

Semi-Annual Report May 31, 2008 (Unaudited)

"The unlimited expansion of bank paper has driven Britain's gold out of circulation and is carrying her rapidly to bankruptcy as it did France, as it did us and will do us again should paper be circulated except under the most rigorous limitations."

Thomas Jefferson, 1813

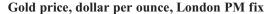
## Dear Fellow Shareholder:

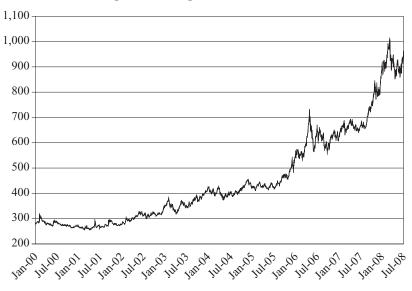
For the fiscal six month period ending May 31, 2008 your fund gained 4.95% (+0.23 after max. sales load) versus a decline of 4.47% for the S&P 500. The Philadelphia Gold and Silver Index ("XAU") advanced 6.49% over the same period as large cap gold shares outperformed your fund's more diversified approach to the gold industry of owning large and small cap mining shares. Over the long run your fund's strategy has outpaced the XAU index as demonstrated by the fund's 3, 5 and 10 year track record versus the XAU (see table).

The unraveling of the credit markets continued in the first half of 2008, forcing the Federal Reserve to take unprecedented measures in order to prevent a complete meltdown of the global financial system. In an effort to provide liquidity to banks and brokerages, the Fed exchanged high quality treasury bonds for much lower quality debt instruments including mortgage backed securities and other asset backed securities of dubious value. Faced with the choice of compromising the integrity of the dollar or risk systemic collapse, the Fed has shown its willingness to sacrifice the dollar, in our opinion. Consequently, the Fed's credibility as the steward of monetary policy is being questioned by the market.

Repeated calls of "the worst is behind us" are but hopeful cries that are met with revelations of more losses by financial institutions. The Fed engineered bailout of Bear Stearns and their counterparties in derivative trades early in the year was a stop-gap measure to buy time and hope. It appears both have run out as government sponsored mortgage giants Fannie Mae and Freddie Mac with a combined \$5.3 trillion in debt teeter on the brink of insolvency threatening to force the government to take the debt on to its balance sheet and thereby doubling the amount of national debt outstanding. Additionally, share prices of both regional and money center banks have collapsed as fear of the next casualty of the credit market unraveling grips the markets raising the specter of further government bailouts.

With confidence in financial markets fragile, gold has responded by trading between \$850 and \$950 through the first half of the year with a brief stint above \$1,000 at the height of the Bear Stearns collapse. We believe the environment for higher gold prices is excellent with gold appeared set to establish a new base of value above \$1,000 per ounce. Major gold producers, such as Goldcorp, Inc., Barrick Gold Corp., and Newmont Mining Corp., are beginning to realize increased cash flow and earnings as gold price increases are finally outstripping operating cost inflation. The lack of operating leverage to higher gold prices, in our opinion, has led gold shares to underperform the metal over the past year in contrast to gold shares historical price movement ratio of 3 to 1 to the price of gold. Rising earnings for gold shares should attract attention from investors in search of companies with rising earnings versus the poor performance of earnings comparisons being reported by a large segment of the economy, most notably finance and retail.





Source: Global Insight

Share prices of junior gold producers and exploration and development companies in general have dramatically underperformed the large cap gold shares. The perceived higher risk profile of small cap stocks and the less liquid nature of their share markets is the reason, in our opinion, along with the uncertainty of the companies to tap capital markets for future funding. While we believe the small caps in the gold sector represent excellent relative value to the large caps at present, we are maintaining our disciplined tiered approach of owning the major producers, with progressively smaller percentages of intermediate/mid-tier producers, junior gold producers and exploration and development companies. This allows your Fund to participate as investment dollars move throughout the gold sector. Should values for junior mining shares remain at depressed levels, major gold producers, in our opinion, will employ growing cash balances to acquire relatively cheap ounces in the ground which should lead to junior miners regaining investor interest.

In our opinion, the unraveling of the credit markets precipitated by the over issuance of credit to marginal borrowers is far from over. We are entering a period whereby lending institutions are contracting the availability of credit in response to shrinking capital bases. A vicious cycle can be envisioned where contracting credit leads to a serious economic downturn putting yet further pressure on the banks' loan portfolios. The dilemma for the Fed will be to find avenues to inject credit into the economy without destroying the value of the U.S. dollar. It appears to us Fed Chairman Bernanke's theory of dropping money from helicopters to stave off deflation may be tested. In any event, dollar weakness could accelerate as markets view the Fed having to embrace inflation as it did in the 1970's in an effort to stave off a prolonged recession. In a period of depreciating financial assets, investors, including central banks, will find comfort in the fact the gold is an owned asset and not someone else's liability.

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* 

Timothy G. Church Assistant Portfolio Manager

Timeth G. Chruch

July 15, 2008

Performance as May 31, 2008

	OCMGX (NAV)	OCMGX (max load)	Philadelphia Gold Index (XAU)
Six Months	+4.95%	+0.23%	+6.49%
One year	+24.67%	+19.08%	+30.86%
3 year Annualized	+35.65%	+33.59%	+29.50%
5 year Annualized	+23.70%	+22.55%	+21.17%
10 Year Annualized	+17.14%	+16.61%	+10.87%

The returns shown include the reinvestment of all dividends but do not reflect the deduction of taxes that a share-holder 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.

Schedule of Investments - May 31, 2008

(Unaudited)

Shares	Value	Shares	Value
COMMON STOCKS 93.2%		<b>Exploration and Development Companies 8.0%</b>	
Major Gold Producers 38.6%		375,000 Amazon Mining Holding PLC*\$	
20,000 AngloGold Ashanti Ltd. ADR	\$ 695,800	187,500 Anatolia Minerals Development Ltd.*	652,863
75,000 Barrick Gold Corp.	3,021,750	500,000 Andean American Mining Corp.*	271,712
10,000 Freeport-McMoRan Copper & Gold, Inc	1,157,100	58,200 Aquiline Resources, Inc.*	444,539
270,000 Gold Fields Ltd. ADR	3,491,100	400,000 Argentex Mining Corp. *†	414,000
666,250 Goldcorp, Inc	26.743.275	250,000 Australian Solomons Gold Ltd.*	125,792
200,000 Harmony Gold Mining Co., Ltd. ADR*	2,380,000	700,000 Brazauro Resources Corp.*	612,860
22,235 Kinross Gold Corp	443,492	126,707 DOT Resources Ltd.*	14,664
408,445 Kinross Gold Corp. ADR	8,156,647	500,000 Evolving Gold Corp.*	342,156
32,200 Lihir Gold Ltd. ADR*	927,038	300,000 Fury Explorations Ltd.*	190,198
107,333 Lihir Gold Ltd.*	304,970	215,600 Geologix Explorations, Inc.*	499,024
124,994 Newmont Mining Corp	5.940.965	800,000 Grayd Resource Corp.*	442,790
	53,262,137	100,000 Guyana Goldfields, Inc.*	467,948
		500,000 Hana Mining Ltd.*	261,648
Intermediate/Mid-Tier Gold Producers 25.3%		100,000 Keegan Resources, Inc.*	368,000
161,860 Agnico-Eagle Mines Ltd	11,441,884	300,000 MAG Silver Corp.*	3,502,063
430,000 Eldorado Gold Corp.*	3,483,446	287,500 Majestic Gold Corp.*	20,253
504,800 IAMGOLD Corp	2.983.368	125,000 Mansfield Minerals, Inc.*	377,378
500,000 Oxiana Ltd	1,473,112	250,000 Maximus Ventures Ltd.*	69,186
140,000 Randgold Resources Ltd. ADR	5,936,000	500,000 Mediterranean Resources Ltd.*	93,086
634,750 Yamana Gold, Inc.	9,698,980	120,000 Pediment Exploration Ltd.*	190,802
00 1,7 00 14114114 4014, 1101 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	35,016,790	200,000 Radius Gold, Inc.*	55,349
		300,000 Sabina Silver Corp.*	473,986
Junior Gold Producers 11.4%		273,500 Sinchao Metals Corp.*	92,203
599,000 Alhambra Resources Ltd.*	548,546	207,700 Sunridge Gold Corp.*	179,754
250,000 Aurizon Mines Ltd.*	1.200.000	500,000 TNR Gold Corp.*	120,761
400,000 Capstone Mining Corp.*	1,706,753	192,307 Volta Resources, Inc.*	114,180
21,429 Central Sun Mining, Inc.*	44,207	200,000 Western Goldfields, Inc.*	468,000
291,200 Claude Resources, Inc.*	266,672	_	11,110,490
457,000 Golden Cycle Gold Corp.*	4,889,900	0.7	
250,000 Great Basin Gold Ltd.*	867.500	Other 4.1%	
50,000 Jaguar Mining, Inc.*	566,066	206,812 Altius Minerals Corp.*	2,713,926
300,000 Red Back Mining, Inc.*	2,391,064	229,200 International Royalty Corp	1,379,306
665,500 San Gold Corp.*	1,111,734	50,000 Royal Gold, Inc	1,537,000
583,333 Sino Gold Mining Ltd.*	1,529,047	_	5,630,232
500,000 Yukon-Nevada Gold Corp.*	699,407		
,	15,820,896		
	.0,020,000		

Schedule of Investments - May 31, 2008 (Continued)

(Unaudited)

Shares		Value	Shares Value
Primary S	Silver Producers 5.8%		WARRANTS (continued)
200,000	Fortuna Silver Mines, Inc.*	\$ 518,516 1,803,999 1,593,147	60,000 Pediment Exploration Ltd.*†# Exercise Price 3.75 CAD, Exp. 11/16/2009 \$  150,000 San Gold Corp.*†#
190,000	Silver Wheaton Corp.*	2,757,149	Exercise Price 2.00 CAD, Exp. 05/28/2009 —
	Silverstone Resources Corp.*	970,909	250,000 Silver Wheaton Corp.*
700,000	US Silver Corp.*	316,997 7,960,717	Exercise Price 4.00 CAD, Exp. 8/5/2009 . 528,328 100,000 Yukon-Nevada Gold Corp.*
Total Con	nmon Stocks		Exercise Price 3.00 CAD, Exp. 6/20/2012 49,814
	(Cost \$44,244,957)	120 001 262	Total Warrants
	(0051 \$44,244,957)	120,001,202	(Cost \$17,918)
	NGE TRADED FUNDS 5.2%		SHORT-TERM INVESTMENT 1.4%
	iShares Silver Trust*		1,906,997 UMB Money Market Fiduciary, 0.92%
Total Exc	hange Traded Funds		<b>Total Short-Term Investments</b>
	(Cost \$3,931,360)	7,180,270	(Cost \$1,906,997)
WARRAN	NTS 0.6%		<b>Total Investments</b>
,	Amazon Mining Holding PLC *†# Exercise Price 1.55 CAD, Exp. 11/16/2009 AngloGold Ashanti Ltd. *	_	(Cost \$50,101,232)       100.4%       138,700,400         Liabilities less Other Assets       (0.4)%       (502,331)         NET ASSETS       100.0%       \$138,198,069
,	Exercise Price \$27.81, Exp. 6/23/2008	45,830	ADR – American Depository Receipts.
200,000	Argentex Mining Corp. *†# Exercise Price \$1.60, Exp. 9/19/2009		CAD – Canadian Dollars.
125.000	Australian Solomons Gold Ltd.*		* Non-income producing security.
-,	Exercise Price 1.71 CAD, Exp. 8/28/2008. Central Sun Mining, Inc.*	1,887	† Illiquid security. Security is valued at fair value in accordance with procedures established by the Fund's Board of Trustees.
	Exercise Price 1.25 CAD, Exp. 11/26/2008 Endeavour Mining Capital Corp.*	1,510	# Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended, or otherwise restricted.
	Exercise Price 5.50 CAD, Exp. 11/10/2008	184,502	These securities may be resold in transactions exempt from
	Fury Explorations Ltd.*†# Exercise Price 1.25 CAD, Exp. 9/20/2008.	_	registration, normally to qualified institutional buyers. The securities are valued at fair value in accordance with proce-
143,750	Majestic Gold Corp.*†# Exercise Price 0.60 CAD, Exp. 5/3/2009	_	dures established by the Fund's Board of Trustees.
35,000	Nevsun Resources*†# Exercise Price 10.00 CAD, Exp. 12/18/2008	_	

Schedule of Investments – May 31, 2008 (Continued) (Unaudited)

At May 31, 2008, restricted securities totaled \$414,000 or 0.3% of net assets and consisted of the following securities:

 Issuer
 Per Unit
 Cost
 Date

 Argentex Mining Corp.
 \$1.035
 \$1.25
 03/19/2008

 Argentex Mining Corp. Warrants
 Exercise Price \$1.60, Exp. 09/19/2009
 —
 —
 03/19/2008

## SUMMARY OF INVESTMENTS BY COUNTRY

		Percent of	
Country	Market Value	Investment Securities	
Australia	\$ 3,129,839	2.3%	
Canada	96,312,172	69.4	
Cayman Islands	184,502	0.1	
Jersey	5,936,000	4.3	
New Guinea	1,232,008	0.9	
South Africa	6,566,900	4.7	
United Kingdom	245,295	0.2	
United States <sup>1</sup>	25,093,684	18.1	
Total	\$ 138,700,400	100.0%	

<sup>&</sup>lt;sup>1</sup> Includes short-term securities.

# Statement of Assets and Liabilities – May 31, 2008 (Unaudited)

Assets:	
Investments in unaffiliated issuers, at value (cost \$50,101,232)	\$138,700,400
Interest and dividends receivable	37,390
Receivable for fund shares sold	83,248
Prepaid expenses and other assets	15,488
Total assets	138,836,526
Liabilities:	
Payable for securities purchased	127,835
Payable for fund shares redeemed	98,909
Due to investment adviser	95,742
Accrued distribution fees	235,747
Accrued expenses and other liabilities	80,224
Total liabilities	638,457
Net Assets	\$ 138,198,069
Net Assets Consist of:	
Shares of beneficial interest, no par value; unlimited shares authorized	\$ 48,556,652
Undistributed net investment loss	(3,303,928)
Undistributed net realized gain on investments and foreign currency transactions	4,346,074
Net unrealized appreciation on investments and foreign currency translations	88,599,271
Net Assets	\$ 138,198,069
Calculation of Maximum Offering Price:	
Net asset value and redemption price per share	\$ 21.09
Maximum sales charge (4.50% of offering price)	0.99
Offering price to public	\$ 22.08
Shares outstanding	6,551,647

# Statement of Operations – Six Months Ended May 31, 2008 (Unaudited)

Investment Income:		
Interest	\$	19,549
Dividends (net of foreign withholding taxes of \$25,243)		241,351
Total investment income		260,900
Expenses:		
Distribution fees		615,051
Investment advisory fees		592,868
Fund administration and accounting fees		86,831
Transfer agent fees and expenses		35,654
Professional fees		31,223
Custody fees		13,617
Federal and state registration fees		10,258
Chief Compliance Officer fees		6,492
Reports to shareholders		5,304
Trustees' fees		4,010
Other expenses		4,285
Total expenses	1	,405,593
Net investment loss		,144,693)
		, , ,
Realized and Unrealized Gain on Investments:		
Net realized gain on investments and foreign currency transactions	5	,689,725
Net change in unrealized appreciation/depreciation on investments and foreign currency translations	2	,004,681
Net gain on investments	7	,694,406
Net increase in net assets resulting from operations	\$ 6	,549,713

## Statements of Changes in Net Assets

	Six Months Ended May 31, 2008 (Unaudited)	Year ended Nov. 30, 2007
Operations:		
Net investment loss	\$ (1,144,693)	\$ (1,813,932)
Net realized gain on investments and foreign currency transactions	5,689,725	8,400,525
Net change in unrealized appreciation/depreciation on investments	0.004.001	11 047 045
and foreign currency translations	2,004,681	11,847,045
Net increase in net assets resulting from operations	6,549,713	18,433,638
Distributions Paid to Shareholders:		
Dividends from net investment income	_	_
Distributions paid from net realized gains	(8,998,120)	(10,048,572)
Total distributions	(8,998,120)	(10,048,572)
Fund Share Transactions:		
Net proceeds from shares sold	7,687,682	14,220,807
Distributions reinvested	8,489,751	8,876,117
Payment for shares redeemed <sup>1</sup>	(11,772,047)	(14,997,190)
Net increase in net assets from fund share transactions	4,405,386	8,099,734
Total increase in net assets	1,956,979	16,484,800
Net Assets, Beginning of Period	136,241,090	119,756,290
Net Assets, End of Period	\$138,198,069	<u>\$ 136,241,090</u>
Undistributed Net Investment Loss	<u>\$ (3,303,928)</u>	<u>\$ (2,159,235)</u>
Transactions in Shares:		
Shares sold	349,237	727,987
Shares issued on reinvestment of distributions	415,350	510,122
Shares redeemed	(551,244)	(758,285)
Net increase in shares outstanding	213,343	479,824

<sup>&</sup>lt;sup>1</sup> Net of redemption fees of \$6,796 and \$2,617 for the six months ended May 31, 2008, and year ended November 30, 2007, respectively.

Notes to Financial Statements – May 31, 2008 (Unaudited)

## 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.

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("FAS 157") effective for fiscal years beginning after November 15, 2007. FAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. The Fund adopted FAS 157 during fiscal 2008. Under FAS 157, various inputs are used in determining the value of the Fund's investments. These inputs are summarized into three broad levels and described below:

- Level 1 quoted prices in active markets for identical securities
- Level 2 other significant observable inputs (including quoted prices for similar securities, interest rates, and evaluated quotation obtained from pricing services.)
- Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments.)

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. The following is a summary of the inputs used, as of May 31, 2008, in valuing the Fund's assets:

Valuation Inputs	Investment in Securities	Other Financial Instruments*	
Level 1 – Quoted Prices	\$ 138,286,400	_	
Level 2 – Other Significant Observable Inputs	414,000	_	
Level 3 – Significant Unobservable Inputs	_	_	
Total	\$ 138,700,400	_	

<sup>\*</sup> Other financial instruments include futures, forwards and swap contracts.

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.

Notes to Financial Statements – May 31, 2008 (Continued)

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.

In July 2006, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"). FIN 48 addresses the accounting for uncertainty in income taxes and establishes for all entities, including pass-through entities, such as the Fund, a minimum threshold for financial statement recognition of the benefit of positions taken in filing tax returns (including whether an entity is taxable in a particular jurisdiction). The Fund recognizes tax benefits only if it is more likely than not that a tax position (including the Fund's assertion that its income is exempt from tax) will be sustained upon examination. The Fund adopted FIN 48 in fiscal 2008. The Fund had no material uncertain tax positions and has not recorded a liability for unrecognized tax benefits as of May 31, 2008. Also, the Fund had recognized no interest and penalties related to uncertain tax benefits in 2008. At May 31, 2008, the fiscal years 2005 through 2008 remain open to examination in the Fund's major tax jurisdictions.

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.

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. For the period ended May 31, 2008, the Fund received \$6,796 in redemption fees.

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.

#### **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>	Fee Rate
\$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%

Notes to Financial Statements – May 31, 2008 (Continued) (Unaudited)

## 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 May 31, 2008 are reflected in the Statement of Operations. At May 31, 2008, \$235,747 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 period ended May 31, 2008 were \$5,284,605 and \$8,744,462, respectively. There were no purchases or sales of U.S. government obligations.

#### Note 6. Federal Income Tax Information

At May 31, 2008, 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>\$51,326,883</u>
Unrealized appreciation	\$89,911,194
Unrealized depreciation	_(2,537,677)
Net unrealized appreciation on investments	\$87,373,517

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:

	<u>2007</u>		<u> 2006</u>	
Ordinary income	\$	_	\$ _	
Net long-term capital gains	_10,0	48,572	 	
Total distributions	\$ 10,0	48,572	\$ 	

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	7,438,001
Tax accumulated earnings	7,657,987
Accumulated capital and other losses	_
Unrealized appreciation on investments	84,431,738
Unrealized appreciation on foreign currency	99
Total accumulated earnings	\$92,089,824

Notes to Financial Statements – May 31, 2008 (Continued) (Unaudited)

## 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 period ended May 31, 2008, the Fund was advised that the Distributor received \$17,075 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.

# Financial Highlights

	Six Months Ended May 31, 2008 (Unaudited)		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 period)	od)											
Net asset value, beginning of period	\$ 21.4	9	\$	20.44	\$	12.85	\$	12.76	\$	14.46	\$	7.53
Income From Investment Operations: Net investment loss	(0.1	,		(0.27)		(0.29)		(0.18)		(0.18)		(0.12)
Total from investment operations	1.0	_	_	2.79	_	7.59	_	0.03	_	(1.48)	_	6.93
Less Distributions:  Dividends from net investment income  Distribution from net realized gains  Total distributions  Net asset value, end of period	(1.4 (1.4 \$ 21.0	<u>2</u> )	 \$	(1.74) (1.74) 21.49	\$	20.44	\$	(0.11) (0.31) (0.42) 12.85	\$	(0.01) (0.21) (0.22) 12.76	<u>\$</u>	
Total Return*	4.9	5%²		15.64%		59.07%		4.34%		(10.31)%		92.03%
Ratios/Supplemental Data: Net assets, end of year (in 000's)	1.9	4%¹	\$ 13	1.93%	\$	119,756 2.07%	\$	78,528 2.24%	\$	80,202 2.15%	\$	84,230 2.39%
Before waivers and reimbursements Ratio of net investment loss to average net asset Net of waivers and reimbursements Before waivers and reimbursements Portfolio turnover rate	ts: (1.58 (1.58	· .		1.93% (1.51)% (1.51)% 11%		2.07% (1.64)% (1.64)% 20%		2.24% (1.51)% (1.51)% 5%		2.17% (1.58)% (1.60)% 12%		2.39% (1.42)% (1.42)% 17%

<sup>\*</sup> Assumes no sales charge.

1 Annualized for periods less than one year.
2 Not annualized for periods less than one year.

Expense Example – For the Six Months Ended May 31, 2008 (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 December 1, 2007 to May 31, 2008 (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.

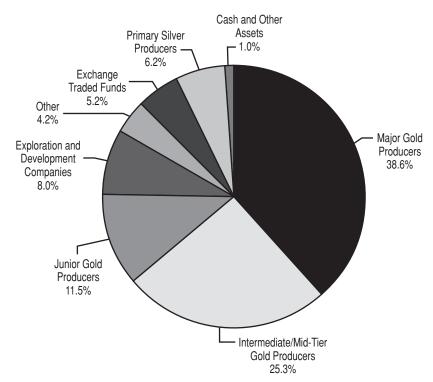
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#### **Expenses Paid During the Period**

	Beginning Account Value December 1, 2007	Ending Account Value May 31, 2008	During the Period Ended May 31, 2008*
Actual	\$1,000.00	\$1,049.50	\$9.95
Hypothetical (5% return before expenses)	1,000.00	1,015.29	9.79

<sup>\*</sup> Expenses are equal to the Fund's annualized expense ratio of 1.94% for the period, multiplied by the average account value over the period, multiplied by 183/366 (to reflect the one-half year period).

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.

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