



OCM GOLD FUND

Semi-Annual Report
May 31, 2010
(Unaudited)

Dear Fellow Shareholder:

Through the first six months of the 2010 fiscal year ending May 31, 2010 the OCM Gold Fund Investor Class appreciated 3.05% (-1.58% after maximum sales load) compared to -4.99% for the Philadelphia Stock Exchange Gold/Silver Index (XAU)¹ and 0.40% for the S&P 500². We are pleased that the Advisor Class of shares commenced operations on April 1, 2010. The Advisor Class cumulative return for the period since inception through May 31, 2010 was 11.78% compared to 5.41% for the XAU and -6.53% for the S&P 500. Gold prices ended the period up 2.70% based on the London PM fix. Performance numbers are shown below for the periods ending June 30, 2010. Your Fund's investment strategy of owning a select portfolio of major, intermediate and junior gold producers enabled it to outperform the XAU over these periods.

Market Commentary

Focus on sovereign credit risk helped fuel gold prices to new highs in both euros and dollars in the first half of the year. The Greek fiscal crisis broke the façade of the euro as a safe haven with markets questioning the long-term viability of the euro. The decline in the dollar and euro versus gold is a clear vote by the financial markets on the credibility of modern democratic governments' fiscal policies, in our opinion. The potential inability of sovereign governments to finance deficit spending threatens not only the lifestyle economies of Europe but also the United States and Japan, with Japan potentially the most vulnerable.

The attention on public finances is the result of the progression of the unwinding of leverage that began with the household sector in the summer of 2007, then moved to the banking sector before reaching the public sector. Skepticism abounds about the ability of governments to impose austerity measures in the face of collapsing tax revenue. Nobel Prize economist Paul Krugman recently commented: *"Many economists, myself included, regard this turn to austerity as a huge mistake. It raises memories of 1937, when F.D.R.'s premature attempt to balance the budget helped plunge a recovering economy back into severe recession. And here in Germany, a few scholars see parallels to the policies of Heinrich Brüning, the chancellor from 1930 to 1932, whose devotion to financial orthodoxy ended up sealing the doom of the Weimar Republic."*

However, Allen Greenspan, whose reputation has taken a severe beating since leaving the Federal Reserve Chairman post, argued: *"An urgency to rein in budget deficits seems to be gaining some traction among American lawmakers. If so, it is none too soon. Perceptions of a large U.S. borrowing capacity are misleading."*

While admirable, the bandwagon for belt tightening is likely to further weaken the consumer psyche and strengthen deflationary forces. The economy has been on a stimulus steroid that is showing signs of wearing off. A cautious private sector appears to be incapable of filling the gap in the economy as government spending retreats. Consequently, another leg down in the recession appears to be in the cards. The market reaction to the acknowledgement of that fact is likely to be vicious, in our opinion.

Recent history tells us the move toward austerity will be fleeting, as in our view, Mr. Ben Bernanke's response to the looming deflationary maelstrom will be additional quantitative easing or money printing. In such a scenario, we believe the borrowing capacity of the United States will indeed be tested as the solvency of the government is questioned. Further, the dollar based reserve system for international trade could become a casualty of domestic political pressure opening up the prospect for dollars to come back home unleashing a period of high inflation. The fallout, in our opinion, could usher in a major shift in the political and social landscape.

While gold has risen to new highs in nominal terms, adjusted for inflation it remains well off its 1980 CPI inflation adjusted high of \$2,250 an ounce. We believe measuring gold in dollar terms will become irrelevant at some point and it is best to view gold in relative terms. The Dow/Gold ratio is perhaps the most important ratio to focus on, in our opinion, as it measures gold versus financial assets. In 1980 the ratio briefly touched one to one. As of June 30, 2010 the ratio was 8.40 and we believe a move to low single digits is again likely as gold's monetary characteristics gain wider appreciation by a new generation.

With increased free cash flow at higher gold prices, we believe gold mining shares will be one the few bright spots in a market struggling to grapple with a contracting economic environment and therefore offer one of the best means to participate in the gold market to hedge against further monetary debasement. A period of underperformance by the mining companies versus bullion appears to have abated as upward pressure on operating costs has subsided. Perhaps the biggest concern facing the mining companies is the risk of a revenue grab by cash-strapped governments, as evidenced by Australia's proposal to increase taxes on mining.

Conclusion

Economic history has shown that monetary systems ultimately fall prey to the will of politicians' need to appease the electorate in order to maintain power. In our opinion, the currencies of the western world are in the process of being cast aside by the market as realization takes root that public finances have reached a point of insolvency. We believe through the process of elimination, gold is emerging as the currency of choice because it is not someone else's liability. For those not positioned in gold it is not too late, in our opinion.

We appreciate your shareholding and confidence in the OCM Gold Fund and we look forward to assisting you in meeting your investment objectives. 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
President and Portfolio Manager

July 12, 2010

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.

Investor Class Performance as of May 31, 2010

	OCMGX (without load)	OCMGX (with load)	Philadelphia Gold Index (XAU)	S&P 500
Six Months	3.05%	(-1.58%)	(-4.99%)	0.40%
One Year	23.76%	18.19%	9.29%	20.99%
3 Year Annualized	14.61%	12.87%	8.44%	(-8.69%)
5 Year Annualized	24.70%	23.55%	16.17%	0.31%
10 Year Annualized	22.58%	22.02%	13.37%	(-0.82%)

Advisor Class Performance as of May 31, 2010

	OCMAX	Philadelphia Gold Index (XAU)	S&P 500
Since Inception*	11.78%	5.41%	(-6.53%)

Investor Class Performance as of June 30, 2010

	OCMGX (without load)	OCMGX (with load)	Philadelphia Gold Index (XAU)	S&P 500
Six Months	12.96%	7.87%	5.95%	(-6.65%)
One Year	45.55%	39.02%	28.59%	14.43%
3 Year Annualized	15.87%	14.11%	10.21%	(-9.81%)
5 Year Annualized	23.29%	22.16%	14.93%	(-0.79%)
10 Year Annualized	22.40%	21.84%	13.30%	(-1.59%)

Advisor Class Performance as of June 30, 2010

	OCMAX	Philadelphia Gold Index (XAU)	S&P 500
Since Inception*	14.30%	7.69%	(-11.43%)

* Inception: April 1, 2010

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 Investor Class and Advisor Class are 1.94% and 1.48% respectively. 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.

- 1 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.
- 2 The S&P 500 Index, a registered trademark of McGraw-Hill Co., Inc. is a market capitalization-weighted index of 500 widely held common stocks. You cannot invest directly in an index.

OCM GOLD FUND
Schedule of Investments – May 31, 2010
(Unaudited)

Shares		Value
COMMON STOCKS 92.8%		
Major Gold Producers 32.8%		
225,000	AngloGold Ashanti Ltd. ADR	\$ 9,432,000
75,000	Barrick Gold Corp.....	3,156,000
270,000	Gold Fields Ltd. ADR	3,712,500
500,050	Goldcorp, Inc.	21,547,154
430,680	Kinross Gold Corp.	7,412,003
107,333	Lihir Gold Ltd.	359,226
32,200	Lihir Gold Ltd. ADR	1,076,768
116,500	Newmont Mining Corp.....	6,270,030
		52,965,681
Intermediate/Mid-Tier Gold Producers 33.5%		
161,860	Agnico-Eagle Mines Ltd.....	9,481,759
500,000	Centerra Gold, Inc.*	6,024,325
430,000	Eldorado Gold Corp.*	7,288,500
155,833	Eldorado Gold Corp. CDI	2,651,308
504,800	IAMGOLD Corp.....	8,738,088
250,000	Northgate Minerals Corp.*	731,661
140,000	Randgold Resources Ltd. ADR	12,243,000
634,750	Yamana Gold, Inc.....	6,829,910
		53,988,551
Junior Gold Producers 12.2%		
120,000	Aura Minerals, Inc.*	483,466
250,000	Aurizon Mines Ltd.*	1,217,500
291,200	Claude Resources, Inc.*	326,507
305,500	Dundee Precious Metals, Inc.*	1,175,670
150,000	Jaguar Mining, Inc.*	1,359,749
281,011	Kingsgate Consolidated Ltd.	2,014,331
200,000	New Gold, Inc.*	1,214,000
300,000	Red Back Mining, Inc.*	7,653,934
815,500	San Gold Corp.*	3,448,285
133,700	SEMAFO, Inc.*	876,596
		19,770,038

Shares		Value
Exploration and Development Companies 7.1%		
250,000	Anatolia Minerals Development Ltd.*	\$ 1,147,377
240,000	Andina Minerals, Inc.*	269,099
400,000	Argentex Mining Corp.*	320,000
500,000	B2Gold Corp.*	726,910
400,000	Bison Gold Resources, Inc.*	27,556
500,000	Evolving Gold Corp.*	427,594
829,500	Grayd Resource Corp.*	614,795
250,000	Great Basin Gold Ltd.*	417,500
200,000	International Tower Hill Mines Ltd.*	1,434,816
100,000	Keegan Resources, Inc.*	562,000
300,000	MAG Silver Corp.*	2,061,004
700,000	Millrock Resources, Inc.*	299,316
146,400	Nevsun Resources Ltd.*	440,664
122,000	Peregrine Metals Ltd.*	92,740
300,000	Rainy River Resources Ltd.*	1,878,563
300,000	Sabina Silver Corp.*	490,308
2,616,000	Sutter Gold Mining, Inc.*	223,717
		11,433,959
Primary Silver Producers 3.6%		
225,000	Fortuna Silver Mines, Inc.*	468,216
48,075	Pan American Silver Corp.....	1,200,913
216,599	Silver Wheaton Corp.*	4,108,054
		5,777,183
Other 3.6%		
206,812	Altius Minerals Corp.*	2,132,184
14,800	Franco-Nevada Corp.	421,893
65,000	Royal Gold, Inc.....	3,259,100
		5,813,177
Total Common Stocks		
	(Cost \$39,794,193)	149,748,589

See notes to financial statements.

OCM GOLD FUND
Schedule of Investments – May 31, 2010 (Continued)
(Unaudited)

Shares	Value
EXCHANGE TRADED FUNDS 4.8%	
65,000 SPDR Gold Trust*	\$ 7,728,500
Total Exchange Traded Funds	
(Cost \$2,873,650)	<u>7,728,500</u>
OTHER 0.3%	
1,460,000 PJV Resources, Inc. Private Placement*†	<u>485,557</u>
Total Other	
(Cost \$502,063)	<u>485,557</u>
WARRANTS 0.0%	
150,000 EMC Metals Corp.*†#	
Exercise Price 3.35 CAD, Exp. 8/15/2011	—
37,500 Golden Predator Royalty & Development Corp.*	
Exercise Price 1.34 CAD, Exp. 8/15/2011	4,454
100,000 Yukon-Nevada Gold Corp.*	
Exercise Price 3.00 CAD, Exp. 6/20/2012	<u>2,613</u>
Total Warrants	
(Cost \$0)	<u>7,067</u>

Shares	Value
SHORT-TERM INVESTMENT 2.9%	
4,660,382 UMB Money Market Fiduciary, 0.03% . . .	<u>\$ 4,660,382</u>
Total Short-Term Investment	
(Cost \$4,660,382)	<u>4,660,382</u>
Total Investments	
(Cost \$47,830,288)	100.8% <u>162,630,095</u>
Liabilities less Other Assets	(0.8)% <u>(1,231,482)</u>
TOTAL NET ASSETS	100.0% <u><u>\$161,398,613</u></u>

ADR – American Depository Receipt.

CDI – CHESS Depository Interests. A CDI is a financial product quoted on the Australian Stock Exchange that confers a beneficial interest in the foreign financial product to which it relates. For example, if a foreign company issues CDIs, the holders of the CDIs obtain “beneficial ownership” of those foreign financial products. The main difference between holding CDIs and holding foreign financial products directly is that you have beneficial ownership of the equivalent number of foreign financial products instead of legal title. Legal title to the foreign financial products is held by a nominee company on behalf of CDI holders.

CAD – Canadian Dollars.

* Non-income producing security.

† Illiquid security. Security is valued at fair value in accordance with procedures established by the Fund’s Board of Trustees.

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.

See notes to financial statements.

OCM GOLD FUND
Schedule of Investments – May 31, 2010 (Continued)
(Unaudited)

At May 31, 2010, restricted securities totaled \$485,557 or 0.3% of net assets and consisted of the following security:

Issuer	May 31, 2010 Carrying Value Per Unit	Cost	Acquisition Date
PJV Resources, Inc.	0.35 CAD	0.35 CAD	04/28/2010

SUMMARY OF INVESTMENTS BY COUNTRY

Country	Market Value	Percent of Investment Securities
Australia	\$ 2,014,331	1.2%
Canada	111,554,258	68.6
Jersey	12,243,000	7.5
New Guinea	1,435,994	0.9
South Africa	13,144,500	8.1
United States ¹	22,238,012	13.7
Total	\$ 162,630,095	100.0%

¹ Includes short-term securities.

See notes to financial statements.

OCM GOLD FUND
Statement of Assets and Liabilities – May 31, 2010
(Unaudited)

Assets:

Investments in unaffiliated issuers, at value (cost \$47,830,288)	\$162,630,095
Interest and dividends receivable	15,100
Receivable for fund shares sold	2,063,490
Prepaid expenses and other assets	36,522
Total assets	<u>164,745,207</u>

Liabilities:

Payable for investments purchased	836,779
Payable for fund shares redeemed	2,012,358
Due to investment adviser	108,282
Accrued distribution fees	329,053
Accrued Trustees' fees	1,723
Accrued expenses and other liabilities	58,399
Total liabilities	<u>3,346,594</u>
Net Assets	<u>\$161,398,613</u>

Net Assets Consist of:

Shares of beneficial interest, no par value: unlimited shares authorized	\$ 46,438,683
Undistributed net investment loss	(1,817,476)
Undistributed net realized gain on investments and foreign currency transactions	1,977,599
Net unrealized appreciation on investments and foreign currency translations	114,799,807
Net Assets	<u>\$161,398,613</u>

Calculation of Maximum Offering Price:

Investor Class:

Net asset value and redemption price per share	\$ 24.83
Maximum sales charge (4.50% of offering price)	1.17
Offering price to public	<u>\$ 26.00</u>
Shares outstanding	<u>6,141,820</u>

Advisor Class:

Net asset value and redemption price per share	\$ 24.86
Shares outstanding	<u>356,709</u>

Total shares outstanding	<u>6,498,529</u>
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See notes to financial statements.

OCM GOLD FUND

Statement of Operations – Six Months Ended May 31, 2010

(Unaudited)

Investment Income:

Interest	\$	565
Dividend (net of foreign withholding taxes of \$25,214)		272,910
Total investment income		<u>273,475</u>

Expenses:

Distribution fees – Investor Class		631,992
Distribution fees – Advisor Class ¹		1,380
Investment advisory fees		606,853
Fund administration and accounting fees		94,059
Transfer agent fees and expenses		46,653
Professional fees		40,182
Federal and state registration fees		16,674
Custody fees		11,828
Reports to shareholders		11,539
Chief Compliance Officer fee and expenses		11,190
Trustees' fees		3,828
Other expenses		5,266
Total expenses		<u>1,481,444</u>
Net investment loss		<u>(1,207,969)</u>

Realized and Unrealized Gain on Investments:

Net realized gain on investments and foreign currency transactions		3,191,372
Net change in unrealized appreciation/depreciation on investments and foreign currency translations		<u>2,339,335</u>
Net gain on investments		<u>5,530,707</u>

Net increase in net assets resulting from operations \$ 4,322,738

¹ Inception date of the Advisor Class was April 1, 2010.

OCM GOLD FUND
Statements of Changes in Net Assets

	Six Months Ended May 31, 2010 (Unaudited)	Year ended Nov. 30, 2009
Operations:		
Net investment loss	\$ (1,207,969)	\$ (1,829,146)
Net realized gain on investments and foreign currency transactions	3,191,372	2,375,157
Net change in unrealized appreciation/depreciation on investments and foreign currency translations	<u>2,339,335</u>	<u>78,181,649</u>
Net increase in net assets resulting from operations	<u>4,322,738</u>	<u>78,727,660</u>
Distributions Paid to Shareholders:		
Investor Class:		
Distributions paid from net realized gains	<u>(3,437,477)</u>	<u>(205,832)</u>
Total distributions	<u>(3,437,477)</u>	<u>(205,832)</u>
Fund Share Transactions:		
Investor Class:		
Net proceeds from shares sold	6,860,810	15,065,183
Distributions reinvested	3,215,984	196,071
Payment for shares redeemed ¹	<u>(18,178,581)</u>	<u>(12,602,400)</u>
Net increase/(decrease) in net assets from Investor Class share transactions	<u>(8,101,787)</u>	<u>2,658,854</u>
Advisor Class²:		
Net proceeds from shares sold	<u>8,782,007</u>	<u>—</u>
Net increase in net assets from Advisor Class share transactions	<u>8,782,007</u>	<u>—</u>
Net increase in net assets from Fund share transactions	<u>680,220</u>	<u>2,658,854</u>
Total increase in net assets	1,565,481	81,180,682
Net Assets, Beginning of Period	<u>159,833,132</u>	<u>78,652,450</u>
Net Assets, End of Period	<u>\$161,398,613</u>	<u>\$159,833,132</u>
Undistributed Net Investment Loss	<u>\$ (1,817,476)</u>	<u>\$ (609,507)</u>

See notes to financial statements.

OCM GOLD FUND
Statements of Changes in Net Assets (Continued)

	Six Months Ended	Year ended
	May 31, 2010	Nov. 30,
	(Unaudited)	2009
	<u> </u>	<u> </u>
Transactions in Shares:		
Investor Class:		
Shares sold	290,029	791,188
Shares issued on reinvestment of distributions	145,850	9,171
Shares redeemed	<u>(771,184)</u>	<u>(693,900)</u>
Net increase/(decrease) in Investor Class shares outstanding	<u>(335,305)</u>	<u>106,459</u>
Advisor Class²:		
Shares sold	<u>356,709</u>	<u>—</u>
Net increase in Advisor Class shares outstanding	<u>356,709</u>	<u>—</u>
Net increase in Fund shares outstanding	<u>21,404</u>	<u>106,459</u>

¹ Net of redemption fees of \$10,023 and \$4,351 for the six months ended May 31, 2010 and the year ended November 30, 2009, respectively.

² Inception date of the Advisor Class was April 1, 2010.

OCM GOLD FUND

Notes to Financial Statements – May 31, 2010

(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 (“FASB”) issued *Fair Value Measurements and Disclosures* effective for fiscal years and interim periods ending after November 15, 2007. *Fair Value Measurements and Disclosures* defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosure about fair value measurements. It also provides guidance on determining when there has been a significant decrease in the volume and level of activity for an asset or liability, when a transaction is not orderly, and how that information must be incorporated into a fair value measurement. The Fund adopted *Fair Value Measurements and Disclosures* during fiscal year 2008.

Under *Fair Value Measurements and Disclosures*, various inputs are used in determining the value of the Fund’s investments. In April 2009, FASB issued *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly* (“Determining Fair Value”), effective for interim and annual periods ending after June 15, 2009. Determining Fair Value expands existing *Fair Value Measurements and Disclosures* to include a breakout of the current *Fair Value Measurements and Disclosures* chart to add sector and/or security types. These inputs are summarized into three broad levels as 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).

OCM GOLD FUND

Notes to Financial Statements – May 31, 2010 (Continued)

(Unaudited)

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, 2010, in valuing the Fund's assets:

Sector	Level 1	Level 2	Level 3
Common Stocks			
Major Gold Producers	\$ 52,965,681	—	—
Intermediate/Mid-Tier Gold Producers	53,988,551	—	—
Junior Gold Producers	19,770,038	—	—
Exploration and Development Companies	11,433,959	—	—
Primary Silver Producers	5,777,183	—	—
Other	5,813,177	—	—
Exchange Traded Funds	7,728,500	—	—
Other	—	485,557	—
Short-Term Investments	4,660,382	—	—
Warrants			
Junior Gold Producers	2,613	—	—
Exploration and Development Companies	4,454	—	—
Total	\$ 162,144,538	\$ 485,557	—

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, 2010 are included within the realized and unrealized gain/loss on investments section of the Statement of Operations.

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 period end, resulting from changes in exchange rates. Such fluctuations for the six months ended May 31, 2010 are included within the realized and unrealized gain/loss on investments section of the Statement of Operations.

Federal Income Taxes – The Fund complies 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, FASB issued *Accounting for Uncertainty in Income Taxes*. *Accounting for Uncertainty in Income Taxes* 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 *Accounting for Uncertainty in Income Taxes* in fiscal year 2008. The Fund had no material uncertain tax positions and has not recorded a liability for unrecognized tax benefits as of May 31, 2010. Also, the Fund had recognized no interest and penalties related to uncertain tax benefits in 2009. At May 31, 2010, the fiscal years 2006 through 2009 remain open to examination in the Fund's major tax jurisdictions.

OCM GOLD FUND

Notes to Financial Statements – May 31, 2010 (Continued)

(Unaudited)

Share Classes – The Fund currently offers two share classes, the Investor Class and Advisor Class. The outstanding shares of the Fund on April 1, 2010 were renamed “Investor Class Shares” on that date. The Advisor Class shares commenced operations on April 1, 2010. The two classes represent interests in the same portfolio of investments and have the same rights. Investor Class shares are subject to an annual 12b-1 fee of up to 0.99% of the Fund’s average daily net assets allocable to Investor Class shares, whereas Advisor Class shares are subject to an annual 12b-1 fee of up to 0.25% of the Fund’s average daily net assets allocable to Advisor Class shares. Income, expenses (other than expenses attributable to a specific class) and realized and unrealized gains and losses on investments are allocated to each class of shares in proportion to their relative shares outstanding.

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 periods ended May 31, 2010, the Investor Class and the Advisor Class received \$10,023 and \$0 in redemption fees, respectively.

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.

Derivative Instruments – In March 2008, the FASB issued *Disclosure about Derivative Instruments and Hedging Activities* effective for fiscal years and interim periods beginning after November 15, 2008. The Fund adopted *Disclosure about Derivative Instruments and Hedging Activities* on May 31, 2009. Disclosure about Derivative Instruments and Hedging Activities requires enhanced disclosures about the Fund’s derivative and hedging activities, including how such activities are accounted for and their effects on the Fund’s financial position, performance and cash flows.

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 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. The Fund did not enter into any warrants during the six months ended May 31, 2010. At May 31, 2010, the Fund held warrants as listed on the Schedule of Investments.

Subsequent Events – In accordance with FASB’s *Subsequent Events*, management has evaluated subsequent events and determined there were no subsequent events that require recognition or disclosure in the financial statements.

OCM GOLD FUND

Notes to Financial Statements – May 31, 2010 (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 the Fund, including the cost of printing sales material and making payments to dealers of the Fund’s Investor Class and Advisor Class, in any fiscal year, subject to limits of 0.99% and 0.25%, respectively, of the average daily net assets of each respective class. Fees incurred by the Fund under the Plan during the periods ended May 31, 2010 are reflected in the Statement of Operations. For the periods ended May 31, 2010, the Investor Class and the Advisor Class accrued \$631,992 and \$1,380, respectively, in expenses under the Plan.

Note 5. Purchases and Sales of Securities

Purchases and sales of investment securities (excluding short-term securities and U.S. government obligations) for the six months ended May 31, 2010 were \$2,757,303 and \$5,716,833, respectively. There were no purchases or sales of U.S. government obligations.

Note 6. Federal Income Tax Information

At May 31, 2010, 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>\$ 49,527,709</u>
Unrealized appreciation	\$113,872,678
Unrealized depreciation	<u>(778,993)</u>
Net unrealized appreciation on investments. . . .	<u>\$113,093,685</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, 2009 and 2008 was as follows:

	<u>2009</u>	<u>2008</u>
Ordinary income	\$ —	\$ —
Net long-term capital gains	<u>205,832</u>	<u>8,998,120</u>
Total distributions	<u>\$ 205,832</u>	<u>\$ 8,998,120</u>

OCM GOLD FUND

Notes to Financial Statements – May 31, 2010 (Continued)

(Unaudited)

As of November 30, 2009 the components of accumulated earnings on a tax basis were as follows:

Undistributed ordinary income	\$	—
Undistributed long-term gains		<u>2,535,172</u>
Tax accumulated earnings		2,535,172
Accumulated capital and other losses		—
Unrealized appreciation on investments		<u>111,539,497</u>
Total accumulated earnings		<u>\$114,074,669</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.

OCM GOLD FUND

Financial Highlights Investor Class

	Six Months Ended May 31, 2010 (Unaudited)	Year Ended Nov. 30, 2009	Year Ended Nov. 30, 2008	Year Ended Nov. 30, 2007	Year Ended Nov. 30, 2006	Year Ended Nov. 30, 2005
Per Share Operating Performance						
(For a share outstanding throughout each period)						
Net asset value, beginning of period	\$ 24.68	\$ 12.35	\$ 21.49	\$ 20.44	\$ 12.85	\$ 12.76
Income From Investment Operations:						
Net investment loss	(0.20)	(0.29)	(0.31)	(0.27)	(0.29)	(0.18)
Net realized and unrealized gain/(loss) on investments and foreign currency transactions	0.88	12.65	(7.41)	3.06	7.88	0.69
Total from investment operations	<u>0.68</u>	<u>12.36</u>	<u>(7.72)</u>	<u>2.79</u>	<u>7.59</u>	<u>0.51</u>
Less Distributions:						
Dividends from net investment income	—	—	—	—	—	(0.11)
Distribution from net realized gains	(0.53)	(0.03)	(1.42)	(1.74)	—	(0.31)
Total distributions	<u>(0.53)</u>	<u>(0.03)</u>	<u>(1.42)</u>	<u>(1.74)</u>	<u>—</u>	<u>(0.42)</u>
Net asset value, end of period	<u>\$ 24.83</u>	<u>\$ 24.68</u>	<u>\$ 12.35</u>	<u>\$ 21.49</u>	<u>\$ 20.44</u>	<u>\$ 12.85</u>
Total Return*	3.05% ²	100.14%	(38.55)%	15.64%	59.07%	4.34%
Ratios/Supplemental Data:						
Net assets, end of period (in 000's)	\$ 152,530	\$ 159,833	\$ 78,652	\$ 136,241	\$ 119,756	\$ 78,528
Ratio of expenses to average net assets	1.98% ¹	1.94%	1.99%	1.93%	2.07%	2.24%
Ratio of net investment loss to average net assets	(1.63)% ¹	(1.59)%	(1.58)%	(1.51)%	(1.64)%	(1.51)%
Portfolio turnover rate	2% ²	6%	5%	11%	20%	5%

* 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
Financial Highlights Advisor Class

For the Period
April 1, 2010[#] –
May 31, 2010
(Unaudited)

Per Share Operating Performance

(For a share outstanding throughout each period)

Net asset value, beginning of period		\$ 22.24
Income From Investment Operations:		
Net investment loss		(0.02)
Net realized and unrealized gain on investments and foreign currency transactions		2.64
Total from investment operations		<u>2.62</u>
Less Distributions:		
Dividends from net investment income		—
Distribution from net realized gains		—
Total distributions		—
Net asset value, end of period		<u>\$ 24.86</u>
Total Return		11.78% ²
Ratios/Supplemental Data:		
Net assets, end of period (in 000's)	\$	8,869
Ratio of expenses to average net assets		1.38% ¹
Ratio of net investment loss to average net assets		(1.20)% ¹
Portfolio turnover rate		2% ²

[#] Inception date of Advisor Class.

¹ Annualized for periods less than one year.

² Not annualized for periods less than one year.

OCM GOLD FUND

Expense Example – For the Periods Ended May 31, 2010

(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.

For Investor Class shares, 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, 2009 to May 31, 2010 (the “period”). For Advisor Class shares, the Example is based on an investment of \$1,000 invested at the inception date of Advisor Class shares and held for the entire period from April 1, 2010 to May 31, 2010.

Actual Expenses

The first line of the tables below provide 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 periods.

Hypothetical Example for Comparison Purposes

The second line of the tables below provide information about hypothetical account values and hypothetical expenses based on actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not each class’ 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 classes of the Fund and other funds. To do so, compare these 5% hypothetical examples with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the tables 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 tables are 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

<u>Investor Class</u>	<u>Beginning Account Value December 1, 2009</u>	<u>Ending Account Value May 31, 2010</u>	<u>Expenses Paid During the Period Ended May 31, 2010*</u>
Actual	\$ 1,000.00	\$ 1,030.50	\$ 10.03
Hypothetical (5% return before expenses)	1,000.00	1,015.12	9.96

* Expenses are equal to the Investor Class’ annualized expense ratio of 1.98% 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

Expense Example – For the Periods Ended May 31, 2010 (Continued)

(Unaudited)

<u>Advisor Class</u>	<u>Beginning Account Value April 1, 2010[#]</u>	<u>Ending Account Value May 31, 2010</u>	<u>Expenses Paid During the Period Ended May 31, 2010*</u>
Actual	\$ 1,000.00	\$ 1,117.80	\$ 2.43
Hypothetical (5% return before expenses)	1,000.00	1,022.70	2.33

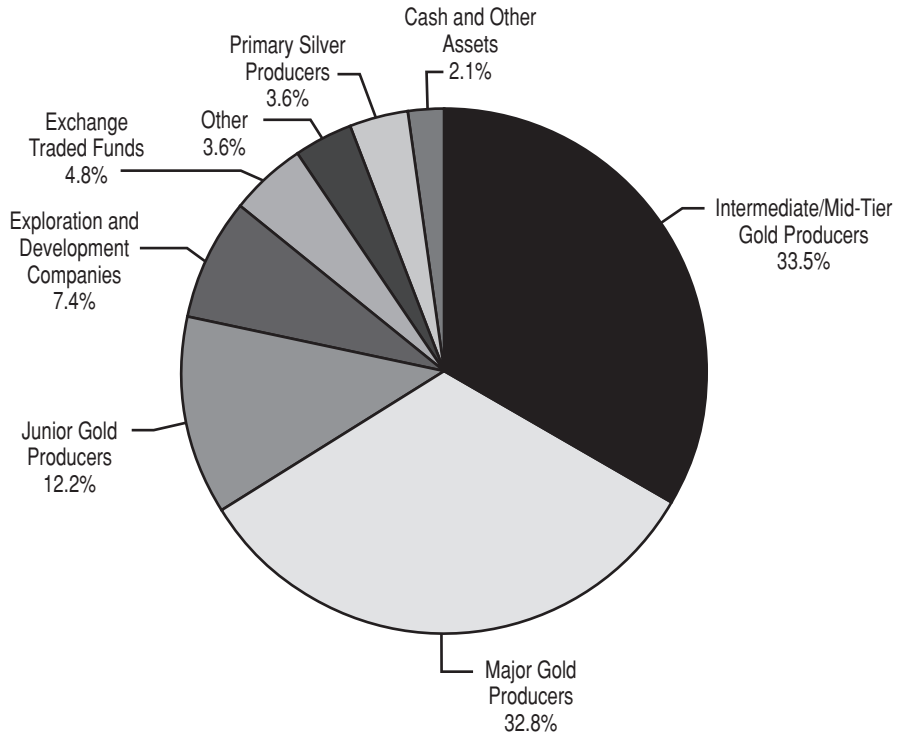
[#] Inception date of Advisor Class.

* Expenses are equal to the Advisor Class' annualized expense ratio of 1.38% for the since inception period, multiplied by the average account value over the since inception period, multiplied by 61/365 (to reflect the since inception period).

OCM GOLD FUND

Investments by Sector (Unaudited) – As of May 31, 2010

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, 2009 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

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