



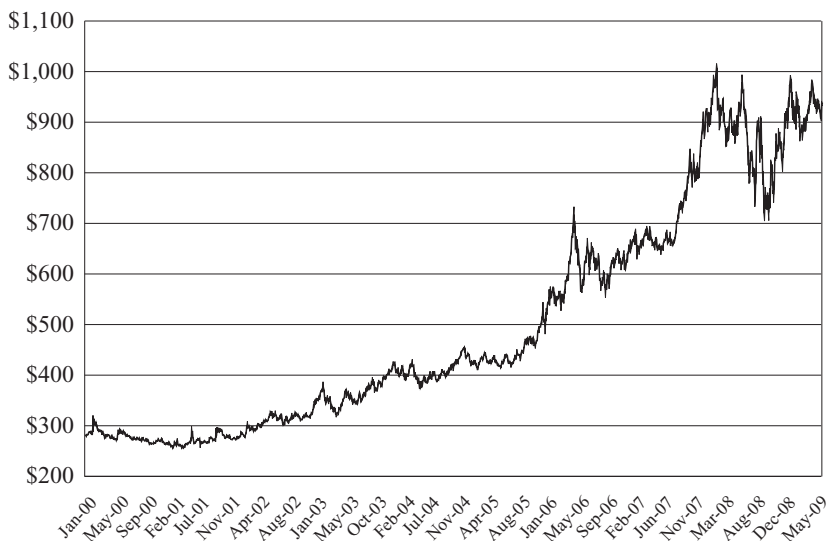
OCM GOLD FUND

**Semi-Annual Report
May 31, 2009
(Unaudited)**

Dear Fellow Shareholder:

Gold bullion remained well bid throughout the first half of the year with a June 30th London PM fix of \$934.50, up 8.03% from year-end. For the fiscal six month period ending May 30th covered in this report, the Fund rebounded from the liquidity crisis lows to post a NAV gain of 66.64% (59.16% after maximum sales load). The Philadelphia Gold and Silver Index (XAU) returned 58.15% over the same period while the S&P 500 gained 4.05%. For the six month calendar period ending June 30th, the Fund's NAV increased 17.17% (11.89% after maximum sales load) versus a 12.58% gain for the XAU and 3.16% advance in the S&P 500.

Gold price, dollar per ounce, London PM fix



Source: Global Insight

The rush for liquidity at the height of the credit crisis last fall helped temporarily mask the inherent weakness in the U.S. dollar. It was only a matter of time, in our opinion, before holders of U.S. dollar assets began questioning the effects unprecedented monetary and fiscal stimulus employed to stem the slide in the U.S. economy would have on the perceived and real value of the dollar and U.S. government obligations. With the 2009 U.S. fiscal deficit topping over \$1 trillion, calls for a new reserve currency to replace the dollar have grown louder from various corners of the globe, especially China. Fear of the prospect of wholesale dumping of the U.S. dollar has become a real concern. Accordingly, we believe an appreciation of gold's unique monetary attributes is beginning to take root among a new generation of central bankers as evidenced by China announcing an increase in its gold reserves in the first half of the year and European central banks slowing gold sales to the lowest rate in over ten years.

U.S. policy makers are holding their collective breath that the U.S. economy has hit bottom and there will be no need for a further stimulus package that could prompt an accelerated move out of the dollar. Despite the Obama Administration efforts to find “green shoots” in the economy, the structural shift of consumer attitudes to reducing debt and increasing savings is a recipe, in our opinion, for further economic contraction as excess capacity is wrung out of the U.S. and global economy. The downsizing of General Motors is just one example of the seismic shift taking place. Consequently, we see unemployment continuing to climb during the current economic cycle with business investment constrained and residential and commercial property values both remaining under pressure. Further, we believe state and municipal governments across the U.S. will face ongoing declines in tax revenue forcing reduced services in order to balance pension and debt obligations baked into the system. A second round of fiscal stimulus seems an almost certainty, in our opinion, which market participants are sure to smell out. We are concerned a rout of the dollar may ensue as the stimulus package is deemed to be a bridge too far on the back of the previous monetary and fiscal stimulus and therefore more than international dollar holders are willing to stomach.

Historically, currency weakness has been combated with higher interest rates as the risk of currency depreciation is offset with the reward of higher rates. In our opinion, there would be little political tolerance in the current environment for higher interest rates in the U.S., not to mention the potential disastrous impact higher rates could have on the trillions of dollars of interest rate related derivatives outstanding in the hands of weakened financial institutions. Should the market no longer be willing to finance the U.S. Government’s spending practices on favorable terms, the most likely policy response, we believe, would be further monetization of U.S. debt by the Federal Reserve. Cries for a new reserve currency would no doubt be deafening by holders of large dollar reserves if the scenario plays out as we suspect. In turn, we believe the stampede into gold by those who understand the consequences of an overtly weak dollar policy would be akin to Niagara Falls trying to get through a garden hose.

While gold shares have come up off their lows, they have not yet returned to valuation levels that persisted prior to the credit crisis of last year. In our opinion, the shares of major and intermediate gold producers remain approximately 30% below the valuations levels gold shares have traditionally traded at versus gold for the past 25 years. With investors searching for gold assets as a means to hedge against further dollar declines, we believe the prospect of higher gold prices combined with a return to historical valuation levels is promising for the future performance of the Fund. Despite the volatility in the gold share market, our investment approach has been to not time the ups and downs, as we believe gold remains firmly entrenched in a bull market and it is imperative for our shareholders to be fully exposed to gold assets in this period of currency debasement. Over the first half of the year, the Fund continued to hold a large percentage of its portfolio in growth oriented gold producers; Goldcorp, Inc., Agnico-Eagle Mines Ltd., Randgold Resources Ltd. ADR and Kinross Gold Corp. On the exploration and development front, we have been adding positions in the portfolio to companies with large resource positions that we believe major companies will seek out to acquire in order to replace reserves.

As a shareholder of the OCM Gold Fund, as well as its manager, I would like to take this opportunity to thank each of you for your shareholding and confidence in the OCM Gold Fund. 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 questions regarding your account, please contact Shareholder Services at 1-800-628-9403.

Sincerely,



Gregory M. Orrell
Portfolio Manager

July 22, 2009

Performance as of May 31, 2009

	OCMGX (without load)	OCMGX (with load)	Philadelphia Gold Index (XAU)	S & P 500
Six Months	66.64%	59.16%	58.15%	4.05%
One Year	(2.42%)	(6.79%)	(10.85%)	(32.57%)
3 Year Annualized	8.52%	6.87%	5.05%	(8.24%)
5 Year Annualized	17.94%	16.86%	13.49%	(1.90%)
10 Year Annualized	19.20%	18.65%	11.76%	(1.71%)

The performance data quoted above represents past performance. Current performance may be lower or higher than the performance data quoted above. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that investor's shares, when redeemed, may be worth more or less than their original cost. The Fund's Total Annual Operating Expenses for the OCM Gold Fund are 1.99%. Please review the Fund's prospectus for more information regarding the Fund's fees and expenses. For performance information current to the most recent month-end, please call toll-free 800-628-9403. The returns shown include the reinvestment of all dividends but do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

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.

Performance as of June 30, 2009

	OCMGX (without load)	OCMGX (with load)	Philadelphia Gold Index (XAU)	S & P 500
Six Months	17.17%	11.89%	12.58%	3.16%
One Year	(19.06%)	(22.70%)	(28.09%)	(26.21%)
3 Year Annualized	4.27%	2.69%	(0.06%)	(8.22%)
5 Year Annualized	15.35%	14.30%	11.21%	(2.24%)
10 Year Annualized	17.17%	16.64%	9.15%	(2.22%)

The performance data quoted above represents past performance. Current performance may be lower or higher than the performance data quoted above. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that investor's shares, when redeemed, may be worth more or less than their original cost. The Fund's Total Annual Operating Expenses for the OCM Gold Fund are 1.99%. Please review the Fund's prospectus for more information regarding the Fund's fees and expenses. For performance information current to the most recent month-end, please call toll-free 800-628-9403. The returns shown include the reinvestment of all dividends but do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

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.

Investing in the OCM Gold Fund involves risks including the loss of principal. Many of the companies in which the Fund invests are smaller capitalization companies which may subject the fund to greater risk than securities of larger, more-established companies, as they often have limited product lines, markets or financial resources and may be subject to more-abrupt market movements. The Fund also invests in securities of gold and precious metals which may be subject to greater price fluctuations over short periods of time. The Fund is a non-diversified investment company meaning it will invest in fewer securities than diversified investment companies and its performance may be more volatile. The Fund contains international securities that may provide the opportunity for greater return but also have special risks associated with foreign investing including fluctuations in currency, government regulation, differences in accounting standards and liquidity.

OCM GOLD FUND
Schedule of Investments – May 31, 2009
(Unaudited)

<i>Shares</i>	<i>Value</i>	<i>Shares</i>	<i>Value</i>
COMMON STOCKS 92.3%		Exploration and Development Companies 5.2%	
Major Gold Producers 40.4%			
225,000 AngloGold Ashanti Ltd. ADR	\$ 9,524,250	375,000 Amazon Mining Holding PLC*	\$ 102,665
75,000 Barrick Gold Corp.	2,856,000	250,000 Anatolia Minerals Development Ltd.*	743,749
10,000 Freeport-McMoRan Copper & Gold, Inc.	544,300	58,200 Aquiline Resources, Inc.*	124,813
270,000 Gold Fields Ltd. ADR	3,666,600	400,000 Argentex Mining Corp.*	288,000
500,050 Goldcorp, Inc.	19,866,987	479,600 B2Gold Corp.*	367,644
100,000 Harmony Gold Mining Co., Ltd. ADR*	1,210,000	700,000 Brazauro Resources Corp.*	396,058
430,680 Kinross Gold Corp.	8,708,350	126,707 DOT Resources Ltd.*	10,985
107,333 Lihir Gold Ltd.*	280,940	500,000 Evolving Gold Corp.*	209,892
32,200 Lihir Gold Ltd. ADR*	832,370	215,600 Geologix Explorations, Inc.*	39,350
116,500 Newmont Mining Corp.	5,693,355	829,500 Grayd Resource Corp.*	370,921
	<u>53,183,152</u>	250,000 Great Basin Gold Ltd.*	392,500
		100,000 Guyana Goldfields, Inc.*	396,970
		200,000 International Tower Hill Mines Ltd.*	660,704
		200,000 Keegan Resources, Inc.*	560,000
		300,000 MAG Silver Corp.*	1,700,128
		120,000 Pediment Gold Corp.*	105,129
		200,000 Radius Gold, Inc.*	41,978
		300,000 Sabina Silver Corp.*	268,297
		144,500 Sinchao Metals Corp.*	16,483
		192,307 Volta Resources, Inc.*	27,202
			<u>6,823,468</u>
Intermediate/Mid-Tier Gold Producers 31.8%		Primary Silver Producers 2.3%	
161,860 Agnico-Eagle Mines Ltd.	10,012,660	225,000 Fortuna Silver Mines, Inc.*	207,383
650,000 Centerra Gold, Inc.*	4,330,170	48,075 Pan American Silver Corp.*	1,125,916
430,000 Eldorado Gold Corp.*	4,265,600	166,599 Silver Wheaton Corp.*	1,746,877
504,800 IAMGOLD Corp.	5,689,096		<u>3,080,176</u>
500,000 OZ Minerals Ltd.	350,196		
140,000 Randgold Resources Ltd. ADR	9,773,400	Other 3.7%	
634,750 Yamana Gold, Inc.	7,471,007	206,812 Altius Minerals Corp.*	1,370,191
	<u>41,892,129</u>	14,800 Franco-Nevada Corp.	409,910
		65,000 Royal Gold, Inc.	3,027,050
			<u>4,807,151</u>
Junior Gold Producers 8.9%		Total Common Stocks	
250,000 Aurizon Mines Ltd.*	1,110,000	(Cost \$39,891,402)	<u>121,498,882</u>
300,000 Capstone Mining Corp.*	635,152		
291,200 Claude Resources, Inc.*	236,510		
150,000 Jaguar Mining, Inc.*	1,314,109		
281,011 Kingsgate Consolidated Ltd.*	1,360,855		
300,000 Red Back Mining, Inc.*	2,860,924		
815,500 San Gold Corp.*	1,793,535		
133,700 SEMAFO, Inc.*	305,028		
283,333 Sino Gold Mining Ltd.*	1,478,693		
200,000 Western Goldfields, Inc.*	618,000		
	<u>11,712,806</u>		

See notes to financial statements.

OCM GOLD FUND
Schedule of Investments – May 31, 2009 (Continued)
(Unaudited)

<i>Shares</i>	<i>Value</i>	<i>Shares</i>	<i>Value</i>
EXCHANGE TRADED FUNDS 5.8%		SHORT-TERM INVESTMENT 2.1%	
90,000 iShares Silver Trust*	\$ 1,392,300	2,813,969 UMB Money Market Fiduciary, 0.05% . .	\$ 2,813,969
65,000 SPDR Gold Trust*	<u>6,253,650</u>		
Total Exchange Traded Funds		Total Short-Term Investments	
(Cost \$3,931,360)	<u>7,645,950</u>	(Cost \$2,813,969)	<u>2,813,969</u>
WARRANTS 0.3%		Total Investments	
187,500 Amazon Mining Holding PLC*†#		(Cost \$46,636,731)	100.5% 132,308,460
Exercise Price 1.55 CAD, Exp. 11/16/2009	—	Liabilities less Other Assets	(0.5)% (620,821)
200,000 Argentex Mining Corp.*†#		TOTAL NET ASSETS	<u>\$131,687,639</u>
Exercise Price \$1.60, Exp. 9/19/2009 . . .	—		
150,000 EMC Metals Corp.*†#		ADR – American Depository Receipts.	
Exercise Price 3.35 CAD, Exp. 8/15/2011 .	—	PLC – Public Limited Company.	
37,500 Golden Predator Royalty & Development Corp.*		CAD – Canadian Dollars.	
Exercise Price 1.34 CAD, Exp. 8/15/2011 .	1,968	* Non-income producing security.	
143,750 Majestic Gold Corp.*†#		† Illiquid security. Security is valued at fair value in accordance with procedures established by the Fund's Board of Trustees.	
Exercise Price 0.60 CAD, Exp. 6/1/2009 . .	—	# Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended, or otherwise restricted. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. The securities are valued at fair value in accordance with procedures established by the Fund's Board of Trustees.	
60,000 Pediment Exploration Ltd.*†#			
Exercise Price 3.75 CAD, Exp. 11/16/2009	—		
250,000 Silver Wheaton Corp.*			
Exercise Price 4.00 CAD, Exp. 8/5/2009 .	339,934		
100,000 Yukon-Nevada Gold Corp.*			
Exercise Price 3.00 CAD, Exp. 6/20/2012	<u>7,757</u>		
Total Warrants			
(Cost \$0)	<u>349,659</u>		

See notes to financial statements.

OCM GOLD FUND
Schedule of Investments – May 31, 2009 (Continued)
(Unaudited)

SUMMARY OF INVESTMENTS BY COUNTRY

Country	Market Value	Percent of Investment Securities
Australia	\$ 3,189,744	2.4%
Canada	83,715,866	63.3
Jersey	9,773,400	7.4
New Guinea	1,113,311	0.8
South Africa	14,400,850	10.9
United Kingdom	102,665	0.1
United States ¹	20,012,624	15.1
Total	\$ 132,308,460	100.0%

¹ Includes short-term securities.

See notes to financial statements.

OCM GOLD FUND
Statement of Assets and Liabilities – May 31, 2009
(Unaudited)

Assets:

Investments in unaffiliated issuers, at value (cost \$46,636,731)	\$132,308,460
Foreign cash, at value (cost \$263,158)	273,773
Interest and dividends receivable	12,884
Receivable for fund shares sold	146,202
Prepaid expenses and other assets	19,416
Total assets	<u>132,760,735</u>

Liabilities:

Payable for securities purchased	550,183
Payable for fund shares redeemed	79,043
Due to investment adviser	88,790
Accrued distribution fees	290,912
Accrued trustees' fees	1,674
Accrued expenses and other liabilities	62,494
Total liabilities	<u>1,073,096</u>
Net Assets	<u>\$131,687,639</u>

Net Assets Consist of:

Shares of beneficial interest, no par value; unlimited shares authorized	\$ 44,910,767
Undistributed net investment loss	(895,076)
Undistributed net realized gain on investments and foreign currency transactions	2,000,219
Net unrealized appreciation on investments and foreign currency translations	85,671,729
Net Assets	<u>\$131,687,639</u>

Calculation of Maximum Offering Price:

Net asset value and redemption price per share	\$ 20.58
Maximum sales charge (4.50% of offering price)	0.97
Offering price to public	<u>\$ 21.55</u>
Shares outstanding	<u>6,398,053</u>

See notes to financial statements.

OCM GOLD FUND

Statement of Operations – Six Months Ended May 31, 2009

(Unaudited)

Investment Income:

Interest	\$ 2,129
Dividends (net of foreign withholding taxes of \$23,357)	199,688
Total investment income	<u>201,817</u>

Expenses:

Investment advisory fees	451,301
Distribution fees	423,587
Fund administration and accounting fees	59,800
Transfer agent fees and expenses	46,594
Professional fees	28,644
Federal and state registration fees	14,765
Chief Compliance Officer fees	12,952
Custody fees	11,954
Reports to shareholders	10,108
Trustees' fees	3,674
Other expenses	3,350
Total expenses	<u>1,066,729</u>
Net investment loss	<u>(864,912)</u>

Realized and Unrealized Gain/Loss on Investments:

Net realized gain on investments and foreign currency transactions	1,961,247
Net change in unrealized appreciation/depreciation on investments and foreign currency translations	<u>51,392,907</u>
Net gain on investments	<u>53,354,154</u>

Net increase in net assets resulting from operations \$ 52,489,242

See notes to financial statements.

OCM GOLD FUND
Statements of Changes in Net Assets

	Six Months Ended May 31, 2009 (Unaudited)	Year ended Nov. 30, 2008
Operations:		
Net investment loss	\$ (864,912)	\$ (1,971,020)
Net realized gain on investments and foreign currency transactions	1,961,247	1,699,108
Net change in unrealized appreciation/depreciation on investments and foreign currency translations	<u>51,392,907</u>	<u>(52,315,767)</u>
Net increase/(decrease) in net assets resulting from operations	<u>52,489,242</u>	<u>(52,587,679)</u>
Distributions Paid to Shareholders:		
Distributions paid from net realized gains	<u>—</u>	<u>(8,998,120)</u>
Total distributions	<u>—</u>	<u>(8,998,120)</u>
Fund Share Transactions:		
Net proceeds from shares sold	5,645,353	18,015,280
Distributions reinvested	—	8,489,751
Payment for shares redeemed ¹	<u>(5,099,406)</u>	<u>(22,507,872)</u>
Net increase in net assets from fund share transactions	<u>545,947</u>	<u>3,997,159</u>
Total increase/(decrease) in net assets	53,035,189	(57,588,640)
Net Assets, Beginning of Period	78,652,450	136,241,090
Net Assets, End of Period	<u>\$ 131,687,639</u>	<u>\$ 78,652,450</u>
Undistributed Net Investment Loss	<u>\$ (895,076)</u>	<u>\$ (30,164)</u>
Transactions in Shares:		
Shares sold	363,424	1,004,491
Shares issued on reinvestment of distributions	—	415,350
Shares redeemed	<u>(336,037)</u>	<u>(1,387,479)</u>
Net increase in shares outstanding	<u>27,387</u>	<u>32,362</u>

¹ Net of redemption fees of \$2,559 and \$16,193 for the six months ended May 31, 2009, and year ended November 30, 2008, respectively.

See notes to financial statements.

OCM GOLD FUND

Notes to Financial Statements – May 31, 2009

(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, 2009, in valuing the Fund's assets:

Valuation Inputs	Investment in Securities
Level 1 – Quoted Prices	\$ 132,308,460
Level 2 – Other Significant Observable Inputs	—
Level 3 – Significant Unobservable Inputs	—
Total	\$ 132,308,460

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 for the six months ended May 31, 2009 are included within the realized and unrealized gain/loss on investments section of the Statement of Operations.

OCM GOLD FUND

Notes to Financial Statements – May 31, 2009 (Continued)

(Unaudited)

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. Such fluctuations for the six months ended May 31, 2009 are included within the realized and unrealized gain/loss on investments section of the Statement of Operations.

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, 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, 2009. Also, the Fund had recognized no interest and penalties related to uncertain tax benefits in 2008. At May 31, 2009, 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 – 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 six months ended May 31, 2009, the Fund received \$2,559 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.

OCM GOLD FUND

Notes to Financial Statements – May 31, 2009 (Continued)

(Unaudited)

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%

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, 2009 are reflected in the Statement of Operations. At May 31, 2009, \$290,912 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, 2009 were \$4,365,636 and \$2,993,014, respectively. There were no purchases or sales of U.S. government obligations.

Note 6. Federal Income Tax Information

At May 31, 2009, 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>\$47,121,669</u>
Unrealized appreciation	\$87,793,373
Unrealized depreciation	<u>(2,606,582)</u>
Net unrealized appreciation on investments.	<u>\$85,186,791</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, 2008 and November 30, 2007 was as follows:

	<u>2008</u>	<u>2007</u>
Ordinary income	\$ —	\$ —
Net long-term capital gains.	<u>8,998,120</u>	<u>10,048,572</u>
Total distributions	<u>\$ 8,998,120</u>	<u>\$ 10,048,572</u>

OCM GOLD FUND

Notes to Financial Statements – May 31, 2009 (Continued)

(Unaudited)

As of November 30, 2008 the components of accumulated earnings on a tax basis were as follows:

Undistributed ordinary income	\$	—
Undistributed long-term gains		<u>2,363</u>
Tax accumulated earnings		2,363
Accumulated capital and other losses		—
Unrealized appreciation on investments		<u>34,285,267</u>
Total accumulated earnings		<u>\$ 34,287,630</u>

Note 7. 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.

Equity securities in the gold mining industry, particularly the smaller companies, may occasionally issue warrants as part of their capital structure. A warrant gives the holder the right to purchase the underlying equity security at the exercise price until the expiration date of the warrant. The Fund may hold such warrants for exposure to smaller companies in the portfolio or other reasons associated with the Fund's overall objective of long-term growth, though warrants will typically not be a significant part of the Fund's portfolio. The Fund's maximum risk in holding warrants is the loss of the entire amount paid for the warrants. At May 31, 2009 the Fund held warrants as listed on the Schedule of Investments.

OCM GOLD FUND

Financial Highlights

	Six Months Ended May 31, 2009 (Unaudited)	Year Ended Nov. 30, 2008	Year Ended Nov. 30, 2007	Year Ended Nov. 30, 2006	Year Ended Nov. 30, 2005	Year Ended Nov. 30, 2004
Per Share Operating Performance (For a share outstanding throughout each period)						
Net asset value, beginning of period	\$ 12.35	\$ 21.49	\$ 20.44	\$ 12.85	\$ 12.76	\$ 14.46
Income From Investment Operations:						
Net investment loss	(0.14)	(0.31)	(0.27)	(0.29)	(0.18)	(0.18)
Net realized and unrealized gain (loss) on investments and foreign currency transactions	8.37	(7.41)	3.06	7.88	0.69	(1.30)
Total from investment operations	8.23	(7.72)	2.79	7.59	0.51	(1.48)
Less Distributions:						
Dividends from net investment income	—	—	—	—	(0.11)	(0.01)
Distribution from net realized gains	—	(1.42)	(1.74)	—	(0.31)	(0.21)
Total distributions	—	(1.42)	(1.74)	—	(0.42)	(0.22)
Net asset value, end of period	\$ 20.58	\$ 12.35	\$ 21.49	\$ 20.44	\$ 12.85	\$ 12.76
Total Return*	66.64% ²	(38.55)%	15.64%	59.07%	4.34%	(10.31)%
Ratios/Supplemental Data:						
Net assets, end of year (in 000's)	\$ 131,688	\$ 78,652	\$ 136,241	\$ 119,756	\$ 78,528	\$ 80,202
Ratio of expenses to average net assets:						
Net of waivers and reimbursements	2.14% ¹	1.99%	1.93%	2.07%	2.24%	2.15%
Before waivers and reimbursements	2.14% ¹	1.99%	1.93%	2.07%	2.24%	2.17%
Ratio of net investment loss to average net assets:						
Net of waivers and reimbursements	(1.73)% ¹	(1.58)%	(1.51)%	(1.64)%	(1.51)%	(1.58)%
Before waivers and reimbursements	(1.73)% ¹	(1.58)%	(1.51)%	(1.64)%	(1.51)%	(1.60)%
Portfolio turnover rate	3% ²	5%	11%	20%	5%	12%

* Assumes no sales charge.

¹ Annualized for periods less than one year.

² Not annualized for periods less than one year.

See notes to financial statements.

OCM GOLD FUND
Expense Example – For the Period Ended May 31, 2009
(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, 2008 to May 31, 2009 (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.

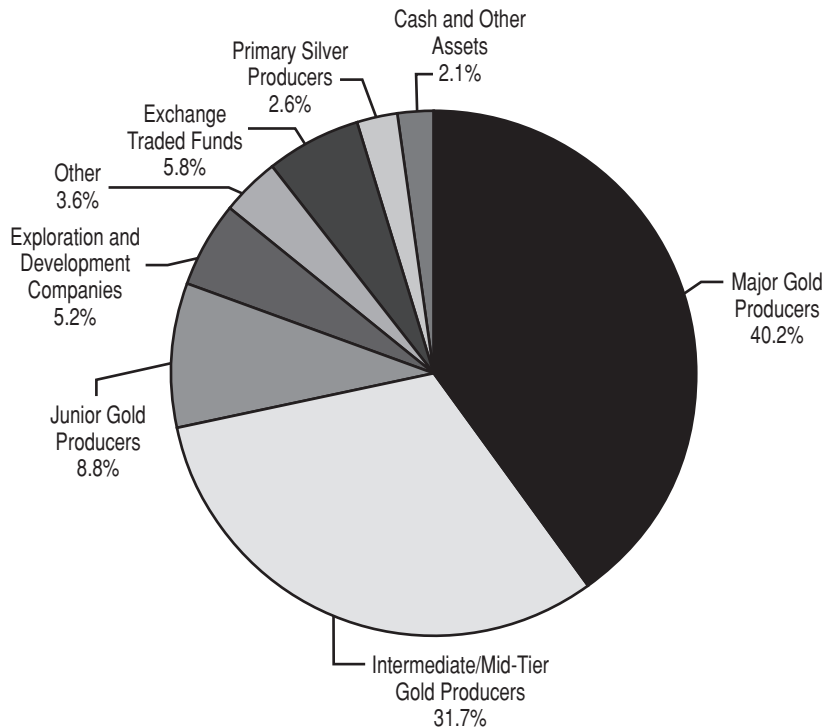
Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads) and redemption fees. Therefore, the second line of the table is useful in comparing the ongoing costs only, and will not help you determine 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 December 1, 2008	Ending Account Value May 31, 2009	Expenses Paid During the Period Ended May 31, 2009*
Actual	\$1,000.00	\$1,666.40	\$14.22
Hypothetical (5% return before expenses)	1,000.00	1,014.34	10.74

* Expenses are equal to the Fund’s annualized expense ratio of 2.14% for the period, multiplied by the average account value over the period, multiplied by 182/365 (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, 2008 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
Distributed by:

Northern Lights Distributors, LLC
4020 South 147th Street
Omaha, NE 68137

0913-NLD-7/29/2009