



OCM GOLD FUND

Annual Report
November 30, 2007

Dear Fellow Shareholder:

The collapse of the structured debt markets in 2007 has led to serious solvency issues for some of the world's largest financial institutions. Meanwhile, the prospect of a contraction in the US economy is being fought with yet another round of aggressive monetary and fiscal stimulus in an effort to keep financial leverage from triggering a complete meltdown of the global economy. Inflationary implications are of secondary concern. Consequently, dollar debasement continues to threaten the dollar's role as the world's reserve currency. In periods where trust and confidence in the financial system are being questioned, gold's monetary characteristics become more widely appreciated as gold is not someone else's liability.

Gold prices in dollar terms accelerated higher in 2007, closing the year above \$800 for the first time at \$836.50 per ounce (London PM Fix), up 23.77% for the year. For calendar year 2007, your Fund kept pace with the gold price advance, rising 23.45% (17.88% after max sales load) versus an increase of 22.91% for the Philadelphia Gold and Silver Share Index (XAU). For the fiscal period ending November 30, 2007 covered in this report, your Fund gained 15.64% (10.46% after max sales load) versus an increase of 15.88% for the XAU. A dividend of \$1.42 was paid on December 27, 2007, classified as all long-term capital gain.

Overview

The current stress in the financial markets was precipitated by the over issuance of credit to marginal borrowers, particularly in the housing market. As the bubble burst in the housing market, the domino effect shed light on the issuance of structured debt products and derivatives of questionable value. Consequently, everything that could go wrong did in the later part of the year. The asset backed commercial paper market came to a complete standstill. The market for all types of collateralized debt obligations dried up. Municipal and mortgage insurers became endangered while confidence in rating agencies was battered. Special investment vehicles (SIVs) set up by banks to get mortgages off their books could no longer get financing. The interbank lending rate (LIBOR) skyrocketed as banks were unwilling to lend to each other as they had to husband their resources and could no longer trust counterparties. In response, central banks injected an unprecedented \$400 billion into the banking system over a 48 hour period. We believe the last domino in this crisis is by no means close to falling as large financial institutions with household names find themselves fighting for survival as write-offs engulf capital and lack of balance sheet transparency threatens confidence.

With the contraction of credit due to the elimination of many of the new credit instruments beginning to work its way through the economy, recession fears are starting to take hold as unemployment rates tick higher and GDP growth slows. Fear of systemic collapse has forced the Federal Reserve to cut interest rates sharply over the past two months to the point where short-term interest rates are below the rate of inflation causing real interest rates to be negative. Historically, a negative real interest rate environment is extremely bullish for higher gold prices. As we write this report, the Bush Administration is hurriedly trying to enact a fiscal stimulus package, which will only serve to balloon the budget deficit, in our opinion. With falling asset prices and lower incomes, households will undoubtedly begin to rebuild savings that were run down during the consumption binge of the last ten years, causing further downward pressure on the economy, we believe.

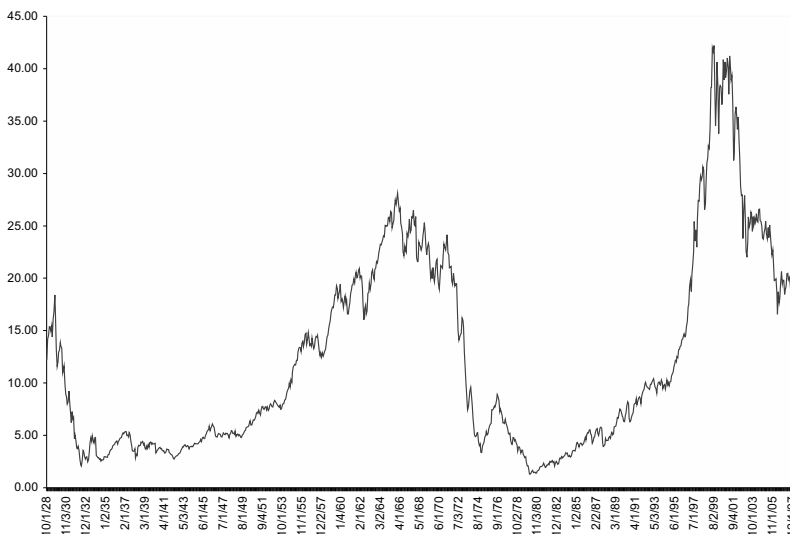
On the surface, the present crisis may seem no different than the periodic financial crises of the past 25 years highlighted by the S&L collapse in the 80's, the failure of Long-Term Capital Management (LTCM), or the economic shock following 9/11. In each instance, the policy response was to socialize risk and inject whatever amount of liquidity was necessary in order to prevent a contraction of credit setting off a sequence of defaults. The actions pre-

vented malinvestment from being liquidated and encouraged greater risk taking and asset bubbles to develop. The endless expansion of credit was made possible because the rest of the world was willing to accept US dollars based on the dollar's role as the world's reserve currency. With the world now drowning in dollars due to years of running large current account deficits, monetary authorities now find themselves trying to expand credit with a currency the rest of the world is unwilling to accumulate and no longer views as a store of value, in our opinion.

The policy dilemma is made more acute as the seeds of inflation sown back in 2004 when the Fed Funds rate stood at one percent is rearing its ugly head. It appears the boom-bust cycles have caught up with the Fed and they now face having to fight systemic collapse while only giving lip service to inflation. The pendulum of confidence in Fed policy in our opinion is swinging decidedly away from the point where Alan Greenspan received knighthood from the Queen of England in 2002. The tightrope the Fed is now walking is how low can they take the Federal Funds rate without triggering a flight out of US treasuries and the dollar? If that point is reached, we believe the ability of the Fed to conduct monetary policy to stimulate the economy comes to an end and gold prices will reach levels well beyond the most optimistic of forecasts.

The current environment clearly favors higher gold prices, in our opinion, as gold has historically been the reciprocal of confidence in financial assets. With credit quality coming into question and monetary spigots wide open, gold's role as the ultimate form of money is finding more friends. However, we remain surprised and yet encouraged that gold and gold investments have yet to attract a broader following as most investors remain skeptical about owning gold related investments, which only confirms renowned investor Sir John Templeton's comment; "Bull markets are born in pessimism, grow in skepticism, mature in optimism and die in euphoria."

It is our belief, before the current bull market cycle in gold has run its course; we will see foreign central banks once again become large acquirers of gold either directly or through sovereign country funds which currently hold over \$2 trillion with the mandate to diversify US treasury holdings into strategic assets. Additionally, we believe the Dow Jones/gold ratio will reach low single digits, if not one to one. On three previous occasions after reaching peaks, the Dow/gold ratio bottomed at one ounce of gold to buy one unit of the Dow Jones (see chart).



Investment Strategy

Your Fund continues to maintain its disciplined tiered approach to the gold mining industry by holding positions in major (34.8%), intermediate (22.6%) and junior gold producers (9.7%) along with exposure to exploration and development companies (15.1%). It is our belief that investment flows into the gold sector shift from one sub-sector to the next as a bull market trend in gold matures. The largest position in the Fund is Goldcorp, Inc., which is the lowest cost producer among major producers with the best production growth profile. We believe that silver is “poor man’s gold” and consequently your Fund has a 5.6% position in predominant silver producers.

Despite higher gold prices, global gold production continues to decline as the gold mining industry battles maturing ore bodies and escalating capital and operating costs. According to consultancy group GFMS, annual gold production from 2000 to 2007 has declined 6.7%. To reverse the trend, we believe gold prices in excess of \$1,000 are needed in order to allow for adequate returns on capital that encourage investment in new mines and exploration and compensate for heightened levels of political risk. Due to the global nature of the gold mining business, country risk is an important consideration in the portfolio at all times.

The desire for gold companies to grow and replace depleting reserves continues to drive merger and acquisition activity in the gold sector. Over the past year, Yamana Gold, Inc. successfully acquired fellow mid-tier producer Meridian Gold, Inc., creating a new million ounce plus gold producer. In January 2008, AngloGold Ashanti Ltd. announced plans to acquire Golden Cycle Gold Corp. at a 37% premium in order to consolidate ownership of the Cripple Creek and Victor Gold joint venture in Colorado. We believe one of the themes of 2008 will be major producers looking to simplify joint ventures structures by either buying partners out or selling interests.

Although exploration and development companies tend to carry a higher level of risk, we remain focused on the group as the sector offers the greatest potential for creating shareholder value through discovery, reserve growth and takeover premiums. Our strategy is to search out companies with talented management and known deposits that we believe have the potential to expand further. Additionally, your Fund’s approach is to take minor positions in a relatively large number of companies in order to spread out the risk and enhance overall returns. While in general the exploration and development group has underperformed the major and intermediate producers over the past year, one notable exception in the portfolio has been Detour Gold Corp., which has successfully developed a multi million ounce ore body and been rewarded in the marketplace.

Conclusion

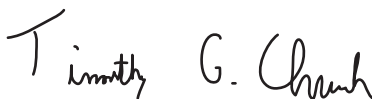
In our opinion, the most important period for investors to own gold and gold related investments is at hand. Undoubtedly, few will heed this advice as negative press over the past 25 years against owning gold and gold related investments has successfully kept most investors away from hedging against currency debasement in a period of heightened monetary risk. We believe fear rather than greed will ultimately drive broader participation in the gold market.

We appreciate your shareholding and confidence in the OCM Gold Fund and we look forward to meeting the investment objective of preserving your purchasing power. Should you have any questions regarding the Fund or gold, please contact your financial adviser or you may contact us directly at 1-800-779-4681. For question regarding your account, please contact Shareholder Service at 1-800-628-9403.

Sincerely,



Gregory M. Orrell
Portfolio Manager
January 24, 2008



Timothy G. Church
Assistant Portfolio Manager

OCM GOLD FUND

Schedule of Investments – November 30, 2007 (Continued)

Shares	Value	Shares	Value
Primary Silver Producers 5.0%		WARRANTS (continued)	
40,000 Apex Silver Mines Ltd.*	\$ 682,000	150,000 San Gold Corp.*†#	\$ —
150,000 Fortuna Silver Mines, Inc.*	502,701	Exercise Price 2.00 CAD, Exp. 5/28/09	
100,000 Hecla Mining Co.*	1,173,000	250,000 Silver Wheaton Corp.*	560,224
48,075 Pan American Silver Corp.*	1,522,664	Exercise Price 4.00 CAD, Exp. 8/5/2009	
100,000 Silver Wheaton Corp.*	1,501,601	100,000 Yukon-Nevada Gold Corp.*	62,525
359,997 Silverstone Resources Corp.*	896,751	Exercise Price 3.00 CAD, Exp. 5/25/2012	
700,000 US Silver Corp.*	560,224		
	<u>6,838,941</u>	Total Warrants	
		(Cost \$85,797)	<u>1,621,298</u>
Total Common Stocks		SHORT-TERM INVESTMENT 3.0%	
(Cost \$41,947,210)	<u>124,660,759</u>	4,064,118 UMB Money Market Fiduciary, 3.06%	<u>4,064,118</u>
EXCHANGE TRADED FUNDS 4.6%		Total Short-Term Investments	
9,000 iShares Silver Trust*	1,251,000	(Cost \$4,064,118)	<u>4,064,118</u>
65,000 Streettracks Gold Trust*	<u>5,025,800</u>	Total Investments	
Total Exchange Traded Funds		(Cost \$50,028,485)	100.3% 136,622,975
(Cost \$3,931,360)	<u>6,276,800</u>	Liabilities less Other Assets	(0.3)% (381,885)
WARRANTS 1.2%		NET ASSETS	100.0% <u>\$136,241,090</u>
187,500 Amazon Mining Holding PLC*†#	—		
Exercise Price 1.55 CAD, Exp. 11/16/2009		ADR – American Depository Receipts.	
125,000 Australian Solomons Gold Ltd.*	23,134	CAD – Canadian Dollars.	
Exercise Price 1.71 CAD, Exp. 8/28/2008		* Non-income producing security.	
89,000 Endeavour Mining Capital Corp.*	377,066	† Illiquid security. Security is valued at fair value in accordance	
Exercise Price 5.50 CAD, Exp. 11/10/2008		with procedures established by the Fund's Board of Trustees.	
75,000 Fortuna Silver Mines, Inc.*†#	112,545	# Security exempt from registration under Rule 144A of the	
Exercise Price 1.85 CAD, Exp. 3/23/2008		Securities Act of 1933, as amended, or otherwise restricted.	
150,000 Fury Explorations Ltd.*†#	—	These securities may be resold in transactions exempt from	
Exercise Price 1.25 CAD, Exp. 9/20/2008		registration, normally to qualified institutional buyers. The	
75,000 Glencairn Gold Corp.*	1,501	securities are valued at fair value in accordance with proce-	
Exercise Price 1.25 CAD, Exp. 11/26/2008		dures established by the Fund's Board of Trustees.	
1,500 Goldcorp, Inc.*	15,375		
Exercise Price \$40.55, Exp. 6/9/2011			
143,750 Majestic Gold Corp.*†#	—		
Exercise Price 0.60 CAD, Exp. 5/3/2009			
35,000 Nevsun Resources*†#	—		
Exercise Price 10.00 CAD, Exp. 12/18/2008			
24,038 Pan American Silver Corp.*	468,928		
Exercise Price 12.00 CAD, Exp. 2/20/2008			
60,000 Pediment Exploration Ltd.*†#	—		
Exercise Price 3.75 CAD, Exp. 11/16/2009			

See notes to financial statements.

OCM GOLD FUND
Schedule of Investments – November 30, 2007 (Continued)

At November 30, 2007, restricted securities totaled \$694,178 or 0.5% of net assets and consisted of the following securities:

Issuer	November 30, 2007		Acquisition Date
	Carrying Value Per Unit	Cost	
Pediment Exploration Ltd.	2.745 CAD	3.00 CAD	11/14/2007
Pediment Exploration Ltd. Warrants Exercise Price 3.75 CAD, Exp. 11/16/2009	—	—	11/14/2007
San Gold Corp.	1.215 CAD	1.40 CAD	11/27/2007
San Gold Corp. Warrants Exercise Price 2.00 CAD, Exp. 5/28/09	—	—	11/27/2007

SUMMARY OF INVESTMENTS BY COUNTRY

Country	Market Value	Percent of Investment Securities
Australia	\$ 3,869,947	2.8%
Canada	92,387,493	67.6
Cayman Islands	1,059,066	0.8
Jersey	4,925,200	3.6
New Guinea	1,079,988	0.8
South Africa	7,765,900	5.7
United States ¹	25,535,381	18.7
Total	\$ 136,622,975	100.0%

¹ Includes short-term securities.

See notes to financial statements.

OCM GOLD FUND

Statement of Assets and Liabilities – November 30, 2007

Assets:

Investments in unaffiliated issuers, at value (cost \$50,028,485)	\$136,622,975
Interest and dividends receivable.	26,544
Receivable for fund shares sold.	36,301
Prepaid expenses and other assets	13,649
Total assets	<u>136,699,469</u>

Liabilities:

Payable for fund shares redeemed	76,768
Due to investment adviser	98,318
Accrued distribution fees	198,235
Accrued trustees' fees	1,996
Accrued Chief Compliance Officer fees	3,654
Accrued expenses and other liabilities	79,408
Total liabilities	<u>458,379</u>
Net Assets	<u>\$136,241,090</u>

Net Assets Consist of:

Shares of beneficial interest, no par value; unlimited shares authorized	\$ 44,151,266
Accumulated net investment loss	(2,159,235)
Undistributed net realized gain on investments and foreign currency transactions	7,654,469
Net unrealized appreciation on investments and foreign currency translations	86,594,590
Net Assets	<u>\$136,241,090</u>

Calculation of Maximum Offering Price:

Net asset value and redemption price per share ¹	\$ 21.49
Maximum sales charge (4.50% of offering price)	1.01
Offering price to public	<u>\$ 22.50</u>
Shares outstanding	<u>6,338,304</u>

¹ A 1.50% redemption fee is imposed on redemptions of shares held less than three months.

OCM GOLD FUND

Statement of Operations – Year Ended November 30, 2007

Investment Income:

Interest	\$ 105,005
Dividends (net of foreign withholding taxes of \$32,632)	395,498
Total investment income	<u>500,503</u>

Expenses:

Investment advisory fees	1,032,496
Distribution fees	897,494
Fund administration and accounting fees	144,239
Transfer agent fees and expenses	93,764
Professional fees	59,962
Federal and state registration fees	23,547
Custody fees	19,165
Reports to shareholders	15,092
Chief Compliance Officer fees	10,629
Trustees' fees	7,849
Other expenses	10,198
Total expenses	<u>2,314,435</u>
Net investment loss	<u>(1,813,932)</u>

Realized and Unrealized Gain on Investments:

Net realized gain on investments and foreign currency transactions	8,400,525
Net change in unrealized appreciation/depreciation on investments and foreign currency translations	<u>11,847,045</u>
Net gain on investments	<u>20,247,570</u>

Net increase in net assets resulting from operations \$ 18,433,638

See notes to financial statements.

OCM GOLD FUND
Statements of Changes in Net Assets

	<u>Year ended Nov. 30, 2007</u>	<u>Year ended Nov. 30, 2006</u>
Operations:		
Net investment loss	\$ (1,813,932)	\$ (1,702,906)
Net realized gain on investments and foreign currency transactions	8,400,525	11,517,598
Net change in unrealized appreciation/depreciation on investments and foreign currency translations	<u>11,847,045</u>	<u>35,751,792</u>
Net increase in net assets resulting from operations	<u>18,433,638</u>	<u>45,566,484</u>
Distributions Paid to Shareholders:		
Distributions paid from net realized gains	<u>(10,048,572)</u>	<u>—</u>
Total distributions	<u>(10,048,572)</u>	<u>—</u>
Fund Share Transactions:		
Net proceeds from shares sold	14,220,807	11,755,811
Distributions reinvested	8,876,117	—
Payment for shares redeemed ¹	<u>(14,997,190)</u>	<u>(16,093,563)</u>
Net increase/(decrease) in net assets from fund share transactions	<u>8,099,734</u>	<u>(4,337,752)</u>
Total increase in net assets	16,484,800	41,228,732
Net Assets, Beginning of Year	<u>119,756,290</u>	<u>78,527,558</u>
Net Assets, End of Year	<u>\$ 136,241,090</u>	<u>\$ 119,756,290</u>
Accumulated Net Investment Loss	<u>\$ (2,159,235)</u>	<u>\$ (962,605)</u>
Transactions in Shares:		
Shares sold	727,987	668,319
Shares issued on reinvestment of distributions	510,122	—
Shares redeemed	<u>(758,285)</u>	<u>(921,283)</u>
Net increase/(decrease) in shares outstanding	<u>479,824</u>	<u>(252,964)</u>

¹ Net of redemption fees of \$2,617 and \$4,526 for the years ended November 30, 2007 and 2006, respectively.

See notes to financial statements.

OCM GOLD FUND

Notes to Financial Statements – November 30, 2007

Note 1. Organization

OCM Mutual Fund (the "Trust") is registered under the Investment Company Act of 1940, as amended, as an open-end management investment company. The Trust was organized as a Massachusetts business trust on January 6, 1984 and consists of the OCM Gold Fund (the "Fund"). The investment objective for the Fund is long-term growth of capital through investing primarily in equity securities of domestic and foreign companies engaged in activities related to gold and precious metals.

Note 2. Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

Security Valuation – Portfolio securities that are listed on national securities exchanges are valued at the last sale price as of the close of business of such securities exchanges, or, in the absence of recorded sales, at the average of readily available closing bid and ask prices on such exchanges. NASDAQ National Market® and SmallCap® securities are valued at the NASDAQ Official Closing Price ("NOCP"). If a NOCP is not issued for a given day, these securities are valued at the average of readily available closing bid and asked prices. Unlisted securities are valued at the average of the quoted bid and ask prices in the over-the-counter market. Short-term investments which mature in less than 60 days are valued at amortized cost (unless the Board of Trustees determines that this method does not represent fair value). Short-term investments which mature after 60 days are valued at market. Securities and other assets for which market quotations are not readily available are valued at fair value as determined in good faith by the investment adviser under procedures established by and under the general supervision and responsibility of the Trust's Board of Trustees. For each investment that is fair valued, the investment adviser considers, to the extent applicable, various factors including, but not limited to, the type of security, the financial condition of the company, comparable companies in the public market, the nature and duration of the cause for a quotation not being readily available and other relevant factors.

Foreign Currency – Investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions.

The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net unrealized and realized gain or loss from investments.

Reported net realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the fair value of assets and liabilities, other than investments in securities at fiscal year end, resulting from changes in exchange rates.

Federal Income Taxes – The Fund intends to comply with the requirements of the Internal Revenue Code necessary to qualify as a regulated investment company and to make the requisite distributions of income to its shareholders which will be sufficient to relieve it from all or substantially all federal income taxes.

Securities Transactions and Investment Income – Securities transactions are accounted for on a trade date basis. Realized gains and losses on sales of securities are calculated on the identified cost basis. Dividend income is recorded on the ex-dividend date and interest income is recorded on an accrual basis.

Distributions to Shareholders – Distributions to shareholders are recorded on the ex-dividend date. The Fund declares and pays dividends of net investment income, if any, annually and distributes net realized gains, if any, annually. The character of distributions made during the year from net investment income or net realized gains may differ from the characterization for federal income tax purposes due to differences in the recognition of income, expense or gain items for financial statement and tax purposes. To the extent that these differences are attributable to permanent book and tax accounting differences, the components of net assets have been adjusted.

On December 27, 2007 the Fund distributed \$8,998,266 from long term capital gains (\$1.42 per share). The distribution was paid on December 27, 2007 to shareholders of record on December 26, 2007.

OCM GOLD FUND

Notes to Financial Statements – November 30, 2007 (Continued)

Redemption Fee – A 1.50% redemption fee is retained by the Fund to offset transaction costs and other expenses associated with short-term investing. The fee is imposed on redemptions or exchanges of shares held less than three months from their purchase date. The Fund records the fee as a reduction of shares redeemed and as a credit to paid-in-capital.

Guarantees and Indemnifications – In the normal course of business, the Fund enters into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims against the Fund that have not yet occurred. Based on experience, the Fund expects the risk of loss to be remote.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements – In June 2006, the Financial Accounting Standards Board (“FASB”) released FASB Interpretation No. 48 “Accounting for Uncertainty in Income Taxes” (“FIN 48”). FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. To the extent that a tax benefit of a position is not deemed to meet the more-likely-than-not threshold, the Fund would report an income tax expense in the statement of operations. Adoption of FIN 48 is required as of the date of the last net asset value calculation in the first required financial statement reporting period for fiscal years beginning after December 15, 2006 and is to be applied to all open tax years as of the effective date. At this time, management is evaluating the implications of FIN 48, and the impact of this standard on the Fund's financial statements has not yet been determined.

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 157, “Fair Value Measurements.” The Statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. The Statement establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The Statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and is to be applied prospectively as of the beginning of the fiscal year in which this Statement is initially applied. Management has begun to evaluate the application of the Statement to the Fund, but is not in a position at this time to conclude on upon the significance of its impact, if any, on the Fund's financial statements.

Note 3. Investment Advisory Agreement

The Fund has an investment advisory agreement with Orrell Capital Management, Inc. (“OCM”). Under the agreement, the Fund pays OCM a fee computed daily and payable monthly, at the following annual rates based upon average daily net assets:

<u>Assets</u>	<u>Fee Rate</u>
\$0 to \$50 million	1.000%
\$50 million to \$75 million	0.875%
\$75 million to \$100 million	0.750%
\$100 million to \$150 million	0.625%
\$150 million to \$250 million	0.500%
Over \$250 million	0.375%

OCM GOLD FUND

Notes to Financial Statements – November 30, 2007 (Continued)

Note 4. Distribution Agreement and Plan

The Trust has adopted a Distribution Plan (the “Plan”) pursuant to Rule 12b-1 under the Investment Company Act of 1940, as amended. The Plan authorizes the Fund to reimburse the distributor for marketing expenses incurred in distributing shares of each Fund, including the cost of printing sales material and making payments to dealers of the Fund’s shares, in any fiscal year, subject to a limit of 0.99% of average daily net assets. Fees incurred by the Fund under the Plan during the period ended November 30, 2007 are reflected in the Statement of Operations. At November 30, 2007, \$198,235 of Distributions Fees were available for eligible 12b-1 expenses.

Note 5. Purchases and Sales of Securities

Purchases and sales of investment securities (excluding short-term securities and U.S. government obligations) for the year ended November 30, 2007 were \$13,439,551 and \$19,425,189, respectively. There were no purchases or sales of U.S. government obligations.

Note 6. Federal Income Tax Information

At November 30, 2007, gross unrealized appreciation and depreciation of investments owned by the Fund, based on cost for federal income tax purposes were as follows:

Cost of investments	<u>\$52,191,237</u>
Unrealized appreciation	\$86,247,141
Unrealized depreciation	<u>(1,815,403)</u>
Net unrealized appreciation on investments. . .	<u>\$84,431,738</u>

The difference between cost amounts for financial statement and federal income tax purposes is due primarily to investments in passive foreign investment companies (“PFICs”).

The tax character of distributions paid during the fiscal years ended November 30, 2007 and 2006 was as follows:

	2007	2006
Ordinary income	\$ —	\$ —
Net long-term capital gains.	<u>10,048,572</u>	<u>—</u>
Total distributions	<u>\$10,048,572</u>	<u>\$ —</u>

As of November 30, 2007 the components of accumulated earnings on a tax basis were as follows:

Undistributed ordinary income	\$ 219,986
Undistributed long-term gains	<u>7,438,001</u>
Tax accumulated earnings	7,657,987
Accumulated capital and other losses	—
Unrealized appreciation on investments.	84,431,738
Unrealized appreciation on foreign currency . . .	<u>99</u>
Total accumulated earnings	<u>\$92,089,824</u>

OCM GOLD FUND

Notes to Financial Statements – November 30, 2007 (Continued)

Note 7. Offering Price Per Share

A maximum front-end sales charge of 4.50% is imposed on purchases of the Fund's shares. For the year ended November 30, 2007, the Fund was advised that the Distributor received \$29,736 of sales charges from sales of the Fund's shares.

Note 8. Concentration of Risk

Investing in foreign securities involves certain risks not necessarily found in U.S. markets. These include risks associated with adverse changes in economic, political, regulatory and other conditions, changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments or capital gains, and possible difficulty in obtaining and enforcing judgments against foreign entities. Further, issuers of foreign securities are subject to different, and often less comprehensive, accounting, reporting and disclosure requirements than domestic issuers.

As the Fund concentrates its investments in the gold mining industry, a development adversely affecting the industry (for example, changes in the mining laws which increases production costs or a significant decrease in the market price of gold) would have a greater adverse effect on the Fund than it would if the Fund invested in a number of different industries.

OCM GOLD FUND

Financial Highlights

	Year Ended Nov. 30, 2007	Year Ended Nov. 30, 2006	Year Ended Nov. 30, 2005	Year Ended Nov. 30, 2004	Year Ended Nov. 30, 2003
Per Share Operating Performance					
(For a share outstanding throughout each year)					
Net asset value, beginning of year	\$ 20.44	\$ 12.85	\$ 12.76	\$ 14.46	\$ 7.53
Income From Investment Operations:					
Net investment loss	(0.27)	(0.29)	(0.18)	(0.18)	(0.12)
Net realized and unrealized gain (loss) on investments and foreign currency transactions	3.06	7.88	0.69	(1.30)	7.05
Total from investment operations	2.79	7.59	0.51	(1.48)	6.93
Less Distributions:					
Dividends from net investment income	—	—	(0.11)	(0.01)	—
Distribution from net realized gains	(1.74)	—	(0.31)	(0.21)	—
Total distributions	(1.74)	—	(0.42)	(0.22)	—
Net asset value, end of year	\$ 21.49	\$ 20.44	\$ 12.85	\$ 12.76	\$ 14.46
Total Return*	15.64%	59.07%	4.34%	(10.31)%	92.03%
Ratios/Supplemental Data:					
Net assets, end of year (in 000's)	\$136,241	\$119,756	\$78,528	\$80,202	\$84,230
Ratio of expenses to average net assets:					
Net of waivers and reimbursements	1.93%	2.07%	2.24%	2.15%	2.39%
Before waivers and reimbursements	1.93%	2.07%	2.24%	2.17%	2.39%
Ratio of net investment loss to average net assets:					
Net of waivers and reimbursements	(1.51)%	(1.64)%	(1.51)%	(1.58)%	(1.42)%
Before waivers and reimbursements	(1.51)%	(1.64)%	(1.51)%	(1.60)%	(1.42)%
Portfolio turnover rate	11%	20%	5%	12%	17%

* Assumes no sales charge.

See notes to financial statements.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Trustees of OCM Gold Fund:

We have audited the accompanying statement of assets and liabilities of OCM Gold Fund (the “Fund”), including the schedule of investments, as of November 30, 2007, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years then ended, and the financial highlights for each of the three years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. The Fund's financial highlights for the periods ended prior to November 30, 2005 were audited by other auditors whose report, dated January 25, 2005, expressed an unqualified opinion on the financial statements.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of November 30, 2007, by correspondence with the custodian and brokers; where replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Fund as of November 30, 2007, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the three years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

January 24, 2008
Milwaukee, WI

OCM GOLD FUND

Expense Example – For the Year Ended November 30, 2007 (Unaudited)

As a shareholder of the OCM Gold Fund (the “Fund”), you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments and redemption fees on certain redemptions; and (2) ongoing costs, including management fees; distribution (12b-1) fees; and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from June 1, 2007 to November 30, 2007 (the “period”).

Actual Expenses

The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 equals 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During the Period” to estimate the expenses you paid on your account during the period.

Hypothetical Example for Comparison Purposes

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

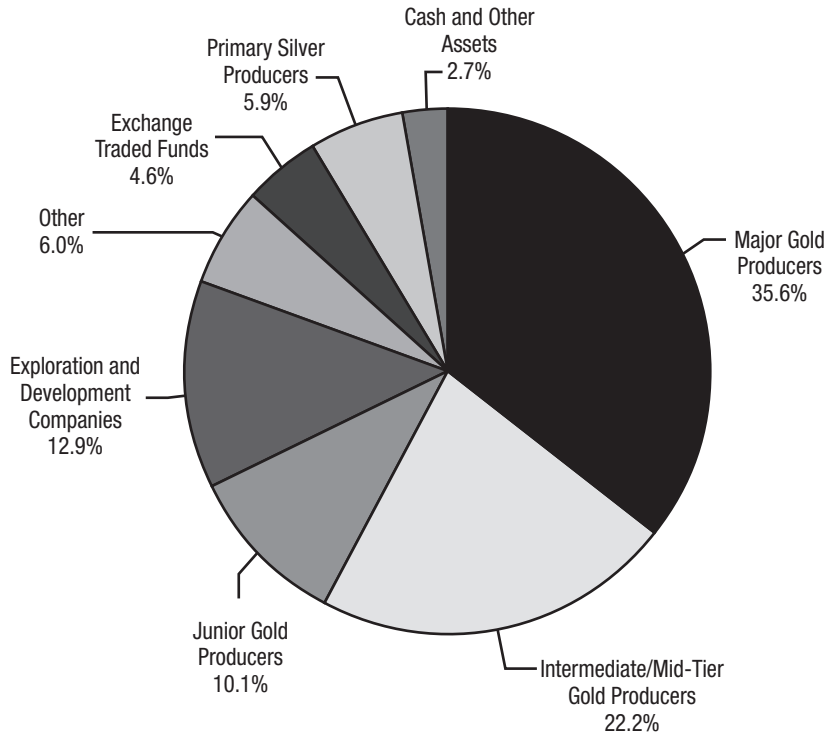
Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads) and redemption fees. Therefore, the second line of the table is useful in comparing the ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs could have been higher.

Expenses Paid During the Period

	Beginning Account Value June 1, 2007	Ending Account Value November 30, 2007	Expenses Paid During the Period Ended November 30, 2007*
Actual	\$1,000.00	\$1,187.90	\$10.54
Hypothetical (5% return before expenses)	1,000.00	1,015.37	9.71

* Expenses are equal to the Fund’s annualized expense ratio of 1.92% for the period, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one-half year period).

OCM GOLD FUND
Investments by Sector (Unaudited)
As a Percentage of Net Assets



A description of the Fund's proxy voting policies and procedures and a record of the Fund's proxy votes for the year ended June 30, 2007 are available without charge, upon request by calling toll free 1-800-779-4681 and on the Securities and Exchange Commission's (SEC) website at <http://www.sec.gov>.

The Fund will file its complete schedule of investments with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q will be available on the EDGAR database on the SEC's website at <http://www.sec.gov>. These Forms may also be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information about the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

OCM GOLD FUND

Performance Results – Year Ended November 30, 2007 (Unaudited)

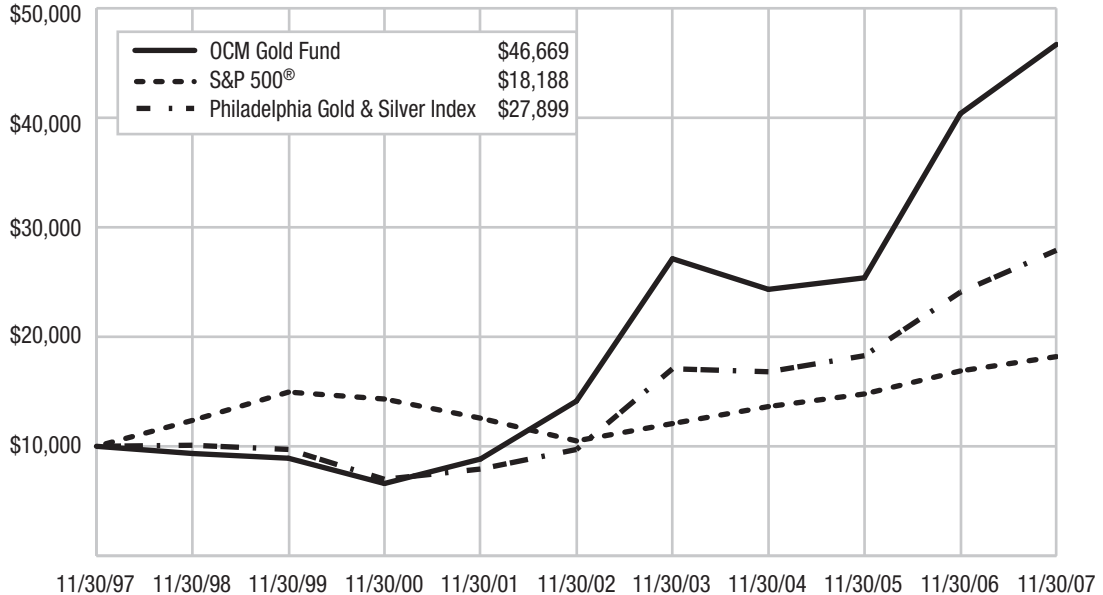
(All performance measurements reflect the maximum sales load charges for each period shown.)

Average Annual Total Returns

1 year	10.46%
5 year	25.86%
10 year	16.66%

Value on 11/30/07

OCM Gold Fund	\$ 46,699
S&P 500® Index	\$ 18,188
Philadelphia Gold & Silver Index	\$ 27,899



The returns shown include the reinvestment of all dividends and the maximum sales load charge, but do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. Past performance is not indicative of future results.

The Philadelphia Gold and Silver Index (XAU) is an unmanaged capitalization-weighted index composed of 16 companies listed on U.S. exchanges involved in the gold and silver mining industry. The index is generally considered as representative of the gold and silver share market.

The S&P 500® Index is a broad unmanaged index generally considered as representative of the U.S. equity market.

OCM GOLD FUND

Annual Renewal of Investment Advisory Agreement (Unaudited)

On October 15, 2007, the Board of Trustees of OCM Mutual Fund approved the continuation of the Fund's investment advisory agreement with Orrell Capital Management, Inc. (the "Adviser"). Prior to approving the continuation of the agreement, the Board considered:

- the nature, extent and quality of the services provided by the Adviser
- the investment performance of the Fund
- the costs of the services to be provided and profits to be realized by the Adviser from its relationship with the Fund
- the extent to which economies of scale would be realized as the Fund grows and whether fee levels reflect those economies of scale
- the expense ratio of the Fund

In considering the nature, extent and quality of the services provided by the Adviser, the Board considered an oral presentation by the Adviser describing the portfolio management, shareholder communication, and regulatory compliance services provided by the Adviser to the Fund. The Trustees concluded that the Adviser was providing essential services to the Fund.

The Trustees compared the performance of the Fund to benchmark indices over various periods of time and concluded that the performance of the Fund warranted the continuation of the Investment Advisory Agreement. The Trustees noted that the Fund adhered to its investment style.

In concluding that the advisory fees payable by the Fund were reasonable, the Trustees reviewed the profits realized by the Adviser, from its relationship with the Fund and concluded that such profits were reasonable and not excessive. As part of its analysis the Board considered the value the research the Adviser received from broker-dealers executing securities transactions for the Fund. The Trustees also reviewed reports comparing the expense ratio and advisory fees paid by the Fund to those paid by other comparable mutual funds in the same category and concluded that the advisory fees paid by the Fund and the expense ratio of the Fund were in the range of comparable mutual funds.

The Trustees also considered whether the Investment Advisory Agreement fee schedule should be adjusted for an increase in assets under management. They concluded that the "breakpoints" embodied in the Investment Advisory Agreement were appropriate.

Long Term Capital Gains Designation (Unaudited)

Pursuant to IRC 852(b)(3) of the Internal Revenue Code OCM Gold Fund hereby designates \$10,048,572, as long-term capital gains distributed during the year ended November 30, 2007.

OCM GOLD FUND
Trustee and Officer Information (Unaudited)

Independent Trustees*

<u>Name, Address and Age</u>	<u>Position(s) Held with Fund</u>	<u>Term of Office and Length of Time Served</u>	<u>Principal Occupation(s) During Past 5 Years</u>	<u>Other Directorships Held by Trustee</u>
John L. Crary 1536 Holmes Street, Livermore, California 94550 Age 54	Trustee (Chairman of the Board)	Indefinite Since 2004	Since 1999 Mr. Crary has been the managing member of Crary Enterprises, LLC, a private investment company. Since 1988 Mr. Crary has been an independent corporate financial advisor and private investor in various biotechnology, software and other early stage business ventures. Mr. Crary began his business career as an investment banker with E.F. Hutton & Company Inc.	microHelix, Inc. and Scheid Vineyards, Inc.
Doug Webenbauer 1536 Holmes Street, Livermore, California 94550 Age 47	Trustee	Indefinite Since 2005	Chief Financial Officer of M.E. Fox & Company, Inc., a beer distributor, since 1999.	None

Interested Trustees and Officers**

<u>Name, Address and Age</u>	<u>Position(s) Held with Fund</u>	<u>Term of Office and Length of Time Served</u>	<u>Principal Occupation(s) During Past 5 Years</u>	<u>Other Directorships Held by Trustee</u>
Gregory M. Orrell 1536 Holmes Street, Livermore, California 94550 Age 46	Trustee, President	Indefinite Since 2004	President of Orrell Capital Management, Inc. since 1991.	None
Jacklyn A. Orrell*** 1536 Holmes Street, Livermore, California 94550 Age 73	Secretary and Treasurer	One year term Since 2004	Secretary of Orrell Capital Management, Inc. since 1999.	N/A
Andrew Rogers 1536 Holmes Street, Livermore, California 94550 Age 38	Chief Compliance Officer	At discretion of the Board Since 2004	Manager, Fund Compliance Services, LLC since 2004; President, GemCom, LLC since 2004; President and formerly Senior Vice President and Director of Administration, Gemini Fund Services, LLC since 2001.	N/A

* "Independent" trustees are trustees who are not deemed to be "interested persons" of the Fund as defined in the Investment Company Act of 1940.

** An "interested" trustee is a trustee who is deemed to be an "interested person" of the Fund, as defined in the Investment Company Act of 1940. Gregory M. Orrell is an interested person of the Fund because of his ownership in the Fund's investment adviser.

*** Ms. Orrell is the mother of Gregory M. Orrell, the President and a trustee of the Trust.

OCM Gold Fund
Distributed by:
Syndicated Capital, Inc.
1299 Ocean Avenue, Suite 210
Santa Monica, CA 90401