror the returns of any particular index. It is not possible to invest directly in an index. All returns reflect reinvested dividends. Trademarks and copyrights relating to the indexes and averages are owned by: Dow Jones Wilshire 5000 (Full Cap): Dow Jones Indexes and Wilshire Associates, Inc.; MSCI World Index: Morgan Stanley Capital International; and Standard & Poor's 500 Index: The McGraw-Hill Companies.

FEES AND EXPENSES

Each Fund expects that all or nearly all of its investments in mutual funds (open-end funds) will be made without paying any load (sales charge), but each Fund has the ability to pay a load of not more than 2% for an investment in a mutual fund. Each Fund may also pay a commission of not more than 2% to invest in a closed-end fund (although neither Fund has yet invested in closed-end funds). Each Fund will incur additional indirect expenses from its investments in mutual funds, including management fees. Some of the portfolio funds in which the Funds invest may also impose 12b-1 distribution fees and other fees.

This table describes the fees and expenses that you may pay if you buy and hold shares of the Funds.

Shareholder Transaction Expenses¹

Fees paid directly from your investment:

Maximum sales charge (load) imposed on purchases ³	None
Maximum deferred sales charge (load) ³	None
Redemption fee (as a percentage of amount redeemed), if applicable ³	2.00%
Exchange fee	None

Annual Fund Operating Expenses¹

Expenses that are deducted from Fund assets:

	Total Return Fund	Aggressive Growth Fund
Management fees ²	0.80%	0.85%
Distribution (12b-1) fees ^{3 & 4}	None	None
Other expenses	0.36%	0.39%
Total annual fund operating expenses	1.16%	1.24%
Expense reimbursement by Manager ⁵	0.18%	0.26%
Net expenses	0.98%	0.98%

¹ Based on expenses for the fiscal year ended December 31, 2005.

² "Management fees" includes a 0.20% administrative fee for Total Return Fund, and a 0.21% administrative fee for Aggressive Growth Fund.

³ The Funds do not impose any load (sales charge), which means you pay no load. You also pay no 12b-1 fee. However, in order to discourage frequent trading of Fund shares, a 2% redemption fee is charged if you sell shares.

you have owned for 30 days or less, with certain exceptions. For more information about the redemption fee, see “How to Buy and Sell Fund Shares – How to Sell Shares.”

⁴ **Although the Funds do not directly impose any 12b-1 fee, some of the portfolio funds in which the Funds invest may impose 12b-1 fees.**

⁵ Pearl Management Company, the Funds’ Manager, has contractually agreed to reimburse each Fund for all ordinary operating expenses (including management and administrative fees) exceeding these expense ratios: 0.98% of a Fund’s average net assets up to \$100 million and 0.78% in excess of \$100 million. 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. This expense limit does not have an expiration date, and will continue unless a change is approved by the Funds’ Board of Trustees. After reimbursement, “Management fees” are 0.80% and 0.85%, and “Other expenses” are 0.18% and 0.13% for Total Return Fund and Aggressive Growth Fund, respectively. The Manager’s reimbursement of expenses that exceed the expense limit lowers the expense ratio and increases the overall return to investors.

Example

This example is intended to help you compare the cost of investing in the Funds with the costs of investing in other mutual funds. It assumes a \$10,000 investment in a Fund for each of the time periods, that you redeem your shares at the end of the periods, a 5% return (before expenses) each year, reinvestment of dividends and distributions, and that operating expenses remain constant at the level shown above, without reimbursement of expenses by the Manager.¹ Your actual costs may be higher or lower.

	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
Total Return Fund	\$118	\$368	\$638	\$1,409
Aggressive Growth Fund	\$126	\$393	\$681	\$1,500

¹ Giving effect to the Manager’s agreement to limit the Funds’ expenses, the estimated cost of investing in the Funds would be:

	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
Total Return Fund	\$100	\$312	\$542	\$1,201
Aggressive Growth Fund	\$100	\$312	\$542	\$1,201

The expense limit does not have an expiration date, and will continue unless a change is approved by the Funds’ Board of Trustees.

How the Funds Invest

INVESTMENT OBJECTIVE AND STRATEGIES

Each Fund is a diversified fund of funds that seeks to achieve its investment objective by investing in shares of portfolio funds. Each Fund may invest up to 25% of its total assets in any one portfolio fund.

Each Fund’s investments are limited to:

- shares of mutual funds (open-end funds) that the Fund can buy no-load (with no applicable sales load or redemption fee);
- shares of “low-load” mutual funds (open-end funds) that the Fund can buy with a sales load or redemption fee that together do not exceed 2% of the purchase price (however, each Fund expects that all or nearly all of its investments in mutual funds will be on a no-load basis);

- closed-end fund shares with a sales commission or sales load that does not exceed 2% of the purchase price (although neither Fund has yet invested in closed-end funds); and
- cash and cash equivalents.

Each Fund is a diversified fund of funds, investing only in various kinds of portfolio funds (including money market funds) except for cash and cash equivalents.

Each Fund seeks to make all of its investments on a no-load basis and to avoid completely all sales charges, commissions, and redemption fees. This is an important goal but is not a requirement. This goal will continue unless and until the Fund begins to invest in closed-end fund shares.

“No-load basis,” with respect to Pearl Funds’ investments, means that a Fund does not pay any sales charge, commission, or redemption fee when purchasing or selling shares of a mutual fund; and if that mutual fund has any redemption fee, it is for short-term trading, it does not exceed 2%. Management intends that the Fund will hold the shares long enough to avoid paying any redemption fee, and the Fund does so. (Although a Fund purchases and sells shares of portfolio mutual funds on a no-load basis, some portfolio funds may impose a 12b-1 distribution fee; any such fee is reflected in the portfolio fund’s expenses. Both Funds do not directly impose any 12b-1 fee.)

Each Fund has its own investment objective and strategies designed to meet different investment goals. Each Fund’s investment objective is fundamental, meaning that it cannot be changed without shareholder approval.

Total Return Fund

The investment objective of Total Return Fund is long-term total return.

Total Return Fund seeks to achieve this objective by investing 80% or more of its net assets in equity portfolio funds whose objective is growth or capital appreciation, including portfolio funds that invest in U.S. or foreign securities (including emerging markets) or both. However, Total Return Fund may invest less than 80% of its net assets in equity portfolio funds when Management believes there are high risks affecting stock markets. Because Total Return Fund seeks to limit risk and preserve capital, it often takes a partial defensive position. Under those circumstances, Management will invest part of the Fund’s net assets (often up to 20%) in money market, bond, and other fixed-income portfolio funds. The Fund may take a larger defensive position (up to 100% of net assets) on a temporary basis when Management believes there are high risks affecting stock markets. When the Fund takes such a temporary defensive position, the Fund might not be able to meet its investment objective. Management determines the Fund’s allocation among the various types of authorized investments.

Under normal market conditions, Total Return Fund holds equity portfolio funds with value, growth, or blend investment styles. There is no limit on the investment styles of the portfolio funds in which the Fund may invest. Total Return Fund may also hold equity portfolio funds with small-, mid-, or large-cap investment styles. There is no limit on the capitalization ranges of the portfolio funds in which the Fund may invest. The allocation among portfolio funds using various investment styles and having various capitalization ranges may vary greatly depending upon Management’s assessment of the stock markets. In addition, from time to time, the portfolio funds in which the Fund may invest may invest in emerging markets securities and the Fund may hold greater or lesser positions in portfolio bond, income, and money market funds based on Management’s overall assessment of market conditions and movements.

As of April 1, 2006, Total Return Fund’s investment portfolio included 14 portfolio funds.

Total Return Fund measures its performance against three indexes – Dow Jones Wilshire 5000 (Full Cap), MSCI World Index, and Standard & Poor’s 500 Index -- on a long-term risk-adjusted total return basis.

Risk-adjusted total return compares total return and standard deviation (volatility). The standard deviation measures the average variability of a Fund’s returns over a period of time. The Fund determines risk-adjusted total return by using a conventional measure called the Sharpe ratio. The Sharpe ratio is a ratio of the reward (total return in excess of the 90-day Treasury bill return) to the volatility risk (standard deviation). A high Sharpe ratio is desirable.

Risk-Adjusted Total Returns
Sharpe Ratios for 3 Years ended 12-31-05:

Total Return Fund	+1.92
Dow Jones Wilshire 5000 (Full Cap)	+1.41
MSCI World Index	+1.61
Standard & Poor’s 500 Index	+1.30

All returns reflect reinvested dividends.

Aggressive Growth Fund

The investment objective of Aggressive Growth Fund is long-term aggressive growth of capital.

Aggressive Growth Fund seeks to achieve this objective by being fully invested (meaning 95% or more of the Fund’s net assets) in equity portfolio funds whose objective is growth or capital appreciation, including portfolio funds that invest in U.S. or foreign securities (including emerging markets), or both. The Fund invests in money market portfolio funds only to meet its cash flow needs. Aggressive Growth Fund almost never takes a temporary defensive position, although it has the ability to do so if Management determines that extreme circumstances exist. The Fund might not be able to meet its investment objective during any period in which it takes such a temporary defensive position. Management intends that any temporary defensive position would be rare. Like Total Return Fund, Management determines the Fund’s allocation among the various types of authorized investments.

Under normal market conditions, Aggressive Growth Fund holds equity portfolio funds with value, growth, or blend investment styles. There is no limit on the investment styles of the portfolio funds in which the Fund may invest. Aggressive Growth Fund may also hold equity portfolio funds with small-, mid-, or large-cap investment styles. There is no limit on the capitalization ranges of the portfolio funds in which the Fund may invest. The allocation among portfolio funds using various investment styles and having various capitalization ranges may vary greatly depending upon Management’s assessment of the stock markets.

As of April 1, 2006, Aggressive Growth Fund’s investment portfolio included 15 portfolio funds.

Aggressive Growth Fund measures its performance against three indexes – Dow Jones Wilshire 5000 (Full Cap), MSCI World Index, and Standard & Poor’s 500 Index -- on a long-term total return basis (without adjusting for risk or volatility).

**Risk-Adjusted Total Returns
Sharpe Ratios for 3 Years ended 12-31-05:**

Aggressive Growth Fund	+1.75
Dow Jones Wilshire 5000 (Full Cap)	+1.41
MSCI World Index	+1.61
Standard & Poor's 500 Index	+1.30

All returns reflect reinvested dividends.

PORTFOLIO FUNDS AND OTHER INVESTMENTS IN WHICH THE FUNDS INVEST

In selecting *categories of portfolio funds* for each Fund, the portfolio managers consider many factors, such as (1) perceived opportunities and risks in the U.S. and world stock markets; (2) monetary, investor sentiment, momentum, fundamental, business cycle, and market cycle conditions; and (3) recent performance and momentum of various categories of portfolio funds.

In selecting *specific portfolio funds* for each Fund, the portfolio managers consider many factors (in addition to those summarized in the preceding paragraph), such as (1) management experience and continuity; (2) performance history, volatility, and comparative return and risk data; (3) asset size; (4) expense ratio; (5) investment style (such as value, growth, or blend); (6) market capitalization and diversification of portfolio; and (7) whether the Fund can invest in the portfolio fund on a no-load or low-load basis.

The weight given to each of the above factors may vary greatly from time to time depending upon Management's analysis and judgment. In comparison to Total Return Fund, Aggressive Growth Fund (1) expects to seek a higher total return and to have a higher degree of risk and volatility in its portfolio, (2) is likely to invest a greater portion of its assets in portfolio funds with an aggressive-growth style, and (3) is likely to give more weight to recent performance and momentum of specific portfolio funds and various categories of portfolio funds. Aggressive Growth Fund believes that this higher degree of risk provides the opportunity for greater growth of capital, although there is no guarantee of the success of this kind of investing. Total Return Fund (1) expects to have less volatility in its portfolio than Aggressive Growth Fund, (2) is likely to invest in less aggressive equity funds (or invest a smaller part of its assets in aggressive growth funds), and (3) is likely to give less weight to recent short-term performance and momentum in selecting investments.

When determining the percentage invested in equity portfolio funds for each Fund, the following amounts are counted as fully invested to the extent that Management intends to, and does, invest them within 30 days in equity portfolio funds: (a) temporary receivables and cash resulting from changes of investments in portfolio funds, and (b) cash received from sale of the Fund's shares.

The Funds uniformly disclose their portfolio holdings to the public once a month, reporting the most recent month-end portfolio. This is done no later than the fifth day after month-end. This portfolio information is available at www.pearlfunds.com and upon request. In addition, any Executive Officer of a Fund may decide to update the portfolio information on the Website at any time when this additional disclosure is believed to be advisable. A description of the Funds' policies and procedures for disclosure of the Funds' portfolio holdings is available in the Statement of Additional Information and on the Funds' Website: www.pearlfunds.com.

PRINCIPAL INVESTMENT RISKS

When you invest in a mutual fund, you are exposed to certain risks. These include the risk that you may receive little or no return on your investment. Investments that provide higher potential reward also have greater risk. Likewise, investments with lower potential reward have lower risk. Before investing in one of the Funds, you should carefully consider the risks associated with that Fund. You should consider an investment in a Fund a long-term investment. Each Fund may be subject to the following risks:

Securities Markets In General – As with any investment whose performance is tied to these markets, the value of your investment in a Fund will fluctuate, which means that you could lose money.

Stock Markets – The same factors that affect stock market performance generally affect portfolio stock funds. Political and economic news can influence marketwide trends; the outcome may be positive or negative, short-term or long-term. Any type of stock can temporarily fall out of favor with the market. The values of certain types of stocks, such as small-cap stocks and foreign stocks, may fluctuate more widely than others. Because Aggressive Growth Fund stays fully invested and almost never takes a defensive position, the impact of stock market changes on Aggressive Growth Fund is expected to be even greater than the impact on Total Return Fund.

Bond Markets – Bond prices generally fall when interest rates rise. Portfolio bond funds that focus on bonds with longer maturities tend to be more sensitive to this risk. Portfolio performance also could be affected if bonds held by portfolio funds go into default. Some bonds may be paid off (“called”) substantially earlier or later than expected, forcing a portfolio fund to reinvest at what may be an undesirable time. The Funds (particularly Total Return Fund) will be affected by these risks to the extent of their investments in portfolio funds investing in bonds. Aggressive Growth Fund usually does not invest in bond funds, but the equity portfolio funds in which it invests may hold some bonds.

Characteristics of Portfolio Funds and Related Risks – The Funds may invest in portfolio funds that have any or all of these characteristics and related risks:

- Non-diversified investments. The performance of large positions in certain stocks may significantly impact the performance of a portfolio fund, resulting in greater volatility.
- Concentration. Concentration of investments within one industry or market sector may subject a portfolio fund to greater market fluctuations. The Funds will not knowingly concentrate their investments, directly or indirectly, in an industry.
- Investments in foreign securities. A portfolio fund’s investments in foreign securities may be subject to additional risks not typically associated with U.S. securities, such as changes in currency rates; less available public information about the issuers of the securities; less stringent regulatory standards; lack of uniform accounting, auditing, and financial reporting standards; and country risks including less liquidity, high inflation rates, unfavorable economic practices, and political instability. Foreign securities also tend to be more volatile than U.S. securities.
- Emerging markets securities. The risks of foreign securities are typically increased in emerging markets. For example, political and economic structures in these less developed countries may be new and changing rapidly, which may cause instability. The securities markets may also be less developed. These countries are also more likely to experience high levels of inflation, deflation, or currency devaluations, which could hurt their economies and securities markets.
- Investments in high yield, high risk “junk bonds.” A portfolio fund’s investments in high yield, high risk “junk bonds” may be subject to additional risks such as increased

possibility of default, illiquidity of the security, and changes in value based on public perception of the issuer.

- Investments in small-, mid-, and large-cap securities. Stocks of small- and medium-sized companies tend to be more volatile and less liquid than stocks of large companies.

Portfolio Management of Portfolio Funds – Management has no control over the managers or investment decisions of the portfolio funds. However, decisions made by the portfolio funds’ managers will have a substantial effect on the Funds’ performance. In addition, investment decisions by the managers of the portfolio funds are made independently of the Funds. At any time, one portfolio fund may be purchasing shares of a company whose shares are being sold by another portfolio fund. As a result, the Funds could incur indirectly certain transaction costs of their portfolio funds without accomplishing any investment purpose.

Direct Investment in Portfolio Funds – You could invest directly in many portfolio funds. By investing in portfolio funds indirectly through the Funds, you bear not only your proportionate share of the expenses of the Funds but also, indirectly, similar expenses (including operating costs and investment management fees) of the portfolio funds. You may indirectly bear expenses paid by portfolio funds related to the distribution of those funds’ shares. As a result of the Funds’ policies of investing in portfolio funds, you may receive taxable capital gains distributions to a greater extent than would be the case if you invested directly in the portfolio funds. See “Dividends, Capital Gains, and Taxes.”

However, the total returns of the Funds are net – after deduction of all expenses (all fees, transaction costs, etc.), including all expenses of each Fund and all expenses of all the mutual funds in its portfolio.

In addition, both Funds often hold portfolio funds that are closed to most new investors. Also, both funds’ investments in portfolio funds often are large enough to take advantage of sales load waivers on large purchases. Thus, both funds are able to make no-load investments in many mutual funds that would require most investors to pay a sales load.

MANAGING RISKS

Management uses various techniques and practices to seek to reduce the Funds’ exposure to risk.

Investment Limitations

Each Fund has adopted these investment limitations that cannot be changed without shareholder approval and are designed to limit risk:

- No Fund may invest more than 25% of its total assets in any one portfolio fund. This restriction does not apply when a Fund reinvests distributions from a portfolio fund in shares of that portfolio fund.
- No Fund may invest more than 25% of its total assets in securities of issuers in any particular industry. This restriction does not apply to securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities.

In addition, in accordance with Section 12(d)(1)(F)(i) of the Investment Company Act of 1940, a Fund (and all of its affiliated persons, including Pearl Management Company) will not acquire more than 3% of the total outstanding stock of any portfolio fund, unless otherwise permitted to do so pursuant to permission granted by the SEC.

Defensive Investment Strategies

The Funds' portfolio managers may use these strategies if they believe a defensive position is advisable:

- Total Return Fund may invest on a temporary basis up to 100% of its net assets in portfolio funds selected primarily for defensive purposes, such as money market, bond, and other fixed-income funds. However, these defensive investments will not exceed 20% of Total Return Fund's net assets (a partial defensive position) unless in Management's judgment a higher percentage is justified by high risks affecting stock markets.
- Aggressive Growth Fund almost never takes a defensive position, although it has the ability to do so if Management determines that extreme circumstances exist. Management intends that any temporary defensive position would be rare. In that highly unusual situation, Aggressive Growth Fund may invest up to 100% of its net assets in portfolio funds selected primarily for defensive purposes, such as money market, bond, and other fixed-income funds.

Management of the Funds

THE INVESTMENT MANAGER

On July 2, 2001, Mutual Selection Fund, Inc., an Iowa corporation, was reorganized into a new series of Pearl Mutual Funds (the "Trust"). The new series was designated Pearl Total Return Fund, as described in this prospectus. The Funds are managed by Pearl Management Company (referred to as "Management" or "Manager" throughout this prospectus), 2610 Park Avenue, Muscatine, Iowa 52761. The Manager chooses the portfolio funds in which the Funds invest and handles the Funds' business affairs under the direction of the Trust's Board of Trustees. The Manager was organized in 1972 and as of April 1, 2006 managed approximately \$138 million in assets. A detailed discussion of the factors considered by the Board of Trustees in its most recent approval of the Funds' Investment Management Agreement, including its conclusions with respect thereto, is available in the Funds' December 31, 2005 annual report.

Throughout this prospectus, "Pearl Total Return Fund" or "Total Return Fund" refers to Pearl Total Return Fund, as a series of the Trust, and to its predecessor corporation.

The Investment Committee of the Manager and the Funds, consisting of the three Executive Officers named below, manages each Fund's portfolio. All three Investment Committee members share responsibility for portfolio management and work together to determine the asset mix and portfolio of both Funds.

Portfolio Managers and Executive Officers

These three Executive Officers serve as Portfolio Managers and Investment Committee members for both Total Return Fund and Aggressive Growth Fund:

Robert H. Solt is President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Treasurer, and a Trustee of the Trust. He previously held Executive Officer positions with the Trust continuously since February 2001. He has been a Trustee of the Trust since September 2002. Mr. Solt also is President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Compliance Officer, Treasurer, and a Director of the Manager and has held Executive Officer positions

with the Manager continuously since February 2001. He has been a Director of the Manager since February 2001. Mr. Solt previously was an Officer of Iowans for Tax Relief, Tax Education Foundation, and Tax Education Support Organization, each a nonprofit public interest organization; he was employed by those organizations continuously since 1991. His degrees include a BA (Economics) and a MA (Economics) from Eastern Illinois University. He participates regularly in Investment Committee meetings, discussions, and decisions and has shared responsibility and active involvement with the other two Investment Committee members for all portfolio management decisions.

David M. Stanley is Senior Counsel, Chief Legal Officer, Secretary, and a Trustee of the Trust. He previously held Executive Officer positions with the Trust and its predecessor continuously since 1972. Mr. Stanley also is Senior Counsel, Chief Legal Officer, Secretary, and a Director of the Manager and has held Executive Officer positions with the Manager continuously since 1972. Through 1995, Mr. Stanley was Chairman and a Director of Stanley, Lande & Hunter, a professional corporation of attorneys. His degrees include a BA (Political Science) and a JD (Law) from the University of Iowa. He participates regularly in Investment Committee meetings, discussions, and decisions and has shared responsibility and active involvement with the other two Investment Committee members for all portfolio management decisions.

Richard R. Phillips is Vice President of the Trust since September 2005, Vice President of the Manager since August 2005, and Assistant Secretary of the Trust and the Manager since May 2006. He previously served as a consultant to the Manager since November 2004. He is Vice President, Secretary, and General Counsel for Reynolds Engineering & Equipment, Inc. since April 1998 and Owner of Phillips Law Office since April 1998. From November 1992 through January 2003 he was the County Attorney of Muscatine County, Iowa. His degrees include a BA (Political Science) from Iowa State University and a JD (Law) from Drake University. He participates regularly in Investment Committee meetings, discussions, and decisions and has shared responsibility and active involvement with the other two Investment Committee members for all portfolio management decisions.

The Statement of Additional Information provides additional information about the Portfolio Managers' compensation and their ownership of shares of the Funds.

The Manager and the Portfolio Managers do not manage any other registered investment companies and do not receive any compensation or fee for managing any account other than the Funds.

Other Staff Persons Providing Services for the Funds and Shareholders

Karen M. Brookhart is Portfolio Management Associate of the Trust and the Manager. She has been employed by the Manager since September 2001. Ms. Brookhart's previous employment included service in sales, marketing, and customer service. She received a BA (Marketing) from the University of Northern Iowa.

Peggy A. Cherrier is Compliance Associate and Assistant Secretary of the Trust and the Manager. She has been employed by the Manager since August 2000. Ms. Cherrier's previous employment included service as an administrative assistant, legal assistant, and senior abstractor. She is a graduate of Marion High School, Marion, Iowa.

Jacqueline M. Janowski is Transfer Agent Representative of the Trust and of the Manager. She has been employed by the Manager since March 1, 2006. Ms. Janowski's previous employment included service as a dispatcher, bookkeeper, and compliance reporter. She is a graduate of Louisa-Muscatine High School, Letts, Iowa, and attended Muscatine Community College.

Renata R. LaMar is Controller and Assistant Treasurer of the Trust and the Manager. She has been employed by the Manager since August 2000. Ms. LaMar's previous employment included service as an accountant, tax analyst, and cost analyst. She received a BA (Business Administration and Accounting) from Mount Mercy College.

Anthony J. Toohill is Chief Compliance Officer of the Trust and Funds (selected by the independent Trustees of the Trust) since August 2004. Mr. Toohill's previous employment included service as an accounting supervisor, financial and operational principal, and co-chair of an internal control committee with an insurance and securities company and as a certified public accountant and senior auditor with a major accounting and auditing firm.

Management Fees

For investment management and administrative services provided to each Fund, the Manager receives fees, accrued daily and payable monthly based on net assets as of the beginning of the month, at these annual rates:

Net Assets of the Fund	Investment Management	Administrative Services	Total Fees (Annual Rate)
First \$30 million	0.65%	0.21%	0.86%
In excess of \$30 million to \$100 million	0.58%	0.19%	0.77%
In excess of \$100 million	0.40%	0.13%	0.53%

The administrative services provided by the Manager include, but are not limited to, transfer agency, internal legal, accounting, compliance, audit, and risk management services.

For the fiscal year ended December 31, 2005, the Manager earned \$672,372 and \$291,166 for services provided to Total Return Fund and Aggressive Growth Fund, respectively. The Manager has contractually agreed to reimburse each Fund for all ordinary operating expenses (including management and administrative fees) exceeding these expense ratios: 0.98% of a Fund's average net assets up to \$100 million and 0.78% in excess of \$100 million. 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. This 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.

PORTFOLIO TRANSACTIONS

Management places orders for the purchase and sale of portfolio securities for a Fund's account directly with the investment companies in which the Funds invest. Orders are not placed through broker-dealers, except for closed-end fund shares (if any) and the rare instances when a portfolio mutual fund requires placement through a broker-dealer; in those situations, the broker-dealer is selected by Management.

Each Fund is actively managed and has no restrictions on portfolio turnover. Each Fund's rate of portfolio turnover may be greater than that of some other mutual funds. A 100% annual portfolio turnover rate would be achieved if each security in a Fund's portfolio were replaced once during the year.

There is no limit on, and Management cannot control, the portfolio turnover rate of portfolio funds. Aggressive Growth Fund is likely to have a higher portfolio turnover rate than Total Return Fund. The portfolio turnover rates for the year 2005 were 24% for Total Return Fund and 44% for Aggressive Growth Fund.

Types of Accounts

You may set up an account directly with either or both Funds, in any of the following ways. If you have any question, please call us at 866-747-9030 (toll-free) or visit www.pearlfunds.com.

Individual or Joint Tenant

Individual accounts are owned by one individual. Joint tenant accounts have two or more owners, and provide for rights of survivorship. Each account is registered under one social security or tax identification number.

Gifts or Transfers to Minors (UGMA or UTMA)

These custodial accounts provide a way to invest money on behalf of a minor child. The account is registered under the minor's social security number. Depending on state laws, you may set up a custodial account under the Uniform Gifts to Minors Act (UGMA) or the Uniform Transfers to Minors Act (UTMA).

Trust

You must establish a trust before investing money on behalf of a trust. The account is registered under the trust's tax identification number.

Business or Organization

You may invest on behalf of a corporation, association, partnership, or other group. In order to redeem shares, a certified corporate resolution or certificate of authorization is required.

Retirement Accounts

Retirement plans provide individuals with tax-advantaged ways to save for retirement, through contributions which may be tax-deductible and which have tax-deferred growth, and also through withdrawals which may be tax-exempt. The following is a summary of the types of retirement accounts that are available through the Funds. When we send your retirement account application, including the custodial account agreement, we will include an IRA Disclosure Statement. It contains more detailed information about the requirements for specific retirement accounts. There are no custodian fees for retirement accounts with the Funds.

Traditional Individual Retirement Accounts (IRAs)

Traditional IRAs allow individuals with earned income from employment or self-employment who are under the age of 70 ½ to contribute up to the lesser of \$4,000 or 100% of their earned income for each taxable year. If your spouse has less than \$4,000 in earned income and you file a joint return, you may jointly contribute up to the lesser of \$8,000 or 100% of your combined earned income to Traditional IRAs. Taxpayers age 50 and over are permitted to make a \$1,000 "catch-up" contribution to a Traditional

IRA, over the otherwise applicable limit. Your contributions to a Traditional IRA may be tax-deductible depending on your income level, and the earnings on your investments grow tax-deferred. The maximum amount you can contribute to a Traditional IRA for any taxable year is reduced by the amount you contribute to a Roth IRA and other IRAs in which you participate. You may be eligible to receive a tax credit for your contribution to a Traditional IRA.

Roth IRAs

Roth IRAs allow taxpayers with adjusted gross incomes below certain levels for federal income tax purposes to save for retirement up to the same maximum limits that apply to Traditional IRAs (as described above). Single taxpayers with adjusted gross income of up to \$110,000, married couples with adjusted gross income of up to \$160,000, and married taxpayers filing separate returns with adjusted gross income of up to \$10,000, are eligible to make contributions to Roth IRAs.

If your income, or (if married) your and your spouse's income, is close to the maximum income limitations, the maximum amount you may be able to contribute to a Roth IRA will be reduced. Contributions to Roth IRAs are not tax-deductible, but withdrawals are tax-exempt if the Roth IRA has been held at least five years, and you are at least 59 ½, disabled, or use the proceeds (up to a maximum lifetime limit of \$10,000) to purchase your first home. The amount you can contribute to a Roth IRA in any year is reduced by the amount you contribute to a Traditional IRA. You can contribute to a Roth IRA even after you have reached age 70 ½. You may be eligible to receive a tax credit for your contribution to a Roth IRA.

SIMPLE IRAs

SIMPLE IRAs allow small business owners or self-employed persons and their eligible employees to elect to have a portion of their pay withheld on a before-tax basis and contributed to a SIMPLE IRA, as long as the employer does not maintain another qualified plan. Taxpayers can contribute up to \$10,000 of their compensation to a SIMPLE IRA each taxable year, on a before-tax basis. Taxpayers over the age of 50 can make a "catch-up" contribution of up to \$2,500 to a SIMPLE IRA on a before-tax basis, over and above the otherwise applicable limit. Generally, the employer is also required to make a contribution for each employee who elects to contribute. You can contribute to a SIMPLE IRA even after you have reached the age of 70 ½. You may be eligible to receive a tax credit for your contribution to a SIMPLE IRA.

Simplified Employee Pension (SEP) IRAs

SEP IRAs allow individuals who meet certain eligibility requirements to contribute up to \$4,000 through payroll deduction. If your employer maintained a salary reduction SEP (SARSEP) prior to January 1, 1997, you may be eligible to make before-tax salary deferral contributions to the SARSEP in an amount of up to \$15,000 for each taxable year. Taxpayers over the age of 50 can make a "catch-up" contribution of up to \$5,000 to a SARSEP on a before-tax basis, over and above the otherwise applicable limit. Generally, your employer may contribute up to the lesser of \$44,000 or 25% of your compensation up to certain limits to a SEP IRA on your behalf. You can contribute to a SEP IRA even after you have reached the age of 70 ½. You may be eligible to receive a tax credit for your contribution to a SEP IRA.

Other Retirement Plans

Either or both Funds may be used for investment in other kinds of retirement plans, including, but not limited to, 401(k) plans, Keogh plans maintained by self-employed individuals or owner-employees, traditional pension plans, corporate profit-sharing and money purchase pension plans, Section 403(b)(7)

custodial tax-deferred annuity plans, other plans maintained by tax-exempt organizations, cash balance plans, and any and all other types of retirement plans. All of these plans need to be established by the trustee of the plan, who should then contact the Fund to establish an investment relationship.

Coverdell Education Savings Accounts (formerly known as Education IRAs)

Coverdell Education Savings Accounts provide a tax-favored vehicle through which educational expenses can be funded on behalf of the individual for whom the Coverdell Education Savings Account (“Education Account”) is established. Education Accounts permit tax-free growth and tax-free withdrawals as long as the amounts are used for education (higher, secondary, or elementary). The maximum Education Account contribution is \$2,000 per beneficiary. Individuals, corporations, and tax-exempt organizations can establish and contribute to Education Accounts on behalf of one or more designated beneficiaries.

Single individuals with modified adjusted gross income of less than \$110,000 may contribute to Education Accounts. The phase-out for partial contribution eligibility is \$95,001 to \$109,999. Married taxpayers filing joint returns with modified adjusted gross income of less than \$220,000 may contribute to Education Accounts. The phase-out for partial contribution eligibility is \$190,001 to \$219,999. These modified adjusted gross income limitations do not apply to corporations or tax-exempt organizations. All Education Account assets must be distributed by the time the designated beneficiary attains age 30, unless the beneficiary is a special needs beneficiary. Unused amounts in an Education Account may be transferred to another Education Account for use by the designated beneficiary’s family member.

For more information about the tax advantages and consequences of IRAs, retirement plan accounts, and education accounts, please consult a qualified tax advisor.

How to Buy and Sell Fund Shares

HOW TO BUY SHARES

Shares of each Fund are sold without a sales load at the next price calculated after a Fund’s receipt of an order in proper form. The price is equal to the net asset value (NAV) per share. Your initial investment in a Fund ordinarily must be at least **\$5,000**. However, your initial investment in a Fund must be at least **\$2,000** for any tax-deferred or tax-advantaged account, including all types of IRA accounts, other retirement accounts, and Coverdell Education Savings Accounts. There is a **\$100** minimum amount for each investment in an Automatic Investment Plan (AIP) account. Each Fund reserves the right, in its sole discretion, to waive any minimum investment amount for any one or more investors or shareholders, whenever Management believes this waiver is in the interest of the Fund and its shareholders

There is a **\$100** minimum amount for subsequent investments. There is no minimum amount for reinvestment of dividends and distributions.

Please call 866-747-9030 (toll-free) or visit www.pearlfunds.com if you have any question or to determine whether you are eligible to purchase Fund shares. Shares of the Funds are available to persons residing in certain states only. At www.pearlfunds.com you can view a map and list of the states in which both Funds’ shares are available.

How to Open an Account

A new investor must be a U.S. resident with a social security or tax identification number. You can open a new account and make an initial investment in a Fund by sending a check and a completed account application form to the Fund (or to Pearl Mutual Funds), 2610 Park Avenue, PO Box 209, Muscatine, Iowa 52761. Checks should be made payable to the Fund in which you are investing. Third-party checks ordinarily will not be accepted, except for properly endorsed rollover checks from IRAs or other retirement plans.

IRA accounts require an IRA Account Application. Call us at 866-747-9030 (toll-free) or visit www.pearlfunds.com for an IRA Account Application.

How to Add to an Existing Account

You can add to an existing account by making a check payable to the Fund in which you are investing. Write your account number on the check. Mail the check to the address above.

General Policies for Buying Fund Shares

These policies apply at all times, including any time you buy shares of a Fund:

- All purchases must be made in U.S. dollars, and checks must be drawn on U.S. banks. The Funds ordinarily do not accept third-party checks, except for properly endorsed rollover checks from IRAs or other retirement plans. The Funds do not accept cash, traveler's checks, credit cards, or credit card checks.
- Each Fund reserves the right to reject any specific order or request to buy, exchange, or transfer shares. A Fund may reject any order or request if Management believes it could interfere with the Fund's operations or administration or would not be in the best interests of the Fund's shareholders. Neither the Funds nor their agents shall be held liable for any loss resulting from rejection of any order or request. The Funds are intended for long-term investment and seek to prevent, and strongly discourage, any frequent trading of the Funds' shares. Excessive trading can hurt Fund performance and shareholders. The Funds cannot guarantee that all frequent trading activity can be identified or prevented, but will seek to do so.
- If payment for your check does not clear, the Fund will cancel your purchase and you will be liable for any losses or fees the Fund or its transfer agent incurs.
- Each Fund also reserves the right to cancel a purchase of Fund shares within two business days after the purchase is processed, if Management believes cancellation is necessary to protect the Fund or its shareholders for any reason, such as compliance with the Funds' registration statement, policies, and regulatory requirements. If a purchase is canceled pursuant to this provision, the entire purchase price will be refunded promptly and the Manager will reimburse the Fund for any resulting loss. Neither the Funds nor their agents shall be held liable for any loss resulting from cancellation of any purchase.
- The Funds do not impose any load, which means you pay no sales load. You also pay no 12b-1 fee. However, in order to discourage frequent trading of Fund shares, a 2% redemption fee is charged if you sell shares you have owned for 30 days or less, with certain exceptions. For more information about the redemption fee, see "How to Sell Shares."

Automatic Investment Plan (AIP)

This service is a convenient way to make regular investments into your Fund. If you choose the Automatic Investment Plan when you open your account, subsequent purchases of shares will be made automatically on a monthly basis, by electronic transfer from your bank account in the dollar amount you specify. Simply decide how much you want to invest (the minimum is \$100) and when you want the transfer to take place, and the rest is automatic. If you wish to discontinue the AIP at any time, just notify us in writing. The Funds may terminate or modify the AIP at any time, but will try to give prior notice whenever reasonably possible.

To open an Automatic Investment Plan account:

- If you choose the Automatic Investment Plan when you open your account, the minimum initial investment is **\$100**.
- Complete and sign the account application, including the Automatic Investment Plan section of your account application.
- IRA accounts require an IRA Account Application. Call us at 866-747-9030 (toll-free) or visit www.pearlfunds.com for an IRA Account Application.
- In addition to your investment check and account application, send a check marked “Void” from your bank account where the transfers will take place.

To add the Automatic Investment Plan to an existing account:

- You may add this convenient feature to your account at any time. Please call 866-747-9030 (toll-free) or visit www.pearlfunds.com.

A holiday, weekend, or other interruption can affect the normal processing of an investment. Thus, in the Automatic Investment Plan, if the date you selected for electronic transfer falls on a holiday or weekend, your monthly investment may be transferred from your bank to your Fund account on the first business day preceding or following the date you selected. The Fund will not be responsible for non-sufficient funds fees. If your AIP does not clear, your purchase will be cancelled. You will also be liable for any resulting losses or fees your Fund or its transfer agent incurs.

HOW TO SELL SHARES

How to Sell Shares

You may sell (redeem) your Fund shares back to the Fund on each day the Funds are open for business. You may sell shares by mailing a letter of instruction to the Fund (or to Pearl Mutual Funds), 2610 Park Avenue, PO Box 209, Muscatine, Iowa 52761 or by faxing it to 563-288-4101. The letter of instruction must include your name, signatures of all persons required to sign for transactions, the Fund name and account number, and the dollar amount of shares or the number of shares you want to sell.

If you have any question, please call us at 866-747-9030 (toll-free) or visit www.pearlfunds.com.

Exchange Privilege

Shares of the Funds may be exchanged for each other. You may request an exchange by sending or faxing a letter of instruction to the address or number above. The Funds seek to prevent and strongly discourage frequent exchanges, and have adopted policies to discourage this practice. The Funds intend to encourage long-term investment, rather than trading, in the Funds' shares. A Fund may reject any exchange or transfer order if Management believes it could interfere with the Fund's operations or administration or would not be in the best interests of the Fund's shareholders. Neither the Funds nor their agents shall be held liable for any loss resulting from rejected exchange or transfer orders.

- You will be permitted to make up to two round-trip exchanges during any 12-month period. A round trip is an exchange out of one Fund into the other Fund, and then back again.
- You may exchange between accounts that are registered in the same name(s), address, and taxpayer identification number.
- Shares of the Fund you are exchanging into must be available for sale in your state.
- If you are opening a new account by exchange, your exchange must be at least \$1,000.
- The Funds may temporarily or permanently terminate the exchange plan privilege of any investor who in Management's judgment makes excessive use of the plan. Excessive trading can hurt Fund performance and shareholders.
- Each Fund may refuse exchange purchases by anyone if Management believes the purchase would not be in the best interests of the Fund's shareholders.
- Exchanges may result in tax consequences for you.
- The Funds may terminate or modify the exchange plan at any time, but will try to give prior notice whenever reasonably possible.

General Policies for Selling Fund Shares

These policies apply any time you sell shares of a Fund:

- Normally, the Fund will mail your share proceeds within seven days after receiving your request to sell.
- In order to discourage frequent trading of Fund shares, a short-term 2% redemption fee is charged if you sell shares you have owned for 30 days or less. The Funds use the first-in-first-out method to determine when shares were purchased, so the shares you redeem are assumed to be your longest-held shares. The redemption fee does not apply to exchanges between the Funds. Also, there will be no redemption fee if either of these two exceptions applies: (1) if the amount redeemed is \$2,500 or less, or (2) if there is a verified emergency or hardship situation as determined by the Fund. The redemption fee will be deducted from the redemption proceeds and will be kept by the Fund for the benefit of its shareholders.
- Checks are made payable to the shareholder(s) of record, unless otherwise requested in writing with all registered account owners' signatures guaranteed.
- If you recently bought your shares, the proceeds of your sale may be held until your funds for the purchase have been received (which may take up to 15 days).

- The Fund may suspend accepting sales of shares or postpone payment dates on days when the New York Stock Exchange (the “NYSE”) is closed, when trading on the NYSE is restricted, or as permitted by the SEC.
- If a check representing sale proceeds or a dividend or capital gains distribution is returned “undeliverable” or remains uncashed for six months, the Fund may (but is not required to) cancel the check and reinvest the proceeds in the Fund issuing the check, at the NAV calculated on the date of cancellation.
- If the value of your account with a Fund falls below \$1,000 because you sold shares, the Fund reserves the right to close your account and send the proceeds to you. However, before closing a small account, the Fund will notify you and give you at least 30 days to bring your account’s value up to \$1,000. The Fund will process the sale of your shares at the NAV calculated on the day your account is closed.
- Each Fund intends to pay all redemptions in cash. During any 90-day period for any one shareholder, a Fund is obligated to redeem shares solely in cash up to the lesser of \$250,000 or 1% of the Fund’s net assets. Redemptions in excess of these limits may be paid wholly or partly by an in-kind distribution of securities.

Automatic Withdrawals

This service lets you withdraw a fixed dollar amount from your account each month or quarter. You may designate on your account application whether the proceeds will be sent to you by check or will be deposited by electronic transfer into your bank account. To be eligible for automatic withdrawal, you must have at least \$100,000 in your account and you must withdraw at least \$1,000 per transaction. Each Fund reserves the right, in its sole discretion, to waive any minimum amount for any one or more investors or shareholders, whenever Management believes this waiver is in the interest of the Fund and its shareholders.

If you would like to add the automatic withdrawal option to your account, please call us at 866-747-9030 (toll-free).

Because withdrawal payments may have tax consequences, you should consult your tax advisor before choosing automatic withdrawal.

Signature Guarantees

In some cases, you will need to have the signature on your redemption request guaranteed. A signature guarantee is designed to protect you and the Funds from fraud. It is required in each of these situations:

- You request any change in your current account registration.
- You want to sell more than \$50,000 in shares.
- You want the check mailed to an address other than the address on your account registration.
- Your address of record was changed within the past 90 days.
- You want the check made payable to someone other than the account owner(s).
- Your name has changed by marriage, divorce, or otherwise.

Signature guarantees can be obtained from a commercial bank, broker-dealer, credit union (if authorized under state law), or securities exchange or association. A notary public cannot provide a signature guarantee.

Verification of Identity

Pursuant to the International Money Laundering Abatement and Anti-Terrorist Act of 2001 enacted as part of the USA PATRIOT Act, all financial institutions, including investment companies, are required to obtain and verify each investor's identity.

In order to open an account, the Funds are required to obtain and verify each investor's name, date of birth, address, and identification number (i.e., social security number, individual taxpayer identification number, or employer number). Failure to provide this information may result in the rejection of your application. As a result, it is very important that the application be filled out completely in order to establish an account.

After your account is established, the Funds are required to take additional steps to verify your identity which may include checking your identity against various databases. If your identity cannot be verified by the Funds, all items received will be returned promptly.

POLICY ON TRADING OF FUND SHARES

The Funds are intended for long-term investment and seek to prevent, and strongly discourage, any frequent trading of the Funds' shares. Excessive trading can hurt Fund performance and shareholders. For example, excessive trading has the potential to interfere with efficient portfolio management, generate transaction and other costs, and dilute the value of Fund shares held by long-term shareholders. The Funds cannot guarantee that all frequent trading activity can be identified or prevented, but will seek to do so. The Board of Trustees has adopted the policies and procedures set forth below with respect to frequent trading of the Funds' shares. These policies apply uniformly to all shareholders; there are no exceptions.

In order to discourage frequent trading of Fund shares, a short-term 2% redemption fee is charged if you sell shares you have owned for 30 days or less. The Funds use the first-in-first-out method to determine when shares were purchased, so the shares you redeem are assumed to be your longest-held shares. The redemption fee does not apply to exchanges between the Funds. Also, there will be no redemption fee if either of these two exceptions applies: (1) if the amount redeemed is \$2,500 or less, or (2) if there is a verified emergency or hardship situation as determined by the Fund. The redemption fee (if any) will be deducted from the redemption proceeds and will be kept by the Fund for the benefit of its shareholders. These policies apply uniformly to all shareholders; there are no exceptions. For more information about the Funds' policies, see "How to Buy and Sell Fund Shares."

A portion of purchase, redemption, and exchange orders are received through omnibus accounts. Omnibus accounts, in which shares are held in the name of an intermediary on behalf of multiple beneficial owners, are a common form of holding shares among financial intermediaries and retirement plans. The Funds typically are not able to identify trading by a particular beneficial owner through an omnibus account, which may make it difficult or impossible to determine whether a particular account is engaged in frequent trading.

The Funds seek to act in a manner that Management believes is consistent with the best interests of Fund shareholders in making any judgments regarding frequent trading. Neither the Funds nor their agents shall be held liable for any loss resulting from rejected purchase, exchange, or transfer orders.

Net Asset Value (NAV)

The Funds are open for business each day the New York Stock Exchange (the “NYSE”) is open. The offering price (the price to buy one share) and the redemption price (the price to sell one share) are a Fund’s NAV calculated at the next Closing Time after the Fund receives your purchase or redemption order. Closing Time is the time of the close of regular session trading on the NYSE, which is usually 4:00 PM Eastern time.

A Fund must receive both your purchase money and your application by Closing Time for you to receive that day’s price. Likewise, a Fund must receive your request to sell shares by Closing Time for you to receive that day’s price. These requirements apply uniformly to all investors and shareholders; there are no exceptions.

Each Fund’s NAV is the value of a single share of the Fund. The NAV is computed by adding the value of the Fund’s investments, cash, and other assets, subtracting its liabilities, and then dividing the result by the number of shares outstanding. Each Fund’s NAV is calculated based upon the net asset values of the portfolio funds.

Shares of the portfolio funds are valued at their respective net asset values. The portfolio funds generally value securities in their portfolios for which market quotations are readily available at the current market values of those securities (generally the last reported sale price) and all other securities and assets at fair value pursuant to methods established in good faith by the board of directors or trustees of the portfolio fund. The prospectuses of the portfolio funds explain the circumstances under which those funds will use fair value pricing and the effects of using fair value pricing.

Foreign securities in which the portfolio funds may invest may be listed primarily on foreign stock exchanges that may trade on days, and at times, when the New York Stock Exchange is not open for business. Accordingly, the net asset value of a portfolio fund (and correspondingly a Fund) may be significantly affected by such trading on days when neither the Manager nor the Funds’ shareholders have access to the portfolio funds and the Funds.

If market quotations of portfolio funds are not readily available, or if a quotation is determined not to represent a fair value, Management will use a method that the Fund’s Trustees believe accurately reflects a fair value.

Each day, newspapers and other reporting services may publish the share prices of mutual funds at the close of business on the previous day. When and if the Funds’ prices are reported in newspapers, the Funds’ prices generally will be reported one day behind most other mutual funds. This is because as noted above, each Fund uses the net asset value of its portfolio funds to calculate the Fund’s NAV, and this information is typically received and calculated after the publishing deadlines of reporting services. As described above, each Fund still calculates its share price (NAV) daily, and this is the price at which you may buy and sell shares each day.

The daily NAV of each Fund is available at www.pearlfunds.com.

Dividends, Capital Gains, and Taxes

Total Return Fund and Aggressive Growth Fund both qualify as regulated investment companies under Subchapter M of the Internal Revenue Code of 1986 (the “Code”). In any year in which a Fund qualifies

as a regulated investment company, the Fund will not be subject to federal income tax provided it distributes income and capital gains in the manner required by the Code.

If your investment is a tax-deferred or tax-advantaged account – any type of IRA, for example – the following tax discussion does not apply.

Income other than net capital gains received by a Fund from its portfolio funds (including dividends and distributions of short-term capital gains) will be distributed by the Fund (after deductions for expenses) and will be taxable to you as ordinary income, unless such income is “qualified dividend income” (as defined in the Internal Revenue Code) eligible for a reduced rate of tax. Because each Fund is actively managed and may realize taxable net short-term capital gains by selling shares of a portfolio fund in its portfolio with unrealized portfolio appreciation, investing in a Fund rather than directly in the portfolio fund may result in increased tax liability to you since each Fund must distribute its gains in accordance with the Code.

Distributions of net capital gains received by a Fund from its portfolio funds, plus net long-term capital gains realized by a Fund from the purchase and sale of portfolio fund shares or other securities held by a Fund for more than one year, will be distributed by the Fund and will be taxable to you as long-term capital gains (even if you have held Fund shares for one year or less). If a shareholder who has received a capital gains distribution suffers a loss on the sale of his or her shares not more than six months after purchase, the loss will be treated as a long-term capital loss to the extent of the capital gains distribution received. Long-term capital gains, including distributions of net capital gains, are currently subject to a maximum federal tax rate of 15%, as is “qualified dividend income” of non-corporate shareholders who satisfy certain holding periods. This rate is less than the maximum rate imposed on other types of taxable income. Capital gains also may be advantageous since, unlike ordinary income, they may be offset by capital losses.

For purposes of determining the character of income received by a Fund when a portfolio fund distributes net capital gains to a Fund, the Fund will treat the distribution as long-term capital gain, even if the Fund has held shares of the portfolio fund for one year or less. Any loss incurred by a Fund on the sale of that portfolio fund’s shares held for six months or less, however, will be treated as a long-term capital loss to the extent of the net capital gain distribution.

The tax treatment of distributions from a Fund is the same whether the distributions are received in additional shares or in cash. Shareholders receiving distributions in the form of additional shares will have an initial cost basis for federal income tax purposes in each share received equal to the net asset value of a share of a Fund on the reinvestment date.

A Fund may invest in portfolio funds with capital loss carryforwards. If such a portfolio fund realizes capital gains, it will be able to offset the gains to the extent of its loss carryforwards in determining the amount of capital gains which must be distributed to shareholders.

Redemptions of shares of the Funds are taxable events on which you may realize a gain or loss. An exchange of a Fund’s shares for shares of the other Fund will be treated as a sale of such shares and any gain on the transaction may be subject to federal income tax.

Each year the Fund will notify you of the tax status of your dividends and distributions made during the year. Depending upon your residence for tax purposes, distributions may also be subject to state and local taxes, including withholding taxes. You should consult your own tax advisor regarding the tax consequences of ownership of shares of a Fund in your particular circumstances.

Each Fund will distribute investment company taxable income and any net realized capital gains at least annually.

All dividends and distributions will be reinvested automatically at net asset value in additional shares of the Fund making the distribution, unless you have notified the Fund in writing of your election to receive distributions in cash.

In IRA accounts, all distributions are automatically reinvested. Otherwise, they could be subject to income tax and penalties. After you are 59½, you may request payment of distributions in cash, although these too might be subject to income tax.

Financial Highlights

The tables below and on the next page will help you better understand Total Return Fund's financial performance for the last five years and Aggressive Growth Fund's financial performance for the last four years and since its inception, July 2, 2001. Information for each Fund is excerpted from the Funds' financial statements for the fiscal year ended December 31, 2005. The financial highlights for each Fund were audited by Deloitte & Touche LLP. Certain information reflects financial results for a single Fund share. The total returns in the tables represent the rate that an investor would have earned (or lost) on an investment in the Fund (assuming reinvestment of all dividends and distributions). You may obtain the complete financial statements and report of the independent registered public accounting firm by calling 866-747-9030 (toll-free) and requesting a free copy of the Funds' latest annual shareholder report. These documents are also available at www.pearlfunds.com.

TOTAL RETURN FUND For a share outstanding throughout each year	Years Ended December 31,				
	2005	2004	2003	2002	2001
Net asset value, beginning of period	\$14.02	\$12.69	\$9.50	\$10.75	\$10.54
Income from Investment Operations					
Net investment income	0.23	0.28	0.20	0.09	0.12
Net realized and unrealized gains (losses) on investments	<u>1.39</u>	<u>1.85</u>	<u>3.19</u>	<u>(1.25)</u>	<u>0.21</u>
Total investment operations	<u>1.62</u>	<u>2.13</u>	<u>3.39</u>	<u>(1.16)</u>	<u>0.33</u>
Less Distributions					
Dividends from net investment income	(0.23)	(0.28)	(0.20)	(0.09)	(0.12)
Distributions from net realized capital gains on investments	<u>(1.28)</u>	<u>(0.52)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total distributions	<u>(1.51)</u>	<u>(0.80)</u>	<u>(0.20)</u>	<u>(0.09)</u>	<u>(0.12)</u>
Net asset value, end of period	<u>\$14.13</u>	<u>\$14.02</u>	<u>\$12.69</u>	<u>\$9.50</u>	<u>\$10.75</u>
Total Return	11.55%	16.83%	35.73%	(10.75%)	3.13%
RATIOS AND SUPPLEMENTAL DATA:					
Net assets, end of period (thousands of dollars)	\$88,159	\$74,058	\$56,352	\$39,928	\$46,807
Ratio of net expenses to average net assets	0.98%	0.98%	0.98%	0.97%	0.94%
Ratio of gross expenses to average net assets	1.16%	1.14%	1.17%	1.26%	1.29%
Ratio of net investment income to average net assets	1.64%	2.25%	1.97%	0.90%	0.95%
Ratio of total investment income less gross expenses to average net assets	1.45%	2.08%	1.75%	0.61%	0.61%
Portfolio turnover (excluding money market mutual funds)	24%	34%	34%	55%	50%

AGGRESSIVE GROWTH FUND For a share outstanding throughout this period	Years Ended December 31,				Period July 2, 2001 (inception) through December 31, 2001
	2005	2004	2003	2002	
Net asset value, beginning of period	\$13.51	\$12.56	\$8.19	\$9.90	\$10.00
Income from Investment Operations					
Net investment income (loss)	<u>0.30</u>	<u>0.15</u>	<u>(0.03)</u>	<u>(0.06)</u>	<u>0.06</u>
Net realized and unrealized gains (losses) on investments	<u>2.13</u>	<u>2.06</u>	<u>4.40</u>	<u>(1.65)</u>	-
Total investment operations	<u>2.43</u>	<u>2.21</u>	<u>4.37</u>	<u>(1.71)</u>	<u>0.06</u>
Less Distributions					
Dividends from net investment income	(0.30)	(0.15)	-	-	(0.06)
Distributions from net realized capital gains on investments	(2.14)	(1.11)	-	-	(0.10)
Total distributions	(2.44)	(1.26)	-	-	(0.16)
Net asset value, end of period	<u>\$13.50</u>	<u>\$13.51</u>	<u>\$12.56</u>	<u>\$8.19</u>	<u>\$9.90</u>
Total Return	18.01%	17.60%	53.36%	(17.27%)	0.60%
RATIOS AND SUPPLEMENTAL DATA:					
Net assets, end of period (thousands of dollars)	\$34,370	\$26,382	\$21,056	\$14,605	\$15,846
Ratio of net expenses to average net assets	0.98%	0.98%	0.98%	0.98%	0.96%*
Ratio of gross expenses to average net assets	1.24%	1.20%	1.22%	1.31%	2.07%*
Ratio of net investment income (loss) to average net assets	2.21%	1.17%	(0.29%)	(0.82%)	1.48%*
Ratio of total investment income (loss) less gross expenses to average net assets	1.94%	0.93%	(0.55%)	(1.15%)	0.60%*
Portfolio turnover (excluding money market mutual funds)	44%	29%	47%	56%	13%*

*Annualized

FOR MORE INFORMATION

Additional information about the Funds is included in the Statement of Additional Information (the “SAI”), which is incorporated by reference (and is legally considered part of this prospectus).

Additional information about both Funds’ investments is available in the Funds’ annual, semi-annual, and quarterly reports to shareholders. In the Funds’ annual report, you will find a discussion of the market conditions and investment strategies that significantly affected each Fund’s performance during the last fiscal year.

You can obtain free copies of the SAI and shareholder reports, request additional information, or discuss your questions about the Funds by calling 866-747-9030 (toll-free) or 563-288-2773, or sending an e-mail to info@pearlfunds.com, or visiting the Funds’ Website: www.pearlfunds.com.

Text-only versions of the Funds’ documents can be viewed online or downloaded from the EDGAR database on the SEC’s Internet website at www.sec.gov. You may obtain copies of the Funds’ documents by visiting the SEC’s Public Reference Room in Washington, D.C. Call the SEC at 202-942-8090 for information about the Public Reference Room’s operations. You may also obtain copies of the Funds’ documents by sending your request and a duplicating fee to the SEC’s Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549-0102, or by e-mail request at publicinfo@sec.gov.

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